



**DOWNTOWN DEVELOPMENT AUTHORITY  
CITY OF SHREVEPORT  
NOTES TO FINANCIAL STATEMENTS**

**Note 3 - Lease Commitments (Continued)**

At December 31, 1996, minimum future lease payments under the noncancelable leases are as follows:

Year Ending December 31	Total Minimum Payments
1997	\$6,808
1998	1,200

**Note 4 - Urban Development Action Grant (UDAG)**

In accordance with the terms of a UDAG Agreement dated January 9, 1981 and an amended Joint Development Agreement dated November 2, 1981, DDAA was to have received annually, for 15 years, from Five Hundred Traffic Partnership (FHTP), the greater of \$48,000 or 20 percent of the net cash flow from the Transcontinental Tower. The first payment was received in 1994. During 1991, FHTP filed for Voluntary Relief under Chapter 11 of the U. S. Bankruptcy Code. As a result of the bankruptcy proceedings, FHTP's position was transferred to Transcontinental Tronco, LC in 1994 and all prior unpaid obligations were collected during 1994. For the year ended December 31, 1996, all payments due to DDAA in accordance with the terms of the UDAG Agreement were collected.

**Note 5 - Retirement Plan**

DDAA maintains a defined contribution pension plan covering all employees over age 20 1/2 with three or more months of qualified service. For 1996, total current year payroll for all employees was \$243,672 with \$302,291 covered under the plan. Required total employer and employee contributions to the plan, equal to 1% of current year covered payroll, amounted to \$6,089 for the employer and \$6,069 for the employees. Employee account balances are fully vested after five years of service.

**Note 6 - Cash and Cash Equivalents**

At December 31, 1996, bank deposits are as follows:

Interest-Bearing Demand Deposit Accounts	\$117,451
Money Market Accounts	239,820
	\$357,271

Cash deposits in banks are insured to the extent of FDIC limitations of \$100,000. All funds in excess of FDIC limitations are collateralized with securities pledged with the Federal Reserve Bank of Atlanta by Bank One, Louisiana, NA.

**DOWNTOWN DEVELOPMENT AUTHORITY  
CITY OF SHREVEPORT  
NOTES TO FINANCIAL STATEMENTS**

**Note I - Related Party Transactions**

DDA has appropriated \$50,000 for use by Downtown Shreveport Development Corporation (DSDC), an organization which utilizes the professional staff of DDA, in making loans to qualifying downtown businesses for the revitalization of downtown Shreveport. DDA has agreed to transfer all or part of these funds to DSDC as additional loans are made.

DDA receives board approved reimbursements from DSDC for administrative services provided. During 1996, DDA received \$8,808 from DSDC for administrative services rendered. At December 31, 1996, DSDC owes DDA \$2,181 for DSDC's share of the cost of producing the 1996 annual report.

DDA also provides administrative services to Downtown Shreveport Unlimited (DSU), an organization utilizing the professional staff of DDA. For the year ended December 31, 1996, DDA received \$40,000 from DSU for administrative services rendered. At December 31, 1996, DSU owes DDA \$3,183 for DSU's share of the cost of producing the 1996 annual report.

For the year ended December 31, 1996, the City of Shreveport committed \$89,337 for Shreveport Maintenance and job training of which \$28,855 is owed to DDA at December 31, 1996.

During 1996, DDA paid \$75,808 to the City, of which \$53,808 was for Riverfront Development and \$40,000 was for Strategic Urban Planning.

**Note J - Lease Commitment**

DDA leases its offices from the Shreveport Chamber of Commerce. The lease is for a term of 99 years and began in June of 1983. Under the lease terms no rent payments are required other than DDA's reimbursement to the Chamber for ten percent of the Chamber's total utility cost.

DDA leases warehouse space under a month-to-month operating lease which provides for monthly payments of \$150. At December 31, 1996, there were no minimum future lease payments. Total rent under this lease for 1996 is \$1,800.

DDA entered into an operating lease in September, 1995 for additional warehouse space. Lease terms provide for monthly rentals of \$400 for thirty-six months. Rent expense under this lease for 1996 is \$4,800.

DDA entered into an operating lease in May, 1996 for additional warehouse space. Lease terms provide for monthly rentals of \$300 for 12 months. Rent expense under this lease for 1996 is \$3,600.

DOWNTOWN DEVELOPMENT AUTHORITY  
CITY OF SHREVEPORT  
NOTES TO FINANCIAL STATEMENTS

**Item 1 - Summary of Significant Accounting Policies (Continued)**

**Budgets (Continued)**

The 1996 budget was adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) except that liabilities as of December 31, 1995 were treated as budgeted expenditures. For 1996, the year the money was authorized to be expended. The adjustments necessary to convert the general fund actual expenditures in accordance with GAAP to the budgetary basis amounts presented in Exhibit C are disclosed at Note B.

**Fixed Assets**

Fixed assets are recorded as expenditures at the time purchased and the related assets are capitalized (expensed) in the general fixed assets account group. All assets are recorded at cost. Depreciation is not provided on general fixed assets.

**Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposit, money market accounts and highly liquid debt instruments acquired with maturities of three months or less. Under state law, DDAs may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**Compensated Absence**

The DDA's formal leave policy does not provide for the accumulation or vesting of leave and accordingly no liability is recorded in the financial statements.

**Fund Equity**

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

**Total Columns on Statements**

The total columns on the statements are captioned Memorandum Only to indicate that they are prepared only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to consolidated.

DOUGLASS DEVELOPMENT AUTHORITY  
CITY OF SHREVEPORT  
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Accounting

DDA uses funds and account groups to report its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded on the funds because they do not directly affect net expendable available financial resources.

The following funds and account groups are used by DDA:

General Fund-This fund is the general operating fund of DDA. It is used to account for all financial resources except those required to be accounted for in other funds. The general fund is a governmental fund.

General Fixed Asset Account Group-This account group is established to account for all fixed assets of DDA and is used to maintain accounting control over these fixed assets.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues-Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. See Note 7 concerning revenues from property taxes.

Expenditures-Administrative and program/projects expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Budgets

DDA's budgetary calendar is January 1 through December 31 of each year. The 1996 budget prepared by the Executive Director and approved by the DDA board was approved by the City Council on December 27, 1995 through passage of city ordinance number 803 of 1995. An abbreviated version of the budget as illustrated in the city ordinance was published in The Times newspaper. The 1996 budget was not amended. Unexpended budget balances lapse at the end of each year. Outstanding encumbrances at year end are recorded as current liabilities.

We considered this instance of noncompliance in forming our opinion on whether the Downtown Development Authority's 1996 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated March 3, 1997, on these financial statements.

This report is intended for the information of the board, management of the Downtown Development Authority and the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



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**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE**

Board of Directors  
Downtown Development Authority  
Shreveport, Louisiana

We have audited the financial statements of Downtown Development Authority as and for the year ended December 31, 1996, and have issued our report thereon dated March 1, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Downtown Development Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projections of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit, we obtained an understanding of the design of relevant internal control structure policies and procedures and determined whether they had been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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DOWNTOWN DEVELOPMENT AUTHORITY

CITY OF SHREVEPORT

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Under provisions of state law, this report is a public document. A copy of the report has been furnished to the audited, or reviewed, entity and other appropriate public officials. This report is available for public inspection at the Main Room of the Legislative Auditor and, upon application, at the office of the parish clerk of court.

Release Date APR 27 1987



**DOWNTOWN DEVELOPMENT AUTHORITY  
CITY OF SHREVEPORT  
NOTES TO FINANCIAL STATEMENTS**

**Item 1 - Summary of Significant Accounting Policies**

*A summary of significant accounting policies follows:*

**Basis of Presentation**

The accompanying financial statements of the Downtown Development Authority (DDA) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Application of GAAP often requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Reporting Entity**

The Downtown Development Authority, a component unit of the City of Shreveport, is a quasi-public 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. DDA has four full-time salaried employees (including the executive director) and six hourly employees.

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

The City of Shreveport has the ability to impose its will on DDA through approval or modification of its budget.

The DDA imposes a financial burden on the City because the City levies the ad valorem taxes dedicated for DDA's purpose.

The accompanying financial statements present information only on the funds maintained by the DDA and do not present information on the City of Shreveport.

DDA has no component units since it has no substantial authority to control the affairs of other governmental entities.

**DOWNTOWN DEVELOPMENT AUTHORITY  
CITY OF SHERBROOK  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1996**

	_____ Gross Fund _____
<b>Expenditures (Continued)</b>	
Programs/Projects:	
Streetcape Maintenance	91,059
Marketing Materials	8,419
Riverfront Development (Note 2)	45,714
Landscape Maintenance	5,900
Downtown Security	2,483
Downtown Dinner Program	1,091
Public Space Programming	18,058
Partners for Progress	1,000
Economic Development	1,713
Event Sponsorship	4,979
Washhouse Rent (Note 2)	9,080
Washhouse Repairs, Maintenance and Insurance	1,841
Historic Walking Tour	77
Downtown Christmas Lighting (Note 2)	8,484
Beach Broom Bells Replacement	3,589
Downtown Saturday Night Arts District	28,436
Advertising Conventions	4,289
Annual Report	2,284
Strategic Urban Planning (Note 2)	48,080
Farmer's Market Design	2,000
Total Programs/Projects	271,481
Total Expenditures	629,876
<b>Excess of Revenues Over Expenditures</b>	18,858
<b>Final Balance at Beginning of Year</b>	808,176
<b>Final Balance at End of Year</b>	827,034

The Accompanying Notes Are An Integral Part Of These Financial Statements

**COLE, EVANS & PETERSON  
CERTIFIED PUBLIC ACCOUNTANTS**

**DOWNTOWN DEVELOPMENT AUTHORITY**  
**CITY OF BIRMINGHAM**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE:**  
**BUDGET AND ACTUAL (BUDGETARY BASIS-ALL GOVERNMENTAL FUND TYPES)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budget	Actual vs Budgetary — Basis —	Variance
<b>Expenditures: (Continued)</b>			
Advertising Consortium	1,500	4,200	( 1,999)
Annual Report	1,800	2,284	( 1,284)
Strategic Urban Planning	40,000	44,000	
Sidewalk Replacement	60,000	16,500	40,500
Commerce Street Sidewalks	225,000	153,152	71,848
Farmer's Market Design	1,000	2,000	
Marketing Survey	1,500		1,500
Retail Sales and Marketing Support	1,000		1,000
Sidewalk Widening Program	1,000		1,000
Staircase Program	1,400		1,400
Incentive Program	18,000		18,000
Trolley Service	42,000		42,000
Gateway Improvements	20,000		20,000
Public Art	2,000		2,000
Shopping/Parking Awareness	2,000		2,000
Image Campaign	2,000		2,000
Cross River Redevelopment Plan	2,000		2,000
Total Programs/Projects	<u>124,000</u>	<u>491,384</u>	<u>208,806</u>
 Total Expenditures	 <u>1,642,780</u>	 <u>862,083</u>	 <u>1,778,100</u>
 Excess/(Deficiency) of Revenues Over Expenditures	 ( 501,201)	 ( 214,819)	 <u>286,381</u>
 Fund Balance at Beginning of Year	 <u>808,378</u>	 <u>808,378</u>	
 Fund Balance at End of Year	 <u>307,178</u>	 <u>593,559</u>	

The Accompanying Notes Are An Integral Part Of These Financial Statements

**COLE, EVANS & PETERSON**  
 CERTIFIED PUBLIC ACCOUNTANTS

**DOWNTOWN DEVELOPMENT AUTHORITY  
CITY OF SHREVEPORT  
NOTES TO FINANCIAL STATEMENTS**

**Note 8 - Changes in General Fixed Assets**

A summary of changes in general fixed assets follows:

	Balance at January 1, 1996	Additions	Deductions	Balance at December 31, 1996
Equipment and Furniture	<u>38,328</u>	<u>14,183</u>	<u>- 92</u>	<u>52,419</u>

**Note 9 - Other Postemployment Benefits**

DCA provides no postemployment benefits to its employees other than those required by law under The Consolidated Omnibus Budget Reconciliation Act of 1985.

**Note 10 - Budgetary Basis of Accounting**

The 1996 budget was adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) except that liabilities at December 31, 1995 were treated as budgeted expenditures for 1996, the year the money was scheduled to be expended.

Adjustments necessary to convert the actual GAAP basis expenditures to actual budgetary basis expenditures for 1996 are as follows:

Actual GAAP Basis Expenditures (Exhibit B)	\$629,876
Add: Payables at December 31, 1995	123,217
 Actual Budgetary Basis Expenditures (Exhibit C)	 <u>\$753,093</u>

**DOWNTOWN DEVELOPMENT AUTHORITY**  
**CITY OF SHERBROOK**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL GOVERNMENTAL FUNDS TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

	Budget	Actual on Budgetary Basis	Variance
<b>Revenues:</b>			
City of Sherbrook-1996 Property Taxes	811,808	467,198	34,690
1996 Property Tax Adjustment	30,808	4,613	( 15,381)
Expenses Reimbursements	18,008	18,008	
Investment Income	21,908	24,772	1,210
Urban Development Action Grant	41,808	41,808	
Grant Revenues-City of Sherbrook	-----	89,152	-----89,152
<b>Total Revenues</b>	<b>944,330</b>	<b>645,751</b>	<b>198,214</b>
<b>Expenditures:</b>			
Administrative	330,408	372,199	( 41,799)
<b>Programs/Projects:</b>			
Streetcops Maintenance	92,000	91,189	801
Marketing Materials	5,000	8,400	( 3,400)
Kiosks/Art Development	36,000	65,714	( 29,714)
Landscape Maintenance	8,000	5,980	2,020
Downtown Security	28,000	9,863	18,137
Downtown Banner Program	8,000	1,091	6,909
Public Space Programming	12,000	18,058	( 6,058)
Partners for Progress	1,000	1,000	
Economic Development	2,500	1,735	765
Event Sponsorship	7,000	4,919	2,081
Warehouses Rent	18,000	8,880	9,120
Warehouses Repairs, Maintenance and Insurance	-----	1,841	( 1,841)
New Liter Receptacles	4,800	-----	4,800
Historic Walking Tour	2,000	77	1,923
Downtown Christmas Lighting	16,000	21,464	( 5,464)
Home Lift Operations	-----	908	( 908)
Search House Infill Replacement	3,000	3,000	-----
Downtown Saturday Night/Arts District	20,800	26,875	( 6,075)
Database	1,500	-----	1,500

The Accompanying Notes Are An Integral Part Of These Financial Statements

**COLE, BARRIS & PETERSON**

CHARTERED ACCOUNTANTS

**DOWNTOWN DEVELOPMENT AUTHORITY  
CITY OF SHREVEPORT  
NOTES TO FINANCIAL STATEMENTS**

**Item 7 - Property Taxes Receivable and 1995 Property Tax Adjustment**

Property tax revenues for 1996, which will be collected by the authority in 1997, are estimated by management to be \$447,098. This amount is lower than the City of Shreveport estimate of \$481,659 which is based on 1996 assessed value of \$68,280,178 and a millage rate of 7.06. The City's estimate is subject to adjustment by the Louisiana Tax Commission and a possible adjustment depending on final property tax receipts. Property taxes are levied on December 1 and due by December 31 of each year. The City of Shreveport collects property taxes and remits to DDIA periodically. DDIA recognizes property tax revenues when they are levied by the City of Shreveport.

For the year ended December 31, 1995, property tax revenue was estimated by management to be \$465,258. Actual collections of 1995 property taxes were \$472,875. The excess of \$4,615 is recorded as an increase in current period income.

Actual and estimated property tax revenue for the current and prior years is as follows:

Year Ended December 31	Actual	Estimated	Difference
1980	177,858	178,824	( 976)
1981	209,640	211,868	( 2,228)
1982	235,100	244,754	( 9,654)
1983	272,107	245,808	( 26,299)
1984	251,779	243,288	8,491
1985	325,557	380,808	( 55,251)
1986	300,819	327,508	( 26,689)
1987	283,146	283,808	( 662)
1988	387,852	288,808	99,044
1989	372,870	375,808	( 2,938)
1990	380,656	380,808	( 152)
1991	381,380	370,808	10,572
1992	437,317	425,808	11,509
1993	418,494	485,808	( 67,314)
1994	446,933	425,808	21,125
1995	472,875	465,258	7,617
1996		447,098	



**DOWNTOWN DEVELOPMENT AUTHORITY**  
**CITY OF SHREVEPORT**  
**BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS-**  
**AT DECEMBER 31, 1996**

<b>ASSETS</b>	<b>General Fund</b>	<b>General Fixed Assets Account Group</b>	<b>Total (Memorandum Only)</b>
Cash and Cash Equivalents (Note 4)	306,473		306,473
Property Taxes Receivable-1996 (Note 7)	467,198		467,198
Grant Receivable from City of Shreveport (Note 2)	28,058		28,058
Due from Operations Shreveport Unlimited (Note 2)	3,183		3,183
Due from Operations Shreveport Development Corporation (Note 2)	2,183		2,183
Accounts Receivable-Employees	667		667
Prepaid Expenses	5,729		5,729
Security Deposit	488		488
Furniture, Fixtures, and Equipment (Note 8)	-----	72,451	72,451
<b>Total Assets</b>	<b><u>803,179</u></b>	<b><u>72,451</u></b>	<b><u>875,630</u></b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities:</b>			
Accounts Payable	14,334		14,334
Accrued and Withheld Payroll Taxes	3,889	-----	3,889
<b>Total Liabilities</b>	<b><u>18,223</u></b>	<b><u>- 0 -</u></b>	<b><u>18,223</u></b>
<b>Fund Equity:</b>			
Investment in General Fixed Assets		72,451	72,451
<b>Fund Balance:</b>			
Reserve for Downtown Shreveport Development Corporation (Note 2)	50,808		50,808
Unassigned-Undesignated	275,438	-----	275,438
<b>Total Fund Balance</b>	<b><u>326,246</u></b>	<b><u>-----</u></b>	<b><u>326,246</u></b>
<b>Total Fund Equity</b>	<b><u>326,246</u></b>	<b><u>72,451</u></b>	<b><u>398,697</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>803,179</u></b>	<b><u>72,451</u></b>	<b><u>875,630</u></b>

The Accompanying Notes Are An Integral Part Of These Financial Statements

**COLE, EVANS & PETERSON**  
 SHREVEPORT PUBLIC ACCOUNTANTS



**DOWNTOWN DEVELOPMENT AUTHORITY  
CITY OF SHREVEPORT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1996**

	General Fund	
<b>Revenues:</b>		
City of Shreveport 1996 Property Taxes (Note 7)	407,190	
1995 Property Tax Adjustment (Note 7)	6,653	
Expense Reimbursements (Note 2)	18,080	
Investment Income	24,712	
Urban Development Action Grant (Note 4)	45,080	
Grant Revenue-City of Shreveport (Note 2)	-88,132	
Total Revenues		640,714
<b>Expenditures:</b>		
<b>Administrative:</b>		
Salaries	181,778	
Payroll Taxes	21,159	
Retirement Plan (Notes 5 and 9)	6,069	
Medical Insurance	32,082	
Legal and Accounting	8,788	
Insurance-General	17,877	
Books and Subscriptions	3,871	
Postage	4,882	
Printing	3,176	
Office Supplies	29,868	
Automobile and Parking	3,128	
Travel and Entertainment	4,325	
Seminars and Training Programs	5,859	
Repairs and Maintenance	21,180	
Telephone	9,154	
Utilities	3,720	
Equipment	-18,182	
Total Administrative		508,568

The Accompanying Notes Are An Integral Part Of These Financial Statements

**COLE, EVANS & PETERSON**  
CERTIFIED PUBLIC ACCOUNTANTS

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements do not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the board, management, and the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Cole, Evans & Peterson