DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Financial Report

Year Ended December 31, 2022

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Downtown Development Authority
Lafayette, 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, (the Authority) a component unit of Lafayette City-Parish Consolidated Government, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of Downtown Development Authority, as of December 31, 2022, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Downtown Development Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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. We 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. We also 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. We 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 budgetary comparison information, schedule of employer's share of net pension liability (asset), and schedule of employer contributions be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The prior year comparative information on the required supplementary information has been derived from the Authority's 2021 financial statements, which was subjected to certain limited procedures in accordance with auditing standards generally accepted in the United States of America, and we did not express an opinion or provide any assurance on the information because the limited procedures did not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The comparative balance sheet and the comparative statement of revenues, expenditures, and changes in fund balance of governmental fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative balance sheet and the comparative statement of revenues, expenditures, and changes in fund balance of governmental fund are fairly stated in all material respects in relation to the basic financial statements as a whole. The prior year comparative information on the comparative balance sheet and the comparative statement of revenues, expenditures, and changes in fund balance of governmental fund has been derived from the Authority's 2021 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 28, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 28, 2023

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Statement of Net Position
December 31, 2022

	Governmental Activities
ASSETS	
Cash and investments held by Lafayette Consolidated Government	$ 586,969
Taxes receivable	88,409
Due from other governmental agencies	399,078
Capital assets:	
Depreciable, net	107,857
Net pension asset	189,543
Total assets	$ 1,371,856
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	53,334
LIABILITIES	
Accounts payable	11,001
Long-term liabilities due or payable within one year	14,283
Total liabilities	25,284
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	178,710
NET POSITION	
Net investment in capital assets	107,857
Unrestricted	1,113,339
Total net position	$ 1,221,196

The accompanying notes are an integral part of the basic financial statements.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Statement of Activities
For the Year Ended December 31, 2022

Activities	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Governmental activities:			
Economic development	$ 486,137	$ 55,000	$ (431,137)
	General revenues:		
	Property taxes		489,002
	Non employer pension contributions		3,329
	Interest and investment earnings (losses), net		(166)
	Miscellaneous income		31,450
	Total general revenues		523,615
	Change in net position		92,478
	Net position - January 1, 2022		1,128,718
	Net position - December 31, 2022		$ 1,221,196

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Balance Sheet - Governmental Fund
December 31, 2022

	General Fund
ASSETS	
Cash and investments held by Lafayette Consolidated Government	$ 586,969
Taxes receivable	88,409
Due from other governmental agencies	399,078
Total assets	$ 1,074,456
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable	$ 11,001
Deferred inflows of resources:	
Property taxes	507,120
Fund balances:	
Committed for subsequent year's expenditures	373,880
Unassigned	182,455
Total fund balances	556,335
Total liabilities, deferred inflows of resources, and fund balances	$ 1,074,456

The accompanying notes are an integral part of the basic financial statements.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2022

Total fund balance for the governmental fund at December 31, 2022		$ 556,335
Total net position reported for the governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Building improvements, equipment, furniture, and fixtures, net of $41,976 accumulated depreciation.		107,857
The deferred outflows of expenditures for the pension plan are not a use of current resources, and therefore, are not reported in the funds.		53,334
All of the Authority's taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the fund.		507,120
Long-term liabilities applicable to the Authority's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.		
Long-term liabilities at December 31, 2022 consist of:		
Compensated absences	$ (14,283)	
Net pension asset	189,543	175,260
The deferred inflows of contributions for the pension plan are not available resources, and therefore, are not reported in the funds.		(178,710)
Total net position of governmental activities at December 31, 2022		$ 1,221,196

The accompanying notes are an integral part of the basic financial statements.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Year Ended December 31, 2022

	General Fund
Revenues:	
Ad valorem taxes	$ 429,724
Intergovernmental - Lafayette Convention and Visitors Commission	55,000
Interest income	6,016
Investment pool earnings (losses)	(6,182)
Miscellaneous income - Downtown Lafayette Unlimited	31,450
Total revenues	516,008
Expenditures:	
Economic development	527,990
Capital outlay	66,308
Total expenditures	594,298
Net change in fund balance	(78,290)
Fund balance, beginning	634,625
Fund balance, ending	$ 556,335

The accompanying notes are an integral part of the basic financial statements.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, 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, 2022

Total net change in fund balance for the year ended December 31, 2022 per statement of revenues, expenditures and changes in fund balance		$ (78,290)
The change in net position reported for governmental activities in the statement of activities is different because:		
The governmental fund reports 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.		
Capital outlay and disposals, of land improvements, building improvements, equipment, furniture, and fixtures, which are considered expenditures on the statement of revenues, expenditures and changes in fund balance	$ 67,958	
Depreciation expense for the year ended December 31, 2022	(19,389)	48,569
Some revenues are not considered measurable at year end; therefore, they are not considered "available" revenues in the governmental fund.		
Property taxes	59,278	
Non employer pension contributions	3,329	62,607
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 governmental fund.		
Excess of compensated absences earned over absences used	(6,005)	
Pension benefit (expense)	65,597	59,592
Total change in net position for the year ended December 31, 2022 per statement of activities		$ 92,478

The accompanying notes are an integral part of the basic financial statements.

(1) Summary of Significant Accounting Policies

The accompanying financial statements of Downtown Development Authority (Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

Downtown Development Authority is a component unit of Lafayette City-Parish Consolidated Government (Government). The Authority was created by the Louisiana Legislature to implement various plans to aid and encourage both private and public development of the Lafayette Centre Development District. Intergovernmental funding is provided by the Government as per an ordinance adopted on May 5, 1987 which dedicated a portion of the loan repayment proceeds pertaining to an Urban Development Action Grant collected by the Government to the Authority. The Authority also receives ad valorem taxes originally approved by the voters of the District in 1993 and renewed for a period of 15 years in 2022.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity.

The statement of activities presents both the gross and net cost of each for each function of the Authority's governmental activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while those included in the capital grants column would reflect capital-specific grants.

Fund Financial Statements (FFS)

The accounts of the Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the Authority is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The Authority has only one fund, its General Fund. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

a. Total revenues, expenditures/expenses, assets plus deferred outflows of resources, or liabilities plus deferred inflows of resources of the individual governmental or enterprise fund that are at least 10 percent of the corresponding total for all funds of that category or type; and

b. Total revenues, expenditures/expenses, assets plus deferred outflows of resources, or liabilities plus deferred inflows of resources of the individual governmental or enterprise fund that are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Authority is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781 is the principal fund of the Authority and is used to account for the operations of the Authority. General operating expenditures are paid from this fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On a modified accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. The Authority considers property taxes as "available" in the year following the assessment when the majority of the taxes are collected. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Authority reports deferred inflows of resources on its governmental fund balance sheet. For governmental fund financial statements, deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received before the Authority has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Authority has a legal claim to the resources, the deferred inflow is removed from the balance sheet and revenue is recognized.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Cash and investments held by Lafayette Consolidated Government

For purposes of the statement of net position, cash includes all demand deposits and on hand.

Under State law, the Authority may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in Louisiana Asset Management Pool (LAMP). In accordance with professional standards, investments meeting the criteria specified in the standards are stated at fair value, which is either a quoted market price or the best estimate available. Investments which do not meet the requirements are stated at cost. These investments include overnight repurchase agreements and amounts invested in LAMP. The Authority participates in Lafayette Consolidated Government's internal investment pool. Note 2 identifies the underlying investments in the pool.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not received.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Authority maintains a threshold level of $1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building improvements	5 years
Equipment, furniture and fixtures	5- 10 years

Employee Benefit Policy

Employees of the Authority earn vacation pay in varying amounts ranging from 8 hours per month to 16 hours per month, depending upon length of service. At the end of each year, annual leave may be carried forward provided the amount carried forward does not exceed an employee's annual earning rate at the time. Unused annual leave (in excess of what can be carried forward) is credited to the employee's sick leave balance. Subject to the above limitation, unused vacation is paid to an employee upon retirement or resignation at hourly rates being earned at separation.

Sick leave is accumulated at the rate of 12 days per year, and any unused sick leave may be carried forward without limitation. No sick leave is paid upon resignation. Employees separated due to retirement or deaths are paid for all accumulated sick leave at the hourly rates being earned by that employee at separation.

In the government-wide financial statements, the Authority accrues accumulated unpaid vacation and sick leave and associated related costs when earned (or estimated to be earned) by the employee. The current portion is the amount estimated to be used/paid in the following year. The remainder is reported as non-current. In accordance with GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements," no compensated absences liability is recorded in the fund financial statements.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. As of December 31, 2022, the Authority's deferred outflows of resources and inflows of resources are attributable to property taxes assessed in the current period, but not available until the following year, and the pension plan.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

a. Net investment in capital assets – This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

b. Restricted net position – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Authority's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

c. Unrestricted net position – This component consists of all other net position that does not meet the definition of the above two components and is available for general use by the Authority.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision-making authority for the Authority. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.
d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Authority's adopted policy, only the Board may assign amounts for specific purposes.
e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted net position is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Authority has provided otherwise in his commitment or assignment actions.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Investments held by Lafayette Consolidated Government

The Authority's cash and investments are included in Lafayette City-Parish Consolidated Government's (the Government's) Cash Management Fund, which is pooled with the Government's other investments. Interest earned from the pooled cash management fund is apportioned to each fund based on its average daily cash balance. As of December 31, 2022, all of the Authority's cash and investments were being held in this pool. The pooled cash management fund of $586,969 consists of cash in the amount of $128,933 and investments of $458,036. For the year ended December 31, 2022, the Authority's portion of unrealized losses in the investment pool was $6,182.

A listing of the Authority's investments as of December 31, 2022 follows:

Investment pool managed by Lafayette Consolidated Government (maturity of less than one year)	$ 586,969

The Lafayette Consolidated Government participates in Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide safe environment for the placement of public funds in short-term, high quality investments. The financial statements for LAMP may be accessed on their website (https://www.lamppool.com). The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The following provides information that is relevant to LAMP:

Credit risk: LAMP is rated AAAm by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosures using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 or 762 days for U.S. Government variable rate investments. The WAM for LAMP's total investments is 52 days as of December 31, 2022.

The investments of LAMP are stated at fair value which is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pooled shares. LAMP is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

As a component unit of Lafayette City-Parish Consolidated Government (the Government), the Authority follows the Cash Management Rules and Guidelines of the Government. Following are the risks associated with the rules and guidelines:

Custodial Credit Risk - In the event of the failure of the counterparty, the Government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Government's investment policy requires all investments to be in the Government's name and all ownership securities to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the Government. Accordingly, the Government had no custodial credit risk related to its investments.

Interest Rate Risk: The state law does not address specific policies for managing interest rate risk. The investment policy limits the investment portfolio to "money market instruments, which are defined as very creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided. The following provides information about interest rate risk associated with the underlying investments within the investment pool:

		Maturities of Underlying Investments		
Investment Type	% of Portfolio	Fair Value	Less Than One Year	One - Five Years
Repurchase agreements	5%	$ 22,902	$ 22,902	$ -
U.S. Treasuries	66%	302,304	266,843	35,461
U.S. Instrumentalities	28%	128,250	85,579	42,671
State Investment Pool - (LAMP)	1%	4,580	4,580	-
Total	100%	$ 458,036	$ 379,904	$ 78,132

Credit Rate Risk: The risks are managed by restricting investments to those authorized by R.S. 33:5162. The investment policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies. The Government's investments in U.S. Treasuries and U.S. Instrumentalities were rated AA+ by Standard and Poor's and repurchase agreements were not rated.

Concentration of credit risk: R.S. 33:2955 provides that all fixed income investments be appropriately diversified by maturity, security, sector, and credit quality. As of December 31, 2022, no more than 5 percent of the pool's investments were invested in any single issue.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied and billed to the taxpayers by the Lafayette Consolidated Government in December. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Lafayette Parish Tax Assessor and are collected by the Lafayette Parish Sheriff.

For the year ended December 31, 2022, taxes were levied at the rate of 15.00 mills on property with assessed valuations totaling $34,708,525.

Total taxes levied, exclusive of homestead exemptions, were $507,120 for 2022. Taxes receivable at December 31, 2022 were $88,409.

(4) Due from Other Governmental Agencies

The balance in due from other governmental agencies consisted of $399,078 due from Lafayette Parish Sheriff as of December 31, 2022.

(5) Capital Assets

Capital asset balances and activity for the year ended December 31, 2022 are as follows:

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Land and building improvements	$ 14,425	$ -	$ -	$ 14,425
Equipment, furniture and fixtures	70,643	67,958	3,193	135,408
Total	85,068	67,958	3,193	149,833
Less: Accumulated depreciation	25,780	19,389	3,193	41,976
Net capital assets	$ 59,288	$ 48,569	$ -	$ 107,857

Depreciation expense in the amount of $19,389 was charged to economic development.

(6) Employee Retirement System

The Authority participates in a cost-sharing defined benefit plan, the Parochial Employees' Retirement System (PERS), administered by a separate public employee retirement system. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of the plan administered by this public employee retirement system to the State Legislature. The plan is not closed to new entrants. Substantially all Authority employees participate in the system.

Plan Description

PERS provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1901 and 11:1941. The Authority participates in Plan A.

PERS' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year collected by the tax collector.

A brief summary of eligibility and benefits of the plan is provided in the following table:

Final average salary	Final average compensation
Years of service required and/or age eligible for benefits	30 years of any age 25 years age 55* 10 years age 60* 7 years age 65*
Benefit percent per years of service	3.00%

* Employees hired after January 1, 2007: 30 years age 55, 10 years age 62, 7 years age 67.

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, PERS receives a percentage of ad valorem taxes collected by parishes. These entities are not participating employers in the pension system and are considered to be nonemployer contributing entities. For the year ended December 31, 2022, the contribution percentages for employees and employers were 9.5% and 11.5%, respectively. The amounts contributed from non-employer contributing entities and from the Authority for the year ended December 31, 2022 were $3,329 and $34,833, respectively.

Net Pension Asset

The Authority's net pension asset at December 31, 2022 of $189,543 is comprised of its proportionate share of the net pension asset relating to the cost-sharing plan. The Authority's net pension asset for the plan was measured as of the plan's measurement date, December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Authority's proportionate share of the net pension asset for the plan was based on the Authority's required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the Authority's proportion for the plan was 0.042816% and there was no (0.000273%) change in proportion from the prior measurement date.

Since the measurement date of the net pension asset was December 31, 2021, the net pension asset is based upon fiduciary net position for the plan as of that date. Detailed information about the plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Authority's net pension asset is available in the separately issued plan financial report which may be accessed on their website at http://www.persla.org/.

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension asset:

Date of experience study on which significant assumptions are based	1/1/2013 - 12/31/2017
Expected remaining service lives	4
Inflation Rate	2.30%
Projected salary increases	4.75%
Projected benefit changes including COLAs	None
Source of mortality assumptions	PubG-2010 (B) Healthy Retiree Table PubG-2010 (B) Employee Table PubNS-2010 (B) Disabled Retiree Table

Cost of Living Adjustments

PERS has the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. Pursuant to LRS 11:242(B), the power of the Board of Trustees of the PERS to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension asset as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

Discount Rate

The discount rate used to measure the Authority's total pension asset for the plan and the significant assumptions used in the determination of the discount rate was 6.40%, which remained the same as the rate in the prior valuation. Plan cash flow assumptions are that the plan member contributions will be made at the current contribution rate and sponsor contributions will be made at the actuarially determined rate.

The discount rate used to measure the Authority's total pension asset for the pension plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. The rate was determined using a triangulation method which integrated the Capital Asset Pricing Model (CAPM), a treasury yield curve approach and an equity building block model. Risk return and correlation are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	33%	0.85%
Equities	51%	3.23%
Alternative Investments	14%	0.71%
Real Assets	2%	0.11%
Total	100%	4.90%
Inflation		2.10%
Expected Return		7.00%

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan:

Changes in the net pension asset may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2022 the Authority recognized a benefit of $33,314 related to its pension plan. The plan recognized revenues in the amount of $3,329 in ad valorem taxes collected from non-employee contributing entities.

As of December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to its pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$178,710
Net difference between projected and actual earnings on pension plan investments	21,757	-
Change in proportion and differences between employer contributions and proportionate share of contributions	1,294	-
Employer contributions subsequent to the measurement date	30,283	-
Total	$ 53,334	$178,710

Deferred outflows of resources of $30,283 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset during the year ending December 31, 2022. Amounts reported as deferred outflows of resources and (deferred inflows of resources) related to pensions to be recognized in pension expense are as follows:

Year Ended December 31	Net Amount Recognized in Pension Expense
2023	$ (30,891)
2024	(64,141)
2025	(43,052)
2026	(17,575)
	$ (155,659)

Sensitivity of the Authority's Proportional Share of the Net Pension Asset to Changes in the Discount Rate:

The following presents the Authority's proportionate share of the net pension asset of the plan, calculated using the discount rate, as well as what the Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 5.4	Current Discount Rate 6.4	1% Increase 7.4
Net Pension Liability (Asset)	$ 33,792	$ (189,543)	$ (376,626)

Payables to Pension Plan

At December 31, 2022, the Authority had no outstanding payables to PERS.

(7) Long-term Liabilities

During the year ended December 31, 2022, the following changes occurred in the amount reported as long-term liabilities.

	Balance 1/1/2022	Increases	Decreases	Balance 12/31/2022	Due Within One Year
Compensated absences	$ 8,278	$ 12,231	$ 6,226	$ 14,283	$ 14,283

(8) Short-Term Lease

The Authority rents office space from the Lafayette City-Parish Consolidated Government on a month-to month basis. Short-term lease payments of $4,305 are included in outflows of resources on the statement of activities for the year ended December 31, 2022.

(9) Related Party Transactions

The Authority received $31,450 from Downtown Lafayette Unlimited (DLU) for bookkeeping services. Miscellaneous income from DLU is included general revenues on the statement of activities for the year ended December 31, 2022. The Authority's agency head also serves as Chief Executive Officer of DLU through a cooperative endeavor agreement between the two parties.

(10) Risk Management

The Authority is exposed to risks of loss in the areas of auto and property liability and surety bonds. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(11) Compensation, Benefits, and Other Payments to Agency Head and Board Members

A schedule of compensation, benefits, and other payments to agency head, Anita Begnaud, follows:

Purpose:	
Salary	$ 113,315
Benefits - insurance, retirement, Medicare, etc.	25,807
Travel, includes hotel, airfare, parking, rentals and mileage	704
Registration fees	1,100
Special meals	903
	$ 141,829

No compensation was paid to Authority board members during the year ended 2022.

(12) Litigation

As of December 31, 2022, the Authority is not involved in any litigation.

(13) Change in Accounting Principle

As of January 1, 2022, the Authority adopted the requirements of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, which requires the recognition of long-term leases on the balance sheet. Upon adopting the standard, the Authority determined there were no leases as of January 1, 2022 having terms over 12 months, therefore, there was no effect on the 2022 financial statements.

(14) Fair Value Measurements

Professional standards require the disclosure for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

b. Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

c. Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Authority in estimating fair values of financial instruments:

a. The carrying amount reported in the statement of net position for the following approximates fair value due to the short maturities of these instruments: cash on hand, taxes receivable, due from other governmental agencies, and accounts payable.

b. The fair value for the investment pool is based on the underlying investments' quoted market prices at the reporting date multiplied by the quantity held. The carrying value equals fair value.

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2022:

Description	Total	Level 1	Level 2	Level 3
Investment pool managed by Lafayette Consolidated Government	$ 586,969	$ -	$ 586,969	$ -

(15) Tax Abatement

The Authority is subject to tax abatements granted by the Department of Economic Development. This program has the stated purpose of increasing business activity and employment in the Parish and the State. Under the program, companies commit to expand or maintain facilities or employment in the Parish, establish a new business in the Parish, or relocate an existing business to the Parish. Agreements include an abatement of ad valorem taxes for a period of 10 years from the initial assessment date. As a result of these agreements, the Authority's ad valorem revenues were reduced by the historic preservation tax abatement program by $5,494.

REQUIRED
SUPPLEMENTARY INFORMATION

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2022
With Comparative Actual Amounts for Year Ended December 31, 2021

	2022				
	Budget			Variance - Favorable	2021
	Original	Final	Actual	(Unfavorable)	Actual
Revenues:					
Ad valorem taxes	$ 447,840	$ 435,000	$ 429,724	$ (5,276)	$ 411,421
Intergovernmental	55,000	55,000	55,000	-	-
Interest income	1,500	5,500	6,016	516	1,716
Investment pool earnings (losses)	-	-	(6,182)	(6,182)	-
Miscellaneous income-					
Downtown Lafayette Unlimited	31,500	31,500	31,450	(50)	-
Other	-	-	-	-	8
Total revenues	535,840	527,000	516,008	(10,992)	413,145
Expenditures:					
Economic development-					
Operations-					
Personnel costs	414,348	318,317	327,499	(9,182)	360,310
Supplies and materials	2,400	500	617	(117)	1,838
Travel and meetings	21,500	9,500	14,258	(4,758)	2,430
Telecommunication	1,680	1,600	1,819	(219)	1,679
Printing and publications	1,100	-	400	(400)	1,062
Duplication equipment expense	2,000	1,100	1,813	(713)	1,340
Other insurance premiums	1,500	-	-	-	894
Rent	4,305	4,305	4,305	-	4,305
Supplemental services	100,500	63,000	63,311	(311)	33,263
Contractual services	7,195	7,195	7,548	(353)	6,990
Marketing/ business development	-	-	-	-	30,018
Election expense	12,000	12,000	11,954	46	-
Other	1,200	1,500	1,496	4	1,203
Total operations	569,728	419,017	435,020	(16,003)	445,332
Capital project development	352,000	93,000	92,970	30	104,805
Restricted operating capital	44,050	-	-	-	-
Total economic development	965,778	512,017	527,990	(15,973)	550,137
Capital outlay	55,000	67,000	66,308	692	38,420
Total expenditures	1,020,778	579,017	594,298	(15,281)	588,557
Deficiency of revenues over expenditures	(484,938)	(52,017)	(78,290)	(26,273)	(175,412)
Fund balance, beginning	634,625	634,625	634,625	-	810,037
Fund balance, ending	$ 149,687	$ 582,608	$ 556,335	$ (26,273)	$ 634,625

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Schedule of Employer's Share of Net Pension Liability (Asset)
For the Year Ended December 31, 2022

Year Ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
Parochial Employees' Retirement System					
2022	0.042816%	$ (189,543)	$ 283,127	-66.9%	110.46%
2021	0.043089%	(75,553)	283,325	-26.7%	104.00%
2020	0.033602%	1,582	214,788	0.7%	99.89%
2019	0.031022%	137,689	191,912	71.7%	88.86%
2018	0.026970%	(20,018)	180,371	-11.1%	101.98%
2017	0.042816%	88,182	241,166	36.6%	94.15%
2016	0.042439%	111,713	243,006	46.0%	92.23%
2015	0.041701%	11,401	240,694	4.7%	99.15%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Schedule of Employer Contributions
For the Year Ended December 31, 2022

Year Ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Parochial Employees' Retirement System					
2022	$ 30,359	$ 30,359	$ -	$ 263,992	11.50%
2021	34,683	34,683	-	283,127	12.25%
2020	34,707	34,707	-	283,325	12.25%
2019	24,701	24,701	-	214,788	11.50%
2018	22,070	22,070	-	191,912	11.50%
2017	22,546	22,546	-	180,371	12.50%
2016	31,352	31,352	-	241,166	13.00%
2015	35,236	35,236	-	243,006	14.50%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

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

1. An annual budget, prepared on a basis consistent with generally accepted accounting principles as applied to governmental units, is adopted for the General Fund. The budget is proposed by the Executive Director and adopted by the Board. It is then sent to Lafayette City-Parish Consolidated Government Council for approval.

2. Any amendments must be approved by the Board and Lafayette City-Parish Consolidated Government Council. All appropriations lapse at the end of the fiscal year unless carried by Board action.

All budgeted amounts presented reflect the original budget and the final amended budget (which has been adjusted for legally authorized revisions during the year).

(2) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rate of retirement, rate of termination, rate of disability, and various other factors that have an impact on the cost of the plan.

SUPPLEMENTARY INFORMATION

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Comparative Balance Sheet - Governmental Fund
December 31, 2022 and 2021

	General Fund	
	2022	2021
ASSETS		
Cash and investments held by Lafayette Consolidated Government	$ 586,969	$ 726,650
Taxes receivable	88,409	38,115
Due from other governmental agencies	399,078	409,727
Total assets	$ 1,074,456	$ 1,174,492
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	$ 11,001	$ 37,025
Unearned revenue - Lafayette Convention and Visitors Commission	-	55,000
Total liabilities	11,001	92,025
Deferred inflows of resources:		
Property taxes	507,120	447,842
Fund balances:		
Committed for subsequent year's expenditures	373,880	492,862
Unassigned	182,455	141,763
Total fund balances	556,335	634,625
Total liabilities, deferred inflows of resources, and fund balances	$ 1,074,456	$ 1,174,492

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Years Ended December 31, 2022 and 2021

	General Fund	
	2022	2021
Revenues:		
Ad valorem taxes	$ 429,724	$ 411,421
Intergovernmental - Lafayette Convention and Visitors Commission	55,000	-
Interest income	6,016	1,716
Investment pool earnings (losses)	(6,182)	-
Miscellaneous income-		
Downtown Lafayette Unlimited	31,450	-
Other	-	8
Total revenues	516,008	413,145
Expenditures:		
Economic development-		
Operations	435,020	445,332
Capital project development	92,970	104,805
Total economic development	527,990	550,137
Capital outlay	66,308	38,420
Total expenditures	594,298	588,557
Deficiency of revenues over expenditures	(78,290)	(175,412)
Fund balance, beginning	634,625	810,037
Fund balance, ending	$ 556,335	$ 634,625

INTERNAL CONTROL

AND

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

To the Downtown Development Authority
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Downtown Development Authority (the Authority), a component unit of the Lafayette City-Parish Consolidated Government, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying summary schedule of current and prior year findings and management's corrective action plan as item 2022-001.

Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying summary schedule of current and prior year findings and management's corrective action plan. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control 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. However, this report is a matter of public record and its distribution is not limited.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 28, 2023

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Findings -

There were no internal control findings.

B. Compliance and Other Matters Findings -

2022-001 Prohibited Indirect Use of Public Funds

Fiscal year finding initially occurred: 2022

CONDITION: The agency head indirectly participated in the promotion and support for the tax proposition on the ballot of the special election held April 30, 2022.

CRITERIA: In accordance with LA R.S. 18:1465, the use of public funds to urge any elector to vote for or against any proposition is prohibited.

CAUSE: The agency head has a dual capacity role as director of both the Government and a non-profit entity. In this capacity, the agency head is responsible for the direction of all activities of both entities. The non-profit entity produced materials and was involved in the circulation of materials urging electors to support the tax proposition of the April 30, 2022 ballot.

EFFECT: The Government used public funds to indirectly participate in the urging of electors to vote for a proposition.

RECOMMENDATION: Safeguards should be put in place to ensure no public employees are involved (whether directly or indirectly) in disallowed activities.

MANAGEMENT'S CORRECTIVE ACTION PLAN:
The tax renewal which took place in 2022 occurs every 15 years. Significant due diligence was performed in advance of the renewal efforts. The following are the steps conducted by Downtown Development Authority, (the Government), "DDA" or Downtown Lafayette Unlimited, (the non-profit), "DLU":

1. Extensive review and evaluation of procedures employed by DDA and DLU in past renewal campaigns;
2. Engagement of legal counsel to ensure compliance with all election laws in order to properly place the renewal on the ballot; and,

(continued)

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

Part I. MANAGEMENT'S CORRECTIVE ACTION PLAN (continued):

3. Engagement of legal counsel to provide legal opinions regarding ethical constraints imposed by Louisiana law including advertisement, publication, promotion, etc. of the foregoing, by DDA and/or DLU. At no time was DDA and/or DLU advised of the issue raised by the subject audit.

DDA will work in conjunction with DLU to adopt policies that ensure no public employees or public funds are involved (either directly or indirectly) for use to urge any elector to vote for or against any candidate or proposition, or to be appropriated to a candidate or a political organization. These policies will be implemented at the earliest time practical, but no later than December 31, 2023.

Part II. Prior Year Findings

A. Internal Control Findings -

There were no internal control findings.

B. Compliance Findings -

There were no compliance findings.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Agreed-Upon Procedures Report

Year Ended December 31, 2022

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the
Downtown Development Authority
Lafayette, 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, 2022 through December 31, 2022. The Downtown Development Authority's management is responsible for those C/C areas identified in the SAUPs.

The Downtown Development Authority (the 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, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the Authority's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the Authority's operations:
   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
   c) ***Disbursements***, including processing, reviewing, and approving.
   d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

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

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

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

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

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

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

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

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

   b) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

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

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

Bank Reconciliations

(The Authority's cash balances are maintained in pooled accounts under the control of the Lafayette Consolidated Government as outlined in the fiscal agent agreement between the two parties. This section was tested in SAUP's of the Lafayette Consolidated Government.)

3. We obtained a listing of the Authority's bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the Authority's main operating account. We selected the Authority's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
   a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
   b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
   c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic fund transfers)

4. We obtained 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. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
   a) Employees that are responsible for cash collections do not share cash drawers/registers;
   b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
   c) Each employee responsible for collecting cash is not 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
   d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was enforced during the fiscal period.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements*

when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. We obtained supporting documentation for each of the 10 deposits and:

a) Observed that receipts are sequentially pre-numbered.

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

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

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

e) Traced the actual deposit per the bank statement to the general ledger.

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:

   a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase;

   b) At least two employees are involved in processing and approving payments to vendors;

   c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

   d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

   e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

10. For each location selected under #8 above, we obtained the Authority's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:

    a) We observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicated deliverables included on the invoice were received by the entity, and

    b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3 above, we selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5), and observed that each electronic disbursement was:

a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and

b) Approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected, we selected an alternative month and/or account for testing that did include electronic disbursements.

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

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

13. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we obtained supporting documentation, and:
    a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

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

14. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel cards</u>, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

15. We obtained 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. We randomly selected 5 reimbursements, we obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
    a) If reimbursed using a per diem, we observed 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);

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

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

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

Contracts

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

    a) We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

    b) We observed that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

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

    d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees or officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.

18. We randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:

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

    b) We observed that supervisors approved the attendance and leave of the selected employees or officials;

    c) We observed that any leave accrued or taken during the pay period is reflected in the Authority's cumulative leave records; and

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

19. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees or officials, we obtained related documentation of the hours and pay rates used in

management's termination payment calculations and the Authority's policy on termination payments. We agreed the hours to the employee or officials' cumulate leave records, agreed the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.

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

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
    a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and.
    b) We observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. We inquired and observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

(The Authority did not issue any debt or have outstanding debt during the fiscal period; therefore, this procedure is not applicable.)

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII. Section 8 of the Louisiana Constitution.

24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the Authority reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Authority is domiciled as required by R.S. 24:523.

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

Information Technology Disaster Recovery/Business Continuity

27. We performed the following procedures, ***verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."***

    a) We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup: 1) occurred within the past week, 2) was not stored on the government's local server or network, and 3) was encrypted.

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

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

28. We randomly selected all 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. We observed evidence that the selected terminated employees have been removed or disabled from the network.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees or officials from procedure #17 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee or official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

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

    a) Number and percentage of public servants in the agency who have completed the training requirements;

    b) Number of sexual harassment complaints received by the agency;

    c) Number of complaints which resulted in a finding that sexual harassment occurred;

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

    e) Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:.

Credit Cards

1. Penalties and interest for a late payment in January 2022 were assessed on the February 2022 statement tested.

Management's response:

Procedural changes will be made and enforced to ensure credit card balances are paid in a timely manner.

Collections

2. The Authority did not have a bond or insurance policy for theft covering the employee having access to cash during the fiscal period.

Management's response:

An insurance policy for theft covering the employee having access to cash will be obtained.

Prevention of Sexual Harassment

3. Employees/official did not receive at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Management's response:

The Authority will provide at least one hour of sexual harassment training in the future in accordance with R.S. 42:343.

4. The Authority did not maintain an annual sexual harassment report for the current fiscal period, dated before February 1, and including all the applicable requirements in R.S. 42:344.

Management's response:

The Authority will provide an annual sexual harassment report each fiscal year, dated before February 1, and including all the applicable requirements in R.S. 42:344.

We were engaged by the 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 the 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 28, 2023