

**Downtown Development Authority  
Shreveport, Louisiana**

**Financial Statements With Auditors' Report**

**As of and For the Year Ended December 31, 2020**

Downtown Development Authority  
Shreveport, Louisiana

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## Independent Auditors' Report

Downtown Development Authority  
Shreveport, Louisiana

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, 2020, and the related notes to the financial statements, which collectively comprise the Downtown Development Authority's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Downtown Development Authority as of December 31, 2020, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages and 3 - 7 and on pages 25-26, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Downtown Development Authority, a component unit of the City of Shreveport's, basic financial statements. The accompanying other supplementary information listed in the table of contents as Schedule of Compensation, Benefits, and Other Payments to Agency Head and shown on page 27 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head 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. Such 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 Agency Head 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 21, 2021, 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 the Downtown Development Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Downtown Development Authority's internal control over financial reporting and compliance.



Cook & Morehart  
Certified Public Accountants  
June 21, 2021

DOWNTOWN DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE CITY OF SHREVEPORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020. Please read this in conjunction with our financial statements which begin on page 8.

**Financial Highlights**

- The DDA's net assets increased as a result of this year's operations. As shown in the Statement of Activities, net assets increased \$217,971 or approximately 11.4 percent compared to prior year.
- The DDA's total revenues increased \$147,488 when compared to prior year.
- Administrative and program expenditures totaled \$1,386,358 for 2020, an increase of approximately 13.1 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 bases 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. For 2020, acquisitions of air conditioning units resulted in an increase of \$22,932 in fixed assets. Fixed assets at December 31, 2020 include the following:

Costs Applicable to Acquisition of Building at 708 Texas Street	\$ 82,814
Costs Applicable to Renovation of Building at 710 Texas Street	779,112
Costs Applicable to Acquisition and Renovation of Building at 1215 Texas Street	391,910
Costs Applicable to Acquisition and Renovation of Building at 416 Cotton Street	387,524
Streetscape and Parking Program Equipment	228,753
Office Equipment and Leasehold Improvements	<u>30,029</u>
	<u>\$1,900,142</u>

During December 2004, DDA issued Series 2004 Revenue Bonds. The proceeds from this bond issuance totaled \$3,000,000 and were used for various acquisitions and capital improvement projects in the Downtown Development District in a manner consistent with DDA's 2010 plan previously approved by the Shreveport City Council. During 2009, the DDA retired this bond issue and issued revenue refunding bonds totaling \$1,100,000 in an effort to reduce its total debt service payments. At December 31, 2020, the outstanding principal balance of the bond issue totals \$390,000. The revenue refunding bonds are scheduled to be repaid over a fifteen-year period and principal and interest payments for 2021 are expected to total approximately \$105,269.

As detailed in the following comparative summary of the Statement of Net Position, total assets at the close of the year 2020 increased \$164,200 or approximately 4.7 percent when compared to prior year. This increase in total assets is primarily attributable to the revenues exceeding expenditures for the year by approximately \$218,000 less debt service requirements.

	December 31	
	<u>2020</u>	<u>2019</u>
<b>Assets:</b>		
Cash-Unrestricted	1,722,184	1,594,977
Property Taxes Receivable	687,149	738,146
Grant Receivable	188,161	
Other Receivables		45,974
Capital Assets (Net of Accumulated Depreciation)	1,048,590	1,102,861
Other Assets	<u>12,830</u>	<u>12,756</u>
<b>Total Assets</b>	<b><u>3,658,914</u></b>	<b><u>3,494,714</u></b>
<b>Liabilities:</b>		
Notes Payable-Revenue Bonds	390,000	475,000
Capital Lease Obligations	232,570	263,836
Deferred Revenue-Property Taxes	687,149	738,146
Other Liabilities	<u>214,692</u>	<u>101,200</u>
<b>Total Liabilities and Deferred Revenue</b>	<b>1,524,411</b>	<b>1,578,182</b>
<b>Net Position:</b>		
Invested in Capital Assets	816,020	839,024
Unrestricted	<u>1,318,483</u>	<u>1,077,508</u>
<b>Total Net Position</b>	<b><u>2,134,503</u></b>	<b><u>1,916,532</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>3,658,914</u></b>	<b><u>3,494,714</u></b>

As the DDA completed the year, its net position totaled \$2,134,503 which is \$217,971 greater than last year's total of \$1,916,532. This increase is detailed in the following comparative summary of the Statement of Activities:

	Year Ended December 31		Increase
	<u>2020</u>	<u>2019</u>	(Decrease)
<b>Revenues:</b>			
Property Taxes	722,761	752,183	( 29,422)
Charges for Services	650,530	643,210	7,320
Investment Income	1,893	9,065	( 7,172)
Grants	188,161		188,161
Expense Reimbursements	30,000	30,000	
Miscellaneous	<u>10,984</u>	<u>22,383</u>	( 11,399)
<b>Total Revenue</b>	<b>1,604,329</b>	<b>1,456,841</b>	<b>147,488</b>
<b>Expenditures:</b>			
Administrative	505,835	508,790	( 2,955)
Interest on Long-Term Debt	25,552	30,466	( 4,914)
<b>Programs/Projects:</b>			
Parking Services	341,730	351,766	( 10,036)
Streetscape Maintenance	262,409	276,024	( 13,615)
Other Programs and Projects	<u>250,832</u>	<u>58,820</u>	<u>192,012</u>
<b>Total Expenditures</b>	<b><u>1,386,358</u></b>	<b><u>1,225,866</u></b>	<b><u>160,492</u></b>
<b>Change of Net Position</b>	<b>217,971</b>	<b>230,975</b>	<b>( 13,004)</b>
<b>Net Position at Beginning of Year</b>	<b><u>1,916,532</u></b>	<b><u>1,685,557</u></b>	
<b>Net Position at End of Year</b>	<b><u>2,134,503</u></b>	<b><u>1,916,532</u></b>	

As detailed in the above table, DDA’s total revenues increased \$147,488 and total expenditures increased \$160,492. The increase in revenues is primarily attributable to nonrecurring grant revenue awarded for a downtown lighting project in the amount of \$188,161 and the associated increase in expenditures is likewise attributable to this project.

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

	Year Ended December 31	
	<u>2020</u>	<u>2019</u>
Contracts with City of Shreveport:		
Parking Services	\$ 362,000	\$ 362,000
Streetscape Maintenance Services	279,830	271,686
Other Streetscape Service Revenues	6,300	7,124
Other Parking Service Revenue	<u>2,400</u>	<u>2,400</u>
	<u>\$ 650,530</u>	<u>\$ 643,210</u>

Parking Services

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

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

Expenses incurred by DDA during 2020 applicable to the parking program totaled \$341,730, a decrease of \$10,037 or approximately 2.9 percent compared to 2019. Overall, revenues from parking services exceeded expenses by \$22,670. During the Covid stay at home orders, the parking division’s expenses were reduced which resulted in the small surplus.

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 \$262,409 for 2020 which is \$23,721 less than streetscape service revenues totaling \$286,130. The 2020 Covid stay at home order reduced anticipated expenses, and a critical piece of equipment which had initially been planned for purchase was rehabbed instead resulting in additional savings.

**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. The budget submitted by DDA was amended once during the year. As detailed in the following financial statement, DDA reports revenues and expenses under the cash basis of accounting, except for certain accounts receivable, accounts payable, and payroll related payables which are recorded by DDA during the year.

Actual revenues for the year exceeded budgeted revenues by approximately \$44,005.



Budgeted expenditures, before debt service, exceeded actual expenditures by approximately \$56,326.

### **Next Year's Budget**

Revenues under the parking management contract with the City of Shreveport are expected to total \$362,000 for 2021. The base contract for 2021 is consistent with 2020.

Revenues under the streetscape contract with the City of Shreveport are expected to total \$266,100 for 2021 which is consistent with 2020.

Budgeted property tax revenues for 2021 are \$678,422, an expected decrease of approximately 1.3 percent compared to 2020.

It is anticipated that management will consider and monitor the economic uncertainties of COVID-19 and the impact on available financial resources.

### **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, 2020

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,722,184
Receivables	875,384
Prepaid expenses	12,756
Capital assets, net	
Non-depreciable	130,237
Depreciable (net)	918,353
Total assets	3,658,914
 <b>LIABILITIES</b>	
Accounts payable	41,442
Due to City of Shreveport	94,626
Accrued expenses	28,985
Long-term liabilities:	
Due within one year	171,893
Due in more than one year	500,316
Total liabilities	837,262
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	687,149
 <b>NET POSITION</b>	
Net investment in capital assets	816,020
Unrestricted	1,318,483
Total net position	\$ 2,134,503

See accompanying notes to the basic financial statements.

Downtown Development Authority  
 Shreveport, Louisiana  
 Statement of Activities  
 For the Year Ended December 31, 2020

		Program Revenues		
Expenses	Charges for Services	Operating Grants	Net (Expense) Revenue and Changes in Net Assets	
<u>Functions and Programs:</u>				
<u>Governmental Activities:</u>				
Downtown Development	\$ 756,667	\$	\$ 188,161	\$ (568,506)
Streetscape Program	262,409	286,130		23,721
Parking Program	341,730	362,000		20,270
Interest on long-term debt	25,552			(25,552)
Total functions and programs	\$ 1,386,358	\$ 648,130	\$ 188,161	(550,067)
 <u>General Revenues:</u>				
Ad valorem taxes				722,761
Interest and investment Earnings				1,893
Expense reimbursements				30,000
Miscellaneous				13,384
Total general revenues				768,038
Change in net position				217,971
Net position at beginning of year				1,916,532
Net position at end of year				\$ 2,134,503

See accompanying notes to the basic financial statements.

Downtown Development Authority  
Shreveport, Louisiana  
Balance Sheet  
Governmental Fund  
December 31, 2020

	General
<b>Assets</b>	
Cash and cash equivalents	\$ 1,722,184
Receivables	875,384
Total assets	\$ 2,597,568
<b>Liabilities</b>	
Accounts payable	\$ 41,442
Accrued expenses	28,985
Due to City of Shreveport	94,626
Total liabilities	165,053
Deferred inflows of resources	
Unavailable revenue - property taxes	687,149
<b>Fund balance</b>	
Unassigned	1,745,366
Total fund balance	1,745,366
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,597,568
Total fund balance - governmental fund	\$ 1,745,366
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 \$851,552).	1,048,590
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	12,756
Long-term liabilities, including bonds payable, capital leases, and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.	(672,209)
Net position of governmental activities	\$ 2,134,503

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, 2020

Revenues:	<u>General</u>
Ad valorem taxes	\$ 722,761
Expense reimbursements	30,000
Charges for services	648,130
Grant	188,161
Miscellaneous	13,384
Interest income	1,893
Total revenues	<u>1,604,329</u>
Expenditures:	
Current:	
General government:	
Downtown development	677,076
Streetscape maintenance	254,659
Parking services	344,050
Debt Service:	
Principal payment	116,266
Interest and other charges	24,810
Capital outlay	22,932
Total expenditures	<u>1,439,793</u>
Excess of revenues over expenditures	164,536
Fund balance at beginning of year	<u>1,580,830</u>
Fund balance at end of year	<u><u>\$ 1,745,366</u></u>

See accompanying notes to the basic financial statements.

Downtown Development Authority  
 Shreveport, Louisiana  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance  
 of Governmental Fund to the Statement of Activities  
 For the Year Ended December 31, 2020

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	\$	164,536
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Amounts reported for governmental activities in the statement  
 of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$77,203) exceeded capital outlays (\$22,932) in the current period.		(54,271)
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Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		116,266
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
Accrued interest		823
Accrued leave		(9,383)
		(9,383)

Change in net position of governmental activities	\$	217,971
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See accompanying notes to the basic financial statements.

Downtown Development Authority  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2020

## 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.

(Continued)

Downtown Development Authority  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2020  
(Continued)

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.

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.

(Continued)



Downtown Development Authority  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2020  
(Continued)

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.

(Continued)

Downtown Development Authority  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2020  
(Continued)

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 revenue refunding bonds and a capital lease.

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.

(Continued)

Downtown Development Authority  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2020  
(Continued)

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 only 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 one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period for which the amounts were levied and budgeted.

(Continued)

Downtown Development Authority  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2020  
(Continued)

(2) Ad Valorem Taxes

Ad valorem tax revenues collected by the DDA in the year 2020 represent collections of the 2019 tax levy and totaled \$722,761 at a millage rate of 8.64. 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 2026. The City of Shreveport collects the ad valorem taxes and remits to DDA periodically. Since the 2020 tax levy is intended to fund the 2021 fiscal year, the levy has been recorded as a receivable and deferred inflow of resources. Amounts recognized as revenue from property taxes in 2020 represent collections in 2020 of the 2019 tax levy.

Approximately 18% of DDA's tax revenues are derived from two taxpayers, and a total of 48% is derived from ten taxpayers.

(3) Budgets

DDA's budgetary calendar is January 1 through December 31 of each year. The 2020 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 was one amendment to the 2020 budget during the year. Unexpended budget balances lapse at the end of the year.

The 2020 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, 2020, DDA is subject to tax abatement agreements which were entered into by the State of Louisiana through the Restoration Tax Abatement Program (RTA). The RTA program is a program, which provides an up to ten-year abatement of a portion of ad valorem property taxes on the renovations and improvements of existing commercial structures and owner-occupied residences. It is a five-year award with an option for a five-year renewal with local governing authority approval. The legal authority is Louisiana Revised Statute 47:4311, et seq. DDA has not made any commitments as part of the agreements other than to reduce taxes.

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

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

(Continued)

Downtown Development Authority  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 December 31, 2020  
 (Continued)

Gross Dollar Amount by Which DDA's Tax Revenues Were Reduced: DDA estimates property tax revenues have been reduced by \$62,705 for the year.

(5) Cash and Cash Equivalents

At December 31, 2020, the DDA has cash and cash equivalents (book balances) totaling \$1,722,184, as detailed below.

A. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2020 (book balances) totaled \$1,722,184. 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. 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, 2020, \$1,540,997 of the DDA's bank balances totaling \$1,790,997, 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, 2020:

<u>Class of Receivable</u>	<u>Amount</u>
Property taxes	\$ 687,149
Grant – lighting project	188,161
Related party receivables – DSDC and DSU	<u>74</u>
Total	<u>\$ 875,384</u>

(Continued)

Downtown Development Authority  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2020  
(Continued)

(7) Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance at Jan. 1, 2020	Additions	Deletions	Balance at Dec. 31, 2020
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Idle assets	\$ 50,237	\$	\$	\$ 50,237
Land	80,000			80,000
Total Capital assets, not being depreciated	<u>130,237</u>			<u>130,237</u>
Capital assets, being depreciated:				
Buildings	1,511,123			1,511,123
Equipment and furniture	7,097	22,932		30,029
Streetscape equipment	132,131			132,131
Parking program equipment	96,622			96,622
Total capital assets, being depreciated, at historical cost	<u>1,746,973</u>	<u>22,932</u>		<u>1,769,905</u>
Less accumulated depreciation:				
Buildings	(613,174)	(62,530)		(675,704)
Equipment and furniture	(888)	(191)		(1,079)
Streetscape equipment	(79,532)	(7,396)		(86,928)
Parking program equipment	(80,755)	(7,086)		(87,841)
Total accumulated depreciation	<u>(774,349)</u>	<u>(77,203)</u>		<u>(851,552)</u>
Total capital assets, being depreciated, net	<u>972,624</u>	<u>(54,271)</u>		<u>918,353</u>
Governmental activities capital assets, net	<u>\$ 1,102,861</u>	<u>\$ (54,271)</u>	<u>\$</u>	<u>\$ 1,048,590</u>

Depreciation expense for the year ended December 31, 2020 was charged to the various functions follows:

Downtown Development	\$ 62,721
Streetscape Program	7,396
Parking Program	<u>7,086</u>
Total	<u>\$ 77,203</u>

(Continued)

Downtown Development Authority  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 December 31, 2020  
 (Continued)

(8) Operating Leases

The DDA leases certain equipment under an operating lease. Rental costs on the lease for the year ended December 31, 2020, were \$2,520.

In December of 2020, DDA signed a new equipment operating lease. No payments were required under this lease for 2020. Commitments under this lease agreement are as follows:

For the Year Ending December 31,	
2021	\$ 1,560
2022	1,560
2023	<u>1,560</u>
Total	<u>\$ 4,680</u>

(9) 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 \$18,485 for the year ended December 31, 2020. Account balances are fully vested after five years of service. Employer contributions are reported as follows for the year ended December 31, 2020:

Administrative	\$ 9,169
Street	4,430
Parking	<u>4,886</u>
Total	<u>\$ 18,485</u>

(10) 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.

(11) Subsequent events

Subsequent events have been evaluated through June 21, 2021, the date the financial statements were available to be issued.

(Continued)

Downtown Development Authority  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2020  
(Continued)

(12) Long-term Debt

Changes in long-term debt for the year ended December 31, 2020 are summarized as follows:

	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/20</u>	<u>Amount Due</u> <u>Within OneYear</u>
Notes from direct borrowings and direct placement:					
Refunding Bonds	\$ 475,000	\$	\$ 85,000	\$ 390,000	\$ 90,000
Other liabilities:					
Capital Lease-building	263,836		31,266	232,570	32,254
Compensated absences	<u>43,936</u>	<u>8,026</u>		<u>51,962</u>	<u>51,962</u>
	<u>\$ 782,772</u>	<u>\$ 8,026</u>	<u>\$ 116,266</u>	674,532	174,216
Less amounts due within period of availability				<u>( 2,323)</u>	<u>( 2,323)</u>
Total long-term liabilities, governmental activities				<u>\$ 672,209</u>	<u>\$ 171,893</u>

Refunding Bonds

Refunding Bonds, Series 2009, dated November 2, 2009, semi-annual payments of interest only and annual payments of principle and interest. Annual debt service of approximately \$113,000. Interest rate of 3.915%. Final payment November 1, 2024.

\$ 390,000

Less current installments on long-term debt	( 90,000)
Total non-current liabilities	<u>\$ 300,000</u>

In November, 2009, DDA issued \$1,100,000 in revenue refunding bonds, series 2009, with at interest rate of 6.0 percent, to refund \$2,275,000 of outstanding revenue bonds, series 2004, with an interest rate of 5.88 percent. During 2013, DDA obtained an interest rate reduction, lowering the interest rate from 6.0% to 3.915%.

Annual requirements to retire long-term debt are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 90,000	\$ 15,268	\$ 105,268
2022	95,000	11,746	106,746
2023	100,000	8,026	108,026
2024	<u>105,000</u>	<u>4,111</u>	<u>109,111</u>
	<u>\$ 390,000</u>	<u>\$ 39,151</u>	<u>\$ 429,151</u>

(Continued)



Downtown Development Authority  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 December 31, 2020  
 (Continued)

Capital Lease - 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 capital lease for accounting purposes. The property is included in capital assets at a cost of \$387,524, with accumulated depreciation totaling \$72,123 as of December 31, 2020. Interest has been imputed at a rate of 3.117%, and DDA will make monthly payments through August 2027. The debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2021	\$ 39,048
2022	39,048
2023	39,048
2024	39,048
2025	39,048
2026-2027	<u>63,098</u>
Total minimum lease payments	258,338
Less amounts representing interest	<u>( 25,768)</u>
Present value of minimum lease payments	<u>\$ 232,570</u>

(13) Accrued Expenses

Accrued expenses at December 31, 2020, consisted of the following:

Accrued Leave	\$ 2,323
Payroll related	23,376
Miscellaneous	<u>3,286</u>
Total	<u>\$ 28,985</u>

(14) 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 2020 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 2020 total \$362,000.

(Continued)

Downtown Development Authority  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2020  
(Continued)

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, 2020 through December 31, 2020. 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 2020 was \$30,000.

DSDC will pay DDA to operate and manage a downtown parking lot. Amounts earned by DDA for this service for 2020 was \$2,400.

DSDC will pay DDA for streetscape services for a downtown parking lot leased by DSDC. Amounts earned by DDA for this service for 2020 was \$6,300.

DDA entered into a triple net commercial lease with DSDC to lease certain immovable property and improvements located thereon. The lease qualifies as a capital lease for accounting purposes. Total payments made during 2020 under this lease were \$39,045.

(15) Uncertainty

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

Downtown Development Authority  
Shreveport, Louisiana  
Budgetary Comparison Schedule  
Governmental Fund - General Fund  
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues:</b>				
Property taxes	\$ 687,664	\$ 722,760	\$ 722,761	\$ 1
Expense reimbursements	30,000	30,000	30,000	
Charges for services	634,400	634,400	680,697	46,297
Miscellaneous income	7,400	50,787	48,601	(2,186)
Interest income	17,000	2,000	1,893	(107)
Total revenues	<u>1,376,464</u>	<u>1,439,947</u>	<u>1,483,952</u>	<u>44,005</u>
<b>Expenditures:</b>				
Current:				
General government:				
Downtown development	599,919	728,095	710,890	17,205
Streetscape maintenance	272,400	272,400	235,940	36,460
Parking services	362,000	362,000	359,338	2,662
Debt Service:				
Principal payment	124,048	114,300	116,266	(1,966)
Interest and other charges	18,597	18,597	24,810	(6,213)
Capital Outlay		22,932	22,932	
Total expenditures	<u>1,376,964</u>	<u>1,518,324</u>	<u>1,470,176</u>	<u>48,148</u>
Excess of revenues over expenditures		(78,377)	13,776	92,153
Fund balance at beginning of year		<u>78,377</u>	<u>1,568,870</u>	<u>1,490,493</u>
Fund balance at end of year	<u>\$</u>	<u>\$</u>	<u>\$ 1,582,646</u>	<u>\$ 1,582,646</u>

Downtown Development Authority  
 Shreveport, Louisiana  
 Notes to Required Supplementary Information  
 December 31, 2020

The 2020 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 was one amendment to the 2020 budget. Budget comparison statements included in the accompanying financial statements include the original and amended budget. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ 13,776
Adjustments:	
Expenditure accruals – net	30,383
Revenue accruals – net	<u>120,377</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ 164,536</u>

Downtown Development Authority  
Shreveport, Louisiana  
Other Supplementary Information  
Schedule of Compensation, Benefits, and Other Payments to Agency Head  
For the Year Ended December 31, 2020

**Agency Head:** Liz Swaine, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 119,408
Benefits-insurance	25,053
Benefits-retirement	3,690
Benefits-other	504
Car allowance	3,600
Reimbursements	208
Special meals	811

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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

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, the financial statements of the governmental activities and major fund of the Downtown Development Authority as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Downtown Development Authority's basic financial statements, and have issued our report thereon June 21, 2021.

### **Internal Control Over Financial Reporting**

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



Cook & Morehart  
Certified Public Accountants  
June 21, 2021

Downtown Development Authority  
Shreveport, Louisiana  
Schedule For Louisiana Legislative Auditor  
December 31, 2020

**Summary Schedule of Prior Audit Findings**

There was one finding in the prior audit for the year ended December 31, 2019.

**2019-001 – Budget**

Condition: The budget was adopted at the September 26, 2018, board meeting. However, the DDA did not advertise the availability of the budget for public inspection 10 days prior to the public hearing held to adopt the budget.

Current Status: No finding reported in current year audit.

**Schedule of Current Year Audit Findings**

There are no findings in the current audit for the year ended December 31, 2020.