Downtown Development Authority
Shreveport, Louisiana

Financial Statements With Auditors' Report

As of and For the Year Ended December 31, 2025

Downtown Development Authority
Shreveport, Louisiana

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Independent Auditors' Report

Board of Directors
Downtown Development Authority
Shreveport, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Downtown Development Authority, a component unit of the City of Shreveport, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Downtown Development Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Downtown Development Authority, as of December 31, 2025, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Downtown Development Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Downtown Development Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Downtown Development Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Downtown Development Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 8 and budgetary comparison information on pages 25 – 26, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Downtown Development Authority's basic financial statements. The accompanying other supplementary information, Schedule of Compensation, Benefits, and Other Payments to Agency Head, shown on page 27, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2026, on our consideration of Downtown Development Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Downtown Development Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Downtown Development Authority's internal control over financial reporting and compliance.

Cook & Morehart

Cook & Morehart,
Certified Public Accountants, LLC
June 22, 2026

DOWNTOWN DEVELOPMENT AUTHORITY

A COMPONENT UNIT OF THE CITY OF SHREVEPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2025

Our discussion and analysis of Downtown Development Authority's (DDA) financial performance provides an overview of DDA's financial activities for the year ended December 31, 2025. Please read this in conjunction with our financial statements which begin on page 9.

Financial Highlights

- The DDA's net assets increased as a result of this year's operations. As shown in the Statement of Net Position, net assets increased $121,371 or approximately 4.3 percent compared to prior year.
- The DDA's total revenues decreased $50,990 when compared to prior year.
- Administrative and program expenditures totaled $1,410,900 for 2025, an increase of approximately 3.2 percent compared to prior year.

These changes are discussed in detail in the following paragraphs.

Using this Annual Report

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

The Statement of Net Position and the Statement of Activities

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

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

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

Fund Financial Statements

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

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

The DDA as a Whole and the DDA's Funds

For DDA, revenue and expenses are essentially the same under the accrual and the modified accrual basis of accounting mentioned earlier. Certain differences apply to accounting for fixed asset acquisitions, depreciation and proceeds of long-term debt. For the statement of net assets and statement of activities, fixed assets are recorded at cost in the Statement of Net Position and depreciation is provided for over the estimated useful life of the assets. For the fund statements, fixed assets are accounted for as capital outlay expenditures upon acquisition and no provision for depreciation is necessary. There were no asset acquisitions during 2025. Fixed assets at December 31, 2025 include the following:

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

As detailed in the following comparative summary of the Statement of Net Position, total assets at the close of the year 2025 increased $160,042 or approximately 4.4 percent when compared to prior year. This increase in total assets is primarily attributable to revenues exceeding expenditures for the year by approximately $121,000.

	December 31	
	2025	2024
Assets:		
Cash-Unrestricted	1,269,728	1,038,712
Investments	1,159,270	1,113,543
Property Taxes Receivable	696,108	699,138
Other Receivables	11,984	55,431
Capital Assets (Net of Accumulated Depreciation)	671,480	742,486
Other Assets	24,092	23,310
Total Assets	3,832,662	3,672,620
Liabilities:		
Finance Purchase-Building	60,774	97,305
Deferred Revenue-Property Taxes	696,108	699,138
Other Liabilities	129,683	51,451
Total Liabilities	886,565	847,894
Net Position:		
Invested in Capital Assets	610,706	645,181
Restricted	88,065	95,649
Unrestricted	2,247,326	2,083,896
Total Net Position	2,946,097	2,824,726
Total Liabilities and Net Position	3,832,662	3,672,620

As the DDA completed the year, its net position totaled $2,946,097 which is $121,371 greater than last year's total of $2,824,726. This increase is detailed in the following comparative summary of the Statement of Activities:

	Year Ended December 31		Increase
	2025	2024	(Decrease)
Revenues:			
Property Taxes	696,569	714,179	(17,610)
Charges for Services	703,530	706,907	(3,377)
Investment Income	73,410	71,335	2,075
Grants		41,968	(41,968)
Expense Reimbursements	45,000	30,000	15,000
Miscellaneous	13,762	18,872	(5,110)
Total Revenue	1,532,271	1,583,261	(50,990)
Expenditures:			
Administrative	587,400	529,297	58,103
Interest on Long-Term Debt	2,514	3,634	(1,120)
Programs/Projects:			
Parking Services	377,138	414,376	(37,238)
Streetscape Maintenance	311,441	303,697	7,744
Other Programs and Projects	132,407	116,028	16,379
Total Expenditures	1,410,900	1,367,032	43,868
Change of Net Position	121,371	216,229	(94,858)
Net Position at Beginning of Year	2,824,726	2,608,497	
Net Position at End of Year	2,946,097	2,824,726	

As detailed in the above table, DDA's total revenues decreased $50,990 and total expenditures increased $43,868. The decrease in revenues is primarily attributable to operating grants for the parking program that were received in 2024 but not in 2025. The increase in expenditures is primarily attributable to increased administrative costs related to medical insurance.

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

	Year Ended December 31	
	2025	2024
Contracts with City of Shreveport:		
Parking Services	$ 416,700	$ 416,700
Streetscape Maintenance Services	279,830	279,830
Other Streetscape Service Revenues	7,000	7,977
Other Parking Service Revenue		2,400
	$ 703,530	$ 706,907

Parking Services

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

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

Expenses incurred by DDA during 2025 applicable to the parking program totaled $377,138, a decrease of $37,238 or approximately 8.0 percent compared to 2024. Overall, revenues from parking services exceeded expenses by $39,562. It should be noted that the surplus was a result of unfilled positions in the department.

Streetscape Maintenance Services

DDA entered into a contract with the City of Shreveport to manage and maintain the City's downtown streetscape areas. DDA's basic duties under this contract include landscape maintenance, litter pick-up, street sweeping and holiday decorations. This contract has a one-year term and is renewable annually. Expenses applicable to the streetscape maintenance program totaled $311,441 for 2025 which is $24,611 more than streetscape service revenues totaling $286,830.

General Fund Budgetary Highlights

The DDA submits a budget at the beginning of each year for approval by the DDA board and the City Council. There were no amendments to the 2025 budget during the year. As detailed in the following financial statements, DDA reports revenues and expenses under the accrual basis of accounting.

Actual revenues for the year were more than budgeted revenues by approximately $43,401. The difference is due primarily to property tax and miscellaneous revenue in excess of the budgeted amount.

Actual expenditures, before debt services, were less than budgeted expenditures by approximately $276,807, which is primarily attributable to administrative expense savings and less than expected expenditures for downtown development projects.

Next Year's Budget

Revenues under the parking management contract with the City of Shreveport are expected to total $416,700 for 2026. The base contract for 2026 is consistent with 2025.

Revenues under the streetscape contract with the City of Shreveport are expected to total $279,830 for 2026. The base contract for 2026 is consistent with 2025.

Budgeted property tax revenues for 2026 are $685,057, an expected decrease of approximately 2 percent compared to 2025.

Contacting DDA's Financial Management

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

Downtown Development Authority
Shreveport, Louisiana
Statement of Net Position
December 31, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 1,269,728
Investments	1,159,270
Receivables	708,092
Prepaid expenses	24,092
Capital assets, net	
Non-depreciable	130,237
Depreciable (net)	541,243
Total assets	3,832,662
LIABILITIES	
Accounts payable	20,094
Accrued expenses	8,214
Due to City of Shreveport	83,158
Long-term liabilities:	
Due within one year	55,903
Due in more than one year	23,088
Total liabilities	190,457
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	
Property taxes	696,108
Total deferred inflows of resources	696,108
NET POSITION	
Net investment in capital assets	610,706
Restricted	88,065
Unrestricted	2,247,326
Total net position	$ 2,946,097

See accompanying notes to the basic financial statements.

Downtown Development Authority
Shreveport, Louisiana
Statement of Activities
For the Year Ended December 31, 2025

	Expenses	Program Revenues: Charges for Services	Net (Expense) Revenue and Changes in Net Assets
Functions and Programs:			
Governmental Activities:			
Downtown Development	$ 719,807	$	$ (719,807)
Streetscape Program	311,441	286,830	(24,611)
Parking Program	377,138	416,700	39,562
Interest on long-term debt	2,514		(2,514)
Total functions and programs	$ 1,410,900	$ 703,530	(707,370)
General Revenues:			
Ad valorem taxes			696,569
Interest and investment earnings			73,410
Expense reimbursements			45,000
Miscellaneous			13,762
Total general revenues			828,741
Change in net position			121,371
Net position at beginning of year			2,824,726
Net position at end of year			$ 2,946,097

See accompanying notes to the basic financial statements.

Downtown Development Authority
Shreveport, Louisiana
Balance Sheet
Governmental Fund
December 31, 2025

	General
Assets	
Cash and cash equivalents	$ 1,269,728
Investments	1,159,270
Receivables	708,092
Total assets	$ 3,137,090
Liabilities	
Accounts payable	$ 20,094
Accrued expenses	8,214
Due to City of Shreveport	83,158
Total liabilities	111,466
Deferred inflows of resources	
Unavailable revenue	
Property taxes	696,108
Total deferred inflows of resources	696,108
Fund balance	
Restricted	88,065
Unassigned	2,241,451
Total fund balance	2,329,516
Total liabilities, deferred inflows of resources, and fund balance	$ 3,137,090
Total fund balance - governmental fund	$ 2,329,516
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (net of accumulated depreciation of $1,224,367).	671,480
The nonallocation method of accounting for certain prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources - prepaid insurance	24,092
Long-term liabilities, including compensated absences and finance purchases, are not due and payable in the current period and therefore are not reported in the funds.	(78,991)
Net position of governmental activities	$ 2,946,097

See accompanying notes to the basic financial statements.

Downtown Development Authority
Shreveport, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2025

Revenues:	General
Ad valorem taxes	$ 696,569
Expense reimbursements	45,000
Charges for services	703,530
Intergovernmental revenues	
Miscellaneous	13,762
Interest income	73,410
Total revenues	1,532,271
Expenditures:	
Current:	
General government:	
Downtown development	635,005
Streetscape maintenance	307,357
Parking services	394,117
Debt Service:	
Principal payment	36,531
Interest and other charges	2,514
Total expenditures	1,375,524
Net change in fund balance	156,747
Fund balance at beginning of year	2,172,769
Fund balance at end of year	$ 2,329,516

See accompanying notes to the basic financial statements.

Downtown Development Authority
Shreveport, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2025

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

Net change in fund balance - total governmental funds	$	156,747
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation ($71,006) exceeded capital outlays ($0) in the current period.		(71,006)
The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.		782
Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		36,531
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
Accrued leave		(1,683)
Change in net position of governmental activities	$	121,371

See accompanying notes to the basic financial statements.

INTRODUCTION

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

(1) Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

B. Basic Financial Statements – Government-Wide Statements

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

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

(Continued)

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

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

C. Basic Financial Statements – Fund Financial Statements

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

The following fund types are used by the DDA:

1. Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the DDA:

   a. General fund – Currently the DDA has only one fund, the general fund, which is used to account for all financial resources and expenditures.

D. Basis of Accounting

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

1. Accrual:

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

2. Modified Accrual:

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

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

E. Cash and Cash Equivalents

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

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

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

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

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

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

H. Long-term Debt

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

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

I. Use of Estimates

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

J. Compensated Absences

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

K. Net Position

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

L. Fund Balance

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

1. Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

2. Restricted – amounts that can be spent only for specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

3. Committed - amounts that can be used only for the specific purposes as a result of constraints imposed by the board of directors (the DDA's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the board of directors remove those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).

4. Assigned - amounts that are constrained by the DDA's intent to be used for specific purposes, but are neither restricted nor committed.

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

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

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

M. Deferred Outflows / Inflows of Resources

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

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

N. Fair Value Measurements

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

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

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

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

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

(2) Ad Valorem Taxes

Ad valorem tax revenues collected by the DDA in the year 2025 represent collections of the 2024 tax levy and totaled $696,569 at a millage rate of 9.04. DDA's receivable for ad valorem taxes is subject to adjustment by the Louisiana Tax Commission and a possible adjustment depending on final ad valorem tax receipts. Ad valorem taxes are levied on December 1 and due by December 31 of each year. The current expiration of the levy is 2027. The City of Shreveport and the City of Bossier collect the ad valorem taxes and remits to DDA periodically. Since the 2025 tax levy is intended to fund the 2026 fiscal year, the levy has been recorded as a receivable and deferred inflow of resources. Amounts recognized as revenue from property taxes in 2025 represent collections in 2025 of the 2024 tax levy. Approximately 17% of DDA's tax revenues are derived from one taxpayer, and a total of 43% is derived from ten taxpayers.

(3) Budgets

DDA's budgetary calendar is January 1 through December 31 of each year. The 2025 budget, prepared by the Executive Director, was approved by the DDA board and the City Council. An abbreviated version of the budget as illustrated in the city ordinance was published in official journal of the City newspaper. There were no amendments to the 2025 budget during the year. Unexpended budget balances lapse at the end of the year.

The 2025 budget was adopted on the cash basis of accounting except for certain accounts receivable, accounts payable, and payroll related payables which are recorded by DDA.

(4) Tax Abatements

As of December 31, 2025, DDA is subject to tax abatement agreements which were entered into by the State of Louisiana through the Restoration Tax Abatement Program (RTA). The RTA program is a program, which provides an up to ten-year abatement of a portion of ad valorem property taxes on the renovations and improvements of existing commercial structures and owner-occupied residences. It is a five-year award with an option for a five-year renewal with local governing authority approval. The legal authority is Louisiana Revised Statute 47:4311, et seq. DDA has not made any commitments as part of the agreements other than to reduce taxes.

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

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

Gross Dollar Amount by Which DDA's Tax Revenues Were Reduced: DDA estimates property tax revenues have been reduced by $58,874 for the year.

(5) Cash and Cash Equivalents

At December 31, 2025, the DDA has cash and cash equivalents and investments (book balances) totaling $2,428,998, as detailed below.

A. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2025 (book balances) totaled $1,269,728. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

B. Investments

At December 31, 2025, the District had investments totaling $1,159,270 consisting of certificates of deposit with an initial maturity greater than 90 days. The certificates of deposits are carried at cost, which approximates market. The investments are presented in the financial statements at fair value using level 2 fair value measure.

C. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2025, $1,831,278 of the DDA's bank balances totaling $2,442,494, were exposed to custodial credit risk as uninsured and collateral held by the pledging bank's trust department not in DDA's name.

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

(6) Accounts Receivable

The following is a summary of receivables at December 31, 2025:

Class of Receivable	Amount
Property taxes	$ 696,108
Accrued interest	11,855
Related party receivables – DSDC and DSU	129
Total	$ 708,092

(7) Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	Balance at Jan. 1, 2025	Additions	Deletions	Balance at Dec. 31, 2025
Governmental Activities:				
Capital assets, not being depreciated:				
Idle assets	$ 56,237	$	$	$ 56,237
Land	74,000			74,000
Total capital assets, not being depreciated	130,237			130,237
Capital assets, being depreciated:				
Buildings	1,511,123			1,511,123
Equipment and furniture	25,734			25,734
Streetscape equipment	132,131			132,131
Parking program equipment	96,622			96,622
Total capital assets, being depreciated, at historical cost	1,765,610			1,765,610
Less accumulated depreciation:				
Buildings	(925,827)	(62,531)		(988,358)
Equipment and furniture	(5,957)	(2,293)		(8,250)
Streetscape equipment	(114,113)	(3,798)		(117,911)
Parking program equipment	(107,464)	(2,384)		(109,848)
Total accumulated depreciation	(1,153,361)	(71,006)		(1,224,367)
Total capital assets, being depreciated, net	612,249	(71,006)		541,243
Governmental activities capital assets, net	$ 742,486	$ (71,006)	$	$ 671,480

Depreciation expense for the year ended December 31, 2025 was charged to the various functions follows:

Downtown Development	$ 64,824
Streetscape Program	3,798
Parking Program	2,384
Total	$ 71,006

(8) Retirement Plan

DDA provides a Deferred Compensation Plan pursuant to Section 457 of the Internal Revenue Code and a Governmental 401(a) Money Purchase Plan. DDA's Plan does not meet the criteria established under GASB, therefore, the plan's assets and liabilities are not presented in the financial statements of DDA. Required contributions to the plan, equal to 3% of covered payroll, amounted to $19,012 for the year ended December 31, 2025. Account balances are fully vested after five years of service. Employer contributions are reported as follows for the year ended December 31, 2025:

Administrative	$	8,347
Street		5,856
Parking		4,809
Total	$	19,012

(9) Risk Management

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

(10) Subsequent events

Subsequent events have been evaluated through June 22, 2026, the date the financial statements were available to be issued.

(11) Long-term Debt

Changes in long-term debt for the year ended December 31, 2025 are summarized as follows:

	Balance 12/31/24	Additions	Reductions	Balance 12/31/25	Amount Due Within One Year
Finance purchase-building	$ 97,305	$	$ 36,531	$ 60,774	$ 37,686
Compensated absences	19,773	571		20,344	20,344
	$ 117,078	$ 571	$ 36,531	81,118	58,030
Less amounts due within period of availability				(2,127)	(2,127)
Total long-term liabilities, governmental activities				$ 78,991	$ 55,903

Finance Purchase - Building

During 2015, DDA entered into a triple net commercial lease agreement to lease certain immovable property and all improvements located thereon. The lease agreement qualifies as a finance purchase lease for accounting purposes. The property is included in capital assets at a cost of $387,524, with accumulated depreciation totaling $136,710 as of December 31, 2025. Interest has been imputed at a rate of 3.117%, and DDA will make monthly payments through August 2027. The debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 37,686	$ 1,359	$ 39,045
2027	23,088	271	23,359
Total	$ 60,774	$ 1,630	$ 62,404

(12) Accrued Expenses

Accrued expenses at December 31, 2025, consisted of the following:

Accrued Leave	$ 2,127
Payroll related	6,087
Total	$ 8,214

(13) Related Party Transactions

Contracts with City of Shreveport

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

(1) Management and maintenance services for the streetscape areas: DDA has a contract with the City of Shreveport to manage and maintain the downtown streetscape areas. Payments under this contract for 2025 total $279,830.

(2) Parking system management: DDA has a contract with City of Shreveport to manage the downtown parking system. Payments under this contract for 2025 total $416,700.

Downtown Shreveport Development Corporation Activity

Downtown Shreveport Development Corporation (DSDC), a nonprofit organization, utilizes the professional staff of DDA. DDA has entered into a contract with DSDC, effective January 1, 2025 through December 31, 2025. The following provides information in regards to the contract.

DSDC will pay DDA for administrative services. Amounts paid to DDA by DSDC for administrative services for 2025 was $45,000.

DSDC will pay DDA to operate and manage a downtown parking lot. Amounts earned by DDA for this service for 2025 was $3,000.

DSDC will pay DDA for streetscape services for a downtown parking lot leased by DSDC. Amounts earned by DDA for this service for 2025 was $7,000.

DDA entered into a triple net commercial lease with DSDC to lease certain immovable property and improvements located thereon. The lease qualifies as a financing purchase lease for accounting purposes. Total payments made during 2025 under this lease were $39,045.

(14) Restricted Fund Balance / Restricted Net Position

Amounts shown as restricted fund balance and restricted net position as of December 31, 2025, totaling $88,065, are restricted for trees, murals, signage, and other beautification projects within the downtown area.

Downtown Development Authority
Shreveport, Louisiana
Budgetary Comparison Schedule
Governmental Fund - General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts Original & Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	$ 682,541	$ 696,569	$ 14,028
Expense reimbursements	45,000	45,000	
Charges for services	703,530	703,530	
Miscellaneous income	13,500	38,739	25,239
Interest income	70,000	74,134	4,134
Total revenues	1,514,571	1,557,972	43,401
Expenditures:			
Current:			
General government:			
Downtown development	914,517	634,950	279,567
Streetscape maintenance	286,830	293,939	(7,109)
Parking services	416,700	412,351	4,349
Debt Service:			
Principal payment	36,531	39,045	(2,514)
Interest and other charges	2,993	3,637	(644)
Total expenditures	1,657,571	1,383,922	273,649
Excess of revenues over expenditures	(143,000)	174,050	317,050
Fund balance at beginning of year	143,000	2,803,584	2,660,584
Fund balance at end of year	$	$ 2,977,634	$ 2,977,634

Downtown Development Authority
Shreveport, Louisiana
Notes to Required Supplementary Information
December 31, 2025

The 2025 budget was adopted on the cash basis of accounting except for certain accounts receivable, accounts payable, and payroll related payables which are recorded by DDA. There were no amendments to the 2025 budget. Budget comparison statements included in the accompanying financial statements include the original and amended budget. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	General Fund
Excess of revenues and other sources over expenditures and other uses (budget basis)	$ 174,050
Adjustments:	
Expenditure accruals – net	8,399
Revenue accruals – net	(25,702)
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	$ 156,747

Downtown Development Authority
Shreveport, Louisiana
Other Supplementary Information
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2025

Agency Head: Cedric Glover, Executive Director

Purpose		Amount
Salary	$	118,600
Benefits-insurance		14,167
Benefits-parking		504
Special meals		277

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*

Independent Auditors' Report

Board of Directors
Downtown Development Authority
Shreveport, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*, the financial statements of the governmental activities and major fund of Downtown Development Authority as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Downtown Development Authority's basic financial statements, and have issued our report thereon June 22, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Downtown Development Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Cook + Morehart

Cook & Morehart,
Certified Public Accountants, LLC
June 22, 2026

Downtown Development Authority
Shreveport, Louisiana
Schedule For Louisiana Legislative Auditor
December 31, 2025

Summary Schedule of Prior Audit Findings

There were no findings in the prior audit for the year ended December 31, 2024.

Schedule of Current Year Audit Findings

There are no findings in the current audit for the year ended December 31, 2025.

COOK & MOREHART,
Certified Public Accountants, LLC

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To Downtown Development Authority
Shreveport, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The Downtown Development Authority's management is responsible for those C/C areas identified in the SAUPs.

Downtown Development Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

ii. ***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.

iii. ***Disbursements***, including processing, reviewing, and approving.

iv. ***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).

v. ***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.

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

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

viii. ***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).

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 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.

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

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

xii. ***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.

Procedures performed. No exceptions noted.

2) *Board or Finance Committee*

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

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

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget- to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes* *referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

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

Procedures performed. No exceptions noted.

3) Bank Reconciliations

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

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

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

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

Procedures performed. No exceptions noted.

4) Collections (excluding electronic funds transfers)

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

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

i. Employees responsible for cash collections do not share cash drawers/registers;

ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodil fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

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

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

i. Observe that receipts are sequentially pre-numbered.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

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

v. Trace the actual deposit per the bank statement to the general ledger.

Procedures performed. Noted the following exception:

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

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

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

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

ii. At least two employees are involved in processing and approving payments to vendors;

iii. 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;

iv. 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

v. 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.

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

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

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

Procedures performed. No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase cards (cards)

A. Obtain 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. Obtain management's representation that the listing is complete.

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

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

ii. Observe that finance charges and late fees were not assessed on the selected statements.

C. Using the monthly statements or combined statements selected under procedure #6B above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe 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, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

D. Using the list of terminated employees obtained in Payroll and Personnel proceure #9C, identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Procedures performed. No exceptions noted.

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

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

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

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

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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

8) *Contracts*

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

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

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

iii. If the contract was amended (e.g., change order), observe 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, the documented approval); and

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

Procedures performed. No exceptions noted.

9) Payroll and Personnel

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

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

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

Procedures performed. No exceptions noted.

10) ***Ethics***

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

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

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

Procedures performed. No exceptions noted.

11) ***Debt Service***

A. 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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

B. 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).

Procedures performed. No exceptions noted.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

The Authority represented that there were no misappropriations of public funds and assets during the fiscal period.

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

Procedures performed. No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

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

A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

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

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

E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedures #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 – Completed the training; and
- Hired on or after June 9, 2020 – Completed the training within 30 days of initial service or employment.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

B. Observe that 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).

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

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

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

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

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

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

Procedures performed. No Exceptions noted

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

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

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

Cook + Morehart

Cook & Morehart,
Certified Public Accountants, LLC
June 22, 2026

Downtown Development Authority

June 22, 2026

Cook & Morehart,
Certified Public Accountants, LLC
1215 Hawn Ave
Shreveport, LA 71107

The Downtown Development Authority submits the following responses to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2025:

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

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

Sincerely,

Cedric B. Glover
Executive Director

P.O. BOX 235 • SHREVEPORT, LOUISIANA 71162 • 318-222-7403 • FAX 318-222-3731