

DOWNTOWN DEVELOPMENT AUTHORITY OF  
THE CITY OF AUGUSTA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2023

## TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT .....	1 - 3
FINANCIAL STATEMENTS:	
Statement of Net Position .....	4
Statement of Activities .....	5
Balance Sheet - Governmental Fund .....	6
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund .....	7
NOTES TO FINANCIAL STATEMENTS .....	8 - 14
SUPPLEMENTARY INFORMATION:	
Supplementary Schedule of Expenses by Activity .....	15

Michelle Bennett, CPA  
Rick L. Evans, CPA  
E.J. Maddocks, CPA  
Jay Sanders, CPA  
Wanda F. Scott, CPA

Abram J. Serotta, CPA  
Joel R. Stewart, CPA  
Andrea Usry, CPA  
David Ussey, CPA  
Paul Wade, CPA



## INDEPENDENT AUDITOR'S REPORT

To the Authority Members  
Downtown Development Authority of the City of Augusta  
Augusta, Georgia

### ***Qualified Opinion***

We have audited the accompanying financial statements of the governmental activities of Downtown Development Authority of the City of Augusta, a component unit of the City of Augusta, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph and the effects of the other matters discussed in the following paragraphs, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Downtown Development Authority of the City of Augusta, as of December 31, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Qualified Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Downtown Development Authority of the City of Augusta 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 qualified audit opinion.

### ***Matter Giving Rise to the Qualified Opinion***

As more fully described in Note 3 to the financial statements, certain properties that are owned by the Downtown Development Authority of the City of Augusta are not reflected as assets in the accompanying financial statements due to the inability to determine the fair market value of the properties at the date they were received. In our opinion, all capital assets should be recorded at cost, if purchased, or at fair value, if donated or contributed, to conform with accounting principles generally accepted in the United States of America, and those amounts should be depreciated over the estimated useful lives of the assets. The effects on the financial statements of the preceding practices are not reasonably determinable.

### ***Responsibilities of Management 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, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted 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 Downtown Development Authority of the City of Augusta's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Downtown Development Authority of the City of Augusta'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.

***Other Matters***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Downtown Development Authority's basic financial statements. The supplementary schedule of expenses by activity is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information 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 supplementary schedule of expenses by activity is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Serotta Maddocks Evans & Co.".

SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia

May 16, 2024

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF AUGUSTA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023

ASSETS

Cash	\$ 313,583
Accounts receivable	5,638
Restricted assets:	
Cash	2,705,052
Accounts receivable	9,236
Prepaid expenses	995
Security deposits	1,430
Noncurrent assets:	
Right of use asset, net	9,796
Capital assets, net	<u>448,480</u>
 Total Assets	 <u><u>\$ 3,494,210</u></u>

LIABILITIES

Accounts payable	\$ 5,203
Accrued expenses	138,008
Payable from restricted resources:	
Accounts payable	52,836
Long-Term liabilities:	
Due within one year	2,005
Due in more than one year	<u>7,791</u>
Total Liabilities	<u>205,843</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows relating to capital projects	<u>348,898</u>
---	----------------

NET POSITION (DEFICIT)

Net investment in capital assets	448,480
Restricted	2,587,480
Unrestricted	<u>(96,491)</u>
	<u>2,939,469</u>
 Total Liabilities and Net Position	 <u><u>\$ 3,494,210</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF AUGUSTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
		OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Governmental activities:				
Economic development	\$ 915,962	\$ 278,667	\$ 2,970,874	\$ 2,333,579
	Net position - beginning of year			<u>605,890</u>
	Net position - end of year			<u><u>\$ 2,939,469</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF AUGUSTA  
BALANCE SHEET - GOVERNMENTAL FUND  
DECEMBER 31, 2023

<b>ASSETS</b>	
Cash	\$ 313,583
Accounts receivable	5,638
Restricted cash	2,705,052
Restricted accounts receivable	9,236
Prepaid expenses	2,045
Security deposits	<u>1,430</u>
 Total Assets	 <u><u>\$ 3,036,984</u></u>
 <b>LIABILITIES</b>	
Accounts payable	\$ 5,203
Accrued expenses	138,008
Liabilities payable from restricted resources	<u>52,836</u>
Total Liabilities	<u>196,047</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows relating to capital projects	<u>348,898</u>
 <b>FUND BALANCE (DEFICIT)</b>	
Restricted	2,587,480
Unassigned	<u>(222,081)</u>
	<u>2,492,039</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 3,036,984</u></u>
 <b>GOVERNMENTAL FUND</b>	 <u><u>\$ 2,492,039</u></u>
 Amounts reported for governmental activities in the statement of net position are different because:	
Right of use assets and capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Right of use assets	9,796
Capital assets	<u>448,480</u>
	<u>458,276</u>
 Long-term liabilities, and related accrued interest and prepaid lease payments are not due and payable in the current period and therefore are not reported in the funds.	
Prepaid rent	(1,050)
Lease liability payable	<u>(9,796)</u>
	<u>(10,846)</u>
 <b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	 <u><u>\$ 2,939,469</u></u>

SEE NOTES TO FINANCIAL STATEMENTS



DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF AUGUSTA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND  
YEAR ENDED DECEMBER 31, 2023

REVENUES

Operating grants and contributions	\$ 278,667
Capital grants and contributions	<u>2,970,874</u>
Total Revenues	<u>3,249,541</u>

EXPENDITURES

Current:

General government	<u>915,966</u>
Total Expenditures	<u>915,966</u>

Excess of Revenues Over Expenditures	2,333,575
--------------------------------------	-----------

FUND BALANCE - BEGINNING OF YEAR	<u>158,464</u>
----------------------------------	----------------

FUND BALANCE - END OF YEAR	<u><u>\$ 2,492,039</u></u>
----------------------------	----------------------------

Net change in fund balance - governmental fund	\$ 2,333,575
--	--------------

Amounts reported for governmental activities in the statement of activities are different because:

Governmental fund reports capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	67,951
Depreciation on governmental assets	<u>(68,164)</u>
	(213)

Government fund reports lease payments as current year expenditures. However, in the statement of activities these commitments are reported as liabilities. Arising from these lease agreement are right of use assets, which are amortized over the lease term.

Lease expense	9,690
Amortization of right of use asset	(9,259)
Interest expense on lease liability	<u>(214)</u>
	217

Change in net position of governmental activities	<u><u>\$ 2,333,579</u></u>
---	----------------------------

SEE NOTES TO FINANCIAL STATEMENTS

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF AUGUSTA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Downtown Development Authority of the City of Augusta, Georgia (the Authority), a component unit of the City of Augusta, Georgia, conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. For the year ended December 31, 2003, the Authority adopted the provisions of GASB 33 and 34. These financial statements present only the Authority and are not intended to present fairly the financial position and results of operations of the City of Augusta, Georgia in conformity with accounting principles generally accepted in the United States of America. The Authority serves to promote, pursue and implement economic development in downtown Augusta, Georgia. The following is a summary of significant accounting policies:

A. Discretely Presented Component Unit

The Authority is a discretely presented component unit of the City of Augusta, Georgia. A discretely presented component unit is a legally separate organization for which the elected officials of the primary government are financially accountable.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide and Fund Financial Statements - The Authority's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the Authority. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are 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 segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The government-wide financial statements are presented on an *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all of the Authority's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF AUGUSTA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

C. Budgets and Budgetary Accounting

The City of Augusta, Georgia determines the annual appropriation of funding for the Authority. All budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America. The Authority's annual operating budget is established and approved by the Authority Board subsequent to notification of the Authority's annual appropriation from the City.

D. Accounts Receivable

Accounts receivable are shown net of allowances for uncollectible amounts. Uncollectible amounts are estimated based upon past collection experience. At December 31, 2023, the allowance for doubtful accounts was zero.

E. Capital Assets

All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributions of property and equipment are recorded as contributions at fair value at the date the property is contributed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

Estimated useful lives for asset types are as follows:

Buildings	39 years
Website	10 years

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF AUGUSTA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Fund Equity

Fund equity in government-wide and proprietary fund financials is classified as net position. Net position is classified as follows:

- Net investment in capital assets - This classification represents capital assets, net of accumulated depreciation, decreased by the remaining balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.
- Unrestricted - Unrestricted net position represents net position that does not meet the definitions of the other classifications.

Fund equity in the governmental fund financial statements is classified as fund balance. Mostly, fund balance is the difference between current assets and current liabilities. In the fund statements, governmental funds report fund balance classifications that consist of hierarchy based primarily on the extent to which the Authority is required to honor constraints on the specific purposes for which amounts in those funds can be expended. Fund balances are classified as follows:

- Nonspendable - Fund balances are reported as nonspendable when amounts cannot be expended because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- Restricted - Fund balances are reported as restricted when there are restrictions imposed on their use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.
- Committed - Fund balances are reported as committed when they can be used only for a specific purpose pursuant to constraints imposed by the formal action of the Authority Board through the adoption of a formal policy. Only the Authority Board may modify or rescind the commitment.
- Assigned - Fund balances are reported as assigned when amounts are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. The authorization to assign fund balance remains with the Authority Board.
- Unassigned - Fund balances are reported as unassigned as the remaining amount when the balances do not meet any of the other classifications. The Authority reports positive fund balance in the general fund only, if applicable. Negative unassigned balances may be reported in all governmental funds.

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF AUGUSTA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Flow Assumptions

When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, the Authority's policy is to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, the Authority's policy is to use fund balances in the following order:

- Committed
- Assigned
- Unassigned

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

I. Right of use Assets

Leases, as a lessee, are included as right of use assets and lease obligations on the Statement of Net Position. A right of use asset represents the Authority's right to use an underlying asset for the lease term. Lease obligations represent the Authority's liability to make lease payments arising from the lease agreement. Right of use assets and lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term exceeds 12 months. The value of an option to extend or terminate a lease are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease liability. Right of use assets are amortized using a straight- line basis over the shorter of the lease term or useful life of the underlying asset.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, 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. The Authority has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. Deferred inflows of resources were \$348,898 at December 31, 2023.

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF AUGUSTA  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS AND INVESTMENTS

Concentration and Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. At December 31, 2023, the carrying amount of the Authority's deposits was \$3,018,635, and the bank balance was \$3,102,884. The bank balances insured by Federal depository insurance were \$250,000 and the bank balances collateralized with securities held by the pledging financial institution or by the pledging financial institution's trust department or agent not in the Authority's name were \$2,852,884.

Credit Risk

The Authority's policy is in accordance with Section 36-83-4 of the State of Georgia Code of Laws which allows for deposits and investments as follows:

- a) Obligations of Georgia or of other states;
- b) Obligations issued by the United States government;
- c) Obligations fully insured or guaranteed by the United States government or a United States government agency;
- d) Obligations of any corporation of the United States government;
- e) Prime bankers' acceptances;
- f) The local government investment pool established by Code Section 36-83-8;
- g) Repurchase agreements;
- h) Obligations of other political subdivisions of Georgia; and
- i) Deposit accounts with eligible depository institutions.

NOTE 3 - RIGHT OF USE ASSETS AND CAPITAL ASSETS

Right of use assets for the year ended December 31, 2023 was as follows:

	BALANCE 12/31/2022	ADDITIONS	DISPOSALS	BALANCE 12/31/2023
Right of use assets:				
Office	\$ 52,243	\$ -	\$ (52,243)	\$ -
Copier	10,863	10,687	(10,863)	10,687
Total Right of use assets	63,106	10,687	(63,106)	10,687
Less accumulated amortization:				
Office	(46,148)	(6,095)	52,243	-
Copier	(9,596)	(2,158)	10,863	(891)
Total accumulated amortization	(55,744)	(8,253)	63,106	(891)
Right of use assets, net	\$ 7,362	\$ 2,434	\$ -	\$ 9,796

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF AUGUSTA  
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RIGHT OF USE ASSETS AND CAPITAL ASSETS (continued)

Capital assets activity for the year ended December 31, 2023 was as follows:

	BALANCE 12/31/2022	ADDITIONS	DISPOSALS	BALANCE 12/31/2023
Non-depreciable capital assets:				
Construction in progress	\$ -	\$ 67,951	\$ -	\$ 67,951
Total Non-depreciable capital assets	<u>\$ -</u>	<u>\$ 67,951</u>	<u>\$ -</u>	<u>\$ 67,951</u>
Depreciable capital assets:				
Port Royal parking deck	\$ 2,600,000	\$ -	\$ -	\$ 2,600,000
Website	15,000	-	-	15,000
Total Depreciable capital assets	<u>2,615,000</u>	<u>-</u>	<u>-</u>	<u>2,615,000</u>
Less accumulated depreciation:				
Port Royal parking deck	(2,163,307)	(66,664)	-	(2,229,971)
Website	(3,000)	(1,500)	-	(4,500)
Total accumulated depreciation	<u>(2,166,307)</u>	<u>(68,164)</u>	<u>-</u>	<u>(2,234,471)</u>
Total Capital assets, net	<u>\$ 448,693</u>	<u>\$ (213)</u>	<u>\$ -</u>	<u>\$ 448,480</u>

Amortization and depreciation expense for the year ended December 31, 2023 was \$8,253 and \$68,164, respectively.

The Authority owns additional properties which were contributed in prior years. The Authority did not obtain valuations of the properties at the date of contribution and records are not available to reflect the correct fair market value of the properties on the date contributed. Therefore, the Authority's financial statements do not reflect the value of these properties. If the property values were attainable, the net position of the Authority would increase by the respective property values.

The assets that are excluded from the financial statements are as follows:

Date Property was Transferred	Property Description
August 6, 1991	1 Seventh Street, Augusta, GA
April 18, 1994	1B James Brown Boulevard, Augusta, GA
December 20, 1999	925 Reynolds Street, Augusta, GA
April 11, 2000	3 Eighth Street, Augusta, GA

NOTE 4 - LEASES PAYABLE

The Authority has acquired office space and a copier under the provisions of various contracts that convey control of the right to use another entity's asset for a period of time in an exchange-like transaction. These contracts are classified as leases for accounting purposes.

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF AUGUSTA  
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - LEASES PAYABLE (continued)

The following assets were acquired through leases and are reflected in the statement of financial position at fiscal year end.

	Governmental Activities
Right-To-Use Equipment	\$ 10,687
Less: Accumulated Amortization	(891)
	<u>\$ 9,796</u>

Lease currently outstanding is as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Monthly Principal & Interest	Amount Issued	Amount Outstanding
Copier	3.75%	8/1/2023	7/30/2028	\$ 195	\$ 10,687	\$ 9,840

The following is a schedule of total lease payments:

Year Ended 12/31	Principal	Interest
2024	\$ 2,005	\$ 335
2025	2,082	258
2026	2,161	179
2027	2,244	96
2028	1,348	17
Total Principal and Interest	<u>\$ 9,840</u>	<u>\$ 885</u>

NOTE 5 - MEMORANDA OF UNDERSTANDING

The Authority has entered into three memoranda of understanding (MOU) with Augusta-Richmond County Government (Augusta) to complete capital outlay projects funded by special purpose local option sales tax (SPLOST) proceeds. One MOU stipulates that the Authority has received \$1,000,000 for the purpose of completing specified capital outlay projects. The unspent portion of these funds is presented as a deferred inflow of resources on the statement of net position and the balance sheet - governmental funds at December 31, 2023. The second MOU stipulates that the Authority will act as a pass-through entity for Augusta to facilitate the payment of SPLOST funds for an approved SPLOST project managed by a third party. These funds are provided as reimbursements for qualifying project expenses and are immediately remitted to the third party. The Authority had none of these funds in its custody at yearend and recognized no revenues or expenses for the receipt or disbursement of these funds. The third MOU stipulates that ACE, LLC will provide downtown maintenance and upkeep as required by the first MOU. The Authority has recognized \$275,000 in revenues and \$243,600 in expenses relating to this project as of the year ended December 31, 2023.



**SUPPLEMENTARY INFORMATION**  
(See Independent Auditor's Report)

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF AUGUSTA  
SUPPLEMENTARY SCHEDULE OF EXPENSES BY ACTIVITY  
YEAR ENDED DECEMBER 31, 2023

GOVERNMENTAL ACTIVITIES:

Economic Development:

Professional fees	\$ 31,371
Salaries	170,379
Depreciation	68,164
Amortization	9,259
Dedicated maintenance expense	243,600
Riverwalk improvements (SPLOST)	296,047
5th Street (SPLOST)	24,827
Office rent	6,705
Matching grant program	5,000
Telephone	4,668
Christmas Light-up Spectacular	5,000
Operating expenses	25,974
Utilities	3,694
Office supplies	3,360
Insurance	3,002
Advertising and marketing	2,026
Memberships	430
Partnership development	496
Postage	177
Travel	4,532
Economic development	<u>7,251</u>

Total Economic Development	<u>915,962</u>
----------------------------	----------------

Total Governmental Activities	<u><u>\$ 915,962</u></u>
-------------------------------	--------------------------