

**CORTANA CORRIDOR ECONOMIC DEVELOPMENT DISTRICT,
STATE OF LOUISIANA**

(A Component Unit of the City of Baton Rouge-Parish of East Baton Rouge)

Baton Rouge, Louisiana

FINANCIAL REPORT

December 31, 2024

CORTANA CORRIDOR ECONOMIC DEVELOPMENT DISTRICT, STATE OF LOUISIANA

Baton Rouge, Louisiana

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INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
Cortana Corridor Economic Development District, State of Louisiana
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of the **CORTANA CORRIDOR ECONOMIC DEVELOPMENT DISTRICT, STATE OF LOUISIANA** (the District) as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District, as of December 31, 2024, and the respective changes in financial position 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), the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 auditors' 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, the *Louisiana Governmental Audit Guide*, 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 GAAS, the *Louisiana Governmental Audit Guide*, and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 requires that the management's discussion and analysis and budgetary comparison information on page 14 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 budgetary comparison schedule 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.

Management has omitted management's discussion and analysis information 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 presented to supplement the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements is not affected by this missing information.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits, and other payments to the agency head on page 17 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to the agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Audit Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.


Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
June 23, 2025

**CORTANA CORRIDOR ECONOMIC DEVELOPMENT DISTRICT,
STATE OF LOUISIANA**

Baton Rouge, Louisiana

**STATEMENT OF NET POSITION AND
GENERAL FUND BALANCE SHEET**

December 31, 2024

ASSETS

Cash	\$ 827,661
Due from other governments - sales and use taxes receivable	<u>68,088</u>
Total assets	<u>\$ 895,749</u>

LIABILITIES

Unearned grant revenue	\$ 50,095
Accounts payable	54,837
Due to other governments	<u>31,350</u>
Total liabilities	<u>136,282</u>

NET POSITION / FUND BALANCE

Unrestricted / Unassigned	<u>759,467</u>
Total liabilities and net position/ fund balance	<u>\$ 895,749</u>

The accompanying notes to financial statements
are an integral part of this statement.

**CORTANA CORRIDOR ECONOMIC DEVELOPMENT DISTRICT,
STATE OF LOUISIANA**

Baton Rouge, Louisiana

**STATEMENT OF ACTIVITIES AND
GENERAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

For the year ended December 31, 2024

GENERAL REVENUES

Sales and use tax	\$ 345,426
State grants	<u>74,905</u>
Total general revenues	<u>420,331</u>

EXPENSES / EXPENDITURES

General government:

Professional services	699,101
Management and administrative fees	97,350
Printing	4,130
Miscellaneous	<u>719</u>

Total expenses / expenditures	<u>801,300</u>
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Net change in net position / fund balance	(380,969)
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NET POSITION / FUND BALANCE

Beginning of year	<u>1,140,436</u>
End of year	<u><u>\$ 759,467</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

**CORTANA CORRIDOR ECONOMIC DEVELOPMENT DISTRICT, STATE
OF LOUISIANA**

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

The Cortana Corridor Economic Development District, State of Louisiana (the District), a component unit of the City of Baton Rouge/Parish of East Baton Rouge, State of Louisiana (the City-Parish), is an economic development district created in July 2021 by legislation pursuant to Louisiana Revised Statute 33:9038.1. The District is comprised of territories surrounding the previous Cortana Mall in East Baton Rouge Parish, State of Louisiana. The District collects sales and use taxes on transactions within the District in conjunction with planning, developing, construction or acquiring services, improvements or facilities within the District's boundaries. The taxes collected will serve as a funding source for the Cortana Corridor Master Plan which supports economic development within the District and enhances community development in the City-Parish.

Reporting Entity

Governmental accounting standards established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. A component unit is a government who is financially accountable to another government or one for which another government can exert influence over its budget and operations.

The City-Parish is the financial reporting entity of the District. The City-Parish appoints three of the five board members, which the council member presiding over District 6 of the City-Parish (the City-Parish district covers the geographical region of the District) appoints the other two members. Additionally, the annual operating budget of the District is required to be approved by the City-Parish in conjunction with the City-Parish's legally adopted budget. As a result, the City-Parish can impose its will on the District. Accordingly, the District is deemed to be a component unit of the City-Parish.

The District does not have any component units.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary activities of the District. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental activities are financed through sales and use tax revenues and state grant funding.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items are not included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. The District consists of one governmental fund, the General Fund.

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always a major fund.

Basis of Accounting and Measurement Focus

Governmental-wide Financial Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Fund Financial Statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. The operating statement of the General Fund presents increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting. Governmental funds revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meet's the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end.

Sales and use tax revenue associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenue of the current fiscal period.

Due from Other Governments – Sales and Use Taxes

All sales and use tax receivables are recorded at actual amounts and are reported at fair value. The District believed that all receivables were collectible at December 31, 2024, thus, no allowance for doubtful accounts is reported in the financial statements.

Government-wide Net Position

Government-wide net position is divided into three components:

- Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets. The District has no net investment in capital assets at year end.
- Restricted net position - consist of net position that is restricted by the District'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. The District has no restricted net position at year end.
- Unrestricted - all other net position is reported in this category.

Governmental Fund Balances

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

- Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. The District has no nonspendable fund balance at year end.
- Restricted - Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. The District has no restricted fund balance at year end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Balances (continued)

- Committed - Amounts that can be used only for specific purposes determined by a formal action by ordinance. This includes the budget reserves. The District has no committed fund balance at year end.
- Assigned - Amounts that are designated by the District for a particular purpose but are not spendable until a budget ordinance is passed. The District has no assigned fund balance at year end.
- Unassigned - All amounts not included in other spendable classifications.

Use of Restricted Resources

When an expense is incurred in governmental funds that can be paid using either restricted or unrestricted resources (fund balance), the District's policy is to apply the expenditure in the following priority: (1) Restricted fund balance, (2) Committed fund balance, (3) Assigned fund balance, and (4) Unassigned fund balance.

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

The District received has restricted resources as of December 31, 2024.

Cash and Cash Equivalents

Cash and cash equivalents of the District includes demand deposits held at financial institutions. The District has no cash equivalents at December 31, 2024.

Revenue and Expenditures/Expenses

General revenues consisted primarily of sales and use tax revenue and state grants (see Note 3).

Under the accrual basis of accounting, expenditures are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources/expenditures rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. Estimates used are primarily when accounting for grant revenue and unearned grant revenue.

Budget Policy and Budgetary Accounting

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

The annual operating budget, prepared on the modified accrual basis, covers the general fund. At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the City-Parish.

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

New Accounting Standards Implemented

Accounting Changes and Error Corrections

During the fiscal year, the District implemented policies under GASB Statement No. 100, *Accounting Changes and Error Corrections*, which is an amendment of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement also requires that information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The impact of this statement had no effect on the financial statements for the year ended December 31, 2024.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards Implemented (Continued)

Compensated Absences

Effective January 1, 2024, the District implemented policies under GASB Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. In addition, this Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. This statement has no impact on the District's financial statements at December 31, 2024.

Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through June 23, 2025, which was the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. Under state law, deposits must be secured by Federal Deposit Insurance Corporation (FDIC) or the pledge of securities owned by the fiscal agent bank. As of December 31, 2024, the District had a bank balance of \$827,661. The District had no deposits exposed to custodial risk at December 31, 2024.

NOTE 3 - INTERGOVERNMENTAL AGREEMENTS

Cooperative Endeavor Agreement with City of Baton Rouge/Parish of East Baton Rouge, State of Louisiana

On October 1, 2021, the District entered into the Cooperative Endeavor Agreement (CEA) with the City-Parish. The District was created by the East Baton Rouge Redevelopment Authority D/B/A Build Baton Rouge's (BBR) governing authority as authorized by R.S. 33:4720.151. The District receives incremental city sales and use taxes in excess of the monthly local base within the District. According to the terms of the CEA, on an accrual basis, the District shall receive the sales and use taxes collected in excess of the monthly local base of \$414,088 or \$4,969,056 annually. The City-Parish imposes a five percent administrative fee on the revenue received by the District for administering and collecting the taxes.

NOTE 3 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Cooperative Endeavor Agreement with the Louisiana Department of the Treasury and the State of Louisiana

On April 15, 2024, the District entered into a CEA with the State Treasury. The District will receive a total of \$250,000 from the State Treasury to provide funding for redevelopment activities for a community center in District 6 of East Baton Rouge Parish to create a shovel-ready real estate development plan and project site. In agreement with the terms of the CEA, an initial payment of 50% of the total amount was received during the year. See Note 4.

Sub-recipient Agreement with City of Baton Rouge/Parish of East Baton Rouge, State of Louisiana

On November 1, 2024, the District entered into a Sub-recipient Agreement (the Agreement) with the City-Parish. The City-Parish is the recipient of funds from the United States Government, under the Coronavirus State and Local Fiscal Recovery Fund (SLFRF), as appropriated and defined in the American Rescue Plan (ARP) Act (Pub. L. 117-2). The City-Parish engaged the District through the Agreement to utilize the SLFRF funds for design and pre-construction activities for a Community Center in District 6 of East Baton Rouge Parish. The District will receive a total of \$460,000 to be used for undertaking these activities. No funds have been spent or received as of December 31, 2024.

NOTE 4 - UNEARNED GRANT REVENUE

During 2024, the District received \$125,000 from the State Treasury to provide funding for redevelopment activities for a community center in District 6 of East Baton Rouge Parish, see Note 3. As of December 31, 2024, \$50,095 of this amount had not been expended for redevelopment activities and is reflected as unearned revenue in the Statement of Net Position/ General Fund Balance Sheet.

NOTE 5 - CONCENTRATION

The District receives the entirety of its funding from sales and use taxes and proceeds from development projects generated in a specified geographic region in East Baton Rouge Parish. Any economic downturn or natural disaster impacting this geographic region could pose an adverse effect to the revenues of the District, and in turn, the District's operations.

NOTE 6 - RELATED PARTY

The District was created by BBR (see Note 3) as authorized by R.S. 33:4720.151. On May 19, 2022, the District entered into an Administrative Service Agreement with BBR to perform activities that are necessary in order for the District to fulfill its duties and mission. According to the terms of the agreement, the District compensates BBR \$2,000 per month plus third-party costs, fees, and expenses.

On May 18, 2023, the governing authority authorized the District to contract with BBR for managing the Master Plan for the Florida Corridor. The estimated total of this project is \$108,000, which has a duration of eighteen months. According to the terms of the agreement, the District compensated BBR \$18,000 per quarter, beginning June 2023. On October 14, 2024, this agreement was amended to extend through December 31, 2025 for a monthly fee of \$7,350 following the completion of the original term.

For the year ended December 31, 2024, the District compensated BBR \$97,350 related to management and administrative fees. At December 31, 2024, the District owes BBR \$31,350 and is presented on the statement of net position and General Fund balance sheet under due to other governments.

NOTE 7 - COMPENSATION OF GOVERNING BOARD

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

NOTE 8 - EXPENDITURES EXCEEDING APPROPRIATIONS

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

	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Excess Over Budget</u>
General Fund:			
Current function:			
Professional services	\$ 666,841	\$ 699,101	\$ (32,260)
Management and administrative fees	<u>96,000</u>	<u>97,350</u>	<u>(1,350)</u>
	<u>\$ 762,841</u>	<u>\$ 796,451</u>	<u>\$ (33,610)</u>

REQUIRED SUPPLEMENTARY INFORMATION

**CORTANA CORRIDOR ECONOMIC DEVELOPMENT DISTRICT,
STATE OF LOUISIANA**

Baton Rouge, Louisiana

**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the year ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance - positive (negative)
REVENUES				
Sales and use tax	\$ 575,000	\$ 265,579	\$ 345,426	\$ 79,847
State grants	-	75,000	74,905	(95)
Total revenues	<u>575,000</u>	<u>340,579</u>	<u>420,331</u>	<u>79,752</u>
EXPENDITURES				
General government:				
Professional services	1,080,166	666,841	699,101	(32,260)
Management and administrative fees	99,000	96,000	97,350	(1,350)
Printing	1,000	6,000	4,130	1,870
Service charges	-	1,000	719	281
Total expenditures	<u>1,180,166</u>	<u>769,841</u>	<u>801,300</u>	<u>(31,459)</u>
Net change in fund balance	<u>\$ (605,166)</u>	<u>\$ (429,262)</u>	(380,969)	<u>\$ 48,293</u>
FUND BALANCE				
Beginning of year			<u>1,140,436</u>	
End of year			<u>\$ 759,467</u>	

The notes to required supplementary information are an integral part of this schedule.

**CORTANA CORRIDOR ECONOMIC DEVELOPMENT DISTRICT,
STATE OF LOUISIANA**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2024

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

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

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

Basis of Accounting

The District's budget is prepared on the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements for the year ended December 31, 2024. The District's basis of budgetary accounting follows generally accepted accounting principles.

NOTE 2 - EXPENDITURES EXCEEDING APPROPRIATIONS

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

	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Excess Over Budget</u>
General Fund:			
Current function:			
Professional services	\$ 666,841	\$ 699,101	\$ (32,260)
Management and administrative fees	96,000	97,350	(1,350)
	<u>\$ 762,841</u>	<u>\$ 796,451</u>	<u>\$ (33,610)</u>

OTHER SUPPLEMENTARY INFORMATION

**CORTANA CORRIDOR ECONOMIC DEVELOPMENT DISTRICT,
STATE OF LOUISIANA
Baton Rouge, Louisiana**

**SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD**

For the year ended December 31, 2024

Agency Head: Rodney Braxton, Board Chairman

Agency head receives no compensation.

OTHER INDEPENDENT AUDITORS' REPORTS

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

The Board of Commissioners
Cortana Corridor Economic Development District, State of Louisiana
Baton Rouge, Louisiana

We have audited, 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, and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and General Fund of the **CORTANA CORRIDOR ECONOMIC DEVELOPMENT DISTRICT, STATE OF LOUISIANA** (the District) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 23, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 over financial reporting 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 and therefore, 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 District's financial statements are free of 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 determination of financial statement amounts. 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 are required to be reported under the *Louisiana Governmental Audit Guide* and *Government Auditing Standards* and is described in the accompanying schedule of findings and recommendations as item 2024-001.

The District's Response to Findings

Louisiana Governmental Audit Guide and *Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's responses 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with the *Louisiana Governmental Audit Guide* and *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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


Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
June 23, 2025

**CORTANA CORRIDOR ECONOMIC DEVELOPMENT DISTRICT,
STATE OF LOUISIANA**

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

For the year ended December 31, 2024

1) Summary of Auditors' Results:

A) The type of report issued on the financial statements: *Unmodified opinion.*

B) Significant deficiencies in internal control were disclosed by the audit of financial statements: *None reported.*

C) Material weaknesses: *None.*

D) Noncompliance that is material to the financial statements: *None.*

2) Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: **None.**

3) Findings relating to compliance reported in accordance with *Government Auditing Standards*: **2024-001.**

**CORTANA CORRIDOR ECONOMIC DEVELOPMENT DISTRICT,
STATE OF LOUISIANA**

SUMMARY OF FINDINGS AND RECOMMENDATIONS

For the year ended December 31, 2024

4) FINDINGS - FINANCIAL STATEMENT AUDIT AND COMPLIANCE

2024-001 Local Government Budget Act

Fiscal Year Finding Originated: 2022

Criteria: In accordance with Louisiana Revised Statute 39:1305 *Local Governmental Budget Act (LGBA)*, political subdivisions are required to prepare and legally adopt a budget document, which shall include a budget message signed by the budget preparer which shall include a summary description of the proposed financial plan, policies, and objectives, assumptions, budgetary basis, and a discussion of the most important features.

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

Cause: The District did not prepare a budget message for the General Fund for the year ended December 31, 2024.

Effect: The District may not be compliant with the *LGBA*.

Recommendation: We recommend that the District comply with the *LGBA* and ensure a budget message is presented with annual budget adoptions and budget amendments in the future.

Views of responsible officials: Management concurs with the recommendation above.

**CORTANA CORRIDOR ECONOMIC DEVELOPMENT DISTRICT,
STATE OF LOUISIANA**

SUMMARY OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

For the year ended December 31, 2024

2023-001 Internal Control over Financial Reporting

This finding is considered resolved.

2023-002 Local Government Budget Act

This finding has been reclassified as 2024-001.

Board of Commissioners
Cortana Corridor Economic Development District, State of Louisiana
Baton Rouge, Louisiana

We have audited the financial statements of the Cortana Corridor Economic Development District, State of Louisiana (“the District”), for the year ended December 31, 2024 and have issued our report thereon. As part of our audit, we considered internal accounting control to the extent we determined necessary to plan our audit as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control or expressing an opinion on compliance. Also, in accordance with *Government Auditing Standards* and *Louisiana Governmental Audit Guide*, we considered compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, during our audit, we became aware of matters that are opportunities for strengthening internal controls or operating efficiency or instances of immaterial non-compliance. Our comments and suggestions regarding these matters are set forth below. This letter does not affect our reports dated June 23, 2025, on the financial statements of the District’s internal control over financial reporting.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various personnel of the District, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized on Exhibit 1.

This report is intended solely for the information and use for the District’s Board of Commissioners, management, the Louisiana Legislative Auditor, and is not intended to be and should be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
June 23, 2025

2024-001 Third Party Reimbursements

Condition

The District's policy requires that purchases are (1) reasonable and necessary; (2) budgeted; (3) documented and approved; and (5) used solely for the public purposes/functions of the District. During our audit procedures, we noted that five invoices submitted by a third-party consultant included reimbursement for alcohol purchases totaling approximately \$492 during the year. These invoices were approved and paid by the District.

Recommendation

We recommend the District strengthen the review process over third-party reimbursements to ensure amounts reimbursed are used solely for the public purpose/functions of the District. Furthermore, we recommend the District seek reimbursement for the amounts listed above from the third-party consultant.

Management's Response

Management of the District agrees with the recommendation above and will seek reimbursement from the third-party consultant for amounts listed above.