

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**



CITY OF SHREVEPORT, LOUISIANA

As of and for the year ended December 31, 2018

Finance Department
Charles J. Madden, III, Director



**CITY OF SHREVEPORT, LOUISIANA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

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CITY OF SHREVEPORT

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Website: www.shreveportla.gov

August 31, 2019

Mayor Adrian Perkins
Members of the City Council
City of Shreveport, Louisiana

Mayor and Members of the City Council:

In accordance with Section 10.02, paragraph (j), of the City Charter, and pursuant to Louisiana State Statutes I am pleased to submit the Comprehensive Annual Financial Report for the year ended December 31, 2018. The financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted government auditing standards by a firm of licensed certified public accountants. I believe this report presents comprehensive information about the City's financial and operating activities during 2018 that is useful to taxpayers, citizens, and other interested persons.

This report was prepared by the Accounting Division of the Finance Department and consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. In addition to internal controls established by management and those built into the accounting system, the Office of Internal Audit periodically reviews the adequacy of internal controls. The Internal Auditor and her staff are independent of the Finance Department. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

In accordance with Section 4.28 of the City Charter, the City Council is required to provide for an annual independent audit of the accounts and financial transactions of the City by a firm of independent certified public accountants duly licensed to practice in the State of Louisiana. The accounting firm of Carr, Riggs & Ingram, LLC, was selected by the City Council to conduct its annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City’s separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Shreveport

The City of Shreveport was incorporated in 1839. It is located on the west bank of the Red River in Northwest Louisiana, approximately thirty (30) miles south of Arkansas and fifteen (15) miles east of Texas. Shreveport is the seat of Caddo Parish and the center of a metropolitan area that includes Bossier, Caddo, and Webster Parishes. Although located primarily in Caddo Parish, a small portion of the City extends into Bossier Parish. The current area of the City is approximately 123 square miles.

The City of Shreveport has been organized under a mayor-council form of government since 1978, when the current City charter was adopted by the voters. The charter provides for a seven member council, with each member selected for four-year terms from separate districts of the City. The mayor is elected at-large for a four-year term, is not a member of the council, but has veto power over council action.

The City provides a wide range of services including public safety, highways and streets, sanitation, water and sewer services, airports, transportation, recreational activities, general administration functions, and others.

These financial statements present the City of Shreveport (the primary government) and its component units. The component units are included in the City’s reporting entity because of the significance of their operational or financial relationships with the City. Included as discretely presented component units is the financial data for the Shreveport Home Mortgage Authority, City Courts, City Marshal, Downtown Development Authority, Metropolitan Planning Commission, and Shreve Memorial Library. They are reported separately within the City’s financial statements to emphasize that they are legally separate from the City. Additional information on these legally separate entities can be found in the notes to the financial statements.

Budgetary Control

The annual budget serves as the foundation for the City’s financial planning and control. The City Council is required to adopt the final budgets no later than December 15 each year. Budgets are adopted at the fund, department and object level. The exception is the Community Development Department where the budget is at the fund, department, division and object level. Budgetary transfers across department lines or between classes of lump sum appropriations require the approval of the City Council.

In developing and evaluating the accounting system of the City, the Finance Department considers the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the City government is responsible for ensuring that adequate internal controls are in effect. All internal control evaluations occur within the framework described.

The Finance Department believes that the internal controls of the City adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Local Economy

Sales taxes make up the largest part of local revenues. While collections of sales taxes have fluctuated in recent years, with an increase in gas exploration and collections from online sales, sales tax collections have rebounded slowed. They are expected to remain steady through 2019. The five year trend for sales tax has been as follows:

2014	119,809,168
2015	117,990,678
2016	115,450,214
2017	118,856,148
2018	123,869,548

Casino revenues continue to drop as competition within the region increases. Casino revenues are expected to remain stable through 2018. The five-year history of gaming revenues is as follows:

2014	10,241,584
2015	10,035,079
2016	9,615,662
2017	8,916,942
2018	8,792,004

Work continues on the Water & Sewerage projects to improve and upgrade the sewer system throughout the City. With most major arterial routes overlaid in last several years, another \$7.5 million was appropriated from the Streets Special Revenue Fund to continue overlaying and repair streets throughout the city.

Long-term Financial Planning

A consent decree, with the United States Environmental Protection Agency (EPA) and the Louisiana Department of Environmental Quality (DEQ), relative to wastewater improvements in Shreveport was officially filed in early 2014. The consent decree will require the city to make various wastewater treatment plant and sanitary sewer infrastructure improvements in order to reduce sanitary sewer overflows in the sewer collection system and meet wastewater discharge permit requirements under wet weather conditions.

To fund the sewer improvement program, the City Council approved rate increases over a 10 year period. The first of those increases went into effect October 1, 2013. An 8% increase in sewer rates went into effect January 1, 2017. The Water & Sewerage department continues to work with the EPA to make sure the project stays on schedule. With Phase 1 projects completed and most of Phase 2 projects underway, the City has started bidding Phase 3 projects. To help fund that work an additional Revolving Loan of \$20 million was acquired from the State DEQ and \$100 million of Water & Sewer revenue bonds were sold in 2018.

Relevant Financial Policies

The City continues to pay off General Obligation Bonds; the City will pay off all but the 2011 and 2014 GOB debt in 2019. Increases in Water and Sewer rates will fund the additional debt required to complete the project required by the consent decree. With most revenues flat, continuing services at current levels will be a challenge without additional revenues.

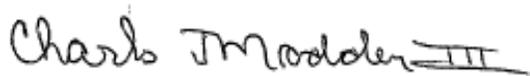
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Shreveport for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Sincere appreciation is expressed to the entire staff in the Finance Department and especially to the professional accounting staff whose dedicated and efficient services have made the preparation of this report possible. I also acknowledge the thorough and professional help in completing the audit from our independent auditors, Carr, Riggs & Ingram, LLC. Thanks to the Mayor and City Council for your support of excellence in financial reporting and fiscal integrity.

Sincerely,

A handwritten signature in black ink that reads "Charles J. Madden III". The signature is written in a cursive style with a horizontal line at the end.

Charles J. Madden III
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Shreveport
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

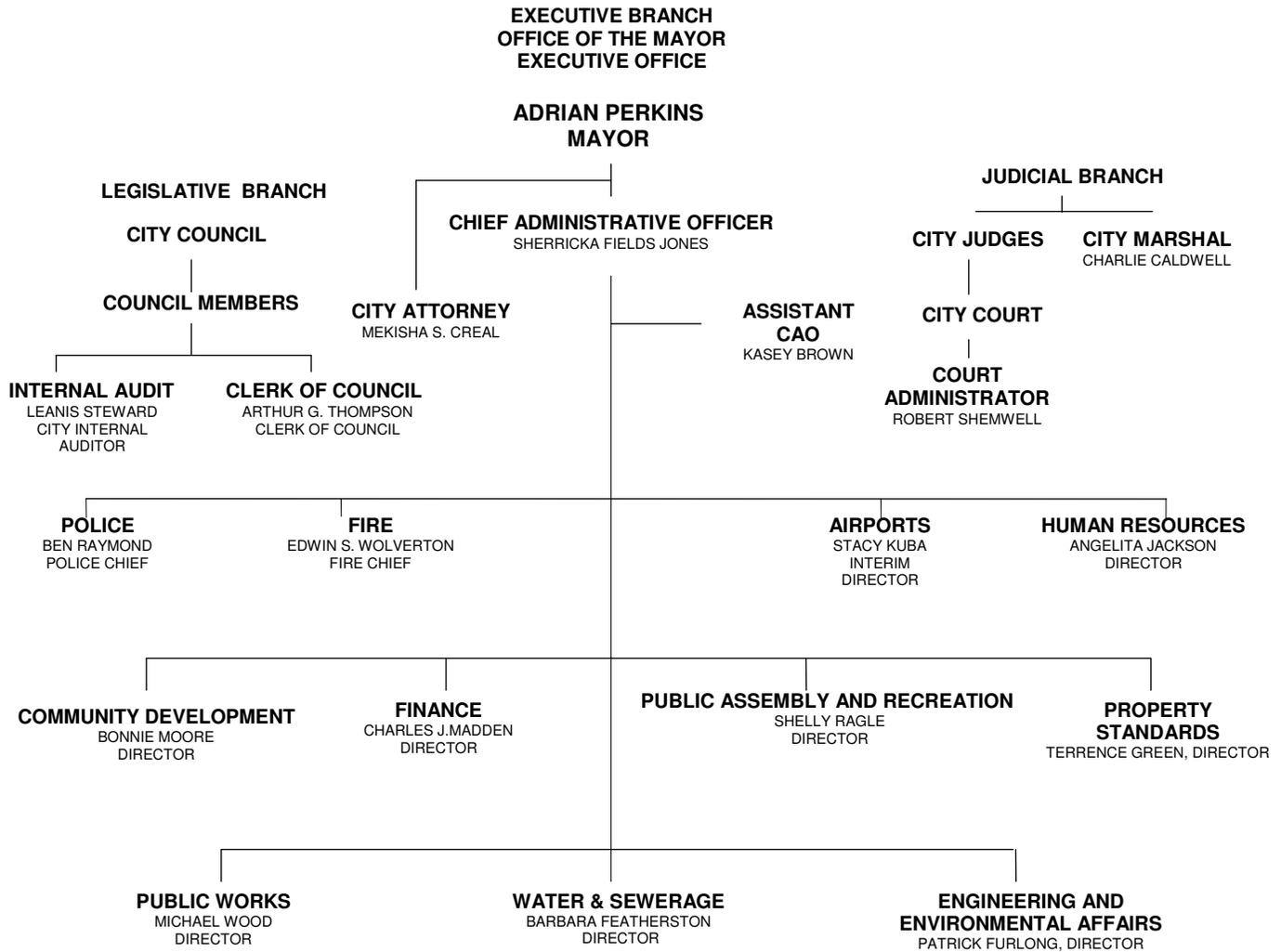
Christopher P. Morill

Executive Director/CEO

CITY OF SHREVEPORT

ORGANIZATION CHART

December 31, 2018



CITY OF SHREVEPORT, LOUISIANA

Principal Officials

Adrian Perkins
Mayor

Sherricka Fields Jones
Chief Administrative Officer

Members of City Council

Willie Bradford	District A
LeVette Fuller	District B
John Nickelson	District C
Grayson Boucher	District D
James Flurry	District E
James Green	District F
Jerry Bowman, Jr	District G

CITY OF SHREVEPORT, LOUISIANA

Finance Department

Department Director

Charles J. Madden III

Department Deputy Director

Angela Duncan

Division Managers

David Creswell
Robert Terry
Wendy Wagnon

Accounting
Revenue Collections
Purchasing

Accounting Staff

Rosalyn Atkins
Drucilla Carter
Barbara Dunn
Kimberly Horns
Doris LaCour
Linda Long
Abigail Monette
Lashonda Samuels
Sharon Tillman

Shiwanda Brown
Dorothy Cole
Ella Francis
Evelyn Jones
Marie LaFontant
Tobi Maiden
Diane Pharr
Linda Smith
Vernell Wiggins



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1000 East Preston Avenue
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Shreveport, LA 71134-0278

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Independent Auditors' Report

**Members of the City Council and
Honorable Adrian Perkins, Mayor
City of Shreveport, Louisiana**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Shreveport, Louisiana (the City) as of and for the year ended December 31, 2018, and related notes to the financial statements, which collectively comprise the City'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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Downtown Development Authority, City of Shreveport City Court, and Charlie Caldwell, Jr. City Marshal. These three entities collectively represent 14 percent of the assets, 7 percent of the net position and 19 percent of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Downtown Development Authority, City of Shreveport City Court, and Charlie Caldwell, Jr. City Marshal, is based solely on the reports of the other auditors. 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 auditors' 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 auditors consider 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, based on the audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Shreveport, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Adoption of New Accounting Pronouncement

As described in Note 15 to the financial statements, the City adopted Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, which resulted in a cumulative effect of change in accounting principle of (\$231,174,930) and (\$29,785,049) to the December 31, 2017 net position for governmental activities and business-type activities, respectively. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis), the budgetary comparison schedules, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios, the Schedule of Changes in the Net Pension Liability, the Schedule of Investment Returns, the Schedule of Pension Contributions, the Schedule of Employer's Proportionate Share of Net Pension Liability-State, the Schedule of Employer Contributions - State, listed as Required Supplementary Information in the table of contents, 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 and other auditors 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 inquires 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 City's basic financial statements. The introductory section, the Schedules of Revenues, Expenditures, and Changes in Fund Balance for nonmajor funds, The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, and Combining and Individual Fund Statements and Schedules for nonmajor funds, and Statistical Section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the nonmajor fund budgetary comparison schedules and the schedule of compensation, benefits and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relate 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, the nonmajor fund budgetary comparison schedules and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2019, on our consideration of the City'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 City of Shreveport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
August 30, 2019

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The Management's Discussion and Analysis (MD&A) offers the readers of the City of Shreveport's financial statements this narrative overview and analysis of the financial activities of the City of Shreveport for the year ended December 31, 2018.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2018 by \$210 million (net position). Unrestricted net position is a deficit of \$1.1 billion.
- The City's total net position decreased \$276 million. Net position of governmental activities decreased \$252 million and net position of business-type activities decreased \$24 million, including the effects of the prior period adjustments.
- As of December 31, 2018, the City's governmental funds reported combined fund balances of \$121 million, a decrease of \$11 million from the prior year.
- The unassigned fund balances for the General Fund represented -.56% of total General Fund expenditures.
- The City's total liabilities increased \$335 million.

Overview of the Financial Statements

The management's discussion and analysis serves as an introduction to the City's basic financial statements which are the government-wide financial statements, fund financial statements, and notes to the financial statements. Included in the report also is required supplementary information.

Government-wide financial statements. The government-wide financial statements report information about the overall finances of the City similar to a business enterprise. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The statement of net position presents information on all of the City's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. The statement is designed to display the financial position of the City. Over time, increases or decreases in net position help determine whether the City's financial position is improving or deteriorating.

The statement of activities provides information which shows how the City's net position changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid. The statement distinguishes functions of the City that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) from functions where user fees and charges to customers help to cover all or most of the cost of services (business-type activities). The City's governmental activities include general government, public safety, public works, culture and recreation, health and welfare, community development, economic development, and economic opportunity. The business-type activities of the City include airports, water and sewerage systems, convention center, hotel, transit, golf, and parking operations.

Not only do the government-wide financial statements include the City itself which is the primary government, but also its component units, Shreveport Home Mortgage Authority, City Court, City Marshal, Downtown Development Authority, Metropolitan Planning Commission, and Shreve Memorial Library. Although these component units are legally separate, their operational or financial relationship with the City makes the City financially accountable.

Fund financial statements. A fund is a grouping of self-balancing related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund

accounting to ensure and demonstrate fiscal accountability. The City uses governmental, proprietary, and fiduciary fund financial statements to provide more detailed information about the City's most significant funds rather than the City as a whole.

Governmental funds. Governmental funds are used to report most of the City's basic services. The funds focus on the inflows and outflows of current financial resources and the balances of spendable resources available at the end of the year. Governmental fund statements provide a near- or short-term view of the City's operations. A reconciliation is prepared of the governmental funds Balance Sheet to the Statement of Net Position and the Statement of Revenues, Expenditures, and Changes in Fund Balances of governmental funds to the Statement of Activities.

Fifteen governmental funds are used by the City. There are four major funds which have separately presented information in the governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. The major funds are the General Fund, Debt Service, the 2014 General Obligation Bond Fund, and the Community Development Fund. The eleven nonmajor funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

The City adopts an annual appropriated budget for its general fund and certain special revenue funds. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its airports, water and sewer, convention center, hotel, and other operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health care and retained risk. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the airports, water and sewerage, convention center, and hotel operations which are considered to be major funds of the City.

Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the City cannot use these assets for its operations. The accounting for fiduciary funds is much like that used in proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and postemployment benefits to its employees.

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The combining statements for nonmajor governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information on pensions and postemployment benefits.

Government-wide Financial Analysis

Net Position. The following table reflects condensed information on the City's net position:

Net Position (in millions)									
	Governmental Activities		Business-type Activities		Total		Change		
	2018	2017	2018	2017	2018	2017	Governmental Activities	Business Type Activities	Total
Current and other assets	\$ 139.89	\$158.34	\$ 297.02	\$ 311.85	\$ 436.90	\$ 470.19	\$ (18.45)	\$ (14.83)	\$ (33.29)
Capital assets	606.33	604.85	1,105.36	999.91	1,711.69	1,604.76	1.48	105.45	106.94
Total assets	746.22	763.19	1,402.38	1,311.76	2,148.60	2,074.95	(16.97)	90.62	73.65
Deferred outflows of resources	51.12	37.76	13.27	11.48	64.39	49.24	13.36	1.79	15.15
Current liabilities	16.45	17.28	33.97	45.57	50.42	62.85	(33.73)	(11.60)	(12.43)
Long-term liabilities	1,043.31	820.69	839.47	714.18	1,882.78	1,534.87	222.62	125.29	347.91
Total liabilities	1,059.76	837.97	873.44	759.75	1,933.20	1,597.72	188.89	113.69	335.48
Deferred inflows of resources	62.94	36.47	6.33	3.43	69.27	39.90	26.47	2.89	29.37
Net position									
Net investment in capital assets	606.33	604.85	619.09	614.52	1,225.43	1,219.37	1.48	4.57	6.05
Restricted	122.79	133.10	3.96	3.96	126.75	137.06	(10.31)	-	(10.31)
Unrestricted (Deficit)	(1,054.49)	(811.43)	(87.17)	(58.42)	(1,141.66)	(869.85)	(243.06)	(28.74)	(271.81)
Total net position	\$ (325.37)	\$ (73.48)	\$ 535.89	\$ 560.06	\$ 210.52	\$ 486.58	\$ (251.89)	\$ (24.17)	\$ (276.06)

At December 31, 2018, the City, as a whole, had assets and deferred outflows greater than its liabilities by \$211 million compared to \$487 million at December 31, 2017. The majority of the City's net position of governmental activities is invested in capital assets (streets, drainage, construction in progress, buildings, equipment, etc.). The capital assets are net of the outstanding principal of the debt associated with their acquisition. These assets are not available for future spending since they will not be sold. Restrictions are imposed upon 28.17% of the governmental activities net position. These assets are unavailable for general expenses but must be used for the intended purposes. Unrestricted net position of governmental activities is a deficit of \$1,054 million at the end of the year, an increase in the deficit from a \$811 million deficit in the prior year. The deficit does not mean that the City has insufficient resources to pay bills for the next year; however, it does show that on a long-term basis, the City has commitments beyond which it has current resources to fund its obligations. The largest of these commitments, besides the general obligation bonds, are certificates of indebtedness which were issued to fund state pension obligations, notes issued for remodeling of the Independence Stadium and the recognition of net pension liability, and other postemployment benefit obligations.

The net position of the City's business-type activities is \$536 million, a decrease of \$24 million from 2017. As with the governmental activities, the majority of the net position is invested in capital assets. The City uses these assets to provide services to the citizens. The unrestricted net position of the business-type activities is a deficit of \$87 million at December 31, 2018 compared to \$58 million in the prior year. The decrease in the deficit was mainly due to newly issued debt and recording the net pension and total OPEB liabilities.

Changes in net position. The City's total revenues and expenses for governmental and business-type activities are reflected in the following table:

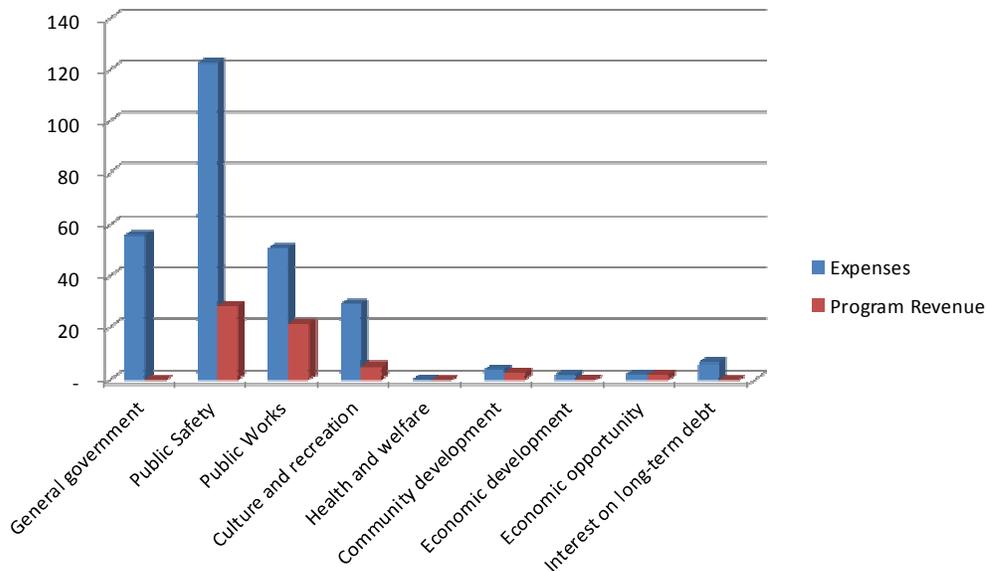
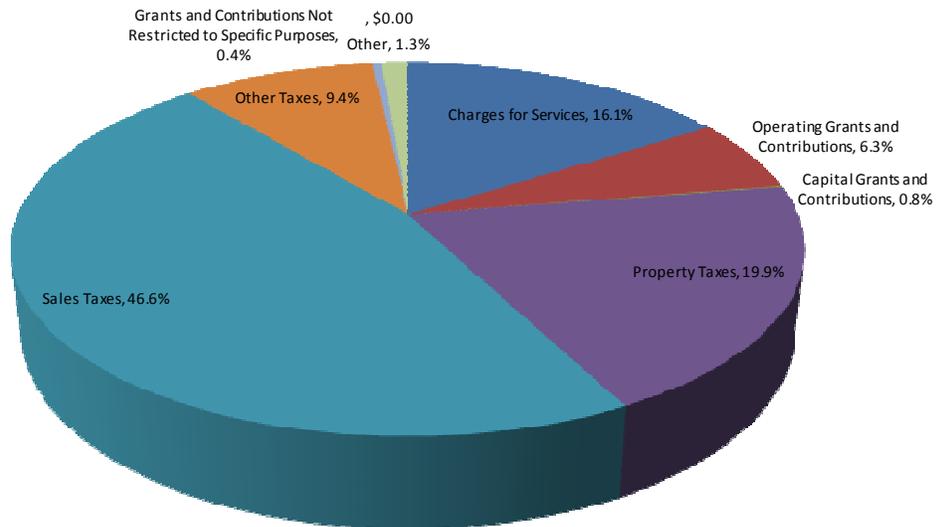
	Changes in Net Position (in millions)							
	Governmental Activities		Business-type Activities		Total		Change	
	2018	2017	2018	2017	2018	2017	Governmental	Business
Revenues:								
Program revenues:								
Charges for services	\$ 42.80	\$ 43.14	\$ 119.27	\$ 115.54	\$ 162.07	\$ 158.68	\$ (0.34)	\$ 3.73
Operating Grants and Contributions	16.63	21.53	5.71	4.65	22.34	26.18	(4.90)	1.06
Capital grants and contributions	0.25	0.14	6.43	21.59	6.68	21.73	0.11	(15.16)
General Revenues:								
Property taxes	52.79	55.63	-	-	52.79	55.63	(2.84)	-
Sales taxes	123.87	118.86	-	-	123.87	118.86	5.01	-
Other taxes	24.95	24.24	-	-	24.95	24.24	0.71	-
Grants and contributions not restricted to specific programs	1.12	1.15	-	-	1.12	1.15	(0.03)	-
Other Revenues	1.45	4.18	7.52	3.56	8.97	7.74	(2.73)	3.96
Total Revenues	263.85	268.87	138.93	145.34	402.78	414.20	(5.01)	(6.41)
Expenses								
General government	55.94	61.78	-	-	55.94	61.78	(5.85)	-
Public Safety	121.01	116.16	-	-	121.01	116.16	4.85	-
Public Works	50.51	66.26	-	-	50.51	66.26	(15.75)	-
Culture and recreation	29.18	36.08	-	-	29.18	36.08	(6.89)	-
Health and welfare	0.08	0.00	-	-	0.08	0.00	0.07	-
Community development	4.18	2.89	-	-	4.18	2.89	1.29	-
Economic development	2.05	3.24	-	-	2.05	3.24	(1.18)	-
Economic opportunity	2.26	2.27	-	-	2.26	2.27	(0.01)	-
Interest on long-term debt	6.30	9.03	-	-	6.30	9.03	(2.73)	-
Municipal and regional airports	-	-	16.58	13.71	16.58	13.71	-	2.87
Water and sewerage	-	-	83.16	65.81	83.16	65.81	-	17.35
Convention Center	-	-	6.66	7.15	6.66	7.15	-	(0.49)
Convention Center Hotel	-	-	13.71	12.28	13.71	12.28	-	1.43
Shreveport area transit	-	-	15.60	16.77	15.60	16.77	-	(1.17)
Golf	-	-	2.54	(3.77)	2.54	(3.77)	-	6.31
Downtown parking	-	-	0.38	0.37	0.38	0.37	-	0.01
Total expenses	271.51	297.70	138.63	112.31	410.14	410.02	(26.19)	26.32
Increase (decrease) in net position								
before transfers	(7.66)	(28.84)	0.29	33.03	(7.36)	4.18	21.18	(32.74)
Transfers	(6.63)	(27.02)	6.63	27.02	(0.00)	-	20.39	(20.39)
Net position-beginning	(73.48)	(21.05)	560.06	500.01	486.58	478.96	(52.43)	60.05
Prior period adjustments	(237.60)	3.43	(31.10)	-	(268.70)	3.43	(241.03)	(31.10)
Net position-beginning, as restated	(311.08)	(17.62)	528.95	500.01	217.88	482.39	(293.46)	28.94
Net position-ending	\$ (325.37)	\$ (73.48)	\$ 535.87	\$ 560.06	\$ 210.53	\$ 486.57	\$ (251.89)	\$ (24.18)

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Governmental Activities. Revenues for the City’s governmental activities for the year ended December 31, 2018 were \$264 million compared to \$269 million in the prior year.

- Program revenues decreased \$5.1 million in 2018 compared to 2017 as a result of decreases in charges for services, operating grants and contributions, and increases in capital grants and contributions.
- General revenues are, for the most part, comprised of sales and property taxes (86%).
 - Sales taxes represent 47% of general revenues at \$124 million compared to \$119 million for 2017. Collections were up 5% for 2018.
 - Property tax revenues represent 20% at \$53 million.

Revenues by Source - Governmental Activities

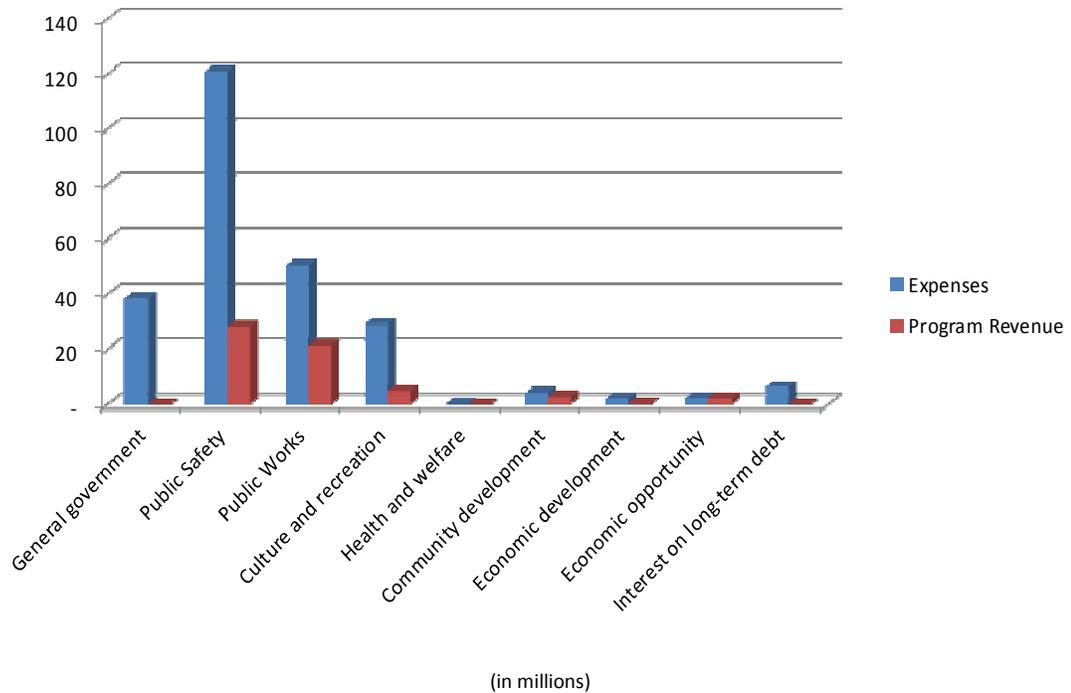


The cost of providing all governmental activities this year was \$272 million, a decrease of \$26 million from the prior year. The key factors for the decrease were:

- Public works expenditures were \$51 million compared to \$66 million 2017, a decrease of \$13.75 million. The Landfill was not utilized as in prior years. Landfill expenditures are correlated to dumping prices, therefore when usage is down, expenditures are also down. Amounts were down up as a result of OPEB.
- Public safety expenses were \$121 million compared to \$116 million in 2017, a decrease of \$4.85 million as a result of increase in the Upper Payment Limit (UPL) program.

The City's five largest governmental activities are public safety, public works, general government, interest on long-term debt and cultural and recreation. The graph below shows the expenses and program revenues generated by governmental activities:

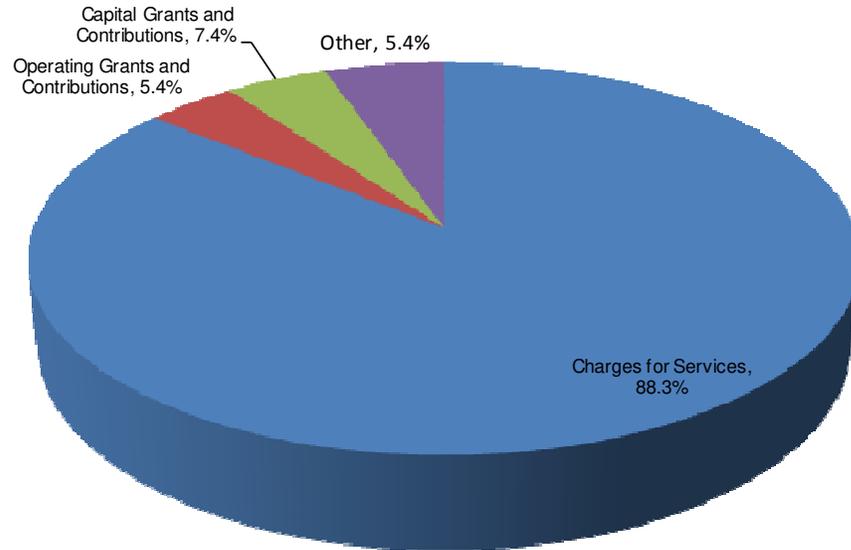
Expenses and Program Revenues - Governmental Activities



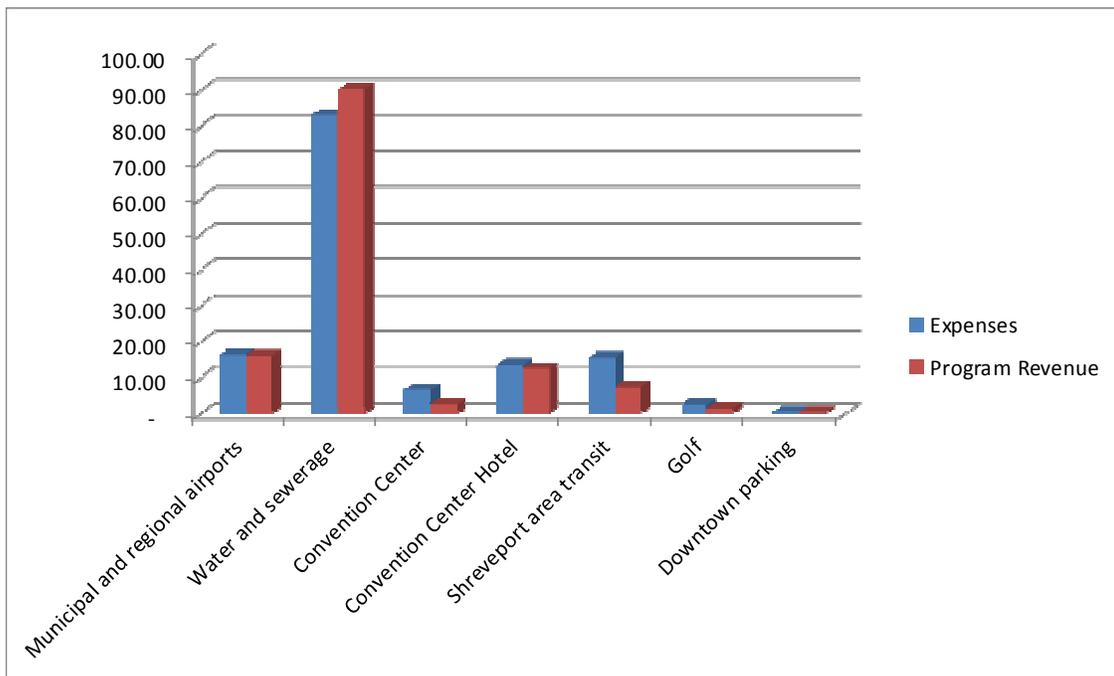
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Business-type Activities.Charges for services for the City’s business-type activities were \$119 million for 2018, an increase of \$3.73 million from 2017.

Revenues by Source - Business-type Activities



Expenses and Program Revenues - Business-type Activities



The costs of these business-type activities was \$38.63 million for 2018, an increase of \$26.32 million from 2017.

- Increase due to increased project load due to the consent decree
- Other funds had small increases and decreases.

Financial Analysis of the City's Funds

Governmental funds. The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year? The City's governmental funds for the year ended December 31, 2018 reflect combined fund balances of \$121 million, a decrease of \$11 million compared to the prior year. The decrease in fund balance was mostly associated with increased other postemployment benefit and retirement costs. There was 85% or \$103 million restricted primarily for debt service and capital projects. Balances assigned to the future years are \$11 million and a deficit of \$1.2 million is unassigned and available for spending.

The General Fund is the City's operating fund which provides most basic services. Its fund balance had a decrease of \$2.1 million from the prior year. The major revenue sources are property taxes, sales taxes, and charges for services.

- Property tax collections decreased \$2.35 million from 2017 due to a mileage decrease in debt service.
- Sales tax collections increased \$5 million from 2017 due to an increase in oil and gas exploration and new sales tax account being registered with the City (Amazon.com).
- Charges for services decreased \$.868 million from 2017.
- Various other revenue increases and expense decreases.

The Debt Service Fund has a total fund balance of \$50 million which is restricted for payment of principal and interest on debt outstanding. The fund balance for 2018 remained essentially consistent from 2017.

Proprietary funds. The proprietary funds had a decrease in net position of \$24 million. The Municipal and Regional Airport decreased their personnel and operating expenses. The biggest changes in net position were prior period adjustments for the implementation of GASB 75 related to OPEB and for unaccrued sales tax payable.

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Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets as of December 31, 2018, for its governmental and business-type activities was \$1.7 billion net of depreciation as reflected in the following schedule.

Capital Assets (net of depreciation in millions)						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 113.76	\$ 110.39	\$ 45.14	\$ 46.71	\$ 158.90	\$ 157.10
Construction in progress	16.95	25.66	204.07	80.92	221.02	106.58
Buildings	117.47	121.62	139.68	147.57	257.14	269.19
Improvement other than buildings	44.92	40.40	48.31	45.01	93.23	85.41
Equipment	21.42	19.31	23.48	31.44	44.90	50.75
Distribution and collection systems	-	-	644.68	412.54	644.68	412.54
Infrastructure	291.81	274.89	-	-	291.81	274.89
Total	<u>\$ 606.33</u>	<u>\$ 592.27</u>	<u>\$ 1,105.36</u>	<u>\$ 764.19</u>	<u>\$ 1,711.69</u>	<u>\$ 1,356.46</u>

Major additions to capital assets during the current year included the following (in millions):

Asset	Amount
Twelve Mile Bayou Pump Station Improvements	\$ 10.6
Water System Master Plan	2.0
Sanitary Sewer Assessment-Phase I	205.6
Rehabilitation of Taxiways A,J,Q,M,D at Downtown Airport	2.0
Terminal Roof Repairs-Regional	1.0
Improve Runway 32 RPZ	1.0
SHV Checkpoint Consolidation	1.0
Cedar Grove Trunk Main Repair	5.2
	<u>\$ 228.4</u>

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Construction commitments

The government has one active major construction project as of December 31, 2018 (see list below):

<u>Project Number</u>	<u>Project Description</u>	<u>Remaining Commitment</u>	<u>Financing Sources</u>
F14006	Sanitary Sewer Assessment - Phase I	\$ 12,931,411	2014B&C W&S Rev Bonds
		<u>\$ 12,931,411</u>	

For further information, refer to Note E in the notes to the financial statements.

Long-term debt. At year end, the City had \$921 million in bonds and other lending agreements, including \$800 thousand in Section 108 Housing and Urban Development guaranteed loans as shown in the following table.

Outstanding Debt
General Obligation and Revenue Bonds and Other Lending Agreements
(in millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 169.58	\$ 208.24	\$ -	\$ -	\$ 169.58	\$ 208.24
Revenue bonds	-	-	722.64	539.82	722.64	539.82
Other lending agreements	28.12	36.03	1.09	2.42	29.21	38.45
Total	<u>\$ 197.70</u>	<u>\$ 244.26</u>	<u>\$ 723.73</u>	<u>\$ 542.24</u>	<u>\$ 921.43</u>	<u>\$ 786.50</u>

In business-type activities, Water and Sewerage issued \$20 million in Taxable Water and Sewer Revenue Bonds (LDEQ Sewer Project), Series 2018A and \$100 million in Water and Sewer Revenue Bonds, Series 2018C. In addition to the issuances, the City refinanced \$35.9 million of Convention Center Hotel debt.

State statutes limit the amount of government obligation debt a municipality may issue at a maximum of 10% of the assessed valuation for any purpose. The maximum may be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation. The City’s outstanding general obligation debt is below the state limit. Approximately \$393 million of additional general obligation bonded debt is available for issuance.

For further information, refer to Note H in the notes to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

Sales and Use taxes for the first half of 2019 are in line with 2018 levels. They are expected to remain stable for the rest of 2019. The increased contributions to the Employee Retirement System approved by the City Council in 2014 continue to put pressure on a tight General Fund budget. Despite a 5% increase in health care premiums, claims cost continue to rise faster. The board will have to make decisions about what changes need to be made in the City’s insurance to help control cost.

Requests for Information

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the City’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Shreveport, 505 Travis Street, Suite 670, Shreveport, Louisiana 71101.

BASIC FINANCIAL STATEMENTS

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 72,868,619	\$ 42,003,426	\$ 114,872,045	\$ 17,920,171
Investments	958,656	-	958,656	1,613,216
Interest receivable	13,866	-	13,866	-
Receivables, net	36,151,893	12,464,539	48,616,432	15,200,563
Due from other governments	21,509,060	1,561,545	23,070,605	-
Due from primary government	-	-	-	299,732
Internal balances	353,445	(353,445)	-	-
Inventories	1,836,103	3,043,340	4,879,443	-
Prepaid items	545,465	457,470	1,002,935	15,912
Notes receivable	5,463,956	-	5,463,956	3,168,333
Other assets	184,250	-	184,250	114,102
Restricted assets:				
Cash and cash equivalents	-	232,278,204	232,278,204	-
Investments	-	3,005,189	3,005,189	-
Prepaid items	-	2,557,479	2,557,479	-
Capital assets:				
Land and construction in progress	130,715,220	249,206,320	379,921,540	6,096,195
Other capital assets, net of depreciation	475,617,052	856,155,669	1,331,772,721	29,803,606
Total assets	<u>746,217,585</u>	<u>1,402,379,736</u>	<u>2,148,597,321</u>	<u>74,231,830</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	2,472,273	8,207,407	10,679,680	-
Deferred outflows for pensions	48,644,496	5,062,234	53,706,730	2,215,041
Total deferred outflows of resources	<u>51,116,769</u>	<u>13,269,641</u>	<u>64,386,410</u>	<u>2,215,041</u>
LIABILITIES				
Accounts payable	5,794,833	19,093,456	24,888,289	133,913
Accrued liabilities	8,972	10,432,028	10,441,000	388,679
Accrued interest payable	2,946,987	3,287,568	6,234,555	-
Due to other governments	679,507	-	679,507	109,724
Due to component unit	-	-	-	-
Unearned revenue	6,161,396	219,895	6,381,291	-
Deposits and other	855,852	935,441	1,791,293	-
Non-current liabilities:				
Due within one year	40,409,586	20,901,271	61,310,857	638,326
Due in more than one year	211,143,388	704,703,525	915,846,913	4,980,498
Net pension obligation	326,028,083	62,737,097	388,765,180	35,054,664
Total OPEB liability	<u>465,729,075</u>	<u>51,127,199</u>	<u>516,856,274</u>	<u>22,585,316</u>
Total liabilities	<u>1,059,757,679</u>	<u>873,437,480</u>	<u>1,933,195,159</u>	<u>63,891,120</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on bond refunding	1,955,304	-	1,955,304	-
Deferred inflows for pensions	29,462,496	2,865,471	32,327,967	2,361,959
Deferred inflows for OPEB	31,525,650	3,460,849	34,986,499	-
Total deferred inflows of resources	<u>62,943,450</u>	<u>6,326,320</u>	<u>69,269,770</u>	<u>2,361,959</u>
NET POSITION				
Net investment in capital assets	606,332,272	619,093,951	1,225,426,223	35,605,658
Restricted for:				
Capital projects	52,367,087	-	52,367,087	-
Debt service	50,365,752	3,960,404	54,326,156	94,774
Community development	874,865	-	874,865	-
Streets	1,671,038	-	1,671,038	-
Enrichment	1,081,594	-	1,081,594	-
Downtown entertainment economic developm	482,878	-	482,878	-
Environmental grants	1,369,009	-	1,369,009	-
Other purposes	14,580,509	-	14,580,509	561,989
Unrestricted (deficit)	<u>(1,054,491,779)</u>	<u>(87,168,778)</u>	<u>(1,141,660,557)</u>	<u>(26,989,367)</u>
Total net position (deficit)	<u>\$ (325,366,775)</u>	<u>\$ 535,885,577</u>	<u>\$ 210,518,802</u>	<u>\$ 9,273,054</u>

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

**CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 55,935,361	\$ -	\$ -	\$ -
Public safety	121,011,556	20,353,976	7,839,056	-
Public works	50,513,932	20,409,359	693,520	247,810
Culture and recreation	29,182,679	2,040,376	2,868,021	-
Health and welfare	76,426	-	-	-
Community development	4,179,698	-	2,816,932	-
Economic development	2,051,968	-	288,717	-
Economic opportunity	2,260,793	-	2,124,821	-
Interest on long-term debt	6,296,780	-	-	-
Total governmental activities	<u>271,509,193</u>	<u>42,803,711</u>	<u>16,631,067</u>	<u>247,810</u>
Business-type activities				
Municipal and Regional Airports	16,578,088	11,031,770	-	5,122,405
Water and Sewerage	83,159,229	89,206,455	-	1,283,580
Convention Center	6,654,656	2,793,537	-	-
Convention Center Hotel	13,715,123	12,496,939	-	-
Shreveport Area Transit System	15,601,479	1,804,318	5,705,623	-
Golf	2,542,458	1,516,791	-	25,000
Downtown Parking	393,959	416,044	-	-
Total business-type activities	<u>138,644,992</u>	<u>119,265,854</u>	<u>5,705,623</u>	<u>6,430,985</u>
Total primary government	<u>\$ 410,154,185</u>	<u>\$ 162,069,565</u>	<u>\$ 22,336,690</u>	<u>\$ 6,678,795</u>
Component units:				
Shreveport Home Mortgage Authority	229,536	231,870	-	-
City Court	735,293	550,488	-	-
City Marshal	5,336,233	783,371	2,097,694	-
Downtown Development Authority	1,287,632	634,400	-	-
Metropolitan Planning Commission	1,238,000	310,861	200,000	-
Shreve Memorial Library	18,003,045	394,024	-	-
Total component units	<u>\$ 26,829,739</u>	<u>\$ 2,905,014</u>	<u>\$ 2,297,694</u>	<u>\$ -</u>

General Revenues:
Taxes:
Property taxes levied for general purposes
Property taxes levied for debt service
Sales taxes
Franchise taxes
Occupational licenses
Gaming
Grants and contributions not restricted to specific programs
Investment earnings
Payment from City of Shreveport
Miscellaneous
Transfers
Total general revenues and transfers
Change in Net Position
Net position (deficit) - beginning
Prior Period Adjustments
Net position (deficit) - beginning - as restated, see Note IV.G.
Net position (deficit) - ending

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

(continued)

Net (Expenses) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (55,935,361)	\$ -	\$ (55,935,361)	\$ -
(92,818,524)	-	(92,818,524)	-
(29,163,243)	-	(29,163,243)	-
(24,274,282)	-	(24,274,282)	-
(76,426)	-	(76,426)	-
(1,362,766)	-	(1,362,766)	-
(1,763,251)	-	(1,763,251)	-
(135,972)	-	(135,972)	-
(6,296,780)	-	(6,296,780)	-
<u>(211,826,605)</u>	<u>-</u>	<u>(211,826,605)</u>	<u>-</u>
-	(423,913)	(423,913)	-
-	7,330,806	7,330,806	-
-	(3,861,119)	(3,861,119)	-
-	(1,218,184)	(1,218,184)	-
-	(8,091,538)	(8,091,538)	-
-	(1,000,667)	(1,000,667)	-
-	22,085	22,085	-
-	<u>(7,242,530)</u>	<u>(7,242,530)</u>	<u>-</u>
<u>\$ (211,826,605)</u>	<u>\$ (7,242,530)</u>	<u>\$ (219,069,135)</u>	<u>\$ -</u>
-	-	-	2,334
-	-	-	(184,805)
-	-	-	(2,455,168)
-	-	-	(653,232)
-	-	-	(727,139)
-	-	-	(17,609,021)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,627,031)</u>
28,056,930	-	28,056,930	16,395,129
24,729,579	-	24,729,579	-
123,869,548	-	123,869,548	-
8,926,566	-	8,926,566	-
7,229,454	-	7,229,454	-
8,792,004	-	8,792,004	-
1,121,363	-	1,121,363	-
766,640	4,040,377	4,807,017	(31,252)
-	-	-	716,725
678,548	3,494,519	4,173,067	675,505
(6,633,946)	6,633,942	(4)	-
<u>197,536,686</u>	<u>14,168,838</u>	<u>211,705,524</u>	<u>17,756,107</u>
(14,289,919)	6,926,308	(7,363,611)	(3,870,924)
(73,476,676)	560,057,742	486,581,066	21,796,758
<u>(237,600,180)</u>	<u>(31,098,473)</u>	<u>(268,698,653)</u>	<u>(8,652,780)</u>
<u>(311,076,856)</u>	<u>528,959,269</u>	<u>217,882,413</u>	<u>13,143,978</u>
<u>\$ (325,366,775)</u>	<u>\$ 535,885,577</u>	<u>\$ 210,518,802</u>	<u>\$ 9,273,054</u>

(concluded)

**CITY OF SHREVEPORT, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	General	Debt Service	2014 General Obligation Bonds	Community Development	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 6,883	\$ 1,719,639	\$ 32,501,482	\$ 200	\$ 21,133,840	\$ 55,362,044
Property taxes receivable, net	4,536,692	4,125,085	-	-	-	8,661,777
Franchise taxes receivable	2,047,336	-	-	-	-	2,047,336
Accounts receivable, net	3,142,705	-	-	71,897	2,563,489	5,778,091
Due from other governments	17,808,900	242,821	-	3,004,613	452,726	21,509,060
Due from other funds	53,448	45,285,153	-	-	4,460,419	49,799,020
Inventories	1,836,103	-	-	-	-	1,836,103
Notes receivable, net	-	-	-	5,463,956	-	5,463,956
Assets held for resale	-	-	-	-	196,066	196,066
Restricted assets	-	-	-	-	-	-
Total assets	<u>\$ 29,432,067</u>	<u>\$ 51,372,698</u>	<u>\$ 32,501,482</u>	<u>\$ 8,540,666</u>	<u>\$ 28,806,540</u>	<u>\$ 150,653,453</u>
LIABILITIES						
Liabilities:						
Accounts payable	2,942,738	-	374,913	310,773	1,468,871	5,097,295
Accrued liabilities	8,972	-	-	-	-	8,972
Due to other governments	679,507	-	-	-	-	679,507
Due to other funds	11,520,219	-	194,864	1,879,256	1,623,527	15,217,866
Unearned revenue	697,440	-	-	5,463,956	-	6,161,396
Deposits and other	855,852	-	-	-	-	855,852
Notes payable	-	-	-	-	-	-
Items held in escrow	-	-	-	11,816	-	11,816
Total liabilities	<u>16,704,728</u>	<u>-</u>	<u>569,777</u>	<u>7,665,801</u>	<u>3,092,398</u>	<u>28,032,704</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	1,110,711	1,006,946	-	-	-	2,117,657
Total deferred inflows of resources	<u>1,110,711</u>	<u>1,006,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,117,657</u>
FUND BALANCES						
Nonspendable:						
Inventories	1,836,103	-	-	-	-	1,836,103
Endowments	14,719	-	-	-	-	14,719
Restricted for:						
Debt service	-	50,365,752	-	-	-	50,365,752
Community development	-	-	-	874,865	-	874,865
Streets	-	-	-	-	1,671,038	1,671,038
Capital projects	-	-	31,931,705	-	20,435,382	52,367,087
Other purposes	411,230	-	-	-	3,607,722	4,018,952
Assigned to:						
Purchases on order	5,878,689	-	-	-	-	5,878,689
Landfill	4,682,868	-	-	-	-	4,682,868
Unassigned	(1,206,981)	-	-	-	-	(1,206,981)
Total fund balance	<u>11,616,628</u>	<u>50,365,752</u>	<u>31,931,705</u>	<u>874,865</u>	<u>25,714,142</u>	<u>120,503,092</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,432,067</u>	<u>\$ 51,372,698</u>	<u>\$ 32,501,482</u>	<u>\$ 8,540,666</u>	<u>\$ 28,806,540</u>	<u>\$ 150,653,453</u>

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

**CITY OF SHREVEPORT, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Fund balances - total governmental funds \$ 120,503,092

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 governmental funds.

Governmental capital assets	1,099,931,082	
Less accumulated depreciation	<u>(493,598,810)</u>	606,332,272

Some of the City's property taxes will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the governmental funds.		2,117,657
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Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities at year-end consist of:

Bonds, notes, and loans payable	(176,421,472)	
Unamortized bond discount	9,417	
Deferred outflow charge on refunding	2,472,273	
Deferred inflow charge on refunding	(1,955,304)	
Unamortized bond premium	(21,292,615)	
Accrued interest payable	(2,946,987)	
Compensated absences	<u>(9,588,292)</u>	(209,722,980)

Net pension liability and deferred inflows and outflows for pensions		(306,846,083)
Landfill postclosure care		(4,682,868)
Net OPEB obligation and deferred inflows for OPEB		(497,254,725)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities.		<u>(35,813,140)</u>
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Net position of governmental activities.		<u><u>\$ (325,366,775)</u></u>
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The accompanying notes are an integral part of the financial statements.

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Debt Service	2014 General Obligation Bonds	Community Development	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 28,136,816	\$ 24,729,579	\$ -	\$ -	\$ -	\$ 52,866,395
Sales	123,869,548	-	-	-	-	123,869,548
Franchise	8,926,566	-	-	-	-	8,926,566
Licenses and permits	9,113,603	-	-	-	-	9,113,603
Intergovernmental	8,887,988	1,775,400	-	5,230,470	1,013,768	16,907,626
Charges for services	31,080,783	-	-	-	-	31,080,783
Fines and forfeitures	2,264,333	-	-	-	-	2,264,333
Gaming	-	-	-	-	8,792,004	8,792,004
Investment earnings	6,678	55,060	516,048	-	105,165	682,951
Miscellaneous	1,195,822	-	-	329,075	9,666,412	11,191,309
Total revenues	<u>213,482,137</u>	<u>26,560,039</u>	<u>516,048</u>	<u>5,559,545</u>	<u>19,577,349</u>	<u>265,695,118</u>
EXPENDITURES						
Current:						
General government	41,115,539	-	-	-	247,810	41,363,349
Public safety	119,640,353	-	-	-	1,367,374	121,007,727
Public works	35,139,059	-	-	-	-	35,139,059
Culture and recreation	18,660,038	-	-	4,100	167,709	18,831,847
Health and welfare	-	-	-	76,426	-	76,426
Community development	-	-	-	3,964,926	-	3,964,926
Economic development	-	-	-	1,069,219	976,483	2,045,702
Economic opportunity	-	-	-	2,257,637	-	2,257,637
Debt service:						
Principal	-	21,096,629	-	261,000	-	21,357,629
Interest and other charges	-	7,954,753	-	49,068	-	8,003,821
Bond issuance costs	-	16,058	-	-	-	16,058
Capital outlay	-	-	2,674,895	-	14,715,950	17,390,845
Total expenditures	<u>214,554,989</u>	<u>29,067,440</u>	<u>2,674,895</u>	<u>7,682,376</u>	<u>17,475,326</u>	<u>271,455,026</u>
Excess (deficiency) of revenues over (under) expenditures	(1,072,852)	(2,507,401)	(2,158,847)	(2,122,831)	2,102,023	(5,759,908)
OTHER FINANCING SOURCES (USES)						
Transfers in	8,665,600	2,156,207	194,864	996,800	18,390,594	30,404,065
Transfers out	(9,711,517)	-	(6,416,486)	-	(20,910,004)	(37,038,007)
Refunding bonds issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-
Total other financing sources and (uses)	<u>(1,045,917)</u>	<u>2,156,207</u>	<u>(6,221,622)</u>	<u>996,800</u>	<u>(2,519,410)</u>	<u>(6,633,942)</u>
Net change in fund balances	(2,118,769)	(351,194)	(8,380,469)	(1,126,031)	(417,387)	(12,393,850)
Fund balances-beginning	13,735,397	50,716,946	40,312,174	943,896	26,131,529	131,839,942
Prior period adjustments	-	-	-	1,057,000	-	1,057,000
Fund balances-beginning - as restated, see Nove IV.	13,735,397	50,716,946	40,312,174	2,000,896	26,131,529	132,896,942
Fund balances-ending	<u>\$ 11,616,628</u>	<u>\$ 50,365,752</u>	<u>\$ 31,931,705</u>	<u>\$ 874,865</u>	<u>\$ 25,714,142</u>	<u>\$ 120,503,092</u>

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

CITY OF SHREVEPORT, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Net change in fund balances - total funds \$ (12,393,850)

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.

Capital outlay	24,688,779	
Disposals	(875,291)	
Depreciation expense	<u>(22,335,701)</u>	1,477,786

Revenues reported in the Statement of Activities which are not reported in governmental funds because they do not provide current financial resources. This adjustment is to recognize the net change in unavailable revenues.

Property taxes		(79,886)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows:

Principal payments		21,357,629
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The changes in other long-term assets and liabilities are reported in the Statement of Activities but do not affect current financial resources of governmental funds. The changes are as follows:

Net pension liability and deferred inflows and outflows for pensions	(2,858,178)	
Net OPEB obligation and deferred inflows for OPEB	<u>(15,088,843)</u>	(17,947,021)

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 governmental funds. These expenses consist of:

Amortization of deferred outflow charge on refunding	(409,316)	
Amortization of deferred inflow charge on refunding	213,306	
Amortization of certificate of indebtedness discount	(3,000)	
Amortization of certificate of indebtedness premium	218,518	
Amortization of bond premiums	2,421,727	
Decrease in accrued interest	(718,136)	
Decrease in other bond items	(1,066,568)	
Decrease in compensated absences	237,096	
Increase in landfill closure and postclosure care	<u>(971,965)</u>	(78,338)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.

(6,626,239)

Change in net position of governmental activities. \$ (14,289,919)

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	Business-type Activities Enterprise Funds					Total	Governmental Activities Internal Service Funds
	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds		
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ 6,143,002	\$ 32,704,720	\$ 125,783	\$ -	\$ 3,029,921	\$ 42,003,426	\$ 17,506,575
Investments	-	-	-	-	-	-	958,656
Receivables, net	479,897	10,819,846	402,732	490,472	271,592	12,464,539	10,188,826
Interest Receivable	-	-	-	-	-	-	13,866
Due from other funds	-	194,864	-	-	-	194,864	-
Due from other governments	1,206,797	-	-	-	354,748	1,561,545	-
Inventories	92,489	2,034,935	76,077	24,560	815,279	3,043,340	-
Prepaid items	-	-	38,839	238,989	179,642	457,470	545,465
Total current assets	<u>7,922,185</u>	<u>45,754,365</u>	<u>643,431</u>	<u>754,021</u>	<u>4,651,182</u>	<u>59,725,184</u>	<u>29,213,388</u>
Noncurrent Assets:							
Restricted:							
Cash and cash equivalents	6,869,768	224,938,936	-	469,500	-	232,278,204	-
Investments	-	3,005,189	-	-	-	3,005,189	-
Prepaid items	192,024	2,365,455	-	-	-	2,557,479	-
Total restricted assets	<u>7,061,792</u>	<u>230,309,580</u>	<u>-</u>	<u>469,500</u>	<u>-</u>	<u>237,840,872</u>	<u>-</u>
Capital Assets:							
Land	37,627,729	996,201	6,147,743	-	368,877	45,140,550	-
Buildings	73,268,977	-	88,822,703	44,079,002	13,811,953	219,982,635	-
Improvements other than buildings	119,398,460	-	3,553,819	383,520	1,189,965	124,525,764	-
Equipment	6,777,354	23,639,800	8,137,094	7,033,536	24,928,961	70,516,745	-
Distribution and collection systems	-	941,662,939	-	-	-	941,662,939	-
Construction in progress	12,517,683	191,057,063	-	-	491,024	204,065,770	-
Less accumulated depreciation	(121,419,154)	(314,486,912)	(32,882,800)	(15,838,342)	(15,905,206)	(500,532,414)	-
Total capital assets (net of accumulated depreciation)	<u>128,171,049</u>	<u>842,869,091</u>	<u>73,778,559</u>	<u>35,657,716</u>	<u>24,885,574</u>	<u>1,105,361,989</u>	<u>-</u>
Total noncurrent assets	<u>135,232,841</u>	<u>1,073,178,671</u>	<u>73,778,559</u>	<u>36,127,216</u>	<u>24,885,574</u>	<u>1,343,202,861</u>	<u>-</u>
Total assets	<u>143,155,026</u>	<u>1,118,933,036</u>	<u>74,421,990</u>	<u>36,881,237</u>	<u>29,536,756</u>	<u>1,402,928,045</u>	<u>29,213,388</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred amount on refunding	3,767,874	2,727,020	-	1,712,513	-	8,207,407	-
Deferred pension	857,368	3,992,171	-	-	212,695	5,062,234	-
Total deferred outflows of resources	<u>4,625,242</u>	<u>6,719,191</u>	<u>-</u>	<u>1,712,513</u>	<u>212,695</u>	<u>13,269,641</u>	<u>-</u>

(continued)

(continued)

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	Business-type Activities Enterprise Funds					Total	Governmental Activities Internal Service Funds
	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds		
LIABILITIES							
Current Liabilities:							
Accounts payable	363,230	17,337,483	805,131	312,379	275,233	19,093,456	697,538
Accrued liabilities	905,054	8,870,713	99,887	534,256	322,118	10,732,028	-
Accrued interest payable	625,978	2,286,358	-	375,232	-	3,287,568	-
Due to other funds	-	-	-	494,864	53,448	548,312	24,751,846
Unearned revenue	69,898	-	-	-	149,997	219,895	-
Customer deposits	148,030	496,054	257,877	33,480	-	935,441	-
Compensated absences	4,587	19,700	-	-	195,457	219,744	-
Claims and judgments	-	-	-	-	-	-	17,769,212
Leases payable	-	-	-	-	-	-	-
Revenue bonds and notes payable, net	2,645,000	16,506,533	-	1,177,000	-	20,328,533	-
Total current liabilities	<u>4,761,777</u>	<u>45,516,841</u>	<u>1,162,895</u>	<u>2,927,211</u>	<u>996,253</u>	<u>55,364,977</u>	<u>43,218,596</u>
Noncurrent Liabilities:							
Accrued liabilities	-	602,923	-	-	-	602,923	-
Claims and judgments	-	-	-	-	-	-	21,790,597
Compensated absences	157,195	553,193	-	-	47,124	757,512	17,336
Leases payable	-	-	-	-	-	-	-
Total OPEB obligation	9,679,421	38,841,780	-	-	2,605,998	51,127,199	-
Net pension liability	10,625,507	49,475,624	-	-	2,635,966	62,737,097	-
Revenue bonds and notes payable, net	27,944,525	639,814,498	-	35,637,058	-	703,396,081	-
Total noncurrent liabilities	<u>48,406,648</u>	<u>729,288,018</u>	<u>-</u>	<u>35,637,058</u>	<u>5,289,088</u>	<u>818,620,812</u>	<u>21,807,933</u>
Total liabilities	<u>53,168,425</u>	<u>774,804,859</u>	<u>1,162,895</u>	<u>38,564,269</u>	<u>6,285,341</u>	<u>873,985,789</u>	<u>65,026,529</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred OPEB	655,209	2,629,237	-	-	176,403	3,460,849	-
Deferred pensions	485,312	2,259,763	-	-	120,396	2,865,471	-
Total deferred inflows of resources	<u>1,140,521</u>	<u>4,889,000</u>	<u>-</u>	<u>-</u>	<u>296,799</u>	<u>6,326,320</u>	<u>-</u>
NET POSITION (DEFICIT)							
Net investment in capital assets	105,756,695	414,492,184	73,778,559	180,939	24,885,574	619,093,951	-
Restricted for debt service	3,960,404	-	-	-	-	3,960,404	-
Unrestricted (deficit)	(16,245,777)	(68,533,816)	(519,464)	(151,458)	(1,718,262)	(87,168,777)	(35,813,141)
Total net position (deficit)	<u>\$ 93,471,322</u>	<u>\$ 345,958,368</u>	<u>\$ 73,259,095</u>	<u>\$ 29,481</u>	<u>\$ 23,167,312</u>	<u>\$ 535,885,578</u>	<u>\$ (35,813,141)</u>

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

(concluded)

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities Enterprise Funds					Total	Governmental Activities Internal Service Funds
	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds		
OPERATING REVENUES							
Charges for services	\$ 11,031,770	\$ 89,206,455	\$ 2,793,537	\$ 12,496,939	\$ 3,737,153	\$ 119,265,854	\$ 46,833,661
Miscellaneous	150,638	1,445,987	57,005	63,299	523,471	2,240,400	2,394,198
Total operating revenues	<u>11,182,408</u>	<u>90,652,442</u>	<u>2,850,542</u>	<u>12,560,238</u>	<u>4,260,624</u>	<u>121,506,254</u>	<u>49,227,859</u>
OPERATING EXPENSES							
Personal services	5,697,472	18,621,870	1,641,143	-	11,221,515	37,182,000	405,799
Contractual services and other expenses	1,848,247	10,718,653	1,736,665	8,843,766	2,072,261	25,219,592	5,487,193
Utilities	1,083,629	4,906,368	795,332	735,012	384,065	7,904,406	-
Repairs and maintenance	391,962	2,371,451	347,977	844,903	(6,077)	3,950,216	-
Materials and supplies	244,625	8,385,805	86,897	-	2,363,195	11,080,522	8,766
Claims	-	-	-	-	-	-	50,036,031
Depreciation	5,559,685	15,516,240	2,046,642	1,523,163	2,503,121	27,148,851	-
Total operating expenses	<u>14,825,620</u>	<u>60,520,387</u>	<u>6,654,656</u>	<u>11,946,844</u>	<u>18,538,080</u>	<u>112,485,587</u>	<u>55,937,789</u>
Operating income (loss)	<u>(3,643,212)</u>	<u>30,132,055</u>	<u>(3,804,114)</u>	<u>613,394</u>	<u>(14,277,456)</u>	<u>9,020,667</u>	<u>(6,709,930)</u>
NONOPERATING REVENUES (EXPENSES)							
Investment earnings (loss)	79,632	3,960,952	(1,557)	-	1,348	4,040,375	83,689
Interest expense	(1,752,468)	(21,601,463)	-	(1,768,279)	184	(25,122,026)	-
Intergovernmental	97,280	-	-	-	5,608,343	5,705,623	-
Passenger facility charges	1,278,214	-	-	-	-	1,278,214	-
Bond issuance costs	-	(1,037,379)	-	-	-	(1,037,379)	-
Gain / (Loss) on disposal of capital assets	(25,342)	(14,013)	-	15,260	-	(24,095)	-
Net nonoperating revenues (expenses)	<u>(322,684)</u>	<u>(18,691,903)</u>	<u>(1,557)</u>	<u>(1,753,019)</u>	<u>5,609,875</u>	<u>(15,159,288)</u>	<u>83,689</u>
Income (loss) before contributions and transfers	<u>(3,965,896)</u>	<u>11,440,152</u>	<u>(3,805,671)</u>	<u>(1,139,625)</u>	<u>(8,667,581)</u>	<u>(6,138,621)</u>	<u>(6,626,241)</u>
Capital contributions	5,122,405	1,283,580	-	-	25,000	6,430,985	-
Transfers in	-	-	1,799,000	-	6,664,810	8,463,810	-
Transfers out	-	(1,829,864)	-	-	-	(1,829,864)	-
Change in net position	1,156,509	10,893,868	(2,006,671)	(1,139,625)	(1,977,771)	6,926,310	(6,626,241)
Total net position (deficit)-beginning of year	97,931,638	359,756,668	75,265,766	1,169,106	25,934,564	560,057,742	(29,433,725)
Prior period adjustment	(5,616,825)	(24,692,168)	-	-	(789,481)	(31,098,474)	246,825
Total net position (deficit)-beginning of year - as restated	<u>92,314,813</u>	<u>335,064,500</u>	<u>75,265,766</u>	<u>1,169,106</u>	<u>25,145,083</u>	<u>528,959,268</u>	<u>(29,186,900)</u>
Total net position (deficit)-ending	<u>\$ 93,471,322</u>	<u>\$ 345,958,368</u>	<u>\$ 73,259,095</u>	<u>\$ 29,481</u>	<u>\$ 23,167,312</u>	<u>\$ 535,885,578</u>	<u>\$ (35,813,141)</u>

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities Enterprise Funds					Total	Governmental Activities Internal Service Funds
	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds		
Cash flows from operating activities:							
Receipts from customers	\$ 11,132,752	\$ 89,024,325	\$ 2,630,144	\$ 12,520,945	\$ 3,575,029	\$ 118,883,195	\$ 43,344,040
Payments to suppliers	(3,301,490)	(21,369,942)	(2,786,404)	(6,284,492)	(3,322,917)	(37,065,245)	(5,169,375)
Payments to employees	(5,200,368)	(15,672,787)	(1,658,798)	(4,514,582)	(9,862,635)	(36,909,170)	(402,641)
Claims	(292,200)	-	-	-	-	-	(31,645,042)
Other receipts	150,638	1,445,987	57,005	63,299	1,441,887	3,158,816	-
Other payments	(78,508)	(4,047,469)	-	-	(57,000)	(4,182,977)	-
Net cash provided by (used in) operating activities	<u>2,410,824</u>	<u>49,380,114</u>	<u>(1,758,053)</u>	<u>1,785,170</u>	<u>(8,225,636)</u>	<u>43,592,419</u>	<u>6,126,982</u>
Cash flows from noncapital financing activities:							
Cash bond	-	20	-	-	-	20	-
Transfers out	-	(1,829,864)	1,799,000	-	-	(30,864)	-
Intergovernmental	97,280	-	-	-	4,633,734	4,731,014	-
Transfers in	-	-	-	-	6,664,810	6,664,810	-
Interest expense on operations	-	-	-	(7,477)	183	(7,294)	-
Net cash provided by (used in) noncapital financing activities	<u>97,280</u>	<u>(1,829,844)</u>	<u>1,799,000</u>	<u>(7,477)</u>	<u>11,298,727</u>	<u>11,357,686</u>	<u>-</u>
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(9,600,907)	(128,942,032)	-	(639,498)	(1,158,555)	(140,340,992)	-
Principal paid on debt	(2,400,000)	(14,789,400)	-	(962,100)	-	(18,151,500)	-
Interest paid on debt	(1,285,410)	(18,286,918)	-	(1,046,785)	-	(20,619,113)	-
Capitalized lease payment	3,890,266	(408,976)	-	-	-	3,481,290	-
Proceeds from bond issuance	-	100,299,222	-	-	-	100,299,222	-
Payment of bond issuance cost	-	(492,958)	-	-	-	(492,958)	-
Payment of bonds prepaid insurance	-	(430,993)	-	-	-	(430,993)	-
Capital grants	3,564,363	-	-	-	-	3,564,363	-
Passenger facility charges	1,278,214	-	-	-	-	1,278,214	-
Net cash provided by (used in) capital and related financing activities	<u>(4,553,474)</u>	<u>(63,052,055)</u>	<u>-</u>	<u>(2,648,383)</u>	<u>(1,158,555)</u>	<u>(71,412,467)</u>	<u>-</u>
Cash flows from investing activities:							
Purchase of investments	-	-	-	-	-	-	(951,583)
Proceeds from sale and maturity of investments	388	-	-	-	-	388	963,996
Interest on investments	16,715	3,960,952	(1,557)	-	1,347	3,977,457	65,813
Net cash provided by (used in) investing activities	<u>17,103</u>	<u>3,960,952</u>	<u>(1,557)</u>	<u>-</u>	<u>1,347</u>	<u>3,977,845</u>	<u>78,226</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,028,267)</u>	<u>(11,540,833)</u>	<u>39,390</u>	<u>(870,690)</u>	<u>1,915,883</u>	<u>(12,484,517)</u>	<u>6,205,208</u>
Cash and cash equivalents, beginning of year	<u>15,041,037</u>	<u>272,189,678</u>	<u>86,393</u>	<u>1,340,190</u>	<u>1,114,038</u>	<u>289,771,336</u>	<u>11,301,367</u>
Cash and cash equivalents, end of year	<u>\$ 13,012,770</u>	<u>\$ 260,648,845</u>	<u>\$ 125,783</u>	<u>\$ 469,500</u>	<u>\$ 3,029,921</u>	<u>\$ 277,286,819</u>	<u>\$ 17,506,575</u>

(continued)

A reconciliation of the cash and cash equivalents per this statement to the Statement of Net Position follows:

(continued)

	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds	Total
Current Assets:						
Cash and cash equivalents	\$ 6,143,002	\$ 32,704,720	\$ 125,783	\$ -	\$ 3,029,921	\$ 42,003,426
Investments	-	-	-	-	-	-
Noncurrent Assets:						
Restricted:						
Cash and cash equivalents	6,869,768	224,938,936	-	469,500	-	232,278,204
Investments	-	3,005,189	-	-	-	3,005,189
	<u>\$ 13,012,770</u>	<u>\$ 260,648,845</u>	<u>\$ 125,783</u>	<u>\$ 469,500</u>	<u>\$ 3,029,921</u>	<u>\$ 277,286,819</u>

(continued)

(continued)

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities Enterprise Funds					Total	Governmental Activities Internal Service Funds
	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ (3,643,212)	\$ 30,132,055	\$ (3,804,114)	\$ 613,394	\$ (14,277,456)	\$ 9,020,667	\$ (6,709,930)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	5,559,685	15,516,240	2,046,642	1,523,163	2,503,121	27,148,851	-
(Increase) Decrease in assets:							
Receivables	18,996	(152,913)	(207,541)	22,182	(16,314)	(335,590)	(5,830,812)
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Inventories	(1,741)	(235,227)	(6,426)	(20)	(66,899)	(310,313)	-
Deferred outflows for pensions	(544,812)	(2,573,226)	-	-	(155,933)	(3,273,971)	-
Prepaid items	-	-	(34,221)	(74,303)	18,919	(89,605)	(27,506)
Increase (Decrease) in liabilities:							
Accounts payable	(70,122)	(1,157,463)	221,114	(120,912)	217,451	(909,932)	(266,822)
Accrued liabilities	(28,141)	2,399,248	(5,092)	199,147	37,787	2,602,949	2,189,730
Total OPEB obligation	1,164,566	6,296,110	-	-	(91,973)	7,368,703	-
Net pension liability	760,345	4,689,675	-	-	844,387	6,294,407	-
Deferred inflows for pensions	(114,486)	(463,207)	-	-	187,872	(389,821)	-
Deferred inflows for Total OPEB	566,730	2,629,237	-	-	-	-	-
Due to other funds	-	-	-	(379,305)	(1,411,160)	(1,790,465)	16,769,164
Unearned revenue	11,778	-	-	-	25,760	37,538	-
Customers' deposits	71,038	(28,716)	44,148	1,824	-	88,294	-
Compensated absences	(1,890)	(4,759)	(12,563)	-	3,730	(15,482)	3,158
Other increases (decreases)	168,269	-	-	-	949,359	1,117,628	-
Total adjustments	<u>7,560,215</u>	<u>26,914,999</u>	<u>2,046,061</u>	<u>1,171,776</u>	<u>3,046,107</u>	<u>37,543,191</u>	<u>12,836,912</u>
Net cash provided by (used in) operating activities	<u>\$ 3,917,003</u>	<u>\$ 57,047,054</u>	<u>\$ (1,758,053)</u>	<u>\$ 1,785,170</u>	<u>\$ (11,231,349)</u>	<u>\$ 49,759,825</u>	<u>\$ 6,126,982</u>

Non-cash investing, capital and financing activities:

The Golf Fund had in-kind donations of \$25,000.

The Water & Sewerage Fund had in-kind donations of \$1,283,580.

(concluded)

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

**CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018**

	<u>Employee Retirement Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,305,315
Receivables:	
Interest and dividends receivable	95,982
Accounts receivable	460,220
Prepaid items	422,444
Investments, at fair value	211,342,972
Other assets:	
Cash surrender value of life insurance policies	3,741,009
Total assets	217,367,942
 LIABILITIES	
Due to other funds	9,475,862
Accrued liabilities	-
Employees' deposits held in escrow	1,840,714
Total liabilities	11,316,576
 Net position restricted for pensions	 \$ 206,051,366

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Employee Retirement Funds
ADDITIONS	
Contributions:	
Employer	\$ 10,407,588
Plan members	6,027,012
Total contributions	16,434,600
Investment earnings:	
Net depreciation in fair value of investments	(10,459,306)
Interest	67,980
Dividends	681,708
Total investment loss	(9,709,619)
Less investment expense	1,212,370
Net investment loss	(10,921,989)
Life insurance proceeds	1,650,000
Miscellaneous	173,386
Total additions	7,335,997
DEDUCTIONS	
Benefits	31,142,200
Refund of member contribution	1,848,642
Administrative expenses	121,712
Life insurance premiums	1,182,816
Total deductions	34,295,370
Change in net position	(26,959,373)
Net position restricted for pensions	
Beginning of year	233,010,740
End of year	\$ 206,051,366

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2018

	Shreveport Home Mortgage Authority	City Court	City Marshal	Downtown Development Authority	Metropolitan Planning Commission	Shreve Memorial Library	Total
ASSETS							
Cash and cash equivalents	\$ 2,348,074	\$ 4,816,751	\$ 878,409	\$ 1,356,020	\$ 44,368	\$ 8,476,549	\$ 17,920,171
Investments	1,613,216	-	-	-	-	-	1,613,216
Receivables, net	7,931	35,029	-	877,918	-	14,279,685	15,200,563
Due from primary governments	-	-	-	-	50,000	249,732	299,732
Prepaid items	-	8,142	-	7,770	-	-	15,912
Notes receivable	3,168,333	-	-	-	-	-	3,168,333
Other assets	-	-	-	-	-	114,102	114,102
Capital assets:							
Land	-	-	-	130,237	704,514	5,261,444	6,096,195
Other capital assets, net of depreciation	-	143,791	932,961	1,036,708	91,620	27,598,526	29,803,606
Total assets	<u>7,137,554</u>	<u>5,003,713</u>	<u>1,811,370</u>	<u>3,408,653</u>	<u>890,502</u>	<u>55,980,038</u>	<u>74,231,830</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows	-	27,550	14,976	-	-	2,172,515	2,215,041
Total deferred outflows of resources	<u>-</u>	<u>27,550</u>	<u>14,976</u>	<u>-</u>	<u>-</u>	<u>2,172,515</u>	<u>2,215,041</u>
LIABILITIES							
Accounts payable	-	22,126	14,976	12,983	18,733	65,095	133,913
Accrued liabilities	12,606	-	-	21,114	-	354,959	388,679
Due to other governments	-	-	-	34,089	75,635	-	109,724
Noncurrent liabilities:							
Due within one year	183,021	-	-	155,211	-	300,094	638,326
Due in more than one year	4,241,662	-	-	738,836	-	-	4,980,498
Net Pension Obligation	-	-	8,130,330	-	-	26,924,334	35,054,664
Other postemployment benefit obligation	-	-	-	-	-	22,585,316	22,585,316
Total liabilities	<u>4,437,289</u>	<u>22,126</u>	<u>8,145,306</u>	<u>962,233</u>	<u>94,368</u>	<u>50,229,798</u>	<u>63,891,120</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pensions	-	-	371,347	760,863	-	1,229,749	2,361,959
Deferred inflows related OPEB	-	-	-	-	-	1,528,822	1,528,822
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>371,347</u>	<u>760,863</u>	<u>-</u>	<u>2,758,571</u>	<u>2,361,959</u>
NET POSITION							
Net investments in capital assets	-	143,791	932,961	872,802	796,134	32,859,970	35,605,658
Restricted for:							
Debt service	94,774	-	-	-	-	-	94,774
Other purposes	-	553,613	-	8,376	-	-	561,989
Unrestricted	2,605,491	4,278,760	(6,982,211)	804,379	-	(27,695,786)	(26,989,367)
Total net position	<u>\$ 2,700,265</u>	<u>\$ 4,976,164</u>	<u>\$ (6,049,250)</u>	<u>\$ 1,685,557</u>	<u>\$ 796,134</u>	<u>\$ 5,164,184</u>	<u>\$ 9,273,054</u>

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position						
	Expenses	Charges for Services	Grants and Contributions	Shreveport Home Mortgage Authority	City Court	City Marshal	Downtown Development Authority	Metropolitan Planning Commission	Shreve Memorial Library	Total
Shreveport Home Mortgage Authority										
Mortgage Operations	\$ 229,536	\$ 231,870	\$ -	\$ 2,334	-	\$ -	\$ -	\$ -	\$ -	\$ 2,334
City Court										
Judicial	735,293	550,488	-	-	(184,805)	-	-	-	-	(184,805)
City Marshal										
Judicial	5,336,233	783,371	2,097,694	-	-	(2,455,168)	-	-	-	(2,455,168)
Downtown Development Authority										
Downtown development	593,207	-	-	-	-	-	(593,207)	-	-	(593,207)
Streetscape program	268,532	272,400	-	-	-	-	3,868	-	-	3,868
Parking program	391,150	362,000	-	-	-	-	(29,150)	-	-	(29,150)
Interest on long-term debt	34,743	-	-	-	-	-	(34,743)	-	-	(34,743)
Total Downtown Development Authority	<u>1,287,632</u>	<u>634,400</u>	<u>-</u>	<u>2,334</u>	<u>(184,805)</u>	<u>(2,455,168)</u>	<u>(653,232)</u>	<u>-</u>	<u>-</u>	<u>(653,232)</u>
Metropolitan Planning Commission										
Planning and zoning	1,238,000	310,861	200,000	-	-	-	-	(727,139)	-	(727,139)
Shreve Memorial Library										
Culture and recreation	<u>18,003,045</u>	<u>394,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,609,021)</u>	<u>(17,609,021)</u>
	<u>\$ 26,829,739</u>	<u>\$ 2,905,014</u>	<u>\$ 2,297,694</u>	<u>2,334</u>	<u>(184,805)</u>	<u>(2,455,168)</u>	<u>(653,232)</u>	<u>(727,139)</u>	<u>(17,609,021)</u>	<u>(21,627,031)</u>
General Revenues:										
Property taxes levied for general purposes				-	-	-	765,605	-	15,629,524	16,395,129
Investment earnings (loss)				(73,939)	14,808	1,860	5,617	-	20,402	(31,252)
Payment from City of Shreveport				-	-	-	-	716,725	-	716,725
Miscellaneous				-	14,044	-	45,328	-	616,133	675,505
Total general revenues (expenses)				<u>(73,939)</u>	<u>28,852</u>	<u>1,860</u>	<u>816,550</u>	<u>716,725</u>	<u>16,266,059</u>	<u>17,756,107</u>
Change in Net Position				(71,605)	(155,953)	(2,453,308)	163,318	(10,414)	(1,342,962)	(3,870,924)
Net position - beginning				2,771,870	5,132,117	(3,595,942)	1,522,239	806,548	15,159,926	21,796,758
Prior Period Adjustment									(8,652,780)	(8,652,780)
Net position - beginning, restated				<u>2,771,870</u>	<u>5,132,117</u>	<u>(3,595,942)</u>	<u>1,522,239</u>	<u>806,548</u>	<u>6,507,146</u>	<u>13,143,978</u>
Net position - ending				<u>\$ 2,700,265</u>	<u>\$ 4,976,164</u>	<u>\$ (6,049,250)</u>	<u>\$ 1,685,557</u>	<u>\$ 796,134</u>	<u>\$ 5,164,184</u>	<u>\$ 9,273,054</u>

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

**CITY OF SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

I. Summary of Significant Accounting Policies

The accounting policies of the City of Shreveport conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. The Financial Reporting Entity

The City of Shreveport (the "City") was incorporated in 1839, under the provisions of Louisiana R.S. 33:1. In May of 1978, the present City Charter was adopted which established a mayor-council form of government. The City provides a full range of municipal services as authorized by the charter. These include police and fire protection, emergency medical services, public works (streets and waste collection), public improvements, water and sewer services, parks and recreation, planning and zoning, public transportation, social, cultural, and general administrative services.

The basic criterion for determining whether another governmental organization should be included in a primary governmental unit's reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization, or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government and there is a financial benefit/burden relationship should be included in its reporting entity.

The financial statements present the City of Shreveport (the primary government) and its component units. The operations of the Shreveport Municipal and Regional Airports and the Shreveport Area Transit System are included as a part of the primary government. The discrete component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. There are no blended component units in the City.

Discretely Presented Component Units

The component units' columns in the government-wide financial statements include the financial data of the City's component units. They are reported in a separate column to emphasize that they are legally separate from the City.

City Court

The City Court has jurisdiction over all violations of City ordinances and state misdemeanor cases. The Court was created by special legislative act. Their jurisdiction includes the incorporated area of the City of Shreveport plus the fourth ward of Caddo Parish. City judges are elected and cannot be removed by City officials. The City Court is fiscally dependent on the City of Shreveport and there is a financial benefit/burden relationship. The City has the ability to modify or approve its budget which comes from the General Fund. There are certain funds collected by the City Court, pursuant to state statute, which are under the control of the court. The City Court serves the citizenry of the City of Shreveport plus Ward Four of Caddo Parish. Its administrative office is located at 1244 Texas Avenue, Shreveport, Louisiana 71101.

City Marshal

The City Marshal is the executive officer of the City Court. The Marshal has the power of a sheriff in the execution of the court's orders and mandates in making requests and preserving the peace. The City Marshal is an elected official. The City Marshal is fiscally dependent on the City of Shreveport and there is a financial benefit/burden relationship. The City has the ability to modify or approve the budget which comes from the General Fund. Certain funds are collected such as court costs, pursuant to state statute, which are

under the control of the City Marshal. The City Marshal serves the citizenry of the City of Shreveport plus Ward Four of Caddo Parish. Its administrative office is located at 1244 Texas Avenue, Shreveport, Louisiana 71101.

Downtown Development Authority

The Downtown Development Authority was 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. The Downtown Development District is a special taxing district within the City of Shreveport created by an act of the State legislature. The City Council appoints the seven voting members of the Authority. The Authority must submit to the City Council its proposals, programs and recommendations for the levy of special ad valorem taxes. The City has the ability to modify or approve the budget of the Authority and its plan of work. The Authority's governing body is not substantively the same as the City's. The Authority provides services for a limited area of the City of Shreveport, which consists basically of the downtown area. Its administrative office is located at 400 Edwards Street, Shreveport, Louisiana 71101.

Metropolitan Planning Commission

The Metropolitan Planning Commission is responsible for the orderly, physical development of the City of Shreveport and the surrounding planning area. The Commission makes recommendations to the City Council and the Parish Commission. The Metropolitan Planning Commission consists of nine members with four appointed by both the City of Shreveport and the Caddo Parish Commission and one member elected by joint action of the governing authorities. Although the Commission is legally separate, the City acts as its fiscal agent and has the authority to modify and approve its budget. The Metropolitan Planning Commission is fiscally dependent on the City and there is a financial benefit/burden relationship due to the General Fund subsidy of the majority of their operating budget. The Metropolitan Planning Commission serves the citizenry of the City of Shreveport. Its administrative office is located at 505 Travis Street, Suite 440 Shreveport, Louisiana 71101.

The Metropolitan Planning Commission does not issue separate financial statements. The government-wide financial statements are presented within the basic financial statements. The fund financial statements are included as supplementary information within the section entitled Discretely Presented Component Unit. Complete financial statements of the other individual component units may be obtained from their respective administrative offices.

Shreveport Home Mortgage Authority

The Shreveport Home Mortgage Authority is a public trust, created by state statute, with the City of Shreveport as beneficiary. The Authority is authorized to undertake various programs to assist in the financing of housing for persons of low to moderate income in the City of Shreveport. There are five trustees that are appointed by the City Council for terms of five years. Per the terms of the trust indenture, the City has no power to transact business for the trustees nor to control or direct the actions of the trustees. The City is entitled solely to the benefits of the trust, and at the termination of the trust it shall receive the residual assets of the trust. The City cannot access the organization's funds at will, although there is some ability to access them at the discretion of the Authority. The City is financially accountable since it appoints all of the governing body and there is a potential for Shreveport Home Mortgage Authority to provide specific financial benefits to the City. The Shreveport Home Mortgage Authority serves the citizenry of the City of Shreveport. Its administrative office is located at 1215 Hawn Avenue, Shreveport, Louisiana 71107.

Shreve Memorial Library

The Shreve Memorial Library (the "Library"), a parish-wide system, was established in compliance with the provisions of Louisiana Revised Statute 25:211 and created by an agreement between the City and Caddo Parish Commission (the "Commission" or "Parish") and established as a joint city-parish public library. Under the City of Shreveport's City Charter Section 8.05, the Library is under control of a Board of Trustees, which shall have all of the powers and duties conferred on boards of control of joint city-parish public libraries by the laws of the state. The Library is fiscally dependent on both the City and the Parish; however, the City appoints the majority of the Board members and indirectly controls the financial operations of the Library. The City provides the accounting, payroll, purchasing, cash management, and some legal services (contract review) to support the Library's infrastructure and operations creating a financial benefit/burden relationship. Its administrative office is located at 885 Bert Kouns Industrial Loop, Shreveport, Louisiana 71118.

Related Organization

Shreveport Housing Authority

The Authority was created by State statute and it is legally separate from the City. The Mayor appoints the five commissioners; however, the City cannot impose its will on the Authority since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the commissioners. The Authority is fiscally independent and no financial benefit or burden relationship exists with the City. Therefore, it is not included in the City's financial statements.

Jointly Governed Organization

Caddo-Shreveport Sales and Use Tax Commission

The Caddo-Shreveport Sales and Use Tax Commission is an independent agency which collects sales taxes. It is legally separate from the City. The Commission is a jointly governed organization. The City does not retain an ongoing financial interest or responsibility in its operations. It is not included in the City's financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 property taxes, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. For revenues other than property taxes, the City considers them to be available if they are collected within 90 days of the end of the current 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 are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items except landfill fees are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The 2014 General Obligation Bonds Fund accounts for proceeds of bonds issued for the purpose of constructing, acquiring and improving the water and sewer system, parks and recreation, police, fire, finance and streets and drainage.

The Community Development Fund accounts for the City's activities and grants in its community development programs and initiatives.

The City reports the following major proprietary funds:

The Water and Sewerage Fund accounts for the activities involved in operating the sewerage treatment plant, sewerage pumping stations and collection systems, and the water distribution system.

The Municipal and Regional Airports Fund accounts for the activities involved in operating the City's two airports.

The Convention Center Fund accounts for the conventions, conferences, and rentals of the convention center.

The Convention Center Hotel Fund accounts for the activities involved in the operations of the hotel, which is separately operated and adjacent to the convention center.

Additionally, the City reports the following fund types:

Internal Service Funds account for health care and risk management services provided to other departments on a cost reimbursement basis.

The Fiduciary Funds account for the activities of the Firemen's Pension and Relief Fund, the Policemen's Pension and Relief Fund, and the Employee's Retirement System, which accumulate resources for pension benefit payments to qualified employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewerage function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The City does not use an indirect cost allocation system; however, the General Fund charges certain funds an administrative overhead charge based on a cost allocation plan. This is eliminated like a reimbursement and reduces the revenue and expense in the General Fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available, it is the City's policy for the government-wide and propriety fund financial statements to use restricted – net position first, followed by unrestricted – net position.

Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, and disclosure of contingent assets and liabilities at the date of the financial statements along with reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from estimates.

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash, Cash Equivalents and Investments

The City maintains a pooled cash and investment account that is available for use by all funds, except those restricted by state statutes or other legal requirements. Each fund's positive equity in the pooled cash and investment account is presented as cash and cash equivalents and investments on the balance sheet or statement of net position. Negative equity balances have been reclassified and are reflected as due to/from other funds. Interest income and expense are allocated to the various funds based upon their average daily equity balances.

Investments are reported at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Interest is accrued as earned. For purposes of the Statement of Cash Flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. These cash equivalents are included in investments in the Statement of Net Position.

The City has investment policies for the primary government and its fiduciary funds. The fiduciary funds are the Employees' Retirement System, the Policemen's Pension and Relief Fund, and the Firemen's Pension and Relief Fund.

The primary government's investments are made in accordance with Louisiana Revised Statutes and are further defined in the City's investment policy which has been approved by the Mayor and Chief Administrative Officer and implements Section 26-55 of the City Code.

The State authorized investments are as follows:

1. U.S. Treasury obligations
2. U.S. government agencies
3. U.S. government instrumentalities
4. Collateralized repurchase agreements
5. Collateralized certificates of deposit with Louisiana domiciled institutions
6. Collateralized interest bearing bank accounts
7. Mutual or trust funds which are registered with the Securities and Exchange Commission which have underlying investments consisting of and limited to securities of the U.S. government or its agencies
8. Guaranteed investment contracts issued by a bank, financial institution, insurance company or other entity having one of the two highest short-term rating categories of either Standard and Poor's Corporation or Moody's Investors Service
9. Investment grade (A-1/P-1) commercial paper of domestic U.S. corporations
10. Louisiana Asset Management Pool (LAMP)
11. Any other investments allowed by state statute for local governments

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

In addition to the above types of securities, the Employees' Retirement System is authorized by a separate investment policy in accordance with Article II, Chapter 66 of the City Code of Ordinances to invest in the following with a mix of 60% equities and 40% fixed:

1. Domestic securities registered with the Securities and Exchange Commission and traded on a recognized U.S. stock exchange or over-the-counter market. Equity securities include common stocks, real estate securities and securities convertible into common stock of U.S.-based companies. Individual convertible securities should be rated "B" or higher at the time of purchase.
2. International securities registered (or filed) with the Securities and Exchange Commission and traded on a recognized national exchange or over-the-counter market. Non-U.S. dollar denominated equity securities traded on recognized exchanges or over-the-counter markets outside the U.S. may also be purchased.
3. Fixed income securities in the form of bonds, notes, securitized mortgages, collateralized mortgage obligations, asset-backed securities, taxable municipal bonds, and preferred stock. Fixed income securities shall be rated "BBB" or higher at the time of purchase except for asset-backed securities, mortgage-backed securities, and collateralized mortgage obligations which shall be rated "AAA" at the time of purchase. The minimum dollar-weighted average credit quality rating of the fixed income portfolio should be "AA". The maximum effective maturity of any single issue should not exceed 30 years.

4. Cash reserves shall be held in the custodians' money market funds, short-term maturity treasury securities or high quality money market instruments.

The Policemen's Pension and Relief Fund is authorized by the Board of Trustees to invest in the same types of investments listed above with a mix of 55% equity 35% fixed and 10% alternative investments.

The Firemen's Pension and Relief Fund is authorized by the Board of Trustees to invest in the same types of investments listed above with a mix of 60% equity and 40% fixed.

2. Receivables and Payables

All outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Within the City's Water and Sewerage Fund, an estimated amount has been recorded for services rendered but not yet billed as of the close of the year. The receivable was computed by taking the cycle billings the City sent to its customers in January and prorating the amount of days applicable to the current year. All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

3. Inventories and Prepaid Items

Inventories are valued at cost using the first in, first out (FIFO) method. Inventory in the General Fund consists of materials and supplies held for consumption. Inventories in the Enterprise Funds consist of pipes, meters, fittings and valves, repair materials, spare parts, and items held for sale at the Municipal Golf Courses. Inventories are accounted for using the consumption method.

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.

4. Restricted Assets

Certain proceeds of the general obligation bonds and the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The bond construction funds are used to report those proceeds of bond issuances that are restricted for use in construction. The bond and interest sinking funds are used to segregate resources accumulated for debt service payments over the next twelve months. The debt service reserve funds are used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items are recorded at acquisition value rather than fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are charged to expense or expenditures as incurred.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Total interest expense and the capitalized portion by fund were as follows:

	<u>Municipal and Regional Airports</u>	<u>Water and Sewerage</u>	<u>Total</u>
Interest expense before capitalized portion	\$ 1,785,535	\$ 23,993,492	\$ 25,779,027
Capitalized interest portion	<u>(33,067)</u>	<u>(2,392,029)</u>	<u>(2,425,096)</u>
Total interest expense	<u>\$ 1,752,468</u>	<u>\$ 21,601,463</u>	<u>\$ 23,353,931</u>

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Improvements other than buildings	10-50
Infrastructure	20-75
Distribution and collection systems	10-50
Equipment	3-20

6. Compensated Absences

The City has two systems of compensated absences, Civil Service (Police and Fire) and all other employees.

Non-Civil Service:

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Vacation earned is based on the number of years of services as follows:

<u>Total Employment</u>	<u>Days Earned Per Year</u>
Less than five years	10
Five to ten years	12
Ten to fifteen years	15
Fifteen to twenty years	18
Twenty or more years	21

For classified employees, a maximum of 240 hours of accrued vacation leave can be vested and carried forward to succeeding calendar years. For non-classified employees, the maximum is 320 hours. All accrued sick leave credited to an employee can be carried forward to succeeding calendar years without limitation. Accumulated sick leave is forfeited at the time an employee terminates employment; however, accumulated sick leave is counted as creditable service at retirement if the employee has accumulated at least 175 hours.

Civil Service:

Note: For these, the City has not historically carried these amounts in the CAFR. During 2018 and forward, these balances are only carried at the government-wide level and not the fund level. The beginning balances were adjusted with prior-period adjustments to beginning net position.

The Fire and Police Departments have leave policies that are subject to state Civil Service.

Fire:

No employee shall be granted more compensatory time than they can be reasonably expected to use within a short period of time, and in no event shall an employee accrue and carry more than 240 hours of compensatory time.

Vacation Time:

Vacation is accrued based on the employee’s anniversary date as follows:

<u>Anniversary</u>	<u>Days entitled</u>
1-5	18
6 - 9	21
10 – 14	27
15 and on	30

Holiday Time/Leave:

Holiday time/leave is based on the employees’ division as follows:

<u>Division</u>	<u>Hours Entitled</u>
Operations	8 or 16 hours
Communications	5.5, 6.5, or 12

The rate of pay for working a holiday during the employee’s normal work schedule will be the same as overtime pay, which is one and one-half (1 1/2) times the employee’s hourly rate. An employee who is called in to work extra duty (overtime) on a paid holiday will be paid 2 ½ times the employee’s hourly rate. If an employee has not taken all of his/her earned holiday time by August 31st, then the remaining holiday time will be assigned during the next holiday scheduling period using the same procedure that employees use when scheduling annual leave.

Executive capacity employees may earn leave at 1.5 in excess of regularly assigned work schedule. Any additional time will be compensated at one times (1) of their regularly assigned work schedule. They may not accumulate more than 240 hours of time, and is not entitled to conversion into monetary payment at any time, including at the time of employee’s separation of service. Discretionary Executive Time, if not taken by employee, shall be forfeited at time of separation.

Police:

<u>Anniversary</u>	<u>Days Entitled</u>
New	1.5
1-5	18
6-9	21
10-14	27
15 and on	30

Employees who leave/separate voluntarily may only take 80 hours of any combination of time prior to leaving. If an employee decides to expend unused vacation and/or compensatory time prior to the date of

separation, the time expended shall not exceed 80 total hours for any combination of time given. All eligible remaining time shall be compensated by pay. No single vacation day may be taken on a holiday. Any annual leave in excess of 40 hours in single vacation days must be taken consecutively. All annual leave will be taken during the calendar year following the one in which it was accrued. The chief of police, for good cause, may authorize carrying annual leave over into the next calendar year. Vacation days that are not taken and not authorized for carry over by the chief of police are forfeited.

Compensatory time

Compensatory time is awarded by rank. See the schedule below.

Rank	Authority	Minimum Hours Needed	Maximum Hours
Below captain	33:2213	40	n/a
Captain and above	SPC 301.13	40	240

No member shall be granted more compensatory time than they can be reasonably expected to use within a short period of time. In no event shall a member accrue and carry more than 240 hours of compensatory time.

Holiday overtime

Members working regularly scheduled shifts on holidays are compensated at the rate of 2.5 times the current hourly earnings for each hour worked on the holiday. A member who works an eight-hour shift on a holiday is paid their regular salary plus eight hours at time and a half for a total of 2.5 times their salary.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and gains (losses) on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount or deferred amount on refunding.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, when incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet 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 City has three items that qualify for reporting in this category. One is the deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded and refunding debt. The second one is deferred pension related items reported in the government-wide statement of net position, and the third one is deferred Other Postemployment Benefit (OPEB) items reported in the government-wide statement of net position.

In addition to liabilities, the statement of net position and/or balance sheet 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 that time. The City has three types of items that qualify for reporting in this category. At the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred pension related items are reported in the government wide statement of net position. Deferred OPEB items are reported in the government-wide statement of net position.

9. Fund Balance

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact including inventories and endowments.

Restricted Fund Balance

Restricted fund balance includes amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or by law through constitutional provisions or enabling legislation.

Assigned Fund Balance

Assigned fund balance includes amounts that are intended to be used for specific purposes that are not considered restricted. Fund balance may be assigned by the Finance Director as provided through the City Charter.

Unassigned Fund Balance

Unassigned fund balance is the residual classification for the general fund which represents fund balance that has not been restricted or assigned. In other governmental funds, it represents a negative fund balance.

It is the City's policy to consider restricted fund balances to be used before using any of the components of unrestricted fund balances. Also, when the components of unrestricted fund balance can be used for the same purpose, assigned fund balance is used first followed by unassigned fund balance.

10. Net Position

The government-wide statement of net position reports \$126,753,136 of restricted net position, of which \$54,326,156 is restricted by enabling legislation.

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E. Accounting Pronouncements

During 2018, the City adopted the following new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

Statement No. 75 -Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, issued by the Government Accounting Standards Board. This Statement addresses accounting and financial reporting of OPEB that is provided to the employees of state and local governmental employers and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB.

The adoption of Statement No. 75 has no impact on the City's governmental fund financial statements, which continue to report expenditures on a pay-as-you-go basis. However, the adoption has resulted in the restatement of the City's 2017 government-wide financial statements to reflect the reporting of total OPEB liability in accordance with the provisions of the Statement. Net position as of January 1, 2018 was restated, reflecting the cumulative retrospective effect of adoption.

Statement No. 85- Omnibus 2017. issued by the Government Accounting Standards Board. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to fair value measurement. and application and postemployment benefits for both pensions and other postemployment benefits (OPEB).

The adoption of Statement No. 85 had no impact on the government-wide or the governmental fund financial statements, but provides for additional guidance, clarification and/or additional disclosures in the notes to the financial statements.

The Governmental Accounting Standards Board (GASB) has issued the following statements that will become effective for fiscal years ending December 31, 2019 – 2020:

- Statement 83, Certain Asset Retirement Obligations
- Statement 84, Fiduciary Activities
- Statement 87, Leases
- Statement 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement 89, Accounting for Interest Cost Incurred before the End of a Construction Period

The City is currently evaluating the effects that these statements will have on its financial statements.

F. Estimates

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

G. Related Party Transactions:

The City had no identified related party transactions for the year ended December 31, 2018.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Prior to October 1, the Mayor files with the Clerk of Council a proposed operating budget for the fiscal year commencing the following January. The operating budget includes proposed expenditures and related financing sources. The City Council conducts public hearings and proposes adoption of the various budget ordinances. Prior to December 15, the City Council adopts the final budgets controlling the financial operations of the City for the ensuing fiscal year.

Legal budgetary control for operating budgets is exercised at the department/object class with the exception of the Community Development Department where control is exercised at the division/object class. The ordinances provide lump sum appropriation at the object level. The City Charter allows the Mayor to authorize the transfer of budgeted amounts from one activity to another within the same lump sum appropriation, within the same department with the exception of the Community Development Department where funds must be spent within the same division. Budgetary transfers across department lines or between classes of lump sum appropriations must be approved by the City Council. During the year, the City Council approves several amendments to the budget. The City Charter provides that expenditures may not legally exceed appropriations. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year for the General, Debt Service, Special Revenue Funds (except for the Enrichment Fund), Capital Projects, and Proprietary Funds. The capital project funds adopt project length budgets. The budgets for governmental funds are adopted on a basis substantially consistent with generally accepted accounting principles except for state supplemental pay for fire and police which is included but not budgeted in the General Fund.

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All appropriations which are not expended or encumbered lapse at year end. Encumbrances outstanding at year end will be re-appropriated and honored during the subsequent year. Encumbrances outstanding at year end by fund are as follows:

General fund	\$	5,878,689
2014 General Obligation Bond fund		3,108
Community Development		3,688,881
Nonmajor governmental funds		858,552
Total encumbrances	\$	<u>10,429,229</u>

Revisions were made to the following major governmental funds' original budgets (expenditures including transfers out) as follows:

	Original Budget Including Carry Forwards	Revisions	Final Revised Budget
General Fund	<u>\$ 216,574,800</u>	<u>\$ 9,074,622</u>	<u>\$ 225,649,422</u>

Adjustments necessary to convert the revenues and expenditures of the General Fund at the end of the year on the budgetary basis to the GAAP basis are as follows:

<u>Revenues</u>	<u>General Fund</u>
Actual on the budgetary basis	\$ 207,251,042
Adjustment for state supplemental pay	6,231,095
GAAP basis	<u>\$ 213,482,137</u>
<u>Expenditures (Including transfers out)</u>	
Actual on the budgetary basis	\$ 218,035,411
Adjustment for state supplemental pay	6,231,095
GAAP basis	<u>\$ 224,266,506</u>

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B. Excess of Expenditures over Appropriations

During the year, the City Council revised the City's general fund budget several times. After the first quarter, amendments and supplemental appropriations were approved to reflect the actual beginning fund balances estimated during the budget process which must be submitted by October 1st for the next year. Additional changes were made as new information indicated a need. The major differences between the original budget and the final budget were overall revenues increased by \$234,300, and transfers in remained unchanged, while expenditures including transfers out were increased by \$9,074,622. During the year, revenues including transfers in were \$7,689,442 more than the revised budget, while expenditures including transfers out were \$7,790,426 less than the revised budget.

During 2018, based on the legally adopted level of control for budgetary purposes, the General Fund had excess expenditures over appropriations as follows:

	<u>Final Budget</u>	<u>Actual on a budgetary basis</u>	<u>Variance</u>
General government:			
<u>Office of the Mayor:</u>			
Salaries, wages and employee benefits	\$ 920,500	\$ 980,887	\$ (60,387)
Other charges	600	805	(205)
	<u>921,100</u>	<u>981,692</u>	<u>(60,592)</u>
<u>City Attorney:</u>			
Salaries, wages and employee benefits	<u>1,032,400</u>	<u>1,075,188</u>	<u>(42,788)</u>
 <u>Personnel:</u>			
Contractual services	36,743	48,624	(11,881)
Improvements and equipment	2,445	3,411	(966)
	<u>39,188</u>	<u>52,035</u>	<u>(12,847)</u>
 <u>Finance:</u>			
Materials and supplies	74,381	189,937	(115,556)
Contractual services	974,975	1,474,985	(500,010)
Improvements and equipment	25,568	43,121	(17,553)
	<u>1,074,924</u>	<u>1,708,043</u>	<u>(633,119)</u>
 <u>Other - unclassified</u>			
Interest and civic appropriations	3,216,600	3,684,242	(467,642)
Payments to component units	6,192,303	6,402,763	(210,460)
Claims	6,913,200	7,929,707	(1,016,507)
	<u>16,322,103</u>	<u>18,016,712</u>	<u>(1,694,609)</u>
 Public Safety			
<u>Police:</u>			
Contractual services	<u>1,295,089</u>	<u>1,594,320</u>	<u>(299,231)</u>
 <u>Fire:</u>			
Contractual services	<u>4,178,294</u>	<u>7,082,498</u>	<u>(2,904,204)</u>
 Culture and recreation:			
Materials and supplies	867,759	919,696	(51,937)
Contractual services	5,116,769	5,996,150	(879,381)
Improvements and equipment	1,340,006	1,340,937	(931)
	<u>7,324,534</u>	<u>8,256,783</u>	<u>(932,249)</u>
	<u>\$ 32,187,632</u>	<u>\$ 38,767,271</u>	<u>\$ (6,579,639)</u>

C. Deficit Net Position

<u>Golf</u>	<u>Employees Health Care</u>	<u>Retained Risk</u>
\$ (4,722,332)	\$ (7,274,128)	\$ (28,539,013)

The following funds had a deficit net position at December 31, 2018.

The Golf Fund, a nonmajor enterprise fund, had a deficit net position balance of \$4,722,332. The deficit was due to the accrual of Other Postemployment Benefits (OPEB) and the net pension liability as described in Note IV. A.

The Employee's Healthcare Fund, an internal service fund, had a deficit net position balance of \$7,274,128, which will be recovered through future charges to other funds.

The Retained Risk Fund, an internal service fund, had a deficit net position balance of \$28,539,013, which will be recovered through future charges to other funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Investments – Primary Government excluding Fiduciary Funds

Interest rate risk. The City investment policy limits its exposure to declines in fair value by limiting investment maturities to 3 years from the date of settlement unless matched to a specific cash flow requirement.

Credit risk. The standard of prudence to be used for managing the City's assets is the "prudent investor" rule which states, "Investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived." The City's investment policy limits investments to those discussed previously. The investments in U.S. treasuries and instrumentalities were rated AA+ and Aaa, the Investment Agreements and Money Market investments were unrated and the LAMP investment was rated AAA.

Concentration of credit risk. The City has no investments in one issuer greater than 5 percent except those backed by the full faith and credit of the U.S. Government.

Custodial credit risk – deposits. In the case of deposits; this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy is that banks holding deposits are required to pledge securities to fully collateralize these transactions. The pledged securities are held by another bank or through book entry in a custodial account in the Federal Reserve System. The City must authorize in writing the release or substitution of the pledged securities.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's policy is that all investments purchased by the City, except certificates of deposit, local government investment pools, and money market funds, will be delivered by book entry and will be held in third-party safekeeping by a City-approved custodian bank.

Fair value measurements. - GASB Statement No. 72 establishes a hierarchy of inputs to valuation techniques used to measure fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The implementation of this new statement did not change the method of measuring the fair value of the City's assets.

These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1—Investments reflect prices quoted in active markets.
- Level 2—Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3—Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk. The investments with LAMP and money market accounts are not categorized by fair value level.

Information about the fair value level and exposure of the City’s investments risk, using the segmented time distribution model is as follows (all are considered Level 1 investments):

<u>Investment Type</u>	<u>Amount</u>
U.S. Treasuries	\$ 19,288,781
U.S. Instrumentalities	33,995,537
Money Market	265,976,323
LAMP	15,144,440
Capital One Investment Account	3,843
Total	<u>\$ 334,408,924</u>

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>		
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-3</u>
U.S. Treasuries	\$ 19,288,781	\$ 11,724,409	\$ 7,564,371
U.S. Instrumentalities	33,995,537	6,607,997	27,387,541
Money Market	265,976,323	265,976,323	-
LAMP	15,144,440	15,144,440	-
Capital One Investment Account	3,843	3,843	-
Pooled Cash	-	-	-
Total	<u>\$ 334,408,924</u>	<u>\$299,457,012</u>	<u>\$ 34,951,912</u>

A reconciliation of the above schedule to the Statement of Net Position follows:

Unrestricted Assets:	
Cash	\$ 114,872,045
Investments	958,656
Restricted assets:	
Cash	232,278,204
Investments	3,005,189
Less: Equity in Pooled Cash	(16,705,170)
Total per above	<u>\$ 334,408,924</u>

At December 31, 2018, \$9,330,787 of deposits were not collateralized in accordance with statute. \$321,114,292 is collateralized by securities held by the pledging financial institutions.

2. Investments – Fiduciary Funds

Interest rate risk. The Fiduciary Funds do not have a policy to limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The funding obligations of the plan are long-term in nature; consequently, the investment of the Plan’s assets shall have a long-term focus, but shall not exceed 30 years.

Credit risk. Fixed income securities shall be rated “BBB” or higher at the time of purchase except for asset-backed securities, mortgage-backed securities, and collateralized mortgage obligations which shall be rated “AAA.” Convertible securities shall be rated “B” or higher at the time of purchase. The minimum dollar-weighted average credit quality rating of the fixed income portfolio should be “AA.”

Concentration of credit risk. Holdings of any single issue shall not exceed more than 5% of the market value of the issuer.

Currency risk. The international equities are held through “American Depository Receipts” which are traded in U.S. dollars on the American Stock Exchanges. There were no investments in international fixed-income securities.

Information about the fair value level and exposure of the City’s investments risk, using the segmented time distribution model is as follows (all are considered Level 1 investments):

<u>Investment Type</u>	<u>Amount</u>
U.S. Treasuries	\$ 1,148,073
Asset-backed Securities	1,731,713
Corporate Bonds	6,257,588
Money Market	1,305,315
Mutual Funds	183,416,957
Domestic Equities	11,959,022
International Equities	6,829,620
Total	<u>\$ 212,648,287</u>

A reconciliation of the above schedule to the Statement of Net Position follows:

Unrestricted Assets	
Cash	\$ 1,305,315
Investments	<u>211,342,972</u>
Total per above	<u>\$ 212,648,287</u>

Investment Maturities (in years)

Investment Type	Fair Value	Less Than 1	1-5	5-10	>10
U.S. Treasuries	\$ 1,148,073	\$ -	\$ 96,703	\$ 259,687	\$ 791,682
Asset-backed Securities	1,731,713	128,149	41,215	297,362	1,393,136
Corporate Bonds	6,257,588	-	2,215,953	693,673	378,001
Mutual Bond Funds	-	2,841,812	-	-	-
Money Market	1,305,315	1,305,315	-	-	-
Mutual Funds	183,416,957	183,416,957	-	-	-
Domestic Equities	11,959,022	11,959,022	-	-	-
International Equities	6,829,620	6,829,621	-	-	-
Total	\$ 212,648,287	\$ 206,480,876	\$ 2,353,871	\$ 1,250,723	\$ 2,562,819

Note: The S&P/Moody's rating for U.S. Treasuries, Asset-backed Securities, Corporate Bonds, and Money Market types are included in the schedule below; however credit ratings are not available at the investment level.

S&P/Moody's Rating	Fair Value
AAA	\$ 62,938
AA	826,335
A	1,366,040
BBB	1,351,914
Money Market	1,305,316
Unrated	5,530,146
Total	\$ 10,442,689

3. Discretely Presented Component Units

Deposits

Shreveport Home Mortgage Authority – The Authority has no deposits since all funds are maintained at trust departments at financial institutions.

The City Court, City Marshal, and Downtown Development Authority do not have a policy for custodial risk nor do they have collateral in their names.

The following is a schedule of deposit and the amounts exposed to custodial risk by fund:

	City Court	City Marshal	Downtown Development Authority	Shreve Memorial Library
Total on deposit	\$ 7,815,435	\$ 1,687,854	\$ 1,385,136	\$ 8,475,349
Amount exposed to custodial risk	7,315,435	1,687,854	1,110,424	-

Louisiana Revised Statue 39:1229 imposes statutory requirements on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the component unit that the fiscal agent has failed to pay deposited funds upon demand.

Investments

Shreveport Home Mortgage Authority – The \$1,613,216 of investments consists of guaranteed mortgage-backed securities.

B. Property Taxes

The City levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the City on property values assessed by the Bossier Parish and Caddo Parish Tax Assessors and approved by the State of Louisiana Tax Commission.

Assessment date	January 1, 2018
Levy date	Not later than June 1, 2018
Tax bills mailed	On or about November 15, 2018
Total taxes are due	December 31, 2018
Penalties and interest are added	January 1, 2019
Lien date	January 1, 2019
Tax sale - 2017 delinquent property	July 1, 2019

Property taxes levied for the current year are recognized as revenues, even though a portion is collectible in the period subsequent to the levy. The City's property tax collection records show that 96.8% of the property taxes due were collected within 60 days after the due date. Assessed values are established by the Bossier Parish and Caddo Parish Tax Assessors each year on a uniform basis at the following ratios to fair market value.

10% Land	15% Machinery
10% Residential Improvements	15% Commercial Improvements
15% Industrial Improvements	25% Public Service properties, excluding land

A re-evaluation of all property is required to be completed no less than every 4 years. A re-evaluation was completed for the tax roll of January 1, 2016.

Tax Abatements

As of December 31, 2018, the City has entered into property and sales tax abatement agreements with individuals and businesses through four programs — the Restoration Tax Abatement (RTA), Industrial Tax Exemption (ITEP), Tax Rebate Incentive Pay (TRIP), and the Film Industry Incentive Program, (FIIP). Each agreement was negotiated under a particular authority allowing localities to abate property taxes for a variety of economic development purposes, including job creation, as well as, business relocation, retention, and expansion.

The City has not made any commitments as part of the agreements other than to reduce taxes, and the City is not subject to any tax abatement agreements entered into by other governmental entities.

Restoration Tax Abatement (RTA):

The Restoration Tax Abatement (RTA) program is a program, which provides an up to-year abatement of the City-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.

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.

The property owner must apply and pay an application fee, and upon approval by the state and local authorities, the contract is issued.

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.

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.

Types of Commitments Made by the Recipients of the Tax Abatements:

The property owner agrees to file annually with the assessor of the parish in which the structure is located. Within six months after construction has been completed, the property owner must file an affidavit of final cost showing complete cost of the exempted project.

Gross Dollar Amount by Which the City's Tax Revenues Were Reduced:

The City estimates property tax revenues have been reduced by \$ \$449,238 for the year.

Industrial Tax Exemption (ITEP):

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers an attractive tax incentive for manufacturers within the state. The program abates, up to ten years, City property taxes (Ad Valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. The legal authority is Article 7, Section 21(F) of the Louisiana Constitution and Executive Order JBE 2016-73.

Eligibility Criteria:

Businesses must be classified as a manufacturer or related to the manufacturing project in order to receive the benefits of the ITEP program. ITEP is only available for activities related to manufacturers that meet the constitutional definition of manufacturing. The program can be used by manufacturers new to Louisiana and is also available to existing manufacturers in Louisiana with new investments and miscellaneous capital additions to existing facilities. The property owner must apply and pay an application fee, and upon approval by the state and local authorities, the contract is issued.

Note that the eligibility criteria have been modified by Executive Order Number JBE2016-73 (effective October 21, 2016) as follows:

Only contracts accompanied by advance notifications will be considered by the Governor. Applications for miscellaneous capital additions and applications for tax exemptions for maintenance capital, required environmental capital upgrades, and new replacements for existing machinery will not be approved or issued contracts by the Governor.

The Governor will not approve contracts unless the Board of Commerce and Industry has specifically determined that the establishment meets the constitutional definition of manufacturing. Exemption contracts for new manufacturing plants or establishments are favored by the Governor and exemption contracts for additions to any existing plant or establishment are not favored by the Governor unless they provide for new jobs or present compelling reasons for the retention of existing jobs.

Mechanism By Which the Taxes are Abated:

The property tax valuation before the construction is frozen, whereby the property owner is not taxed on the increase in value that they would otherwise have to pay for the restoration.

Provisions for Recapturing Abated Taxes:

The contract may be terminated or modified if a violation has been found, but currently, there is no provision to recapture taxes.

Types of Commitments Made by the Recipients of the Tax Abatements:

The property owner agrees to file annually with the assessor of the parish in which the structure is located. Within six months of the beginning of operations, completion of construction, or receipt of the

executed contract, whichever occurs last, the owner of a manufacturing establishment or addition must file an affidavit of final cost showing complete cost of the exempted project.

Gross Dollar Amount by Which the City's Tax Revenues Were Reduced:

The City estimates property tax revenues have been reduced by \$3,325,151 for the year.

Tax Rebate Incentive Pay (TRIP):

City has determined that there are significant benefits to the community in having police officers living within the city limits and in having marked police cars parked at those residences; therefore, the City has developed the TRIP whereby property taxes of certain police officers may be refunded back to them under certain conditions. The goal is to have a visible law enforcement presence in the neighborhood in which the officer lives. The legal authority for this is Resolution 92 of 2007.

Eligibility Criteria:

The rebate will only apply to taxes paid on the member's primary domiciliary residence and, only for taxes paid by December 31st of the calendar year in which the taxes are due. The Tax Rebate Incentive Pay is not retroactive. In addition, 1) the member must be a post certified police officer, 2) the member must be assigned a marked take-home patrol unit, which is parked at the member's residence when not in use, 3) the member must be a homeowner within the city limits of Shreveport, and the member must pay all property taxes owed to the City of Shreveport by December 31st of each calendar year

The commissioned member must own and reside in the property within the city limits of Shreveport, and the property must be in a Community Development Block Grant Targeted Area (CDBG) – targeted areas within the City Limits of Shreveport as defined by the Department of Community Development in accordance with federal and grant requirements.

Mechanism By Which the Taxes are Abated:

The property taxes are then refunded to officers through payroll.

Provisions for Recapturing Abated Taxes:

There is no provision to recapture refunded taxes.

Types of Commitments Made by the Recipients of the Tax Abatements:

Police officers must park the vehicles at their residence.

Gross Dollar Amount by Which the City's Tax Revenues Were Reduced:

The City estimates property tax revenues have been reduced by \$36,173 for the year.

Film Industry Incentive Program:

The Film Industry Incentive Program (FIIP) is a City administered incentive program whereby the City's portion of sales taxes paid for lodging, lease and rental expenses, and other production expenses, etc. for a production are rebated to the recipient in exchange for doing business in the City. The legal authority for this program is Resolution 86 of 2009.

Eligibility Criteria:

The program is open to any business that will promise to have a production office or utilize a sound stage in Caddo Parish and have production expenditures of \$300,000.

Mechanism By Which the Taxes are Abated:

The recipient must file a sales tax return whereby the taxes are abated.

Provisions for Recapturing Abated Taxes:

There is no provision to recapture refunded taxes.

Types of Commitments Made by the Recipients of the Tax Abatements:

The recipient must do two things: First, it must either 1) have its production office located within Caddo Parish, or 2) utilize a soundstage within Caddo Parish AND must have production expenditures of \$300,000.

Gross Dollar Amount by Which the City's Tax Revenues Were Reduced:

The City estimates sales tax revenues have been reduced by \$0 for the year.

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C. Receivables

Receivables as of December 31, 2018 consisted of the following:

Interest receivable	\$ 13,866
Other receivables, net	63,388,688
Due from other governments	23,070,605
	<u>(14,772,256)</u>
	<u>\$ 71,700,903</u>

A reconciliation of receivables for the City's individual major, nonmajor, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are outlined below:

	Government-wide	General	Debt Service	General Obligation Bonds	Community Development	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Nonmajor and Other Funds	Total
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,866	\$ 13,866
Taxes	9,475,864	7,254,472	4,748,579	-	-	-	-	-	-	1,738,452	23,217,367
Accounts	-	7,049,755	-	-	71,897	479,897	20,391,141	402,732	490,472	11,285,455	40,171,349
Intergovernmental	-	17,808,900	242,821	-	3,004,613	1,206,797	-	-	-	807,474	23,070,605
Gross receivables	9,475,864	32,113,127	4,991,400	-	3,076,510	1,686,694	20,391,141	402,732	490,472	13,845,247	86,473,187
Less: Allowance for uncollectibles	-	(4,577,495)	(623,494)	-	-	-	(9,571,295)	-	-	-	(14,772,284)
Net total receivables	<u>\$ 18,951,728</u>	<u>\$ 27,535,633</u>	<u>\$ 4,367,906</u>	<u>\$ -</u>	<u>\$ 3,076,510</u>	<u>\$ 1,686,694</u>	<u>\$ 10,819,846</u>	<u>\$ 402,732</u>	<u>\$ 490,472</u>	<u>\$ 13,845,247</u>	<u>\$ 71,700,903</u>

D. Federal and State Financial Assistance

Federal and State governmental units represent an important source of supplementary funding to finance housing, employment and construction programs, and other activities beneficial to the community. These funds, primarily in the form of grants, are recorded in the General, Special Revenue, Capital Projects, and Enterprise Funds. A grant receivable is recorded when the City has a right to reimbursement under the related grant. The grants normally specify the purpose for which the funds may be used and are audited annually under the Office of Management and Budget Circular A-133 under the "Single Audit Concept" for grants awarded prior to December 26, 2014, and in accordance with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements, for grants awarded on or after December 26, 2014.

The following amounts under various grants and entitlements are recorded as revenues, passenger facility charges, subsidies, or contributions in the accompanying financial statements:

Governmental-type funds:	
Community Development	\$ 6,123,704
Police Grants	842,188
Business-type funds:	
Municipal and Regional Airports	1,092,857
Water and Sewerage	247,810
Shreveport Area Transit System	4,055,524
Totals	<u>\$ 12,362,083</u>

Supplementary salary payments are made by the State to certain groups of employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution from the State. The State paid supplemental salaries as follows:

Fire Department	\$ 3,281,117
Police Department	2,949,978
Total	<u>\$ 6,231,095</u>

These amounts were paid directly to the employees. There were no payments made for fringe benefits. The amounts for fire and police employees have been recorded in the General Fund financial statements as revenue and expenditures.

E. Capital Assets

Capital asset activity for the year ended December 31, 2018, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 112,628,917	\$ 1,140,213	\$ (5,500)	\$ 113,763,630
Construction in progress	26,962,578	17,390,847	(27,401,835)	16,951,590
Total capital assets not being depreciated	<u>139,591,495</u>	<u>18,531,060</u>	<u>(27,407,335)</u>	<u>130,715,220</u>
Capital assets, being depreciated:				
Buildings	195,636,378	4,126,983	(92,654)	199,670,707
Improvements other than buildings	89,927,688	2,324,226	(71,420)	92,180,494
Equipment	91,324,871	3,464,237	(4,200,891)	90,588,217
Infrastructure	563,132,338	23,644,106	-	586,776,444
Total capital assets being depreciated	<u>940,021,275</u>	<u>33,559,552</u>	<u>(4,364,965)</u>	<u>969,215,862</u>
Less accumulated depreciation for:				
Buildings	(78,256,249)	(4,025,309)	76,654	(82,204,904)
Improvements other than buildings	(44,756,693)	(2,503,547)	-	(47,260,240)
Equipment	(68,378,775)	(4,208,202)	3,418,519	(69,168,459)
Infrastructure	(283,366,564)	(11,598,643)	-	(294,965,207)
Total accumulated depreciation	<u>(474,758,281)</u>	<u>(22,335,701)</u>	<u>3,495,173</u>	<u>(493,598,810)</u>
Total capital assets, being depreciated, net	<u>465,262,993</u>	<u>11,223,851</u>	<u>(869,792)</u>	<u>475,617,052</u>
Governmental activities capital assets, net	<u>\$ 604,854,488</u>	<u>\$ 29,754,911</u>	<u>\$ (28,277,127)</u>	<u>\$ 606,332,272</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Municipal and Regional Airports				
Capital assets, not being depreciated:				
Land	\$ 37,627,729	-	-	\$ 37,627,729
Construction in progress	9,070,045	8,036,052	(4,588,413)	12,517,684
Total capital assets not being depreciated	<u>46,697,774</u>	<u>8,036,052</u>	<u>(4,588,413)</u>	<u>50,145,413</u>
Capital assets, being depreciated:				
Buildings	72,679,136	589,841	-	73,268,977
Improvements other than buildings	115,502,246	3,896,214	-	119,398,460
Equipment	6,859,026	72,794	(154,466)	6,777,354
Total capital assets being depreciated	<u>195,040,408</u>	<u>4,558,849</u>	<u>(154,466)</u>	<u>199,444,791</u>
Less accumulated depreciation for:				
Buildings	(40,926,061)	(1,362,561)	-	(42,288,622)
Improvements other than buildings	(70,017,473)	(3,650,511)	-	(73,667,984)
Equipment	(4,998,922)	(546,614)	82,988	(5,462,548)
Total accumulated depreciation	<u>(115,942,456)</u>	<u>(5,559,686)</u>	<u>82,988</u>	<u>(121,419,154)</u>
Total capital assets, being depreciated, net	<u>79,097,952</u>	<u>(1,000,837)</u>	<u>(71,478)</u>	<u>78,025,637</u>
Municipal and Regional Airports capital assets, net	<u>\$ 125,795,726</u>	<u>\$ 7,035,215</u>	<u>\$ (4,659,891)</u>	<u>\$ 128,171,049</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Water and Sewerage:				
Capital assets, not being depreciated:				
Land	\$ 996,201	\$ -	\$ -	\$ 996,201
Construction in progress	291,681,687	121,249,374	(221,873,998)	191,057,063
Total capital assets not being depreciated	<u>292,677,888</u>	<u>121,249,374</u>	<u>(221,873,998)</u>	<u>192,053,264</u>
Capital assets, being depreciated:				
Equipment	24,355,596	332,331	(1,048,127)	23,639,800
Distribution and collection systems	718,525,251	223,157,578	(19,890)	941,662,939
Total capital assets being depreciated	<u>742,880,847</u>	<u>223,489,909</u>	<u>(1,068,017)</u>	<u>965,302,739</u>
Less accumulated depreciation for:				
Equipment	(17,590,906)	(909,806)	992,448	(17,508,264)
Distribution and collection systems	(282,392,104)	(14,606,434)	19,890	(296,978,648)
Total accumulated depreciation	<u>(299,983,010)</u>	<u>(15,516,240)</u>	<u>1,012,338</u>	<u>(314,486,912)</u>
Total capital assets, being depreciated, net	<u>442,897,837</u>	<u>207,973,669</u>	<u>(55,679)</u>	<u>650,815,827</u>
Water and Sewerage capital assets, net	<u>\$ 735,575,725</u>	<u>\$ 329,223,043</u>	<u>\$ (221,929,677)</u>	<u>\$ 842,869,091</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Convention Center:				
Capital assets, not being depreciated:				
Land	\$ 6,147,743	\$ -	\$ -	\$ 6,147,743
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>6,147,743</u>	<u>-</u>	<u>-</u>	<u>6,147,743</u>
Capital assets, being depreciated:				
Buildings	88,822,703	-	-	88,822,703
Improvements other than buildings	3,553,819	-	-	3,553,819
Equipment	8,137,094	-	-	8,137,094
Total capital assets being depreciated	<u>100,513,616</u>	<u>-</u>	<u>-</u>	<u>100,513,616</u>
Less accumulated depreciation for:				
Buildings	(21,216,269)	(1,874,631)	-	(23,090,900)
Improvements other than buildings	(1,640,816)	(146,728)	-	(1,787,544)
Equipment	(7,979,073)	(25,283)	-	(8,004,356)
Total accumulated depreciation	<u>(30,836,158)</u>	<u>(2,046,642)</u>	<u>-</u>	<u>(32,882,800)</u>
Total capital assets, being depreciated, net	<u>69,677,458</u>	<u>(2,046,642)</u>	<u>-</u>	<u>67,630,816</u>
Convention Center capital assets, net	<u>\$ 75,825,201</u>	<u>\$ (2,046,642)</u>	<u>\$ -</u>	<u>\$ 73,778,559</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Convention Center Hotel:				
Capital assets, being depreciated:				
Buildings	\$ 43,855,094	223,908	\$ -	\$ 44,079,002
Improvements other than buildings	210,011	177,294	(3,785)	383,520
Equipment	6,791,456	272,695	(30,615)	7,033,536
Total capital assets being depreciated	<u>50,856,561</u>	<u>673,898</u>	<u>(34,400)</u>	<u>51,496,058</u>
Less accumulated depreciation for:				
Buildings	(10,167,262)	(998,072)	-	(11,165,335)
Improvements other than buildings	(94,925)	(12,732)	-	(107,657)
Equipment	(4,068,252)	(512,359)	15,261	(4,565,350)
Total accumulated depreciation	<u>(14,330,439)</u>	<u>(1,523,163)</u>	<u>15,261</u>	<u>(15,838,342)</u>
Total capital assets, being depreciated, net	<u>36,526,122</u>	<u>(849,265)</u>	<u>(19,139)</u>	<u>35,657,716</u>
Convention Center Hotel capital assets, net	<u>\$ 36,526,122</u>	<u>\$ (849,265)</u>	<u>\$ (19,139)</u>	<u>\$ 35,657,716</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Other business-type activity programs:				
Capital assets, not being depreciated:				
Land	\$ 368,877	\$ -	\$ -	\$ 368,877
Construction in progress	470,336	20,688	-	491,024
Total capital assets not being depreciated	<u>839,213</u>	<u>20,688</u>	<u>-</u>	<u>859,901</u>
Capital assets, being depreciated:				
Buildings	13,791,167	373,346	(352,559)	13,811,954
Improvements other than buildings	1,164,965	25,000	-	1,189,965
Equipment	<u>24,337,331</u>	<u>785,211</u>	<u>(193,581)</u>	<u>24,928,961</u>
Total capital assets being depreciated	<u>39,293,463</u>	<u>1,183,557</u>	<u>(546,140)</u>	<u>39,930,880</u>
Less accumulated depreciation for:				
Buildings	(3,801,820)	(311,954)	352,558	(3,761,215)
Improvements other than buildings	(610,015)	(39,353)	(801)	(650,169)
Equipment	<u>(9,536,389)</u>	<u>(2,151,816)</u>	<u>194,383</u>	<u>(11,493,822)</u>
Total accumulated depreciation	<u>(13,948,224)</u>	<u>(2,503,123)</u>	<u>546,140</u>	<u>(15,905,206)</u>
Total capital assets, being depreciated, net	<u>25,345,239</u>	<u>(1,319,566)</u>	<u>-</u>	<u>24,025,673</u>
Other enterprise funds capital assets, net	<u>\$ 26,184,452</u>	<u>\$ (1,298,878)</u>	<u>\$ -</u>	<u>\$ 24,885,575</u>
Business-type activities capital assets, net	<u>\$ 999,907,227</u>	<u>\$ 332,063,474</u>	<u>\$ (226,608,707)</u>	<u>\$ 1,105,361,997</u>

In some cases, the reduction in construction in progress is greater than the increase in capital assets due to items not meeting the capitalization criteria. Also, in the other business-type activities, the Shreveport Area Transit System's operating and capital grants are tracked through the City's capital project system. Operating expenses are expensed out of construction in progress.

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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 2,615,370
Public safety	2,746,641
Public works, including depreciation of general infrastructure assets	11,006,688
Community development	170,718
Culture and recreation	5,786,862
Economic Development	6,266
Economic Opportunity	3,156
Total depreciation expense-governmental activities	<u>\$ 22,335,701</u>

Business-type activities:

Municipal and Regional Airports	\$ 5,559,686
Convention Center Hilton Hotel	1,523,163
Convention Center	2,046,642
Water and Sewerage	15,516,240
Shreveport Area Transit System	2,449,490
Golf	53,632
Total depreciation expense-business-type activities	<u>\$ 27,148,851</u>

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Construction commitments

The government has one active major construction project as of December 31, 2018 (see list below):

<u>Project Number</u>	<u>Project Description</u>	<u>Remaining Commitment</u>	<u>Financing Sources</u>
F14006	Sanitary Sewer Assessment - Phase I	\$ 12,931,411	2014B&C W&S Rev Bonds
		<u>\$ 12,931,411</u>	

Discretely presented component unit

Activity for the Metropolitan Planning Commission (MPC) for the year ended December 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Metropolitan Planning Commission				
Capital assets, not being depreciated:				
Land	\$ 704,514	\$ -	\$ -	\$ 704,514
Total capital assets, not being depreciated	<u>704,514</u>	<u>-</u>	<u>-</u>	<u>704,514</u>
Capital assets, being depreciated:				
Improvements other than buildings	999,234	-	-	999,234
Equipment	93,135	-	(20,890)	72,245
Total capital assets being depreciated	<u>1,092,369</u>	<u>-</u>	<u>(20,890)</u>	<u>1,071,479</u>
Less accumulated depreciation for:				
Improvements other than buildings	(927,106)	(4,342)	-	(931,448)
Equipment	(63,230)	(6,072)	20,890	(48,412)
Total accumulated depreciation	<u>(990,336)</u>	<u>(10,414)</u>	<u>20,890</u>	<u>(979,860)</u>
Total capital assets, being depreciated, net	<u>102,033</u>	<u>(10,414)</u>	<u>-</u>	<u>91,620</u>
MPC capital assets, net	<u>\$ 806,547</u>	<u>\$ (10,414)</u>	<u>\$ -</u>	<u>\$ 796,134</u>

Activity for the Downtown Development Authority for the year ended December 31, 2018, was as follows:

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Downtown Development Authority				
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>-</u>	<u>-</u>	<u>130,237</u>
Capital assets, being depreciated:				
Buildings	1,511,123	-	-	1,511,123
Equipment	7,097	-	-	7,097
Streetscape equipment	138,417	-	(5,708)	132,709
Parking program equipment	115,703	-	-	115,703
Total capital assets being depreciated	<u>1,772,340</u>	<u>-</u>	<u>(5,708)</u>	<u>1,766,632</u>
Less accumulated depreciation for:				
Buildings	(488,112)	(62,531)	-	(550,643)
Equipment	(888)	-	-	(888)
Streetscape equipment	(58,596)	(14,875)	5,708	(67,763)
Parking program equipment	(105,928)	(4,702)	-	(110,630)
Total accumulated depreciation	<u>(653,524)</u>	<u>(82,108)</u>	<u>5,708</u>	<u>(729,924)</u>
Total capital assets, being depreciated, net	<u>1,118,816</u>	<u>(82,108)</u>	<u>-</u>	<u>1,036,708</u>
Downtown Development Authority capital assets, net	<u>\$ 1,249,053</u>	<u>\$ (82,108)</u>	<u>\$ -</u>	<u>\$ 1,166,945</u>

Depreciation expense was charged to functions/programs as follows:

Downtown development	\$ 62,531
Streetscape program	14,875
Parking program	4,702
Total	<u>\$ 82,108</u>

Activity for the Shreve Memorial Library for the year ended December 31, 2018, was as follows:

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Shreve Memorial Library				
Capital assets, not being depreciated:				
Land and land improvements	\$ 5,261,444	\$ -	\$ -	\$ 5,261,444
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>5,261,444</u>	<u>-</u>	<u>-</u>	<u>5,261,444</u>
Capital assets, being depreciated:				
Buildings and structures	33,875,750	-	-	33,875,750
Improvements	284,995	-	-	284,995
Equipment and books	23,316,825	1,225,421	(163,540)	24,378,706
Total capital assets being depreciated	<u>57,477,570</u>	<u>1,225,421</u>	<u>(163,540)</u>	<u>58,539,451</u>
Less accumulated depreciation for:				
Buildings and structures	(10,006,838)	(673,780)	-	(10,680,618)
Improvements	(227,368)	(5,319)	-	(232,687)
Equipment and books	(18,960,640)	(1,227,881)	160,901	(20,027,620)
Total accumulated depreciation	<u>(29,194,846)</u>	<u>(1,906,980)</u>	<u>160,901</u>	<u>(30,940,925)</u>
Total capital assets, being depreciated, net	<u>28,282,724</u>	<u>(681,559)</u>	<u>(2,639)</u>	<u>27,598,526</u>
Shreve Memorial Library capital assets, net	<u>\$ 33,544,168</u>	<u>\$ (681,559)</u>	<u>\$ (2,639)</u>	<u>\$ 32,859,970</u>

All depreciation expense was charged to culture and recreation.

Activity for the City Court for the year ended December 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
City Court:				
Capital assets, being depreciated:				
Computer equipment	\$ 232,301	\$ 54,328	\$ (70,875)	\$ 215,754
Office equipment	305,151	39,860	-	345,011
Office furniture and improvements	510,135	-	-	510,135
Vehicles	38,160	-	-	38,160
Total capital assets being depreciated	<u>1,085,747</u>	<u>94,188</u>	<u>(70,875)</u>	<u>1,109,060</u>
Less accumulated depreciation for:				
Computer equipment	(206,140)	(14,582)	70,875	(149,847)
Office equipment	(272,986)	(10,038)	-	(283,024)
Office furniture and improvements	(486,718)	(7,520)	-	(494,238)
Vehicles	(38,160)	-	-	(38,160)
Total accumulated depreciation	<u>(1,004,004)</u>	<u>(32,140)</u>	<u>70,875</u>	<u>(965,269)</u>
Total capital assets, being depreciated, net	<u>81,743</u>	<u>62,048</u>	<u>-</u>	<u>143,791</u>
City Court capital assets, net	<u>\$ 81,743</u>	<u>\$ 62,048</u>	<u>\$ -</u>	<u>\$ 143,791</u>
Judicial expenses	\$ 31,748			
Probation	392			
	<u>\$ 32,140</u>			

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Activity for the City Marshal for the year ended December 31, 2018, was as follows:

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
City Marshal:				
Capital assets, being depreciated:				
Buildings	\$ 63,143	\$ 329,734	\$ -	\$ 392,877
Vehicles	1,397,227	58,063	-	1,455,290
Communication	157,350	18,773	-	176,123
Computers	73,692	-	-	73,692
Other Equipment	366,293	-	-	366,293
Weapons	48,047	-	-	48,047
Total capital assets being depreciated	<u>2,105,752</u>	<u>406,570</u>	<u>-</u>	<u>2,512,322</u>
Less accumulated depreciation for:				
Buildings	(26,969)	(5,331)	-	(32,300)
Vehicles	(814,196)	(130,123)	-	(944,319)
Communication	(144,307)	(9,107)	-	(153,414)
Computers	(60,945)	(8,110)	-	(69,055)
Other Equipment	(328,532)	(12,314)	-	(340,846)
Weapons	(36,776)	(2,651)	-	(39,427)
Total accumulated depreciation	<u>(1,411,725)</u>	<u>(167,636)</u>	<u>-</u>	<u>(1,579,361)</u>
Total capital assets, being depreciated, net	<u>694,027</u>	<u>238,934</u>	<u>-</u>	<u>932,961</u>
City Marshal capital assets, net	<u>\$ 694,027</u>	<u>\$ 238,934</u>	<u>\$ -</u>	<u>\$ 932,961</u>
Judicial expenses	<u>\$ 167,636</u>			
	<u>\$ 167,636</u>			

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2018, is as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
General Fund	\$ 53,448	\$ 11,520,219
Debt Service	45,285,153	-
2014 General Obligation Bonds	-	194,864
Community Development	-	1,879,256
Nonmajor governmental funds:		
Streets Fund	-	67,414
Riverfront Development Fund	-	700,959
Police Grants Fund	-	8,993
Miscellaneous General Obligation Bond Funds	4,264,486	846,161
Miscellaneous Capital Projects Funds	195,933	-
Major enterprise funds:		
Water and Sewerage	194,864	-
Convention Center Hotel	-	494,864
Nonmajor enterprise funds:		
Shreveport Area Transit System	-	53,448
Internal Service Funds	-	24,751,846
Fidciary Funds	-	9,475,860
Total	<u>\$ 49,993,884</u>	<u>\$ 49,993,884</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The composition of interfund transfers as of December 31, 2018, is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 8,665,600	\$ 9,711,521
Debt Service	2,156,207	-
2014 General Obligation Bonds	194,864	6,416,486
Community Development	996,800	-
Nonmajor governmental funds:		
Streets Fund	-	7,457,644
Riverfront Development Fund	-	8,935,900
Police Grants Fund		
2003A General Obligation Bond Fund	698	782,525
2011 General Obligation Bond Fund	7,991,214	2,832,094
Miscellaneous General Obligation Bond Funds	2,681,567	901,841
Miscellaneous Capital Projects Funds	7,717,115	
Major enterprise funds:		
Water and Sewerage	-	1,829,864
Convention Center Hotel	1,799,000	-
Nonmajor enterprise funds:		
Shreveport Area Transit System	6,577,610	-
Golf Fund	87,200	-
	<u>\$ 38,867,875</u>	<u>\$ 38,867,875</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

G. Capital Leases

In previous years, the City entered into lease agreements totaling \$49,857,281. The lease agreements qualify as capital leases for accounting purposes, and have been recorded at the present value of their future minimum lease payments as of the inception date. The payment schedule below includes all of the current leases in effect at year end.

	<u>Governmental Activities</u>
Equipment	\$ 49,857,281
Less: accumulated depreciation	(33,367,243)
	<u>\$ 16,490,038</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018 were as follows:

<u>Ending December 31,</u>	<u>Governmental Activities</u>
2019	1,721,367
2020	1,721,367
2021	1,564,967
2022	-
Total minimum lease payments	5,007,700
Less: amount representing interest	(151,645)
Present value of minimum lease payments	<u>\$ 4,856,055</u>

The City has entered into a few operating lease agreements; however Management believes them to be immaterial and inappropriate for disclosure.

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H. Long-term Liabilities

Long-term liability activity (in thousands of dollars) for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 167,865	\$ -	\$ (17,580)	\$ 150,285	\$ 16,320
Plus unamortized premium	21,711	-	(2,412)	19,299	1,858
Total bonds payable	<u>189,576</u>	<u>-</u>	<u>(19,992)</u>	<u>169,584</u>	<u>18,178</u>
Certificate of indebtedness	1,580	-	(370)	1,210	385
Less unamortized discount	(13)	-	3	(10)	(4)
Total certificates of indebtedness	<u>1,567</u>	<u>-</u>	<u>(367)</u>	<u>1,200</u>	<u>381</u>
Capital lease	6,468	-	(1,612)	4,856	1,641
Notes	20,800	-	(1,535)	19,265	1,580
Plus unamortized premium	2,221	-	(218)	2,003	219
Total notes	<u>23,021</u>	<u>-</u>	<u>(1,753)</u>	<u>21,268</u>	<u>1,799</u>
Net pension liability	304,568	21,460		326,028	-
Total OPEB obligation *	482,166	-	(16,436)	465,730	-
Landfill postclosure care	3,711	972	-	4,683	-
Claims and judgments	37,617	1,943	-	39,560	17,769
Compensated absences *	9,825	-	(234)	9,591	-
Governmental activities (Excluding: Community Development notes)	1,058,519	24,375	(40,394)	1,042,500	39,768
Community Development notes	1,057	-	(261)	796	261
Total long-term liabilities	<u>\$ 1,059,576</u>	<u>\$ 24,375</u>	<u>\$ (40,655)</u>	<u>\$ 1,043,296</u>	<u>\$ 40,029</u>

* includes prior period adjustment, see Note IV G

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Municipal and Regional Airports:					
Revenue bonds and notes	\$ 32,950	\$ -	\$ (2,400)	30,550	\$ 2,645
Plus unamortized premium	40	-	-	40	-
Total bonds payable	32,990	-	(2,400)	30,590	2,645
Net pension liability	9,829	797	-	10,626	-
Total OPEB obligation	4,404	3,821	-	8,225	-
Compensated absences	145	17	-	162	5
Total	47,369	4,636	(2,400)	49,604	2,651
Water and Sewerage:					
Revenue bonds and notes	518,957	100,299	(14,790)	604,466	13,860
Plus unamortized premium	42,390	11,900	(2,435)	51,855	2,646
Total bonds payable	561,347	112,199	(17,225)	656,321	16,506
Capital lease	409	-	(409)	-	-
Net pension liability	44,786	4,690	-	49,476	-
Total OPEB obligation	16,834	14,602	-	31,436	-
Compensated absences	578	14	(19)	573	20
Accrued liability	848	55	-	903	300
Total	624,802	131,560	(17,653)	738,709	16,826
Convention Center Hotel					
Notes	1,228	-	(143)	1,085	152
Revenue bonds	36,805	-	(1,076)	35,729	1,025
Plus unamortized premium	-	-	-	-	-
Total	38,033	-	(1,219)	36,814	1,177
Other business-type activities:					
Net pension liability	2,186	450	-	2,636	-
Total OPEB obligation	1,908	1,656	-	3,564	-
Compensated absences	239	6	(3)	242	199
Total	4,333	2,112	(3)	6,442	199
Business-type activity long-term liabilities	\$ 714,537	\$ 138,308	\$ (21,275)	\$ 831,569	\$ 20,852

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. The claims and judgments liability will be liquidated through the City's Employees Health Care Fund and the Retained Risk Fund. These funds will finance the payment of these claims by charging other funds based on the origination of the claims. The General Fund normally bears approximately 90% of these costs. At year end, \$8,191 of internal service funds compensated absences is included in the above amounts. For the governmental activities, the balance of compensated absences is generally liquidated by the General Fund. Net pension liability, total OPEB obligation, and landfill post-closure care will also be liquidated by the General Fund.

There are a number of limitations and restrictions contained in the various bond indentures. The City is in substantial compliance with all significant limitations and restrictions.

State law allows a maximum of 10% of the assessed valuation for general obligation bonded debt for any one purpose. However, the 10% maximum can be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation. A total of approximately \$392,582,748 of additional general obligation bonded debt is available for issuance on a total assessed valuation of \$1,551,050,709 pursuant to the 35% limitation. Included in the total assessed valuation of property within the City limits is \$9,281,666 of assessed valuation which has been adjudicated to Caddo Parish. The table below shows the computation of the City's legal debt margin calculated at 10% of assessed valuation as of December 31, 2018.

	<u>Debt limit-10% of assessed value for any one purpose</u>	<u>Deduct-amount of debt applicable to debt limit</u>	<u>Legal Debt margin</u>
Street Improvements	\$ 155,105,071	\$ 32,749,785	\$ 122,355,286
Police and Fire	155,105,071	230,769	154,874,302
Water and Sewer Improvem	155,105,071	75,194,618	79,910,453
Parks and Recreation	155,105,071	24,951,751	130,153,320
Public Buildings	155,105,071	11,448,720	143,656,351
Drainage	155,105,071	5,519,871	149,585,200
Sanitation and Incinerator	155,105,071	-	155,105,071
Industrial Bond	155,105,071	-	155,105,071
Airports	155,105,071	-	155,105,071
Sportran	155,105,071	-	155,105,071
Riverfront Park	155,105,071	189,486	154,915,585

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The annual requirements to amortize all debt outstanding as of December 31, 2018, including interest requirements are as follows:

	Maturities (in thousands of dollars)				
	Total	2019	2020	2021	2022
PRINCIPAL REQUIREMENTS:					
General Obligation Debt:					
2005B Refunding Issue - 4.50 - 5.25%	\$ 2,970.00	\$ 2,970.00	\$ -	\$ -	\$ -
Plus: Unamortized Premium	30	30	-	-	-
	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
2011 Issue - 2.00-5.00%	10,770	3,400	3,585	3,785	-
Plus: Unamortized Premium	1,140	380	380	380	-
	<u>11,910</u>	<u>3,780</u>	<u>3,965</u>	<u>4,165</u>	<u>-</u>
2014 Issue - 2.00-5.00%	80,060	3,465	3,585	3,730	3,915
Plus: Unamortized Premium	11,368	726	726	726	726
	<u>91,428</u>	<u>4,191</u>	<u>4,311</u>	<u>4,456</u>	<u>4,641</u>
2015 Refunding Issue - 2.00-5.00%	6,485	6,485	-	-	-
Plus: Unamortized Premium	198	198	-	-	-
	<u>6,683</u>	<u>6,683</u>	<u>-</u>	<u>-</u>	<u>-</u>
2017 Refunding Issue 3.00-5.00%	50,000	-	-	-	4,005
Plus: Unamortized Premium	6,564	522	522	522	522
	<u>56,564</u>	<u>522</u>	<u>522</u>	<u>522</u>	<u>4,527</u>
Total General Obligation Bonds	<u>169,584</u>	<u>18,175</u>	<u>8,798</u>	<u>9,143</u>	<u>9,168</u>
Maturities (in thousands of dollars)					
	Total	2019	2020	2021	2022
General Obligation Notes					
2004 Certificate of Indebtedness - 2.00-4.20%	1,210	385	405	420	-
Less: Unamortized Discount	(9)	(3)	(3)	(3)	-
	<u>1,201</u>	<u>382</u>	<u>402</u>	<u>417</u>	<u>-</u>
2016 COI Independence Stadium Project	19,265	1,580	1,660	1,710	1,760
Plus: Unamortized premium	2,003	219	219	219	219
	<u>21,268</u>	<u>1,799</u>	<u>1,879</u>	<u>1,929</u>	<u>1,979</u>
Total General Obligation Notes	<u>22,469</u>	<u>2,180</u>	<u>2,280</u>	<u>2,345</u>	<u>1,979</u>
Capital Leases:					
2016A Capital Lease -1.7%	762	301	306	155	-
2016B Capital Lease - 1.830%	4,094	1,340	1,364	1,389	-
Total Capital Leases	<u>4,856</u>	<u>1,641</u>	<u>1,671</u>	<u>1,545</u>	<u>-</u>
Total General Obligation Debt	<u>196,909</u>	<u>21,996</u>	<u>12,749</u>	<u>13,033</u>	<u>11,146</u>

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	2023	2024-2028	2029-2033	2034-2038	2039-2043
PRINCIPAL REQUIREMENTS:					
General Obligation Debt:					
2005B Refunding Issue - 4.50 - 5.25%	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Unamortized Premium	-	-	-	-	-
	-	-	-	-	-
2011 Issue - 2.00-5.00%	-	-	-	-	-
Plus: Unamortized Premium	-	-	-	-	-
	-	-	-	-	-
2014 Issue - 2.00-5.00%	4,110	23,840	30,395	7,020	-
Plus: Unamortized Premium	726	3,630	3,630	478	-
	4,836	27,470	34,025	7,498	-
2015 Refunding Issue - 2.00-5.00%	-	-	-	-	-
Plus: Unamortized Premium	-	-	-	-	-
	-	-	-	-	-
2017 Refunding Issue 3.00-5.00%	4,145	24,255	17,595	-	-
Plus: Unamortized Premium	522	2,608	1,347	-	-
	4,667	26,863	18,942	-	-
Total General Obligation Bonds	9,503	54,333	52,967	7,498	-

Maturities (in thousands of dollars)

	2023	2024-2028	2029-2033	2034-2038	2039-2043
General Obligation Notes					
2004 Certificate of Indebtedness - 2.00-4.20%	-	-	-	-	-
Less: Unamortized Discount	-	-	-	-	-
	-	-	-	-	-
2016 COI Independence Stadium Project	1,845	10,710	-	-	-
Plus: Unamortized premium	219	910	-	-	-
	2,064	11,620	-	-	-
Total General Obligation Notes	2,064	11,620	-	-	-
Capital Leases:					
2016A Capital Lease -1.7%	-	-	-	-	-
2016B Capital Lease - 1.830%	-	-	-	-	-
Total Capital Leases	-	-	-	-	-
Total General Obligation Debt	11,566	65,954	52,967	7,498	-

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	Maturities (in thousands of dollars)				
	Total	2019	2020	2021	2022
Municipal and Regional Airports					
2015A Revenue Refunding	23,620	-	-	315	1,950
Plus: Unamortized premium	40	-	-	10	10
	<u>23,660</u>	<u>-</u>	<u>-</u>	<u>325</u>	<u>1,960</u>
2015B Taxable PFC Revenue	6,930	2,645	2,810	1,475	-
Total Municipal and Regional Airports - Notes	<u>30,590</u>	<u>2,645</u>	<u>2,810</u>	<u>1,800</u>	<u>1,960</u>
Water and Sewerage					
2009A Revenue Bonds RLF - 3.45%	656	48	49	50	51
2009B Revenue Bonds RLF - 3.45%	5,769	420	430	441	451
2010D Revenue Bonds RLF - .95%	8,035	566	571	575	580
2013 Revenue Bonds RLF - .95%	1,474	368	368	368	368
2013 Revenue Bonds	4,151	237	239	241	244
2014A Refunding Revenue Bonds	52,410	7,490	7,870	8,285	8,710
Plus: Unamortized Reoffer Call Premium	7,166	656	656	656	656
	<u>59,576</u>	<u>8,146</u>	<u>8,526</u>	<u>8,941</u>	<u>9,366</u>
2014B Revenue Bonds	67,045	-	-	-	-
Plus: Unamortized Reoffer Call Premium	1,396	70	70	70	70
	<u>68,441</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>70</u>
2014C Revenue Bonds	7,955	-	-	-	-
Plus: Unamortized Reoffer Call Premium	586	28	28	28	28
	<u>8,541</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>28</u>
2015 Revenue Refunding	118,610	515	545	570	600
Plus: Unamortized premium	14,979	683	683	683	683
	<u>133,589</u>	<u>1,198</u>	<u>1,228</u>	<u>1,253</u>	<u>1,283</u>
2016A RLF Revenue Bonds	1,451	921	530	-	-
2016B Revenue Bonds	100,000	-	-	-	-
Plus: Unamortized premium	6,849	299	299	299	299
	<u>106,849</u>	<u>299</u>	<u>299</u>	<u>299</u>	<u>299</u>
2016C Revenue Bonds	6,145	1,165	1,195	1,225	1,260
2017A Revenue Bonds	54,475	-	-	-	-
Plus: Unamortized premium	6,575	286	286	286	286
	<u>61,050</u>	<u>286</u>	<u>286</u>	<u>286</u>	<u>286</u>
2017B Revenue Bonds	35,140	-	-	-	-
Plus: Unamortized premium	2,697	117	117	117	117
	<u>37,837</u>	<u>117</u>	<u>117</u>	<u>117</u>	<u>117</u>
2017C Revenue Bonds	41,130	2,130	2,205	2,285	2,365

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	Maturities (in thousands of dollars)				
	2023	2024-2028	2029-2033	2034-2038	2039-2043
Municipal and Regional Airports					
2015A Revenue Refunding	2,020	7,885	3,985	5,065	2,400
Plus: Unamortized premium	10	10	-	-	-
	<u>2,030</u>	<u>7,895</u>	<u>3,985</u>	<u>5,065</u>	<u>2,400</u>
2015B Taxable PFC Revenue	-	-	-	-	-
Total Municipal and Regional Airports - Notes	<u>2,030</u>	<u>7,895</u>	<u>3,985</u>	<u>5,065</u>	<u>2,400</u>
Water and Sewerage					
2009A Revenue Bonds RLF - 3.45%	53	282	123	-	-
2009B Revenue Bonds RLF - 3.45%	462	2,486	1,079	-	-
2010D Revenue Bonds RLF - .95%	584	2,992	1,601	566	-
2013 Revenue Bonds RLF - .95%	-	-	-	-	-
2013 Revenue Bonds	246	1,273	1,321	350	-
2014A Refunding Revenue Bonds	-	18,450	1,605	-	-
Plus: Unamortized Reoffer Call Premium	656	3,282	602	-	-
	<u>656</u>	<u>21,732</u>	<u>2,207</u>	<u>-</u>	<u>-</u>
2014B Revenue Bonds	-	4,995	26,630	35,420	-
Plus: Unamortized Reoffer Call Premium	70	351	351	345	-
	<u>70</u>	<u>5,346</u>	<u>26,981</u>	<u>35,765</u>	<u>-</u>
2014C Revenue Bonds	-	-	-	-	7,955
Plus: Unamortized Reoffer Call Premium	28	140	140	140	26
	<u>28</u>	<u>140</u>	<u>140</u>	<u>140</u>	<u>7,981</u>
2015 Revenue Refunding	625	12,890	32,800	41,880	28,185
Plus: Unamortized premium	683	3,417	3,417	3,417	1,310
	<u>1,308</u>	<u>16,307</u>	<u>36,217</u>	<u>45,297</u>	<u>29,495</u>
2016A RLF Revenue Bonds	-	-	-	-	-
2016B Revenue Bonds	-	12,625	18,230	27,205	41,940
Plus: Unamortized premium	299	1,494	1,494	1,494	872
	<u>299</u>	<u>14,119</u>	<u>19,724</u>	<u>28,699</u>	<u>42,812</u>
2016C Revenue Bonds	1,300	-	-	-	-
2017A Revenue Bonds	-	28,355	26,120	-	-
Plus: Unamortized premium	286	1,430	1,430	1,430	857
	<u>286</u>	<u>29,785</u>	<u>27,550</u>	<u>1,430</u>	<u>857</u>
2017B Revenue Bonds	-	-	-	15,875	19,265
Plus: Unamortized premium	117	586	586	586	351
	<u>117</u>	<u>586</u>	<u>586</u>	<u>16,461</u>	<u>19,616</u>
2017C Revenue Bonds	2,445	13,575	16,125	-	-

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Maturities (in thousands of dollars)

	Total	2019	2020	2021	2022
2018A DEQ Loan	20	-	20	-	-
2018C Revenue Bonds	100,000	-	675	2,635	7,645
Plus: Unamortized premium	11,606	505	505	505	505
	<u>111,606</u>	<u>505</u>	<u>1,180</u>	<u>3,140</u>	<u>8,150</u>
Total Revenue Bonds - Water and Sewerage	<u>656,321</u>	<u>16,505</u>	<u>17,342</u>	<u>19,320</u>	<u>24,919</u>
Convention Center Hotel					
2018C LA Community Development Authority					
Note	1,086	152	160	170	179
Bonds	34,840	1,025	1,180	1,385	1,360
Plus: Unamortized premium	889	54	54	54	54
Total Convention Center Hotel	<u>36,814</u>	<u>1,231</u>	<u>1,394</u>	<u>1,610</u>	<u>1,593</u>
Community Development Notes					
Fairmont Towers Note	666	131	131	131	131
Shreveport ICEDI	130	130	-	-	-
Total Community Development Notes	<u>796</u>	<u>261</u>	<u>131</u>	<u>131</u>	<u>131</u>
Total Principal	<u>\$ 921,429</u>	<u>\$ 42,639</u>	<u>\$ 34,426</u>	<u>\$ 35,893</u>	<u>\$ 39,750</u>
INTEREST REQUIREMENTS					
General Obligation Debt	\$ 88,972	\$ 10,617	\$ 9,976	\$ 9,556	\$ 9,072
Community Development Notes	116	40	30	23	15
Revenue Bonds and Notes					
Convention Center Hotel	16,210	1,338	1,434	1,394	1,347
Water and Sewerage	396,929	27,680	27,140	26,562	25,936
Municipal and Regional Airports	12,669	1,220	1,146	1,077	1,013
Total Interest Requirements	<u>514,895</u>	<u>40,894</u>	<u>39,725</u>	<u>38,611</u>	<u>37,382</u>
Total Future Debt Requirements	<u>\$ 1,436,325</u>	<u>\$ 83,533</u>	<u>\$ 74,151</u>	<u>\$ 74,504</u>	<u>\$ 77,132</u>

(concluded)

(continued)

Maturities (in thousands of dollars)

	<u>2023</u>	<u>2024-2028</u>	<u>2029-2033</u>	<u>2034-2038</u>	<u>2039-2043</u>
2018A DEQ Loan	-	-	-	-	-
2018C Revenue Bonds	38,910	32,635	16,750	750	-
Plus: Unamortized premium	505	2,523	2,523	2,523	1,514
	<u>39,415</u>	<u>35,158</u>	<u>19,273</u>	<u>3,273</u>	<u>1,514</u>
Total Revenue Bonds - Water and Sewerage	<u>47,270</u>	<u>143,782</u>	<u>152,927</u>	<u>131,981</u>	<u>102,275</u>
Convention Center Hotel					
2018C LA Community Development Authority					
Note	425	-	-	-	-
Bonds	1,535	10,515	11,915	5,925	-
Plus: Unamortized premium	54	272	272	73	-
Total Convention Center Hotel	<u>2,014</u>	<u>10,787</u>	<u>12,187</u>	<u>5,998</u>	<u>-</u>
Community Development Notes					
Fairmont Towers Note	131	11	-	-	-
Shreveport ICEDI	-	-	-	-	-
Total Community Development Notes	<u>131</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Principal	<u>\$ 63,011</u>	<u>\$ 228,428</u>	<u>\$ 222,067</u>	<u>\$ 150,542</u>	<u>\$ 104,675</u>
INTEREST REQUIREMENTS					
General Obligation Debt	\$ 8,466	\$ 30,808	\$ 10,126	\$ 351	\$ -
Community Development Notes	8	-	-	-	-
Revenue Bonds and Notes					
Convention Center Hotel	1,300	5,613	3,332	453	-
Water and Sewerage	25,167	112,671	86,316	53,577	11,880
Municipal and Regional Airports	940	3,517	2,377	1,258	122
Total Interest Requirements	<u>35,881</u>	<u>152,609</u>	<u>102,152</u>	<u>55,639</u>	<u>12,001</u>
Total Future Debt Requirements	<u>\$ 98,891.88</u>	<u>\$ 381,037</u>	<u>\$ 324,219</u>	<u>\$ 206,181</u>	<u>\$ 116,676</u>

(concluded)

General Obligation Bonds

General obligation bonds are direct general obligations of the City. Principal and interest are payable from ad valorem taxes levied on all taxable property within the City.

In December 2017, the City issued \$50,000,000 in General Obligation Refunding Bonds, Series 2017. The Bonds were issued for the purpose of advance refunding the City's outstanding General Obligation Bonds, Series 2011 and paying the costs of issuance of the Bonds. The net proceeds of \$58,373,096 (including a premium of \$7,085,176 and issuance cost of \$715,873) were placed in an irrevocable trust with an escrow agent to provide funds for the advance refunding for the above bonds. As a result, these amounts are considered defeased and the liabilities have been removed from the statement of net position. \$13,955,000 remains on the books. The outstanding amounts of all the bonds will be called on August 1, 2021, and the amounts outstanding at December 31, 2018, were \$50,000,000.

The General Obligation Refunding Bonds, Series 2017 bear interest rates between 3% and 5% maturities from 2022 to 2031. The reacquisition price exceeded the carrying amount by \$2,603,171 and is amortized over the life of the refunding debt. The refunding was undertaken to reduce future debt service payments by \$2,317,456 and resulted in an economic gain of \$1,777,220.

In November 2016, the City issued \$20,800,000 in Refunding Bonds, Series 2016. The bonds were issued to defease and refund the Series 2008 – Stadium Debt Bonds \$24,665,000, and pay the costs of issuance, including the premiums for the municipal bond insurance policy and debt service reserve surety bond. The net proceeds of \$26,241,121 (including a premium of \$2,476,543, issuance costs of \$314,840, insurance premiums \$86,412, underwriter's discount \$127,982, and surety expense \$66,824) were placed in an irrevocable trust with an escrow agent to provide funds for the advance refunding for the above bonds. As a result, the Series 2008 – Stadium Debt bonds are considered defeased and the liabilities have been removed from the statement of net position. The amounts outstanding at December 31, 2018, were \$19,265,000.

The 2016 Refunding Bonds bear interest rates of 3% to 5% with maturities from 2018 to 2028. The reacquisition price exceeded the carrying amount by \$3,023,655 and is amortized over the life of the refunding debt. The refunding was undertaken to reduce future debt service payments by \$6,439,525 and resulted in an economic gain of \$2,434,519.

Community Development Notes

The City has two Housing and Urban Development (HUD) loans received in prior years. The loans are secured by a note receivable from the developer with a first lien mortgage and a pledge of the City's current and future CDBG funds. The note receivable and loan payable are recorded in the Community Development Fund due to the flow of funds between the developer, the City, and HUD. The developer makes payments to the City and the City services the loan to HUD.

The debt service requirements to maturity for these loans are as follows:

<u>Year Ending December 31,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	300,719	\$ 261,000	\$ 39,719
2020	160,914	131,000	29,914
2021	153,696	131,000	22,696
2022	146,399	131,000	15,399
2023	150,037	142,000	8,037
Total	<u>\$ 911,766</u>	<u>\$ 796,000</u>	<u>\$ 115,766</u>

Municipal and Regional Airports Revenue Bonds

The resolutions applicable to the Municipal and Regional Airports Revenue Bonds require the establishment of various bond principal and interest sinking funds and the establishment of a debt service reserve fund. For financial statement reporting, these funds have been consolidated within the Municipal and Regional Airport fund. Net position of the Municipal and Regional Airport fund has been restricted in accordance with the provisions of the respective bond indentures in the amount of \$105,756,695 at December 31, 2018, which represents the restricted assets included in the debt service funds at that date with no current liabilities payable from these restricted assets.

The City has covenanted in the General Bond Resolution that it will at all times fix, prescribe and collect rents, fees and other charges for the services and facilities furnished by the Airport System sufficient to yield net revenues during each fiscal year equal to at least 125% of debt service for such fiscal year and to yield revenues during each fiscal year equal to at least 100% of the aggregate amounts required to be deposited during the first year in each account created by the General Bond Resolution.

Restricted assets of the Municipal and Regional Airport fund primarily represent amounts which are required to be maintained pursuant to ordinances relating to bonded indebtedness. A summary of restricted assets at December 31, 2018, follows:

<u>Fund</u>	
Other Miscellaneous Restricted Funds	\$ 2,028,517
Bond and Interest Sinking Funds	<u>4,841,251</u>
Total restricted assets	<u>\$ 6,869,768</u>

Water and Sewerage Revenue Bonds

In December 2018, the City issued \$100,000,000 in Water and Sewer Revenue Bonds, Series 2018C. The bonds were issued for the purpose of paying the costs for acquisition and construction of improvements, extensions and replacements to the System funding a debt service reserve and/or paying the cost of reserve fund surety bonds, if necessary, and paying the costs of issuance of the 2018C bonds, including the cost for the municipal bond insurance policy and the premium for the debt service reserve fund surety bond for the 2018C bonds. The bonds bear interest rates between 3% and 5% with maturities from 2021 to 2041. The amounts outstanding at December 31, 2018, were \$100,000,000.

In March 2018, the City issued \$20,000,000 in Taxable Water and Sewer Revenue Bonds (LDEQ Sewer Project), Series 2018A. The bonds were sold by the City to the Louisiana Department of Environmental Quality. The bonds bear an interest rate of .95% plus an administrative fee of .50%. The bonds were issued to finance a portion of the costs of constructing and acquiring improvements, extensions and replacements to the sewerage portion of the City's combined drinking water and wastewater collection, treatment and disposal system, and paying the costs of issuance. The proceeds of the bonds are received through drawdowns and interest is payable from the date of the drawdown. The amount drawn down in 2018 was \$19,750 for a total of \$19,750.

In June 2017, the City issued \$55,975,000 in Water and Sewer Revenue Bonds, Series 2017A. The bonds were issued for the purpose of paying the costs of improvements to the Water System, including capitalized interest, purchasing a reserve fund surety, and paying the costs of issuance of the Series 2017A Bonds, including the premium for the municipal bond insurance policy and the premium for the debt service reserve fund surety bond for the Series 2017A Bonds. The bonds bear interest rates between 4% and 5% with maturities from 2018 to 2042. The amounts outstanding at December 31, 2018, were \$54,475,000.

In June 2017, the City issued \$35,840,000 in Water and Sewer Revenue Bonds, Junior Lien Series 2017B. The bonds were issued for the purpose paying the costs of improvements to the System, including capitalized interest, purchasing a reserve fund surety, and paying the costs of issuance of the Series 2017B Bonds, including the premium for the municipal bond insurance policy and the premium for the debt service reserve fund surety bond for the Series 2017B Bonds. The bonds bear interest rates between 3.375% and 5% with maturities from 2018 to 2042. The amounts outstanding at December 31, 2018 were \$35,140,000.

In July 2017, the City issued \$43,190,000 in Refunding Bonds, Series 2017C. The bonds were issued for the purpose of refunding, readjusting, restructuring and/or refinancing the City's repayment obligations under a Loan Agreement dated as of October 1, 2005 (the "Loan Agreement"), by and between the City, as borrower, and the Louisiana Local Government Environmental Facilities and Community Development Authority, as lender (the "Authority"), pursuant to which the City is indebted to the Authority for the repayment of certain sums of money, together with interest and other payments described in the Loan Agreement in connection with the issuance by the Authority of its Revenue Bonds (Shreveport Utility System Project) Series 2005 (the "Refunded Bonds"), and paying costs of issuance. The net proceeds of \$43,005,000 (including payment of accrued interest on refunded bonds of \$67,518 and cost of issuance of \$185,000) were placed in an irrevocable trust with an escrow agent to provide funds for the advance refunding for the above bonds. As a result, the Revenue Bonds (Shreveport Utility System Project) Series 2005 are considered defeased and the liabilities have been removed from the statement of net position.

The 2017C Refunding Bonds bear an interest rate of 3.50% with maturities from 2018 to 2033. The carrying amount exceeded the reacquisition price by \$596,032 and is amortized over the life of the refunding debt. The refunding was undertaken to fix the outstanding variable rate, align the governing documents with the new General Bond Ordinance and extend the final maturity to match the useful life of the original project – Utility System Debt Bonds \$43,005,000. The amounts outstanding at December 31, 2018, were \$41,130,000.

In December 2016, the City issued \$20,000,000 in Taxable Water and Sewer Revenue Bonds (LDEQ Sewer Project), Series 2016A. The bonds were sold by the City to the Louisiana Department of Environmental Quality. The bonds bear an interest rate of .45% plus an administrative fee of .50%. The bonds were issued to finance a portion of the costs of constructing and acquiring improvements, extensions and replacements to the sewerage portion of the City's combined drinking water and wastewater collection, treatment and disposal system, and paying the costs of issuance. The proceeds of the bonds are received through drawdowns and interest is payable from the date of the drawdown. The amount drawn down in 2018 was \$0 for a total of \$1,451,261 at December 31, 2018.

In December 2016, the City issued \$100,000,000 in Water and Sewer Revenue Bonds, Series 2016B. The bonds were issued for the purpose of paying the costs of improvements to the System, including capitalized interest, funding a reserve fund surety, and paying the costs of issuance. The bonds bear an interest rate of 5% with maturities from 2024 to 2041. The amounts outstanding at December 31, 2018 were \$6,849,454.

In December 2016, the City issued \$8,420,000 in Taxable Water and Sewer Revenue Bonds, Junior Lien Series 2016C. The bonds were issued for the purpose of paying an interest rate swap termination fee in connection with previous indebtedness incurred in relation to the System, funding a reserve fund surety, and paying the costs of issuance. The bonds bear interest rates from 1.6% to 3.5% with maturities from 2017 to 2023. The amounts outstanding at December 31, 2018 were \$6,145,000.

In November 2014, the City issued \$75,835,000 in Water and Sewer Revenue Refunding Bonds, Series 2014 A. The bonds were issued to currently refund the outstanding 2001A, 2001B, 2001C, 2002A, 2002B, 2003A, 2003B, 2004A and 2010C bonds in the amount of \$65,981,906 and to advance refund \$16,135,000 of the 2007 bonds. The net proceeds of \$85,387,973 (including a premium of \$9,792,379, a contribution from the City of \$947,000 and issuance costs and insurance premiums of \$1,186,406) were used for the current refunding \$66,832,837 and \$18,555,136 was placed in an irrevocable trust with an escrow agent to provide funds for the advance refunded 2007 bonds. As a result, all of the bonds are considered defeased and the liabilities have been removed from the statement of net position. The 2007 bonds will be called on December 1, 2017, and the amount outstanding at December 31, 2018 was \$52,410,000.

In November 2013, the City entered into a Loan and Pledge Agreement with the Louisiana Department of Environmental Quality. The Department purchased the City's \$5,000,000 Taxable Utility Revenue Bonds (LDEQ Series Project) Series 2013. The bonds were issued for the purpose of financing a portion of the costs of constructing and acquiring improvements, extensions and replacements to the sewerage portion of the combined water and sewer system of the City. The bonds bear an interest rate of .45% plus an administrative fee of .50%. The proceeds of the bonds are received through drawdowns and interest is payable from the date of the drawdown. The amount drawdown in 2018 was \$0 for a total of \$5,000,000.

In June 2010, the City issued \$11,560,000 of Taxable Water and Sewer Revenue Bonds (DEQ Sewer Project), Series 2010D. The bonds were sold by the City to the Louisiana Department of Environmental Quality, Municipal Facilities Revolving Loan Fund. The bonds are Build America Bonds and are entitled to a credit equal to 35% of the interest paid on the bonds. The bonds bear an interest rate of .45% plus an administrative fee of .50%. The proceeds of the bonds are received through drawdowns and interest is payable from the date of the drawdown. The amount drawn down in 2018 was \$279,472 for a total of \$8,034,967.

In November 2009, the City entered into a Loan and Pledge Agreement for \$11,000,000 with the Louisiana Department of Health and Hospitals. The Department purchased the City's \$2,000,000 Water and Sewer Revenue Bonds, Series 2009A and the City's \$9,000,000 Water and Sewer Revenue Bonds, Series 2009B. The proceeds of the bonds are received through drawdowns. There were no drawdowns in 2018 for either of the bonds. The total to date is \$2,000,000 for the 2009A bonds and \$8,692,302 for the 2009B bonds (\$1,000,000 of the 2009A bonds has been forgiven through the American Recovery and Investment Act of 2009). The amounts outstanding at December 31, 2018 were \$6,425,302.

The resolutions applicable to the Water and Sewerage Revenue Bonds require the establishment of various bond principal and interest sinking funds and the establishment of a debt service reserve fund. For financial statement reporting, these funds have been consolidated within the Department of Water and Sewerage.

The City has debt covenants with respect to the various Water and Sewer bond issues to fix and collect rates and charges for all water and sewerage services supplied by the System which will be sufficient in each fiscal year, after making due allowance for delinquencies in collection and after providing for the payment of the reasonable and necessary expenses of operating and maintaining the System, to produce net revenues (i) sufficient to pay debt service on all outstanding City bonds and to maintain the funds and accounts as provided in the bond resolution and (ii) which result in each fiscal year in the greater of (a) the sum of debt service payable on the City bonds in the ensuing fiscal year plus any required deposit to the Debt Service Reserve Fund, or (b) a ratio of net revenues to average annual debt service of not less than 1.25 to 1, the required debt service coverage ratio.

Restricted assets in the Water and Sewerage Fund primarily represent amounts which are required to be maintained pursuant to ordinances relating to bonded indebtedness (construction, debt service, and bond principal and interest sinking funds). A summary of restricted assets at December 31, 2018, follows:

<u>Fund</u>		
Debt Service Reserve Funds	\$	2,105,343
Bond and Interest Sinking Funds		39,881
2001C Bond Construction Fund		2
2007 LCDA Revenue Bonds		899,921
2014B Bond Project Fund		3,626
2014C Bond Project Fund		1,828
2015 Bond Project Fund		5,869,644
2016B Bond Project Fund		22,157,604
2017A Bond Project Fund		46,848,133
2017B Bond Project Fund		38,676,842
2018C Bond Project Fund		111,341,301
Total restricted assets	\$	<u>227,944,125</u>

Convention Center Hotel

In May 2018, the City remarketed the \$35,985,000 remaining principal balance of the \$40,980,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Shreveport Convention Center Hotel Project) Series 2008. The bonds were placed with Regions Bank and Deutsche Bank for a period of seventeen years through April 1, 2035 and shall bear interest at a variable rate of between 3.390% and 5%.

Shreveport Home Mortgage Authority Bonds

On February 1, 2004, the Authority issued \$4,360,000 in bonds, the 2004 Multi-Family Housing Revenue Refunding Bonds, to advance refund the \$4,360,000 1995 Multi-Family Issue. Bond costs of \$130,569 were paid by the Authority. At December 31, 2018, the principal outstanding on the 2004 bonds was \$4,424,683. The Authority issued on August 1, 2003 \$7,500,000 in revenue refunding bonds, originally due April 1, 2037; the payments have been accelerated with the estimated maturities reflected below.

There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions.

The annual requirements to amortize all debt outstanding as of December 31, 2018 including interest requirements are as follows:

<u>Year Ending December 31,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	383,453	183,021	200,432
2020	398,079	206,490	191,589
2021	392,059	210,150	181,909
2022	391,461	219,385	172,076
2023	2,834,185	2,727,869	106,316
Thereafter	877,768	877,768	-
Total	<u>\$ 5,277,005</u>	<u>\$ 4,424,683</u>	<u>\$ 852,322</u>

Note of Future Advance Refundings

Per the Tax Reform and Jobs Act of 2017, advance refundings of debt are no longer an available option for governmental entities.

Arbitrage Rebate

In accordance with the Tax Reform Act of 1986 any interest earnings on borrowed funds since August 31, 1986 in excess of the interest costs are required to be rebated to the federal government. The City has determined that there was no material liability at December 31, 2018. Additional rebate calculations are scheduled to be performed in 2019.

I. Landfill and Sludge Facility Closure and Post-Closure Care Cost

State and federal laws and regulations require the City to place a final cover on its Woolworth Road landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The City has entered into a sanitary landfill services contract with a contractor. The contractor is responsible for the operation and closure of that portion of the landfill on which it conducted operations. The City is responsible for the maintenance and construction of all monitoring facilities and the conduct of all monitoring programs. If the contractor defaults on the contract, the City would be liable for all costs. We have reviewed the financial capability and stability of the contractor to ensure that the contractor will be able to meet the closure obligations when they are due. We believe that the contractor will be able to meet the obligations. A liability of \$4,682,868 has been reported at December 31, 2018, for closure and post-closure care cost and represents the cumulative costs reported based on 47.70% of the capacity of the landfill having been used to date. The landfill has an estimated remaining life of approximately 68.7 years. This amount has been accrued in the government-wide financial statements within the governmental activities and has been reported as an assigned fund balance in the General Fund. The estimated total current cost of closure and post-closure care remaining to be recognized is \$5,134,297. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The estimated closure of the sludge facility is \$15,273. This amount has been accrued in the business-type activities as a liability in the Water and Sewerage Fund. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is the permit holder for the landfill and the sludge facility, and Louisiana Solid Waste Rules and Regulations require all permit holders to demonstrate financial responsibility by one of a group of financial tests contained within the regulations. The City has demonstrated its financial responsibility by the fact that the tangible net worth of the City is at least \$10 million, the net worth is at least six times the estimate of the closure and post-closure costs, at least 90% of the assets are located in the United States and the City has a bond rating which exempted it from certain required financial ratios.

IV. Other Information

A. Retirement Commitments - Defined Benefit Pension Plans and Other Postemployment Benefits

The City of Shreveport administers three defined benefit pension plans: the Firemen’s Pension and Relief Fund (FPRF), the Policemen’s Pension and Relief Fund (PPRF) and the Employees’ Retirement System (ERS), a cost-sharing multiple employer plan. These plans do not issue stand-alone financial reports and are not included in the report of a public employee retirement system or another entity and are therefore included in this report as combining statements under the section entitled “Combining and Individual Fund Statements and Schedules”. The City also provides medical, dental and life insurance coverage through a cost-sharing multiple-employer defined benefit plan. The City also participates in two state-administered cost-sharing multiple-employer defined benefit pension plans. They are the Municipal Police Employees Retirement Systems (MPERS) and the Firefighters’ Retirement System (FRS).

Summary of Significant Accounting Policies – City Administered Plans

Basis of Accounting - The three City administered pension plans’ financial statements are prepared using the accrual basis of accounting. Plan members’ contributions are recognized in the period in which the contributions are due. The City’s contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments – Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. The cash surrender value of life insurance policies is recorded as other assets for the FPRF and PPRF. The policies are valued at their cash value as of the date of the financial statements. The policies provide assets to fund benefits of the plan. The pension investment policies are described in Note I.D.1. Cash, Cash Equivalents and Investments.

Concentration of Investments - The FPRF, PPRF and ERS had no investments in any one organization representing 5% or more of the fiduciary net position except for obligations of the federal government. There are no investments in loans to or leases with parties related to the pension plans.

Membership - Each pension plan administered by the City consisted of the following participants at December 31, 2018:

	<u>FPRF</u>	<u>PPRF</u>	<u>ERS</u>
Retirees and beneficiaries receiving benefits	342	196	1,111
Active plan members:			
Vested	10	-	20
Nonvested	-	-	1,260
Total	<u>352</u>	<u>196</u>	<u>2,391</u>
Number of participating employers	1	1	3

Administrative costs of the ERS are financed through contributions from the employers, members and investment income. Administrative costs of the FPRF and PPRF are financed through contributions from the employer and investment income.

Plan Descriptions

The FPRF is a single-employer defined benefit pension plan that temporarily covers firefighters who retire after January 1, 1983 and meet the eligibility requirements of the local retirement plans but not the State plan. The pension plan is closed to new members.

The PPRF is a single-employer defined benefit pension plan that temporarily covers policemen who retire after January 1, 1983 and meet the eligibility requirements of the local retirement plans but not the state plan. The pension plan is closed to new members.

The ERS is a cost-sharing multiple-employer defined benefit pension plan that covers all full-time classified employees of the City other than policemen and firemen and is administered by the City.

Pension Liability:

The Net Pension Liability was measured as of December 31, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net Pension Liability is 100%. The total pension liability was determined by an actuarial valuation as of the valuation date, calculated on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. There have been no significant changes between the valuation date and the fiscal year end.

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The following table presents the changes in net pension liability measured as of the year ended December 31, 2018

	2018		
	FPRF	PPRF	ERS
Total pension liability			
Service cost	\$1,724	\$ -	\$7,301,607
Interest	\$1,826,801	\$1,337,021	\$28,333,337
Effect of economic/demographic gains or losses	(\$239,007)	(\$186,984)	(\$2,693,219)
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Benefit payments, including refunds of member contributions	(\$1,494,050)	(\$1,297,462)	(\$30,199,330)
Net change in total pension liability	\$95,468	(\$147,425)	\$2,742,395
Total pension liability - beginning	\$27,068,699	\$19,925,038	\$413,525,193
Total pension liability - ending (a)	\$27,164,167	\$19,777,613	\$416,267,588
Plan fiduciary net position			
Contributions - employer	-	-	\$10,510,340
Contributions - member	-	-	\$6,027,012
Net investment income	(\$1,047,587)	(\$1,241,465)	(\$7,237,418)
Benefit payments, including refunds of member contributions	(\$1,494,050)	(\$1,297,462)	(\$28,350,688)
Administrative expense	(\$22,576)	(\$22,554)	(\$1,568,752)
Other	\$186,908	\$297,192	(\$1,692,173)
Net change in plan fiduciary net position	(\$2,377,305)	(\$2,264,289)	(\$22,311,679)
Plan fiduciary net position - beginning	\$16,635,195	\$18,600,623	\$196,386,797
Plan fiduciary net position - ending (b)	\$14,257,890	\$16,336,334	\$174,075,118
Net pension liability - ending (a) - (b)	\$12,906,277	\$3,441,279	\$242,192,470

Eligibility Requirements and Retirement Benefits

FPRF plan:

Until January 1, 1983, the Firemen's Pension and Relief Fund (FPRF) provided the primary retirement benefits for two groups of employees. Firefighters hired before July 12, 1977, were covered under an "Old Plan". Firefighters hired on or after July 12, 1977, were covered by a "New Plan". Under the Old Plan, a firefighter was eligible to retire at any age with 20 years of service. Benefits are payable monthly for life equal to 50% of the fireman's monthly salary, plus 3 1/3% for each year of service between 20 and 25 years, plus 1 2/3% for each year of service between 25 and 30 years. Under the New Plan, a firefighter is eligible to retire at age 50 with 20 years of service or age 55 with 12 years of service. Benefits are 2 1/2% of three-year average pay times years of service up to 10, plus 3% of each year of service over 10. The benefit cannot exceed 85% of final salary. The City guarantees that it will pay the benefits under the Old and New Plans until the member is eligible for a benefit from the Statewide Firefighters Retirement System. It also guarantees to pay the excess benefit of these plans over the Statewide Firefighters Retirement System.

Disability benefits are payable under the Old Plan on the basis of: (1) temporary total disability in the line of duty, (2) total disability in the line of duty, (3) occupational disability in the line of duty, or (4) total disability not in the line of duty. Disability benefits payable are (1) 66 2/3% of the monthly salary, payable for no more than one year; (2) 66 2/3% of the salary of active members holding the position corresponding to that held by the disabled member at the time he became disabled is payable for the duration of the disability or until the member reaches eligibility for retirement on service basis, except the benefit will end as of the time when the member would have completed 30 years of service; (3) 50% of salary of active members holding the position corresponding to that held by the disabled, not to exceed 66 2/3% of first class hoseman's salary, payable for duration if disability or until eligible for service retirement: and (4) 25% of salary of active members holding the position corresponding to that held by the disabled member at the time he became disabled, plus an additional 2% of such salary for each year of service over 5 years, but not to exceed 50% of a first class hoseman's salary payable for the duration of the disability. Under the New Plan, the disability benefit is (1) 60% of the fireman's monthly salary or (2) 75% of the accrued benefit. The City guarantees it will pay any excess of the benefits of this plan over the Statewide Firefighters Retirement System.

Under the Old Plan, death benefits equal to 50% of a beginning fireman's salary are payable to a surviving spouse. The City guarantees that it will pay this benefit for each fireman holding a guarantee of benefits contract. Under the New Plan, there is not an automatic benefit provided. Death benefits are based on the option chosen by the member at retirement.

There was not a vesting provision under the Old Plan. Members were eligible for benefits only after serving the time requirement for normal retirement. Under the New Plan, members vest after twelve years of service and may receive a benefit at age 50 with twenty years of service or at age 55 with a minimum of twelve years of service. Benefits are established and may be amended by State statutes, R.S.11:3713 and 3714.

The guaranteed benefits are paid to a closed group of firefighters. A significant part of the guaranteed benefits are the temporary benefits payable until age 50. The value of these temporary benefits can fluctuate widely, since it directly depends upon how many people retire before age 50.

PPRF plan:

Until July 12, 1977, all police officers hired became participants in the Policemen's Pension and Relief Fund (PPRF) as a condition of employment. After July 12, 1977, all new policemen were placed directly into the State's Municipal Police Employees' Retirement System (MPERS). Currently only policemen who retire after January 1, 1983, and who meet the eligibility requirements for a retirement benefit from the local plan but not the state plan, are being paid from this fund. Under this plan, a policeman hired before 1969 can retire at any age with 20 years of service; policemen hired after 1968 can retire at any age with 25 years of service. Benefits are payable monthly at 66 2/3% of monthly salary, plus an additional 0.833% for each year of service over 20 served after July 12, 1977. An additional 1.66% is paid for each year of service over 25 if the employee was hired after 1968. The benefit cannot exceed 75% of the policeman's monthly salary. The City guarantees that it will pay the benefit under this plan until the member is eligible for the Municipal Police Employee's Retirement System. It guarantees to pay the excess benefits, if any, of this plan over the Municipal Police Employee's Retirement System for the life of the member.

Disability benefits are payable on the basis of: (1) temporary total disability in the line of duty; (2) total and permanent disability in the line of duty; and (3) occupational disability that is total and permanent and received in the line of duty which renders the member unable to function in his police duties. Benefits payable are: (1) 66 2/3% of monthly salary of active member holding a position corresponding to that which had been held by a disabled member at the time he became disabled. Payments will be made for no more than one year or benefits will continue until member becomes eligible for service retirement; or (2) 50% of monthly salary of active member holding a position corresponding to that which had been held by a disabled member at the time he became disabled. Benefits will continue until member becomes eligible for service retirement. The City guarantees that it will pay any excess of the benefits of this plan over the MPERS.

A death benefit is payable to a surviving spouse equal to 50% of a beginning policeman's salary. The City guarantees that it will pay this benefit for each policeman holding a guarantee-of-benefits only after serving the time requirement for normal retirement. Benefits are established and may be amended by State statutes, R.S.11:3433, 3434, 3436 and 3437.

The guaranteed benefits are paid to a closed group of policemen. A significant part of the guaranteed benefits are the temporary benefits payable until age 50.

ERS plan:

Non-City employees employed by the following organizations may become members in the Employees' Retirement System (ERS): Shreve Memorial Library, Caddo-Shreveport Sales and Use Tax Commission and other non-City employees recommended by the Board of Trustees and approved by the City Council. Appointed officials of the City and the Mayor have the option to join by filing an application within 90 days after taking office. However, by joining the retirement system, they may not participate in the deferred compensation program for appointed employees.

Prior to October 1, 1999, to be eligible for regular retirement benefits, members must have 30 years of service regardless of age or be age 65 with 10 years of service, and if hired before January 1, 1979 be 55 years of age with 20 years of service. If hired on or after January 1, 1979, members must be 55 years of age with 25 years of service or age 60 with 20 years of service. As of October 1, 1999, eligibility for regular retirement has been extended to any member who has 20 years of service at age 55. The difference, before and after a hire of January 1, 1979, has been eliminated. Members become vested in the system after 15 years of creditable service. Benefit provisions are established and may be amended by City ordinance #2 of 1954, #163 of 1990 and #112 of 1991.

Benefits available to members hired before January 1, 1996, consist of an annuity, which is the actuarial equivalent of the employee's accumulated contributions; plus an annual pension, which together with the annuity, provides a total retirement allowance equal to 3% of average compensation times years of creditable service. Beginning January 1, 1996, the retirement allowance was increased to 3 1/3% of average compensation times years of creditable service for 1996 and future years of service. Effective January 1, 2015, the retirement allowance was reduced to 2.75% of average compensation times years of creditable service for 2015 and future years. An early retirement provision has been implemented for any member who has at least 10 years, prior to January 1, 2015, of service and is within 10 years of a member's normal retirement age. The benefit is reduced by 3% per year for each year within five years of the normal retirement date, by 5% for the next earlier year, and by 8% for each additional earlier year. The plan allows members who have met eligibility requirements to defer receipt of benefits for a period of two years with one percent interest.

Contributions

FPRF plan:

Only the employer makes contributions on a pay-as-you-go basis. The employer contribution obligations are established and may be amended by State statutes. Contributions are made from the General Fund. The City's contribution rate of annual covered payroll is not applicable. There are no active employees.

Management of the FPRF is vested in the board which consists of nine members – five elected employees or retirees eligible for the plan, the Mayor, the Chief Administrative Officer, the Finance Director and the Fire Chief.

For the year ended December 31, 2018, the annual money-weighted rate of returns on pensions plan investments, net of pensions plan investment expense, was -5.41%. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PPRF plan:

Only the employer makes contributions. The employer contribution obligations are established and may be amended by State statutes. The funding approach is to amortize all benefits over 25 years. However, the contribution cannot be less than the expected benefit payments for the year. Contributions are made from the General Fund. The City's contribution rate of covered payroll is not applicable. There are no active employees.

Management of the PPRF is vested in the board which consists of nine members –five elected employees or retirees eligible for the plan, the Mayor, the Chief Administrative Officer, the Finance Director and the Police Chief.

For the year ended December 31, 2018, the annual money-weighted rate of returns on pension plan investments, net of pensions plan investment expense, was -5.28%. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money weighted rate of return expenses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

ERS plan:

Prior to January 1, 2007, plan members were required by City ordinance to contribute 7% of compensation to the Plan. The City or other employers were required by the same ordinance to contribute 11.15% of compensation. Contribution amounts from plan members, the City and other employers may be amended by City ordinance. Effective January 1, 2007, the employees' contributions to the plan were increased to 9% from 7% and the employers' contributions were increased to 13.15% from 11.15%. Effective January 1, 2015, the employees' contribution to the plan was increased from 9% to 10% and the employer contribution increased from 13.15% to 16.5%. Contributions are made from the fund that the employee is paid from or from the organizations noted above. The contribution rate is currently 20.95% of annual covered payroll.

In February 2004, an ordinance was passed which changed the method of computation for cost-of-living increases. The new computation states that effective January 1 of each year, there will be a cost-of-living increase based on the Consumer Price Index (CPI) if certain conditions exist: 1) the CPI has increased a minimum of one percent 2) the funded percentage for the retirement system for the prior year is not under 90% 3) the retirement systems overall rate of return on investments for the prior year was equal to or exceeded the actuarial interest rate for funding. The maximum increase is limited to 5%.

Management of the ERS is vested in the board which consists of seven members –two elected employees who are members of the plan, one elected retiree and one retiree alternate, the Mayor, the Chief Administrative Officer, the Finance Director and one Council Member.

For the year ended December 31, 2018, the annual money-weighted rate of returns on pension plan investments, net of pensions plan investment expense, was -3.7%. The money weighted rate of return expenses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

FPRF plan:

For the year ended December 31, 2018, the City recognized pension expense of \$1,187,511.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual earnings	\$ 2,020,811	\$ (263,695)
Total	<u>\$ 2,020,811</u>	<u>\$ (263,695)</u>

There were no deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	
2019	687,699
2020	368,131
2021	306,695
2022	<u>394,591</u>
Total	<u>\$ 1,757,116</u>

PPRF plan:

For the year ended December 31, 2018, the City recognized pension expense of \$492,534.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual earnings	\$ 2,065,896	\$ (376,048)
Total	<u>\$ 2,065,896</u>	<u>\$ (376,048)</u>

There were no deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2019	576,566
2020	358,270
2021	314,831
2022	<u>440,181</u>
Total	<u>\$ 1,689,848</u>

ERS plan:

For the year ended December 31, 2018, net pension liability of \$242,192,470 and pension expense of \$20,761,567 were allocated as follows:

	Proportionate Share %	Net Pension Liability	Pension Expense
Primary Government			
Governmental activities	57.88%	\$ 140,172,931	\$ 12,016,103
Business-type activities	25.90%	62,737,097	5,378,039
Total primary government	<u>83.78%</u>	<u>202,910,029</u>	<u>17,394,142</u>
Component Units			
Shreve Memorial Library	11.12%	26,924,334	2,308,046
City Marshal	3.36%	8,130,330	696,960
Total component units	<u>14.47%</u>	<u>35,054,664</u>	<u>3,005,006</u>
Jointly Governed Entity			
Sales and Use Tax Commission	1.75%	4,227,777	362,419
Total	<u>100.00%</u>	<u>\$ 242,192,470</u>	<u>\$ 20,761,567</u>

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and were allocated as follows:

	Deferred Outflows of Resources		
	Change in Investment Earnings	Change in Prop. And Difference in Contributions	Total Deferred Outflows of Resources
Primary Government			
Governmental activities	\$ 10,898,454	\$ 412,051	\$ 11,310,504
Business-type activities	4,877,813	184,421	5,062,234
Total primary government	<u>15,776,267</u>	<u>596,472</u>	<u>16,372,739</u>
Component Units			
Shreve Memorial Library	2,093,369	79,146	2,172,515
City Marshal	632,134	23,900	656,033
Total component units	<u>2,725,502</u>	<u>103,046</u>	<u>2,828,549</u>
Jointly Governed Entity			
Sales and Use Tax Commission	328,710	12,428	341,138
Total	<u>18,830,479</u>	<u>711,946</u>	<u>19,542,425</u>

Deferred Inflows of Resources			
	Change in experience	Change in Investment Earnings	Total Deferred Inflows of Resources
Primary Government			
Governmental activities	\$ (1,223,755)	\$ (5,178,540)	\$ (6,402,295)
Business-type activities	<u>(547,715)</u>	<u>(2,317,756)</u>	<u>(\$2,865,470.54)</u>
Total primary government	(1,771,470)	(7,496,296)	(9,267,766)
Component Units			(12,133,236)
Shreve Memorial Library	(235,058)	(994,691)	
City Marshal	<u>(70,980)</u>	<u>(300,366)</u>	<u>(371,347)</u>
Total component units	(306,038)	(1,295,057)	(1,601,096)
Jointly Governed Entity			(1,972,443)
Sales and Use Tax Commission	(36,910)	(156,191)	
Total	<u><u>(2,114,418)</u></u>	<u><u>(8,947,544)</u></u>	<u><u>(11,061,962)</u></u>

There were no deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2019	\$ 3,116,213
2020	209,265
2021	1,094,192
2022	4,060,793
2023	-
Total	<u><u>\$ 8,480,464</u></u>

These amounts were allocated as follows:

Year ended December 31,	2019	2020	2021	2022	Total
Primary Government					
Governmental activities	\$ 1,803,560	\$ 121,116	\$ 633,282	\$ 2,350,252	\$ 4,908,209
Business-type activities	<u>807,218</u>	<u>54,208</u>	<u>283,438</u>	<u>1,051,900</u>	<u>2,196,764</u>
Total primary government	2,610,778	175,323	916,719	3,402,152	7,104,973
Component Units					
Shreve Memorial Library	346,427	23,264	121,640	451,435	942,766
City Marshal	<u>104,610</u>	<u>7,025</u>	<u>36,732</u>	<u>136,320</u>	<u>284,687</u>
Total component units	451,037	30,289	158,373	587,755	1,227,453
Jointly Governed Entity					
Sales and Use Tax Commission	54,397	3,653	19,101	70,886	148,037
Total	<u><u>\$ 3,116,213</u></u>	<u><u>\$ 209,266</u></u>	<u><u>\$ 1,094,193</u></u>	<u><u>\$ 4,060,794</u></u>	<u><u>\$ 8,480,464</u></u>

Actuarial Assumptions:

A summary of the FPRF, PPRF, and ERS actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018, are as follows:

	<u>FPRF</u>	<u>PPRF</u>	<u>ERS</u>
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level dollar, closed	Level dollar, closed	N/A
Remaining amortization period	13 years	1 year	N/A
Asset valuation period	N/A	N/A	N/A
Inflation	2.50%	2.50%	2.50%
Salary increases	5.00%	N/A	Based on classification
Investment rate of return	7.00%	7.00%	7.00%
Cost of Living Adjustment	3.00%	3.0%	None
Retirement Age	Plan specific	n/a	Plan specific
Turnover	Plan specific	n/a	Plan specific
Mortality	Non-annuitants: RP-2000 "Employees" table projected to 2034 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2026 using Scale AA	Non-annuitants: RP-2000 "Employee" table projected to 2034 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2026 using Scale AA	Non-annuitants: RP-2000 "Employee" table projected to 2034 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2026 using Scale AA
Disability	Plan specific	Plan specific	Plan specific

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The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions as of December 31, 2018, are summarized in the following table:

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Cash	BAML 3-Mon Tbill	0.00%	0.29%	0.29%
Core Fixed Income	Barclays Aggregate	40.00%	1.92%	1.82%
Core Bonds	Barclays Gvt/Credit	0.00%	1.80%	1.68%
Short-Term Bonds	Barclays 1-3 Yr Gvt/Credit	0.00%	1.40%	1.36%
Intermediate-Term Bonds	Barclays IT Gvt/Credit	0.00%	1.65%	1.57%
Long-Term Bonds	Barclays LT Gvt/Credit	0.00%	2.30%	1.92%
Mortgages	Barclays MBS	0.00%	2.10%	2.02%
High Yield Bonds	BAML High Yield	0.00%	3.87%	3.41%
Non-US Fixed Income	JPM GBI Global xUS	0.00%	-0.16%	-0.57%
Inflation-Indexed Bonds	Barclays US TIPs	0.00%	1.16%	1.06%
Broad US Equities	Russell 3000	60.00%	4.96%	3.81%
Large Cap US Equities	S&P 500	0.00%	4.69%	3.62%
Mid Cap US Equities	Russell Mid Caps	0.00%	5.15%	3.76%
Small Cap US Equities	Russell 2000	0.00%	5.86%	4.11%
Developed Foreign Equities	MSCI EAFE	0.00%	6.08%	4.59%
Emerging Market Equities	MSCI Emerging Markets	0.00%	8.10%	5.33%
Private Equity	Cambridge Associates	0.00%	9.32%	5.57%
Hedge Funds Diversified	HFRI FOF Diversified	0.00%	1.90%	1.66%
Real Estate (Property)	NCREIF Property	0.00%	3.83%	3.13%
Real Estate (REITS)	FTSE NAREIT Equity REIT	0.00%	5.37%	3.76%
Commodities	DJ UBS	0.00%	2.98%	1.42%
Long Credit Bonds	Barclays Long Credit	0.00%	3.11%	2.78%
Assumed Inflation - Mean			2.30%	2.30%
Assumed Inflation - Standard Deviation			1.65%	1.65%
Portfolio Real Mean Return			3.74%	3.29%
Portfolio Nominal Mean Return			6.06%	5.67%
Portfolio Standard Deviation				9.33%
Long-Term Expected Rate of Return (selected by City of Shreveport)				7.00%

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the FPRS, PPRS, and ERS net pension liability calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Net pension liability	Current Discount Rate		
	1% Increase 6.00%	7.00%	1% Decrease 8.00%
FPRS	\$ 16,105,280	\$ 12,906,277	\$ 10,217,485
PPRS	5,581,667	3,441,279	1,620,119
ERS	285,059,737	242,192,470	205,885,715

Payables to the FPRF, PPRF, and ERS Pension Plans – At December 31, 2018, the City recorded no payables to the pension plans for employee and employer legally required contributions for FPRS and PPRS, and \$2,336,205 for ERS.

The financial statements for individual pension plans are as follows:

**CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018**

	Firemen's Pension and Relief	Policemen's Pension and Relief	Employees' Retirement System	Total Employee Retirement Funds
ASSETS				
Cash and cash equivalents	\$ 693,340	\$ 611,975	\$ -	\$ 1,305,315
Receivables:				
Interest and dividends receivable	69,541	26,422	19	95,982
Accounts receivable	-	3,765	456,455	460,220
Prepaid items	239,655	182,789	-	422,444
Investments, at fair value	13,030,440	14,911,356	183,401,176	211,342,972
Other assets:				
Cash surrender value of life insurance policies	2,136,263	1,604,746	-	3,741,009
Total assets	<u>16,169,239</u>	<u>17,341,053</u>	<u>183,857,650</u>	<u>217,367,942</u>
LIABILITIES				
Due to other funds	1,911,349	1,012,112	6,552,399	9,475,860
Accrued liabilities	-	-	-	-
Employees' deposits held in escrow	-	-	1,840,714	1,840,714
Total liabilities	<u>1,911,349</u>	<u>1,012,112</u>	<u>8,393,113</u>	<u>11,316,574</u>
NET POSITION				
Net position restricted for pensions	<u>\$ 14,257,890</u>	<u>\$ 16,328,941</u>	<u>\$ 175,464,537</u>	<u>\$ 206,051,368</u>

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Firemen's Pension and Relief	Policemen's Pension and Relief	Employees' Retirement System	Total Employee Retirement Funds
ADDITIONS				
Contributions:				
Employer	\$ -	\$ -	\$ 10,407,588	\$ 10,407,588
Plan members	-	-	6,027,012	6,027,012
Total contributions	<u>-</u>	<u>-</u>	<u>16,434,600</u>	<u>16,434,600</u>
Investment earnings:				
Net appreciation in fair value of investments	(1,391,803)	(1,608,606)	(7,458,898)	(10,459,306)
Interest	55,757	38,389	(26,166)	67,980
Dividends	320,539	361,169	-	681,708
Total investment earnings	<u>(1,015,508)</u>	<u>(1,209,048)</u>	<u>(7,485,064)</u>	<u>(9,709,619)</u>
Less investment expense	<u>32,080</u>	<u>39,810</u>	<u>1,140,480</u>	<u>1,212,370</u>
Net investment earnings	<u>(1,047,588)</u>	<u>(1,248,858)</u>	<u>(8,625,544)</u>	<u>(10,921,989)</u>
Life insurance proceeds	880,000	770,000	-	1,650,000
Miscellaneous	17,389	(472)	156,469	173,386
Total additions	<u>(150,199)</u>	<u>(479,330)</u>	<u>7,965,525</u>	<u>7,335,997</u>
DEDUCTIONS				
Benefits	1,494,050	1,297,462	28,350,688	31,142,200
Refund of member contribution	-	-	1,848,642	1,848,642
Administrative expenses	22,576	22,554	76,582	121,712
Life insurance premiums	710,480	472,336	-	1,182,816
Total deductions	<u>2,227,106</u>	<u>1,792,352</u>	<u>30,275,912</u>	<u>34,295,370</u>
Change in net position	<u>(2,377,305)</u>	<u>(2,271,682)</u>	<u>(22,310,387)</u>	<u>(26,959,373)</u>
Net position restricted for pensions				
Beginning of year	<u>16,635,195</u>	<u>18,600,623</u>	<u>197,774,922</u>	<u>233,010,740</u>
End of year	<u>\$ 14,257,890</u>	<u>\$ 16,328,941</u>	<u>\$ 175,464,535</u>	<u>\$ 206,051,367</u>

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

State Administered Cost-Sharing Multiple-Employer Defined Benefit Pension Plans

Municipal Police Employees' Retirement Systems (MPERS)

Plan Description - The City contributes to Municipal Police Employees' Retirement Systems (MPERS), a cost sharing multiple-employer defined benefit pension plan established by Act 189 of 1973 to provide retirement, disability and survivor benefits to municipal police officers in Louisiana, administered by the MPERS Board of Trustees. MPERS covers any full-time public safety officer employed by a participating municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing said officer does not have to pay social security. The paragraph above describes the transfer of public safety officers from Policemen's Pension and Relief Fund (PPRF) to MPERS, effective July 12, 1977. All new public safety officers hired by the City after July 12, 1977, are required to join MPERS as a condition of employment. MPERS benefits are established by state statutes and may be amended at the discretion of the State Legislature. MPERS issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Municipal Police Employees' Retirement System, 7722 Office Park Blvd., Suite 200, Baton Rouge, Louisiana 70809-7601 or downloading from www.lampers.org.

The fiduciary net position is a significant component of the MPERS's collective net pension liability. The MPERS's plan fiduciary net position was determined using the accrual basis of accounting which was the same basis used by the pension plan. MPERS's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of MPERS's investments. Accordingly, actual results may differ from estimated amounts.

Eligibility Requirements and Retirement Benefits – Members of MPERS prior to January 1, 2013, are eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. Benefit rates are three and one-third percent of average monthly earnings during the highest 36 consecutive months of creditable service not to exceed 100% of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain condition outlined in the statutes, an amount is payable to the surviving spouses and minor children.

Members of MPERS hired on or after January 1, 2013, are eligible for regular retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain condition outlined in the statutes, an amount is payable to the surviving spouses and minor children. If a deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

The Board of Trustees is authorized to provide annual cost of living adjustments computed on the amount of the current benefit, not to exceed 3% in any given year.

Contributions - Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. MPERS employee members hired prior to January 1, 2013, contributed 10.0% of earned compensation of the year ended December 31, 2018. For the same members, employer contributions were 30.75%. All employees hired on or after January 1, 2013, become members of either the Hazardous Duty Sub-plan, or the Nonhazardous Duty Sub-plan. Employee and employer contribution rates for the Hazardous Duty Sub-plan are the same as for those hired prior to January 1, 2013. For employees belonging to the Nonhazardous Duty Sub-plan, the contribution rate was 8.0%, and

the employer rate was 33.25%. Earned compensation in the MPERS system excludes certain overtime, but includes state supplemental pay. The City's contribution to MPERS for the year ended December 31, 2018, was \$9,345,919. Non-employer contributions are recognized as revenue during the year ended December 31, 2018, and were excluded from pension expense. Non-employer contributions received by the System for the City during the plan year ended June 30, 2018, were \$2,032,324.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Net pension liability at December 31, 2018, is comprised of the City's proportional share of the net pension liability relating to MPERS. The total pension liability, used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The City's proportion of the net pension liability for MPERS was based on the City's required contributions in proportion to total required contributions for all participating employers, actuarially determined. As of the most recent measurement date, the City's proportion for MPERS and the change in proportion from the prior measurement date are as follows:

Proportion (amount) of net pension liability	\$ 87,066,997
Proportion (%) of net pension liability	10.298837%
Increase/(decrease) from prior measurement date	0.269658%

	Proportionate Share
Total Pension Liability	\$ 309,704,702
Plan Fiduciary Net Position	222,637,705
Total Collective Net Pension Liability	<u>\$ 87,066,997</u>

For the year ended December 31, 2018, the City recognized pension expense of \$11,920,574. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Investment Earnings	\$ 4,173,798	
Changes of Assumptions	5,689,777	
Change in Prop. And Difference in Contributions	1,564,749	(5,638,297)
Change in Experience	392,498	(4,449,301)
Employer Contributions	4,955,503	-
Total	<u>\$ 16,776,325</u>	<u>\$ (10,087,598)</u>

City contributions subsequent to the measurement date of \$4,955,503 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts totaling reported as outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended</u> <u>December 31,</u>	<u>Amount</u>
2019	\$ 2,023,719
2020	1,434,113
2021	(1,876,235)
2022	151,626
2023	1
Total	<u>\$ 1,733,224</u>

Actuarial Methods and Assumptions - The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The actuarial assumptions used in the June 30, 2018 valuation were based on the assumptions used in the June 30, 2018 actuarial funding valuation, and were based on the results of an actuarial experience study for the period July 1, 2009 - June 20, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Valuation Date	6/30/2018
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	2018 - 4 years 2017 - 4 years 2016 - 4 years 2015 - 4 years
Investment Rate of Return	7.2%, net of investment expense
Inflation Rate	2.60%
Salary Increases	Vary from 9.75% in the first two years of service to 4.25% after 23 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants. RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System’s target allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Rates of Return Long Term Expected Portfolio Real Rate of Return</u>
Equity	52%	3.58%
Fixed Income	22%	0.46%
Alternatives	20%	1.07%
Other	6%	0.17%
System total	100%	5.28%
Inflation		2.75%
Expected Nominal Return		8.03%

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate - The following presents the net pension liability the City calculated using the discount rate, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of December 31, 2018.

	<u>1% Decrease 6.20%</u>	<u>Current Discount Rate 7.20%</u>	<u>1% Increase 8.20%</u>
Net pension liability	\$ 122,353,232	\$ 87,066,997	\$ 57,463,204

Payables to the Pension Plan – At December 31, 2017, the City recorded a payable to the pension plan for employee and employer legally required contributions of \$99,756.

Firefighters’ Retirement System (FRS)

The measurement date for the net pension liability was June 30, 2018 and is included in the City’s financial statements for the year ended December 31, 2018. Detailed information about the plan’s stand-alone report can be attained at <http://ffret.com>.

The fiduciary net position is a significant component of the FRS’s collective net pension liability. The FRS’s plan fiduciary net position was determined using the accrual basis of accounting which was the same basis used by the pension plan. FRS’s assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of FRS’s investments. Accordingly, actual results may differ from estimated amounts.

Plan Description - The Firefighters’ Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn at least \$375 per month and

are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980, shall become a member as a condition of employment.

No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Eligibility Requirements and Retirement Benefits - Members of the FRS are eligible to retire at the age of 50 with at least 20 years of service, at the age of 55 with at least 12 years of service, or at any age with at least 25 years of service. Members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent (3.33%) of the member's final compensation (employee's average salary over the 36 consecutive or joined months that produce the highest average) multiplied by the member's years of creditable service.

In 1999, the State Legislature authorized FRS to establish an Initial Benefit Option Plan program. This is available to MPERS members who are eligible for regular retirement but have not participated in DROP. This program provides both a one-time single sum payment of up to 36 months of the regular monthly retirement benefit, plus a reduced retirement benefit for life.

Deferred Retirement Options - A member of FRS may elect to participate in the deferred retirement option plan (DROP) for up to 36 months, after completing 20 years of creditable service and age 50 or 25 years at any age. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

Survivor's Benefit - Survivor benefits for FRS are payable to survivors of a deceased member who dies and is not eligible for retirement as follows. If any member is killed in the line of duty and leaves a surviving eligible spouse, the spouse is entitled to an annual benefit equal to two-thirds of the deceased member's final compensation. If any member dies from a cause not in the line of duty, the surviving spouse is entitled to an annual benefit equal to 3% of the deceased member's average final compensation multiplied by his total years of creditable service; however, in no event is the annual benefit less than 40% nor more than 60% of the deceased member's average final compensation. Children of the deceased member who are under the age of eighteen years are entitled to the greater of \$200 per month or 10% of average final compensation (not to exceed 100% of average final compensation) until reaching the age of eighteen or until the age of twenty-two if enrolled full-time in an institution of higher learning, unless the surviving child is physically handicapped or mentally retarded in which case the benefit is payable regardless of age. If a member who is eligible to retire dies before retiring, the designated beneficiary will be paid under the 2nd option above, survivor benefit equal to member's benefit.

The present value of future FRS retirement benefits are based on benefits currently being paid by the System and include previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Contributions - Employer contributions are actuarially determined each year. For the year ended June 30, 2018, employer and employee contributions for members were as follows:

<u>Contributor</u>	<u>Above Poverty Line</u>	<u>Below Poverty Line</u>
Employer	27%	29%
Employee	10%	8%

The system also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended December 31, 2018, and were excluded from pension expense. Non-employer contributions received by the System for the City during the plan year ended June 30, 2018, were \$3,529,046.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Net pension liability at December 31, 2018, is comprised of the City's proportional share of the net pension liability relating to FRS. The total pension liability, used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The City's proportion of the net pension liability for FRS was based on the City's required contributions in proportion to total required contributions for all participating employers, actuarially determined. As of the most recent measurement date, the City's proportion for FRS and the change in proportion from the prior measurement date are as follows:

Proportion (amount) of net pension liability	\$ 78,212,822
Proportion (%) of net pension liability	13.597316%
Increase/(decrease) from prior measurement date	0.299050%

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the City as of December 31, 2018:

	Proportionate Share
Total Pension Liability	\$ 309,917,772
Plan Fiduciary Net Position	231,704,950
Total Collective Net Pension Liability	<u>\$ 78,212,822</u>

For the year ended December 31, 2018, the City recognized pension expense of \$12,251,036. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Outflows of Resources
Changes of Assumptions	\$ 5,456,125	\$ (12,392)
Changes in Investment Earnings	5,085,776	-
Change in Prop. And Difference in Contr.	1,363,673	(6,174,498)
Change in Experience	-	(5,952,870)
Employer Contributions	4,224,248	-
Total	<u>\$ 16,129,822</u>	<u>\$ (12,139,760)</u>

City contributions subsequent to the measurement date of \$4,224,248 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Actuarial Methods and Assumptions - The actuarial assumptions used in the June 30, 2018, valuation were based on the assumptions used in the June 30, 2018, actuarial funding valuation, and were based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018, are as follows:

Valuation Date	6/30/2018
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	7 years, closed period
Investment Rate of Return	7.30% per annum
Inflation Rate	2.700% per annum
Salary Increases	Vary from 15.0% in the first two years of service to 4.75% after 25 years
Cost of Living Adjustments	Only those previously granted
Mortality Rates	

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by

adding expected inflation. Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Rates of Return</u>
		<u>Long Term Expected Portfolio Real</u>
Fixed Income	26%	6.78%
Equity	54%	6.14%
Alternatives	10%	6.56%
Other	10%	4.60%
System total	100%	

The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate - The following presents the net pension liability of the participating employers calculated using the discount rate of 7.30%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of December 31, 2018.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>6.30%</u>	<u>7.30%</u>	<u>8.30%</u>
Net pension liability	\$ 114,130,998	\$ 78,212,822	\$ 48,029,193

Payables to the Pension Plan – At December 31, 2018, the City recorded a payable of \$738,211 to the pension plan for employee and employer legally required contributions.

Deferred Compensation (457(b)) Plans

A 457 plan is a type of non-qualified, tax advantaged deferred-compensation retirement plan that is available for governmental and certain non-governmental employers in the United States. In general, an employer provides the plan and the employee defers compensation into it on a pre-tax or after-tax basis.

The City offers four deferred compensation plans, Nationwide, VALIC, Mass Mutual, and AXA, which permanent employees have the option to participate in.

Other Postemployment Benefits (OPEB)

Plan Description - In addition to providing pension benefits, the City provides medical, dental and life insurance coverage through a cost-sharing single-employer defined benefit plan that can include non-City employees as described under the Employees' Retirement System for any retiree who receives a monthly retirement check from one of the City's retirement plans and their legal dependents. The benefits, employee contributions, and employer contributions are governed by the Health Care Board and can be amended annually. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a separate report. The activity of the plan is reported in the City's Employees Health Care Fund, an internal service fund.

Benefits Provided – Retirees are eligible to keep city insurance benefits (medical, life, dental, and vision) if they draw a pension. The City contributions are medical at 67% paid, dental at 50% paid, and life insurance at 50% paid. Life insurance is 1 times salary with cost at \$2.28 per thousand as of 2019 and a reduction of benefit at age 70.

Funding Policy - The City contributes 59% and retirees 41% of the required contribution rate as determined annually by the Health Care Board of the self-insured pay-as-you go plan.

Number of participants coded as eligible for post- employment medical, dental and life insurance at December 31, 2018, consisted of:

Active participants	2,673
Participants receiving benefits	<u>1,674</u>
	4,347

Total OPEB Liability - The total OPEB liability of \$539,441,590 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

The total OPEB Liability as of December 31, 2018, was allocated based on participant count as follows:

	Primary Government			Shreve Memorial Library (Component Unit)	Total (Including Component Unit)
	Governmental Activities	Business-type Activities	Total Primary Government		
Total OPEB obligation beginning of year	\$ 482,165,882	\$ 52,931,613	\$ 535,097,494	\$ 23,382,412	\$558,479,906
Service cost	18,160,793	1,993,671	20,154,464	880,699	21,035,163
Interest	15,618,877	1,714,622	17,333,500	757,430	18,090,930
Changes in assumptions and other inputs	(39,031,757)	(4,284,861)	(43,316,618)	(1,892,827)	(45,209,445)
Estimated Benefit payments	<u>(11,184,720)</u>	<u>(1,227,846)</u>	<u>(12,412,566)</u>	<u>(542,398)</u>	<u>(12,954,964)</u>
Net change in total OPEB Liability	<u>(16,436,807)</u>	<u>(1,804,414)</u>	<u>(18,241,221)</u>	<u>(797,095)</u>	<u>(19,038,316)</u>
Total OPEB obligation end of year	<u>\$ 465,729,075</u>	<u>\$ 51,127,199</u>	<u>\$ 516,856,274</u>	<u>\$ 22,585,316</u>	<u>\$539,441,590</u>

Actuarial Methods and Assumptions - The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	12/31/2017
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	2018 - 4 years 2017 - 4 years 2016 - 4 years 2015 - 4 years
Investment Rate of Return	7.2%, net of investment expense
Inflation Rate	2.60%
Salary Increases	Vary from 9.75% in the first two years of service to 4.25% after 23 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants. RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease</u> <u>2.64%</u>	<u>Discount Rate</u> <u>3.64%</u>	<u>1% Increase</u> <u>4.64%</u>
Total OPEB Liability	\$ 623,504,729	\$ 539,441,590	\$ 439,752,474

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u> <u>(6.50%</u> <u>decreasing</u> <u>to 3.00%)</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u> <u>(7.50%</u> <u>decreasing to</u> <u>4.00%)</u>	<u>1% Increase</u> <u>(8.5%</u> <u>increasing</u> <u>to 5.00%)</u>
Total OPEB Liability	\$ 472,290,500	\$ 539,441,590	\$ 544,154,326

OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2018, the City recognized OPEB expense of \$30,431,968. At December 31, 2018, the City reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Changes of assumptions	\$ 36,515,321
Total	<u>\$ 36,515,321</u>

These amounts were allocated as follows:

	<u>Primary Government</u>			<u>Shreve Memorial</u> <u>Library</u> <u>(Component Unit)</u>	<u>Total</u> <u>(Including</u> <u>Component</u> <u>Unit)</u>
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total Primary</u> <u>Government</u>		
Deferred Inflows:					
Changes of assumptions	\$ (31,525,650)	\$ (3,460,849)	\$ (34,986,499)	\$ (1,528,822)	\$ (36,515,321)
Total	<u>\$ (31,525,650)</u>	<u>\$ (3,460,849)</u>	<u>\$ (34,986,499)</u>	<u>\$ (1,528,822)</u>	<u>\$ (36,515,321)</u>

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended December 31:</u>	
2019	\$ (8,694,124)
2020	(8,694,124)
2021	(8,694,124)
2022	(8,694,124)
2023	<u>(1,738,825)</u>
Total	<u>\$ (36,515,321)</u>

B. Transit System

The Shreveport Area Transit System (Transit System) is managed and operated for the City by a management company pursuant to an agreement which expires September 30, 2021. Based on terms of the agreement, management fees included in operating expenses were \$313,395. The City is required to reimburse the management company for the excess of expenses over revenues derived from the operation of the Transit System. Pursuant to an agreement between the City of Shreveport and the City of Bossier City, Bossier City will pay the Transit System for the excess of expenses incurred over revenues derived from operations of transit services in Bossier City. The City reimbursed the Transit System \$6,398,735. Bossier City reimbursed the Transit System \$950,555.

C. Contingencies

Litigation

The City is a defendant in various lawsuits in addition to those accrued in the Retained Risk Fund. These lawsuits have not been accrued because the amount of the loss cannot be reasonably estimated at this time. It is the City’s opinion that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grant Disallowances

The City participates in a number of federally assisted grant programs, principal of which are the Workforce Investment Act, Community Development Block Grant, and various construction grants. These programs are subject to program compliance audits under the Single Audit Act. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. City management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

D. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. All self-insurance programs are accounted for within internal service funds. The City has included incurred but not reported claims in determining its claims liability in both self-insurance programs.

The Retained Risk Fund is used to account for self-insurance activities involving property damage, workers’ compensation, and general and auto liability. The City is afforded a \$1,000,000 self-insurance retention for general liability and law enforcement liability, a \$1,000,000 self-insurance retention for workers’ compensation for police and fire, \$750,000 for other employees and a \$500,000 self-insurance retention for auto liability, except for exposures related to Fire Department vehicles which have a \$1,000 deductible for collision and comprehensive. General liability aviation is insured with limits of \$200,000,000. The City’s property coverage has a limit of \$806,284,126 subject to a \$50,000 deductible.

There were no reductions in insurance coverage from coverage in the prior year. No property damage claim has exceeded the City's insurance coverage during the past three years. After year-end, during the first quarter, the City was underinsured. This was corrected after the first quarter.

Payments to the Retained Risk Fund are accounted for as revenues by the receiving fund and expenditures/expenses by the paying funds. Payments into the fund are available to pay claims and administrative costs of the program. Payments in excess of actual expenses are recorded as transfers.

Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors, including the effects of specific, incremental claim adjustment expenses, salvage and subrogation. No other allocated or unallocated claim adjustment expenses are included. The claims liability of \$36,165,000 reported in the fund at December 31, 2018, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Actual results could vary materially in the future. Changes in the fund's claims liability amount in 2017 and 2018 were:

Retained Risk Fund				
Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Year End
2017	\$ 33,540,999	\$ 10,332,443	\$ 9,610,442	\$ 34,263,000
2018	34,263,000	4,334,380	2,432,380	36,165,000

The City also maintains a self-insurance program to cover medical and dental care claims of City employees, retirees, and dependents. This program is accounted for in the Employees' Health Care Fund, an Internal Service Fund. Changes in the fund's claims liability amount in fiscal years 2017 and 2018 were:

Employees' Health Care Fund				
Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Year End
2017	\$ 3,161,935	\$ 37,340,948	\$ 37,148,978	\$ 3,353,905
2018	3,353,905	38,558,239	38,517,335	3,394,809

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E. Compensation Paid to Council Members

<u>Council Member</u>	<u>District</u>	<u>Compensation</u>
Jerry Bowman	G	\$ 17,675
Willie Bradford	A	15,225
Jeff Everson	B	15,225
Oliver Jenkins	C	15,225
Michael Corbin	D	15,225
James Flurry	E	15,175
Stephanie Lynch	F	15,225
Total		<u>\$ 108,975</u>

F. Subsequent Events

In May 2019, the City issued \$100,000,000 in Water and Sewer Revenue Bonds, Junior Lien Series 2019B. In July 2019, the City began the implementation of the new Water and Sewerage billing system (UMBS).

G. Restatement of Net Position

<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net Position, December 31, 2017, as reported	\$ (73,476,676)	\$ 560,057,742	\$ 486,581,066
Civil service compensated absences not previously reported	(7,729,075)	-	(7,729,075)
Notes initially recorded as liabilities and not as other financing sources.	1,057,000	-	1,057,000
Recording total OPEB liability, and related deferred inflows and outflows at December 31, 2017	(231,174,930)	(29,785,050)	(260,959,980)
Water & Sewer sales taxes	-	(1,313,423)	(1,313,423)
Employees Health Care beginning fund balance did not match prior year's ending balance	246,825	-	246,825
Total adjustments	<u>(237,600,180)</u>	<u>(31,098,473)</u>	<u>(268,698,653)</u>
Net Position, December 31, 2017, as restated	<u>(\$311,076,856)</u>	<u>\$528,959,269</u>	<u>\$217,882,413</u>

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The adjustment of the governmental activities and business-type activities was comprised of adjustments to the following fund(s):

Adjustment	Governmental-type activities				Grand Total
	Government-wide	Community Development	Employees Healthcare	Total	
Civil service compensated absences not previously reported	\$ (7,729,075)	\$ -	\$ -	\$ (7,729,075)	
Notes initially recorded as liabilities and not as other financing sources.	-	1,057,000	-	1,057,000	
Recording total OPEB liability, and related deferred inflows and outflows at December 31, 2017	(231,174,930)	-	-	(231,174,930)	
Water & Sewer sales taxes	-	-	-	-	
Employees Health Care beginning fund balance did not match prior year's ending balance	-	-	246,825	246,825	
Total adjustments	<u>\$ (238,904,005)</u>	<u>\$ 1,057,000</u>	<u>\$ 246,825</u>	<u>\$ (237,600,180)</u>	

Adjustment	Business-type activities				Grand Total
	Water and Sewerage	Municipal and Regional Airports	Golf	Total	
Civil service compensated absences not previously reported	\$ -	\$ -	\$ -	\$ -	\$ (7,729,075)
Notes initially recorded as liabilities and not as other financing sources.	-	-	-	-	1,057,000
Recording total OPEB liability, and related deferred inflows and outflows at December 31, 2017	(23,378,745)	(5,616,825)	(789,481)	(29,785,050)	(260,959,980)
Water & Sewer sales taxes	(1,313,423)	-	-	(1,313,423)	(1,313,423)
Employees Health Care beginning fund balance did not match prior year's ending balance	-	-	-	-	246,825
Total adjustments	<u>\$ (24,692,168)</u>	<u>\$ (5,616,825)</u>	<u>\$ (789,481)</u>	<u>\$ (31,098,473)</u>	<u>\$ (268,698,653)</u>

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SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 154,964,500	\$ 154,964,500	\$ 160,932,930	\$ 5,968,430
Licenses and Permits	9,354,200	9,354,200	9,113,603	(240,597)
Intergovernmental	2,706,000	2,706,000	2,656,893	(49,107)
Charges for services	28,740,400	29,250,100	31,080,783	1,830,683
Fines and forfeitures	2,995,800	2,490,800	2,264,333	(226,467)
Investment earnings	-	-	6,678	6,678
Miscellaneous	566,400	796,000	1,172,148	376,148
Total revenues	199,327,300	199,561,600	207,227,368	7,665,768
EXPENDITURES				
General government:				
Office of the Mayor:				
Salaries, wages and employee benefits	920,500	920,500	980,887	(60,387)
Materials and supplies	14,600	15,366	14,652	714
Contractual services	33,200	33,219	31,034	2,185
Other charges	600	600	805	(205)
Improvements and equipment	1,000	1,000	319	681
Total Office of the Mayor	969,900	970,685	1,027,697	(57,012)
City Attorney:				
Salaries, wages and employee benefits	1,032,400	1,032,400	1,075,188	(42,788)
Materials and supplies	25,600	26,964	16,074	10,890
Contractual services	121,200	123,128	100,607	22,521
Other charges	3,200	3,200	3,016	184
Improvements and equipment	3,800	3,800	549	3,251
Total City Attorney	1,186,200	1,189,492	1,195,434	(5,942)
Property Standards:				
Salaries, wages and employee benefits	1,491,900	1,492,149	1,415,994	76,155
Materials and supplies	145,700	164,475	146,999	17,476
Contractual services	1,306,000	1,518,574	1,110,175	408,399
Other charges	540,000	627,313	428,559	198,754
Improvements and equipment	89,700	89,732	62,097	27,635
Total Property Standards	3,573,300	3,892,243	3,163,824	728,419
Personnel:				
Salaries, wages and employee benefits	718,500	813,338	687,754	125,584
Materials and supplies	5,800	11,461	11,097	364
Contractual services	23,200	36,743	48,624	(11,881)
Other charges	2,000	2,002	990	1,012
Improvements and equipment	2,000	2,445	3,411	(966)
Total Personnel	751,500	865,989	751,876	114,113

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CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Information Technology:				
Salaries, wages and employee benefits	2,226,700	2,240,699	1,758,697	482,002
Materials and supplies	79,500	99,792	74,625	25,167
Contractual services	1,062,400	1,311,996	980,231	331,765
Improvements and equipment	205,600	483,121	414,120	69,001
Total Information technology	3,574,200	4,135,608	3,227,673	907,935
City Council:				
Salaries, wages and employee benefits	1,285,800	1,285,805	1,181,931	103,874
Materials and supplies	15,300	40,893	31,388	9,505
Contractual services	173,800	290,455	155,628	134,827
Improvements and equipment	20,700	20,816	4,145	16,671
Total City Council	1,495,600	1,637,969	1,373,092	264,877
Finance:				
Salaries, wages and employee benefits	2,618,200	2,618,715	2,415,883	202,832
Materials and supplies	69,400	74,381	189,937	(115,556)
Contractual services	964,200	974,975	1,474,985	(500,010)
Improvements and equipment	8,200	25,568	43,121	(17,553)
Total Finance	3,660,000	3,693,639	4,123,926	(430,287)
Other - unclassified				
Salaries, wages and employee benefits	7,668,200	7,668,200	7,260,394	407,806
Contractual services	1,565,200	805,200	662,073	143,127
Interest and civic appropriations	3,141,600	3,216,600	3,684,242	(467,642)
Payments to component units	5,954,800	6,192,303	6,402,763	(210,460)
Claims	6,913,200	6,913,200	7,929,707	(1,016,507)
Total other - unclassified	25,243,000	24,795,503	25,939,179	(1,143,676)
Total general government	40,453,700	41,181,128	40,802,701	378,427
Public Safety				
Police:				
Salaries, wages and employee benefits	53,155,700	53,077,624	52,458,060	619,564
Materials and supplies	1,743,100	2,303,761	1,783,426	520,335
Contractual services	1,239,700	1,295,089	1,594,320	(299,231)
Other charges	198,600	198,600	160,146	38,454
Improvements and equipment	1,004,000	1,114,274	984,558	129,716
Total Police	57,341,100	57,989,348	56,980,510	1,008,838
Fire:				
Salaries, wages and employee benefits	48,405,500	48,744,424	45,983,628	2,760,796
Materials and supplies	1,772,300	2,177,964	1,505,789	672,175
Contractual services	3,215,500	4,178,294	7,082,498	(2,904,204)
Improvements and equipment	1,179,700	1,927,429	1,841,527	85,902
Total Fire	54,573,000	57,028,111	56,413,442	614,669
Total public safety	111,914,100	115,017,459	113,393,952	1,623,507

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CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Engineering:				
Salaries, wages and employee benefits	3,536,700	3,536,793	3,035,768	501,025
Materials and supplies	145,200	167,321	102,003	65,318
Contractual services	588,000	1,127,649	268,407	859,242
Improvements and equipment	56,600	56,600	37,816	18,784
Total engineering	<u>4,326,500</u>	<u>4,888,363</u>	<u>3,443,994</u>	<u>1,444,369</u>
Public Works:				
Salaries, wages and employee benefits	12,331,900	12,370,610	11,518,254	852,356
Materials and supplies	4,470,300	6,216,983	3,620,495	2,596,488
Contractual services	16,396,400	17,929,856	16,174,989	1,754,867
Improvements and equipment	242,700	751,235	381,327	369,908
Total public works	<u>33,441,300</u>	<u>37,268,684</u>	<u>31,695,065</u>	<u>5,573,619</u>
Total public works	<u>37,767,800</u>	<u>42,157,047</u>	<u>35,139,059</u>	<u>7,017,988</u>
Culture and recreation:				
Salaries, wages and employee benefits	10,286,800	10,286,870	10,105,530	181,340
Materials and supplies	748,200	867,759	919,696	(51,937)
Contractual services	4,718,700	5,116,769	5,996,150	(879,381)
Other charges	294,900	308,784	297,725	11,059
Improvements and equipment	339,400	1,340,006	1,340,937	(931)
Total culture and recreation	<u>16,388,000</u>	<u>17,920,188</u>	<u>18,660,038</u>	<u>(739,850)</u>
Total expenditures	<u>206,523,600</u>	<u>216,275,822</u>	<u>208,323,894</u>	<u>7,951,928</u>
Excess (deficiency) of revenues over (under) expenditures	(7,196,300)	(16,714,222)	(1,072,852)	15,641,370
OTHER FINANCING SOURCES (USES)				
Capital lease	1,600,000	1,675,000	-	(1,675,000)
Transfers in	8,665,600	8,665,600	8,665,600	-
Transfers out	(10,051,200)	(9,373,600)	(9,711,517)	(337,917)
Total other financing sources (uses)	<u>214,400</u>	<u>967,000</u>	<u>(1,045,917)</u>	<u>(2,012,917)</u>
Net change in fund balance	(6,981,900)	(15,747,222)	(2,118,769)	13,628,453
Fund balances -beginning	13,735,397	13,735,397	13,735,397	-
Fund balances -ending	<u>\$ 6,753,497</u>	<u>\$ (2,011,825)</u>	<u>\$ 11,616,628</u>	<u>\$ 13,628,453</u>

See notes to budgetary comparison schedules

(concluded)

**CITY OF SHREVEPORT, LOUISIANA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 6,513,100	\$ 8,683,600	\$ 5,230,470	\$ (3,453,130)
Investment earnings	-	-	-	-
Miscellaneous	660,500	696,700	329,075	(367,625)
Total revenues	<u>7,173,600</u>	<u>9,380,300</u>	<u>5,559,545</u>	<u>(3,820,755)</u>
EXPENDITURES				
Administration:				
Salaries, wages and employee benefits	622,661	653,661	663,879	(10,218)
Materials and supplies	26,726	26,726	15,411	11,315
Contractual services	248,460	275,560	146,304	129,256
Other charges	58,298	58,298	103,329	(45,031)
Improvements and equipment	11,700	11,700	4,063	7,637
Total administration	<u>967,845</u>	<u>1,025,945</u>	<u>932,986</u>	<u>92,959</u>
Community services:				
Contractual services	522,417	542,417	8,188	534,229
Other charges	603,893	608,993	375,007	233,986
Total community development projects	<u>1,126,310</u>	<u>1,151,410</u>	<u>383,195</u>	<u>768,215</u>
Workforce development:				
Salaries, wages and employee benefits	1,633,600	1,633,600	1,273,926	359,674
Materials and supplies	56,617	56,617	30,350	26,267
Contractual services	1,612,609	1,969,909	1,106,931	862,978
Other charges	800	800	753	47
Improvements and equipment	22,570	22,750	3,634	19,116
Total workforce development	<u>3,326,196</u>	<u>3,683,676</u>	<u>2,415,594</u>	<u>1,268,082</u>
Housing and business development administration:				
Salaries, wages and employee benefits	458,400	458,400	442,461	15,939
Materials and supplies	38,570	38,570	32,507	6,063
Contractual services	326,900	327,100	192,144	134,956
Other charges	8,204,762	8,220,962	2,996,039	5,224,923
Improvements and equipment	812	812	26,450	(25,638)
Total housing and business development administration	<u>9,029,444</u>	<u>9,045,844</u>	<u>3,689,601</u>	<u>5,356,243</u>

(continued)

(continued)

CITY OF SHREVEPORT, LOUISIANA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total expenditures	<u>14,449,795</u>	<u>14,906,875</u>	<u>7,421,376</u>	<u>7,485,499</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,276,195)</u>	<u>(5,526,575)</u>	<u>(1,861,831)</u>	<u>3,664,744</u>
OTHER FINANCING SOURCES				
Transfers in	<u>996,800</u>	<u>996,800</u>	<u>996,800</u>	<u>-</u>
Total other financing sources	<u>996,800</u>	<u>996,800</u>	<u>996,800</u>	<u>-</u>
Net change in fund balances	<u>(6,279,395)</u>	<u>(4,529,775)</u>	<u>(865,031)</u>	<u>3,664,744</u>
Fund balances - beginning	<u>943,896</u>	<u>943,896</u>	<u>943,896</u>	<u>-</u>
Fund balances - ending	<u>\$ (5,335,499)</u>	<u>\$ (3,585,879)</u>	<u>\$ 78,865</u>	<u>\$ 3,664,744</u>

See notes to budgetary comparison schedules

(concluded)

CITY OF SHREVEPORT, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
DECEMBER 31, 2018

- Prior to October 1, the Mayor files with the Clerk of Council a proposed operating budget for the fiscal year commencing the following January. The operating budget includes proposed expenditures and related financing sources. The City Council conducts public hearings and proposes adoption of the various budget ordinances. Prior to December 15, the City Council adopts the final budgets controlling the financial operations of the City for the ensuing fiscal year.
- Legal budgetary control for operating budgets is exercised at the department/object class with the exception of the Community Development Department where control is exercised at the division/object class. The ordinances provide lump sum appropriation at the object level. The City Charter allows the Mayor to authorize the transfer of budgeted amounts from one activity to another within the same lump sum appropriation, within the same department with the exception of the Community Development Department where funds must be spent within the same division. Budgetary transfers across department lines or between classes of lump sum appropriations must be approved by the City Council. During the year, the City Council approves several amendments to the budget. The City Charter provides that expenditures may not legally exceed appropriations. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year for the General, Debt Service, Special Revenue Funds (except for the Enrichment Fund), Capital Projects and Proprietary Funds. The capital project funds adopt project length budgets. The budgets for governmental funds are adopted on a basis of accounting substantially consistent with generally accepted accounting principles except for state supplemental pay for fire and police, which is included but not budgeted in the General Fund.
- All appropriations which are not expended or encumbered lapse at year end. Encumbrances outstanding at year end will be re-appropriated and honored during the subsequent year.

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CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF CHANGES IN
TOTAL OPEB LIABILITY AND RELATED RATIOS AND NOTES
LAST 10 FISCAL YEARS (1)
(UNAUDITED)

	2018
Total OPEB Liability	
Service cost	\$ 21,035,162
Interest	18,090,930
Changes of benefit terms	-
Changes in assumptions and other inputs	(45,209,445)
Differences between expected and actual experience	-
Estimated Benefit payments	(12,954,964)
Net change in total OPEB Liability	(19,038,317)
Total OPEB liability - beginning	558,479,907
Total OPEB liability - ending	\$ 539,441,590
Covered payroll	\$ 103,002,778
Total OPEB liability as a percentage of covered payroll	523.72%

Notes to Schedule:

(1) This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

(2) Benefit changes: There were no changes in benefit terms for the year ended 12/31/2018.

(3) Changes of Assumptions. No changes.

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS (1)
(UNAUDITED)

	<u>2014</u>			<u>2015</u>		
	<u>FPRF</u>	<u>PPRF</u>	<u>ERS (2)</u>	<u>FPRF</u>	<u>PPRF</u>	<u>ERS (2)</u>
Total pension liability						
Service cost	\$ 4,653	\$ -	\$ 5,494,260	\$ 4,979	\$ -	\$ 6,264,500
Interest	1,602,967	1,426,956	26,529,382	1,859,480	1,398,072	27,067,858
Changes of benefit terms	-	-	(8,183,785)	-	-	-
Differences between expected and actual experience	(3,791,005)	(1,271,703)	(1,782,300)	3,213,720	(648,505)	(3,180,367)
Changes of assumptions	-	-	28,311,060	-	-	3,439,187
Benefit payments, including refunds of member contributions	(1,366,507)	(1,172,492)	(24,723,019)	(1,354,158)	(1,210,296)	(26,288,175)
Net change in total pension liability	<u>(3,549,892)</u>	<u>(1,017,239)</u>	<u>25,645,598</u>	<u>3,724,021</u>	<u>(460,729)</u>	<u>7,303,003</u>
Total pension liability - beginning	<u>27,558,272</u>	<u>22,233,117</u>	<u>367,440,360</u>	<u>24,008,380</u>	<u>21,215,878</u>	<u>393,085,958</u>
Total pension liability - ending (a)	<u>24,008,380</u>	<u>21,215,878</u>	<u>393,085,958</u>	<u>27,732,401</u>	<u>20,755,149</u>	<u>400,388,961</u>
Plan fiduciary net position						
Contributions - employer	1,048,879	1,036,775	5,944,981	971,454	959,232	7,364,386
Contributions - member	-	-	5,156,403	-	-	5,305,200
Net investment income	631,130	759,582	11,665,092	(425,457)	129,297	372,079
Benefit payments, including refunds of member contributions	(1,366,507)	(1,172,492)	(24,723,019)	(1,354,158)	(1,210,296)	(26,288,175)
Administrative expense	(25,160)	(25,158)	(80,944)	(20,509)	(20,551)	(74,238)
Other	(18,006)	-	-	-	-	-
Net change in plan fiduciary net position	<u>270,336</u>	<u>598,707</u>	<u>(2,037,487)</u>	<u>(828,670)</u>	<u>(142,318)</u>	<u>(13,320,748)</u>
Plan fiduciary net position - beginning	<u>16,676,219</u>	<u>16,974,531</u>	<u>198,891,210</u>	<u>16,946,555</u>	<u>17,573,238</u>	<u>196,853,723</u>
Plan fiduciary net position - ending (b)	<u>16,946,555</u>	<u>17,573,238</u>	<u>196,853,723</u>	<u>16,117,885</u>	<u>17,430,920</u>	<u>183,532,975</u>
Net pension liability - ending (a) - (b)	<u>\$ 7,061,825</u>	<u>\$ 3,642,640</u>	<u>\$ 196,232,235</u>	<u>\$ 11,614,516</u>	<u>\$ 3,324,229</u>	<u>\$ 216,855,986</u>
Plan fiduciary net position as a percentage of the total pension liability	70.59%	82.83%	50.08%	58.12%	83.98%	45.84%
Covered payroll	\$ 1,016,908	N/A	\$ 49,120,412	\$ 955,637	N/A	\$ 43,859,241
Net pension liability as a percentage of covered payroll	694.44%	N/A	399.49%	1215.37%	N/A	494.44%

(1) This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

(2) For financial statement presentation, Employee Retirement System amounts are allocated between the general fund, enterprise funds, component units, and a jointly governed entity. The amounts above are presented for the entire plan.

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (CONTINUED)
LAST 10 FISCAL YEARS (1)
(UNAUDITED)

	2016			2017		
	FPRF	PPRF	ERS (2)	FPRF	PPRF	ERS (2)
Total pension liability						
Service cost	\$ 2,788	\$ -	\$ 6,706,830	\$ 2,466	\$ -	\$ 6,388,377
Interest	1,849,607	1,366,827	27,394,227	1,818,972	1,351,708	27,864,078
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(628,336)	(630,522)	(1,597,021)	(870,520)	(251,420)	1,888,718
Changes of assumptions	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(1,392,339)	(1,217,638)	(27,332,589)	(1,446,353)	(1,449,066)	(28,176,388)
Net change in total pension liability	(168,280)	(481,333)	5,171,447	(495,435)	(348,778)	7,964,785
Total pension liability - beginning	27,732,414	20,755,149	400,388,961	27,564,134	20,273,816	405,560,408
Total pension liability - ending (a)	27,564,134	20,273,816	405,560,408	27,068,699	19,925,038	413,525,193
Plan fiduciary net position						
Contributions - employer	1,045,758	1,034,990	9,006,403	-	-	9,449,966
Contributions - member	-	-	4,951,230	-	-	4,987,403
Net investment income	808,462	995,992	16,413,839	1,548,013	1,851,689	24,769,925
Benefit payments, including refunds of member contributions	(1,392,339)	(1,217,638)	(27,332,589)	(1,446,353)	(1,449,066)	(28,176,388)
Administrative expense	(19,846)	(19,847)	(61,796)	(26,385)	(26,417)	(1,154,171)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	442,035	793,497	2,977,087	75,275	376,206	9,876,735
Plan fiduciary net position - beginning	16,117,885	17,430,920	183,532,975	16,559,920	18,224,417	186,510,062
Plan fiduciary net position - ending (b)	16,559,920	18,224,417	186,510,062	16,635,195	18,600,623	196,386,797
Net pension liability - ending (a) - (b)	\$ 11,004,214	\$ 2,049,399	\$ 219,050,346	\$ 10,433,504	\$ 1,324,415	\$ 217,138,396
Plan fiduciary net position as a percentage of the total pension liability	60.08%	89.89%	45.99%	61.46%	93.35%	47.49%
Covered payroll	\$ 862,288	\$ -	\$ 43,752,144	\$ 905,402	\$ -	\$ 45,107,805
Net pension liability as a percentage of covered payroll	1276.16%	0.00%	500.66%	1152.36%	0.00%	481.38%

(1) This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

(2) For financial statement presentation, Employee Retirement System amounts are allocated between the general fund, enterprise funds, component units, and a jointly governed entity. The amounts above are presented for the entire plan.

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (CONTINUED)
LAST 10 FISCAL YEARS (1)
(UNAUDITED)

	2018		
	FPRF	PPRF	ERS (2)
Total pension liability			
Service cost	\$ 1,724	\$ -	\$ 7,301,607
Interest	1,826,801	1,337,021	28,333,337
Effect of economic/demographic gains or losses	(239,007)	(186,984)	(2,693,219)
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Benefit payments, including refunds of member contributions	(1,494,050)	(1,297,462)	(30,199,330)
Net change in total pension liability	<u>95,468</u>	<u>(147,425)</u>	<u>2,742,395</u>
Total pension liability - beginning	<u>27,068,699</u>	<u>19,925,038</u>	<u>413,525,193</u>
Total pension liability - ending (a)	<u>27,164,167</u>	<u>19,777,613</u>	<u>416,267,588</u>
Plan fiduciary net position			
Contributions - employer	-	-	10,510,340
Contributions - member	-	-	6,027,012
Net investment income	(860,679)	(944,273)	(7,080,949)
Benefit payments, including refunds of member contributions	(1,494,050)	(1,297,462)	(30,199,330)
Administrative expense	(22,576)	(22,554)	(1,568,752)
Other	-	-	-
Net change in plan fiduciary net position	<u>(2,377,305)</u>	<u>(2,264,289)</u>	<u>(22,311,679)</u>
Plan fiduciary net position - beginning	<u>16,635,195</u>	<u>18,600,623</u>	<u>196,386,797</u>
Plan fiduciary net position - ending (b)	<u>14,257,890</u>	<u>16,336,334</u>	<u>174,075,118</u>
Net pension liability - ending (a) - (b)	<u>\$ 12,906,277</u>	<u>\$ 3,441,279</u>	<u>\$ 242,192,470</u>
Plan fiduciary net position as a percentage of the total pension liability	52.49%	82.60%	41.82%
Covered payroll	\$ 950,673	\$ -	\$ 43,829,652
Net pension liability as a percentage of covered payroll	1357.59%	0.00%	552.58%

(1) This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

(2) For financial statement presentation, Employee Retirement System amounts are allocated between the general fund, enterprise funds, component units, and a jointly governed entity. The amounts above are presented for the entire plan.

**CITY OF SHREVEPORT, LOUISIANA
 SCHEDULE OF INVESTMENT RETURNS
 LAST TEN FISCAL YEARS (1)
 (UNAUDITED)**

Annual money-weighted rate of return net of investment expense

<u>Year</u>	<u>FPRF</u>	<u>PPRF</u>	<u>ERS</u>
2013	12.03%	11.85%	18.92%
2014	3.72%	4.35%	6.09%
2015	-2.54%	0.74%	0.20%
2016	5.08%	5.75%	9.31%
2017	9.81%	10.62%	13.87%
2018	-5.45%	-5.28%	-3.76%

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

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fireman Pension and Relief Fund										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actuarially determined contribution	\$ 2,719,001	\$ 2,847,389	\$ 2,310,932	\$ 3,726,529	\$ 4,477,402	\$ 4,171,194	\$ 2,696,250	\$ 1,255,047	\$ 1,232,690	\$ 1,224,761
Contributions in relation to the actuarially determined contribution	1,406,904	1,407,204	1,462,207	1,465,203	964,526	1,048,879	971,454	1,045,758	-	-
Contribution deficiency (excess)	1,312,097	1,440,185	848,725	2,261,326	3,512,876	3,122,315	1,724,796	209,289	1,232,690	1,224,761
Covered payroll	2,034,266	2,135,980	1,197,330	1,140,314	858,951	1,016,908	955,637	862,288	905,402	950,673
Contributions as a percentage of covered payroll	69.16%	65.88%	122.12%	128.49%	112.29%	103.14%	101.66%	121.28%	n/a	n/a
Policeman Pension and Relief Fund										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actuarially determined contribution	\$ 1,835,113	\$ 1,616,818	\$ 1,373,266	\$ 2,215,304	\$ 2,437,506	\$ 1,371,743	\$ 1,854,426	\$ 1,861,297	\$ 2,214,685	\$ 1,446,228
Contributions in relation to the actuarially determined contribution	1,407,096	1,407,296	1,373,266	1,445,914	954,585	1,036,775	959,232	1,034,990	-	-
Contribution deficiency (excess)	428,017	209,522	-	769,390	1,482,921	334,968	895,194	826,307	2,214,685	1,446,228
Covered payroll	n/a									
Contributions as a percentage of covered payroll	n/a									
Employee Retirement System										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actuarially determined contribution	\$12,040,692	\$11,238,882	\$12,202,624	\$16,380,807	\$16,764,758	\$16,351,357	\$18,083,506	\$19,842,219	\$19,267,744	\$20,537,815
Contributions in relation to the actuarially determined contribution	6,634,421	6,261,604	6,003,545	5,970,988	5,951,946	5,944,981	7,364,386	9,006,403	9,449,966	10,510,340
Contribution deficiency (excess)	5,406,271	4,977,278	6,199,079	10,409,819	10,812,812	10,406,376	10,719,120	10,835,816	9,817,778	10,027,475
Covered payroll	49,021,000	45,226,000	45,538,000	45,247,171	44,749,039	49,120,412	43,859,241	43,752,144	45,107,805	43,829,652
Contributions as a percentage of covered payroll	13.53%	13.85%	13.18%	13.20%	13.30%	12.10%	16.79%	20.59%	20.95%	23.98%

(1) For financial statement presentation, Employee Retirement System amounts are allocated between the general fund, enterprise funds, component units, and a jointly governed entity. The amounts above are presented for the entire plan.

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Methods and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of pension contributions were calculated as of December 31, 2018. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

	<u>FPRF</u>	<u>PPRF</u>	<u>ERS</u>
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level dollar, closed	Level dollar, closed	N/A
Remaining amortization period	13 years	1 year	N/A
Asset valuation period	N/A	N/A	N/A
Inflation	2.50%	2.50%	2.50%
Salary increases	5.00%	N/A	Based on classification
Investment rate of return	7.00%	7.00%	7.00%
Cost of Living Adjustment	3.00%	3.00%	None
Retirement Age	Plan specific	n/a	Plan specific
Turnover	Plan specific	n/a	Plan specific
Mortality	Non-annuitants: RP-2000 "Employees" table projected to 2034 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2026 using Scale AA	Non-annuitants: RP-2000 "Employees" table projected to 2034 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2026 using Scale AA	Non-annuitants: RP-2000 "Employee" table projected to 2034 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2026 using Scale AA
Disability	Plan specific	Plan specific	Plan specific

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY - STATE
LAST TEN FISCAL YEARS (1)
(UNAUDITED)

<u>Plan</u>	<u>Year</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
MPERS	2015	10.907553%	\$ 85,449,276	\$ 18,469,499	462.65%	70.73%
FRS	2015	14.253575%	76,929,090	14,132,726	544.33%	72.45%
MPERS	2016	10.462889%	98,066,748	28,897,057	339.37%	66.04%
FRS	2016	13.660802%	89,353,995	29,861,960	299.22%	68.16%
MPERS	2017	10.029179%	87,558,975	29,521,311	296.60%	70.08%
FRS	2017	13.298266%	76,223,654	28,916,765	263.60%	73.55%
MPERS	2018	10.298837%	87,066,997	30,380,422	286.59%	71.89%
FRS	2018	13.597316%	78,212,822	32,090,406	243.73%	74.76%

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

The amounts presented have a measurement date of June 30.

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS - STATE
LAST TEN FISCAL YEARS (1)
(UNAUDITED)

Plan	Year	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
		Contractually Required Contribution	Contractual Required Contribution	Contribution Deficiency (Excess)		
MPERS	2015	\$ 9,190,723	\$ 9,190,723	\$ -	\$ 18,469,499	49.76%
FRS	2015	8,860,375	8,860,375	-	14,132,726	62.69%
MPERS	2016	8,646,089	9,102,573	(456,484)	28,897,057	31.50%
FRS	2016	8,393,570	8,137,384	256,186	29,861,960	27.25%
MPERS	2017	9,506,039	9,299,213	206,826	29,521,311	31.50%
FRS	2017	7,843,256	7,879,819	(36,563)	28,916,765	27.25%
MPERS	2018	9,355,010	9,345,919	9,091	30,380,422	30.76%
FRS	2018	8,578,848	8,599,469	(20,621)	32,090,406	26.80%

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

The amounts presented have a measurement date of June 30.

CITY OF SHREVEPORT, LOUISIANA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 27,585,700	\$ 27,585,700	\$ 24,729,579	\$ (2,856,121)
Investment earnings	140,000	140,000	55,060	(84,940)
Intergovernmental	997,000	997,000	1,775,400	778,400
	<u>28,722,700</u>	<u>28,722,700</u>	<u>26,560,039</u>	<u>(2,162,661)</u>
EXPENDITURES				
Principal	22,569,000	22,569,000	21,096,629	1,472,371
Interest and other charges	10,189,400	10,189,400	7,954,753	2,234,647
Bond issuance costs	-	-	16,058	(16,058)
	<u>32,758,400</u>	<u>32,758,400</u>	<u>29,067,440</u>	<u>3,690,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,035,700)</u>	<u>(4,035,700)</u>	<u>(2,507,401)</u>	<u>1,528,299</u>
OTHER FINANCING SOURCES				
Refunding bonds issued	-	-	-	-
Premium on refunding bonds issued	-	-	-	-
Payments to refunding bonds escrow agent	-	-	-	-
Transfers in	3,000,000	3,000,000	2,156,207	(843,793)
Total other financing sources	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,156,207</u>	<u>(843,793)</u>
Net change in fund balances	(1,035,700)	(1,035,700)	(351,194)	684,506
Fund balances - beginning	<u>50,716,946</u>	<u>50,716,946</u>	<u>50,716,946</u>	<u>-</u>
Fund balances - ending	<u>\$ 49,681,246</u>	<u>\$ 49,681,246</u>	<u>\$ 50,365,752</u>	<u>\$ 684,506</u>

CITY OF SHREVEPORT, LOUISIANA
STREETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings			\$ 4,253	\$ 4,253
Franchise Fees	6,800,000	6,800,000	7,604,875	804,875
Total revenues	<u>6,800,000</u>	<u>6,800,000</u>	<u>7,609,128</u>	<u>809,128</u>
EXPENDITURES				
Capital projects	7,500,000	7,500,000	-	(7,500,000)
Total expenditures	<u>7,500,000</u>	<u>7,500,000</u>	<u>-</u>	<u>(7,500,000)</u>
Excess of revenue over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,457,644)	(7,457,644)	(7,457,644)	-
Total other financing sources (uses)	<u>(7,457,644)</u>	<u>(7,457,644)</u>	<u>(7,457,644)</u>	<u>-</u>
Net change in fund balances	(657,644)	(657,644)	151,484	809,128
Fund balances - beginning	<u>1,519,554</u>	<u>1,519,554</u>	<u>1,519,554</u>	<u>-</u>
Fund balances - ending	<u>\$ 861,910</u>	<u>\$ 861,910</u>	<u>\$ 1,671,038</u>	<u>\$ 809,128</u>

CITY OF SHREVEPORT, LOUISIANA
RIVERFRONT DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Gaming	\$ 9,002,400	\$ 8,702,400	\$ 8,792,004	\$ 89,604
Investment Earnings	-	-	2,315	2,315
Miscellaneous	1,062,200	1,062,200	1,062,192	(8)
Total revenues	<u>10,064,600</u>	<u>9,764,600</u>	<u>9,856,511</u>	<u>91,911</u>
EXPENDITURES				
Current:				
Economic development:				
Salaries, wages and employee benefits	184,000	134,000	111,703	22,297
Materials and supplies	17,500	17,500	2,275	15,225
Contractual services	371,000	121,000	27,759	93,241
Other charges	932,500	974,700	673,046	301,654
Total expenditures	<u>1,505,000</u>	<u>1,247,200</u>	<u>814,783</u>	<u>432,417</u>
Excess (deficiency) of revenues over under expenditures	<u>8,559,600</u>	<u>8,517,400</u>	<u>9,041,728</u>	<u>524,328</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(8,935,900)	(8,935,900)	(8,935,900)	-
Total other financing uses	<u>(8,935,900)</u>	<u>(8,935,900)</u>	<u>(8,935,900)</u>	<u>-</u>
Net change in fund balance	(376,300)	(418,500)	105,828	524,328
Fund balance -beginning	<u>3,044</u>	<u>3,044</u>	<u>3,044</u>	<u>-</u>
Fund balance-ending	<u>\$ (373,256)</u>	<u>\$ (415,456)</u>	<u>\$ 108,872</u>	<u>\$ 524,328</u>

CITY OF SHREVEPORT, LOUISIANA
POLICE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,459,200	\$ 2,507,300	\$ 765,951	\$ (1,741,349)
Investment earnings	1,900	1,900	-	(1,900)
Miscellaneous	179,700	179,700	157,924	(21,776)
Total revenues	<u>2,640,800</u>	<u>2,688,900</u>	<u>923,875</u>	<u>(1,765,025)</u>
EXPENDITURES				
Current:				
Public Safety:				
Salaries, wages and employee benefits	1,644,700	1,692,800	733,256	959,544
Materials and supplies	114,000	114,000	62,027	51,973
Contractual services	733,090	111,700	91,212	20,488
Other charges	127,600	748,990	62,934	686,056
Improvements and equipment	331,310	331,310	183,148	148,162
Total expenditures	<u>2,950,700</u>	<u>2,998,800</u>	<u>1,132,577</u>	<u>1,866,223</u>
Excess (deficiency) of revenues over under expenditures	<u>(309,900)</u>	<u>(309,900)</u>	<u>(208,702)</u>	<u>101,198</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(309,900)	(309,900)	(208,702)	101,198
Fund balance - beginning	<u>573,962</u>	<u>573,962</u>	<u>573,962</u>	<u>-</u>
Fund balance - ending	<u>\$ 264,062</u>	<u>\$ 264,062</u>	<u>\$ 365,260</u>	<u>\$ 101,198</u>

CITY OF SHREVEPORT, LOUISIANA
DOWNTOWN ENTERTAINMENT ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 1,900	\$ 1,900	\$ 802	\$ (1,098)
Land rent	15,000	15,000	-	(15,000)
Sales tax	100,000	100,000	86,477	(13,523)
Miscellaneous	-	-	-	-
Total revenues	<u>116,900</u>	<u>116,900</u>	<u>87,279</u>	<u>(29,621)</u>
EXPENDITURES				
Current:				
Economic development:				
Salaries, wages and employee benefits	48,700	48,700	46,613	2,087
Materials and supplies	4,500	5,228	5,017	211
Contractual services	72,000	86,510	81,116	5,394
Other charges	29,000	30,515	28,954	1,561
Operating Reserves	641,700	641,700	-	641,700
Improvements and equipment	-	-	-	-
Total expenditures	<u>795,900</u>	<u>812,653</u>	<u>161,700</u>	<u>650,953</u>
Excess (deficiency) of revenues over under expenditures	<u>(679,000)</u>	<u>(695,753)</u>	<u>(74,421)</u>	<u>621,332</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing uses	-	-	-	-
Net change in fund balance	<u>(679,000)</u>	<u>(695,753)</u>	<u>(74,421)</u>	<u>\$ 621,332</u>
Fund balance -beginning	<u>557,299</u>	<u>557,299</u>	<u>557,299</u>	<u>\$ -</u>
Fund balance-ending	<u>\$ (121,701)</u>	<u>\$ (138,454)</u>	<u>\$ 482,878</u>	<u>\$ 621,332</u>

CITY OF SHREVEPORT, LOUISIANA
REDEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 7	\$ 7
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
EXPENDITURES				
Current:				
Economic development:				
Other charges	4,033	4,033	-	4,033
Total expenditures	<u>4,033</u>	<u>4,033</u>	<u>-</u>	<u>4,033</u>
Excess (deficiency) of revenues over (under) expenditures	(4,033)	(4,033)	7	4,040
Fund balance -beginning	<u>200,102</u>	<u>200,102</u>	<u>200,102</u>	<u>-</u>
Fund balance-ending	<u>\$ 196,069</u>	<u>\$ 196,069</u>	<u>\$ 200,109</u>	<u>\$ 4,040</u>

**CITY OF SHREVEPORT, LOUISIANA
ENVIRONMENTAL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 297,000	\$ 297,000	\$ 247,810	\$ (49,190)
Investment earnings	-	-	2,367	2,367
Miscellaneous	-	-	-	-
Total revenues	<u>297,000</u>	<u>297,000</u>	<u>250,177</u>	<u>(46,823)</u>
EXPENDITURES				
Current:				
General government:				
Salaries, wages and employee benefits	7,500	7,500	-	7,500
Materials and supplies	299	299	-	299
Contractual services	322,612	595,916	247,810	348,106
Other charges	890,555	890,555	-	890,555
Total expenditures	<u>1,220,966</u>	<u>1,494,270</u>	<u>247,810</u>	<u>1,246,460</u>
Excess (deficiency) of revenues over under expenditures	(923,966)	(1,197,270)	2,367	1,199,637
Fund balance -beginning	<u>1,366,642</u>	<u>1,366,642</u>	<u>1,366,642</u>	<u>-</u>
Fund balance-ending	<u>\$ 442,676</u>	<u>\$ 169,372</u>	<u>\$ 1,369,009</u>	<u>\$ 1,199,637</u>

**CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Mayor Ollie S. Tyler
January 1, 2018 - December 28, 2018**

Salary	\$	92,545
Vacation (Regular and Final)		14,647
Benefits-insurance		1,885
Deferred compensation		8,693
Cell phone		588
Travel		525
Total	\$	<u>118,884</u>

**Mayor Adrian Perkins
December 29, 2018 - December 31, 2018**

Salary	\$	-
Vacation (Regular and Final)		-
Benefits-insurance		-
Deferred compensation		-
Cell phone		-
Travel		-
Total	\$	<u>-</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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Nonmajor Governmental Funds Special Revenue Funds

Special Revenue Funds are used for specific revenues that are legally restricted to expenditures for particular purposes.

Streets Fund – This fund is used for construction and repair of streets, including sidewalk and drainage structures.

Enrichment Fund - This fund is used to account for donations held for the purpose of enrichment and improvement of City facilities and services.

Riverfront Development Fund - This fund accounts for the collection and disbursement of funds from the riverfront gaming activities.

Police Grants Fund - This fund accounts for the collection and disbursement of various state and federal grants to the City of Shreveport Police Department.

Downtown Entertainment Economic Development Fund - This fund is used to account for incremental sales tax revenues collected from the development area to promote development of the area and associated projects.

Redevelopment Fund - This fund is used to acquire and land bank vacant adjudicated property for future redevelopment projects and to acquire other property for current redevelopment projects in redevelopment areas.

Environmental Grants Fund - This fund accounts for grants received for Brownfields assessment, cleanup loan fund, job training, and economic development.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Miscellaneous General Obligation Bond Funds - These funds are used to account for bonds issued for the purpose of constructing public buildings and/or improving streets, public safety, drainage systems, waste disposal, parks, an industrial park, and a Sportran maintenance facility.

Miscellaneous Capital Projects Fund - This fund is used to account for various projects funded by miscellaneous sources other than general obligation bonds.

2003A General Obligation Bond Fund - This fund is used to account for bonds issued for the purpose of constructing, acquiring, and improving works of neighborhood public improvement, recreation facilities, and police and fire facilities.

2011 General Obligation Bonds – This fund is used to account for bonds issued for the purpose of improving the water and sewer system, various public facilities and streets and drainage systems.

**CITY OF SHREVEPORT, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Special Revenue Funds							Total
	Streets	Enrichment	Riverfront Development	Police Grants	Downtown Entertainment Economic Development	Redevelopment	Environmental Grants	
ASSETS								
Cash and cash equivalents	\$ -	\$ 1,117,557	\$ -	\$ -	\$ 494,744	\$ 4,043	\$ 1,335,441	\$ 2,951,785
Accounts receivable, net	1,738,452	-	809,929	15,108	-	-	-	2,563,489
Due from other governments	-	-	-	361,551	-	-	91,175	452,726
Due from other funds	-	-	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	196,066	-	196,066
Total assets	<u>\$ 1,738,452</u>	<u>\$ 1,117,557</u>	<u>\$ 809,929</u>	<u>\$ 376,659</u>	<u>\$ 494,744</u>	<u>\$ 200,109</u>	<u>\$ 1,426,616</u>	<u>\$ 6,164,066</u>
LIABILITIES AND FUND BALANCES (DEFICIT)								
Liabilities:								
Accounts payable	\$ -	\$ 35,963	\$ 98	\$ 2,406	\$ 11,866	\$ -	\$ 57,607	\$ 107,940
Due to other funds	67,414	-	700,959	8,993	-	-	-	777,366
Due to other governments	-	-	-	-	-	-	-	-
Total liabilities	<u>67,414</u>	<u>35,963</u>	<u>701,057</u>	<u>11,399</u>	<u>11,866</u>	<u>-</u>	<u>57,607</u>	<u>885,306</u>
Fund balance:								
Restricted	1,671,038	1,081,594	108,872	365,260	482,878	200,109	1,369,009	5,278,760
Total fund balance:	<u>1,671,038</u>	<u>1,081,594</u>	<u>108,872</u>	<u>365,260</u>	<u>482,878</u>	<u>200,109</u>	<u>1,369,009</u>	<u>5,278,760</u>
Total liabilities and fund balance:	<u>\$ 1,738,452</u>	<u>\$ 1,117,557</u>	<u>\$ 809,929</u>	<u>\$ 376,659</u>	<u>\$ 494,744</u>	<u>\$ 200,109</u>	<u>\$ 1,426,616</u>	<u>\$ 6,164,066</u>

(continued)

(continued)

CITY OF SHREVEPORT, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Capital Project Funds				Total	Total Nonmajor Governmental Funds
	Miscellaneous General Obligation Bond Funds	Miscellaneous Capital Projects Fund	2003A General Obligation Bond Fund	2011 General Obligation Bond Fund		
ASSETS						
Cash and cash equivalents	\$ 3,303,275	\$ 7,083,443	\$ 3,279,370	\$ 4,515,967	\$ 18,182,055	\$ 21,133,840
Accounts receivable, net	-	-	-	-	-	2,563,489
Due from other governments	-	-	-	-	-	452,726
Due from other funds	4,264,486	195,933	-	-	4,460,419	4,460,419
Assets held for resale	-	-	-	-	-	196,066
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,066</u>
 Total assets	 <u>\$ 7,567,761</u>	 <u>\$ 7,279,376</u>	 <u>\$ 3,279,370</u>	 <u>\$ 4,515,967</u>	 <u>\$ 22,642,474</u>	 <u>\$ 28,806,540</u>
 LIABILITIES AND FUND BALANCES (DEFICIT)						
Liabilities:						
Accounts payable	\$ 347,459	\$ 516,783	\$ 450	\$ 496,239	\$ 1,360,931	\$ 1,468,871
Due to other funds	846,161	-	-	-	846,161	1,623,527
Due to other governments	-	-	-	-	-	-
Total liabilities	<u>1,193,620</u>	<u>516,783</u>	<u>450</u>	<u>496,239</u>	<u>2,207,092</u>	<u>3,092,398</u>
Fund balance:						
Restricted	6,374,141	6,762,593	3,278,920	4,019,728	20,435,382	25,714,142
Total fund balance:	<u>6,374,141</u>	<u>6,762,593</u>	<u>3,278,920</u>	<u>4,019,728</u>	<u>20,435,382</u>	<u>25,714,142</u>
 Total liabilities and fund balance:	 <u>\$ 7,567,761</u>	 <u>\$ 7,279,376</u>	 <u>\$ 3,279,370</u>	 <u>\$ 4,515,967</u>	 <u>\$ 22,642,474</u>	 <u>\$ 28,806,540</u>

(concluded)

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Special Revenue Funds

	Streets	Enrichment	Riverfront Development	Police Grants	Downtown Entertainment Economic Development	Redevelopment	Environmental Grants	Total
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ 765,951	\$ -	\$ 7	\$ 247,810	\$ 1,013,768
Gaming	-	-	8,792,004	-	-	-	-	8,792,004
Investment earnings	4,253	1,823	2,315	-	802	-	2,367	11,560
Miscellaneous	7,604,875	360,907	1,062,192	157,924	86,477	-	-	9,272,375
Total revenues	<u>7,609,128</u>	<u>362,730</u>	<u>9,856,511</u>	<u>923,875</u>	<u>87,279</u>	<u>7</u>	<u>250,177</u>	<u>19,089,707</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	247,810	247,810
Public safety	-	234,797	-	1,132,577	-	-	-	1,367,374
Culture and recreation	-	167,709	-	-	-	-	-	167,709
Economic development	-	-	814,783	-	161,700	-	-	976,483
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>402,506</u>	<u>814,783</u>	<u>1,132,577</u>	<u>161,700</u>	<u>-</u>	<u>247,810</u>	<u>2,759,376</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,609,128</u>	<u>(39,776)</u>	<u>9,041,728</u>	<u>(208,702)</u>	<u>(74,421)</u>	<u>7</u>	<u>2,367</u>	<u>16,330,331</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(7,457,644)	-	(8,935,900)	-	-	-	-	(16,393,544)
Total other financing sources and uses	<u>(7,457,644)</u>	<u>-</u>	<u>(8,935,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,393,544)</u>
Net change in fund balances	151,484	(39,776)	105,828	(208,702)	(74,421)	7	2,367	(63,213)
Fund balances-beginning	1,519,554	1,121,370	3,044	573,962	557,299	200,102	1,366,642	5,341,973
Fund balances-ending	<u>\$ 1,671,038</u>	<u>\$ 1,081,594</u>	<u>\$ 108,872</u>	<u>\$ 365,260</u>	<u>\$ 482,878</u>	<u>\$ 200,109</u>	<u>\$ 1,369,009</u>	<u>\$ 5,278,760</u>

(continued)

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CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Capital Project Funds					
	Miscellaneous General Obligation Bond Funds	Miscellaneous Capital Projects Fund	2003A General Obligation Bond Fund	2011 General Obligation Bond Fund	Total	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,013,768
Gaming	-	-	-	-	-	8,792,004
Investment earnings	325	-	6,545	86,735	93,605	105,165
Miscellaneous	11,906	382,131	-	-	394,037	9,666,412
Total revenues	<u>12,231</u>	<u>382,131</u>	<u>6,545</u>	<u>86,735</u>	<u>487,642</u>	<u>19,577,349</u>
EXPENDITURES						
Current:						
General government		-	-	-	-	247,810
Public safety		-	-	-	-	1,367,374
Culture and recreation		-	-	-	-	167,709
Economic development		-	-	-	-	976,483
Capital outlay	3,039,186	7,221,787	698	4,454,279	14,715,950	14,715,950
Total expenditures	<u>3,039,186</u>	<u>7,221,787</u>	<u>698</u>	<u>4,454,279</u>	<u>14,715,950</u>	<u>17,475,326</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,026,955)</u>	<u>(6,839,656)</u>	<u>5,847</u>	<u>(4,367,544)</u>	<u>(14,228,308)</u>	<u>2,102,023</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,681,567	7,717,115	698	7,991,214	18,390,594	18,390,594
Transfers out	(901,841)	-	(782,525)	(2,832,094)	(4,516,460)	(20,910,004)
	<u>1,779,726</u>	<u>7,717,115</u>	<u>(781,827)</u>	<u>5,159,120</u>	<u>13,874,134</u>	<u>(2,519,410)</u>
	(1,247,229)	877,459	(775,980)	791,576	(354,174)	(417,387)
Fund balances-beginning	7,621,370	5,885,134	4,054,900	3,228,152	20,789,556	26,131,529
Fund balances-ending	<u>\$ 6,374,141</u>	<u>\$ 6,762,593</u>	<u>\$ 3,278,920</u>	<u>\$ 4,019,728</u>	<u>\$ 20,435,382</u>	<u>\$ 25,714,142</u>

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Nonmajor Enterprise Funds

Enterprise funds are used to account for the acquisition, operation, and maintenance of facilities and services which are entirely or predominantly self-supported by user charges. The operations of enterprise funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises.

Shreveport Area Transit System - This fund accounts for the activities necessary to provide bus service for the residents of the City.

Golf - This fund is used to account for the operations of the City's two golf courses. The fund's operations are financed by greens fees, golf equipment rentals, merchandise sales, memberships, and concession sales to the public.

Downtown Parking Fund - This fund is used to account for parking revenues to promote improved parking facilities in the downtown area.

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2018

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 2,004,999	\$ 178,068	\$ 846,854	\$ 3,029,921
Receivables, net	224,780	12,623	34,189	271,592
Due from other governments	354,748	-	-	354,748
Inventories	797,609	17,670	-	815,279
Prepaid items	179,642	-	-	179,642
Total current assets	<u>3,561,778</u>	<u>208,361</u>	<u>881,043</u>	<u>4,651,182</u>
Noncurrent Assets:				
Capital Assets:				
Land	368,877	-	-	368,877
Buildings	13,548,580	263,373	-	13,811,953
Improvements other than buildings	-	1,189,965	-	1,189,965
Equipment	24,368,983	559,978	-	24,928,961
Construction in progress	491,024	-	-	491,024
Less accumulated depreciation	(14,492,206)	(1,413,000)	-	(15,905,206)
Total noncurrent assets	<u>24,285,258</u>	<u>600,316</u>	<u>-</u>	<u>24,885,574</u>
Total assets	<u>27,847,036</u>	<u>808,677</u>	<u>881,043</u>	<u>29,536,756</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	-	212,695	-	212,695
Total deferred outflows of resources	<u>-</u>	<u>212,695</u>	<u>-</u>	<u>212,695</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	243,205	1,861	30,167	275,233
Accrued liabilities	316,308	5,810	-	322,118
Due to other funds	53,448	-	-	53,448
Unearned revenue	-	149,997	-	149,997
Compensated absences	195,307	150	-	195,457
Total current liabilities	<u>808,268</u>	<u>157,818</u>	<u>30,167</u>	<u>996,253</u>
Noncurrent Liabilities:				
Compensated absences	-	47,124	-	47,124
Total OPEB obligation	-	2,605,998	-	2,605,998
Net Pension Liability	-	2,635,966	-	2,635,966
Total noncurrent liabilities	<u>-</u>	<u>5,289,088</u>	<u>-</u>	<u>5,289,088</u>
Total liabilities	<u>808,268</u>	<u>5,446,906</u>	<u>30,167</u>	<u>6,285,341</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred OPEB	-	176,403	-	176,403
Deferred pensions	-	120,396	-	120,396
Total deferred inflows of resources	<u>-</u>	<u>296,799</u>	<u>-</u>	<u>296,799</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	24,285,258	600,316	-	24,885,574
Unrestricted (deficit)	2,753,510	(5,322,648)	850,876	(1,718,262)
Total Net Position (deficit)	<u>\$ 27,038,768</u>	<u>\$ (4,722,332)</u>	<u>\$ 850,876</u>	<u>\$ 23,167,312</u>

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 1,804,318	\$ 1,516,791	\$ 416,044	\$ 3,737,153
Miscellaneous	507,210	16,261	-	523,471
Total operating revenues	<u>2,311,528</u>	<u>1,533,052</u>	<u>416,044</u>	<u>4,260,624</u>
OPERATING EXPENSES				
Personal services	9,176,058	1,651,498	393,959	11,221,515
Contractual services and other expenses	1,519,694	552,567	-	2,072,261
Utilities	312,288	71,777	-	384,065
Repairs and maintenance	(6,077)	-	-	(6,077)
Materials and supplies	2,150,028	213,167	-	2,363,195
Depreciation	2,449,488	53,633	-	2,503,121
Total operating expenses	<u>15,601,479</u>	<u>2,542,642</u>	<u>393,959</u>	<u>18,538,080</u>
Operating income (loss)	<u>(13,289,951)</u>	<u>(1,009,590)</u>	<u>22,085</u>	<u>(14,277,456)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	-	-	1,348	1,348
Interest expense	-	184	-	184
Intergovernmental	5,608,343	-	-	5,608,343
Loss on disposal of capital assets	-	-	-	-
Net nonoperating revenues (expenses)	<u>5,608,343</u>	<u>184</u>	<u>1,348</u>	<u>5,609,875</u>
Income (loss) before contributions and transfers	(7,681,608)	(1,009,406)	23,433	(8,667,581)
Capital contributions	-	25,000	-	25,000
Transfers in	6,577,610	87,200	-	6,664,810
Change in net position	<u>(1,103,998)</u>	<u>(897,206)</u>	<u>23,433</u>	<u>(1,977,771)</u>
Total net position (deficit)-beginning	28,142,766	(3,035,645)	827,443	25,934,564
Prior period adjustment	-	(789,481)	-	(789,481)
Total net position (deficit)-beginning, as restated	<u>28,142,766</u>	<u>(3,825,126)</u>	<u>827,443</u>	<u>25,145,083</u>
Total net position (deficit)-ending	<u>\$ 27,038,768</u>	<u>\$ (4,722,332)</u>	<u>\$ 850,876</u>	<u>\$ 23,167,312</u>

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

**CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from operations	\$ 1,758,700	\$ 1,397,145	\$ 419,184	\$ 3,575,029
Payments to suppliers	(2,178,323)	(780,802)	(363,792)	(3,322,917)
Payments to employees	(9,159,303)	(703,332)	-	(9,862,635)
Other receipts	1,441,887	-	-	1,441,887
Other payments	-	(57,000)	-	(57,000)
Net cash provided by (used in) operating activities	<u>(8,137,039)</u>	<u>(143,989)</u>	<u>55,392</u>	<u>(8,225,636)</u>
Cash flows from noncapital financing activities:				
Intergovernmental	4,633,734	-	-	4,633,734
Transfers in	6,577,610	87,200	-	6,664,810
Interest expense on operations	-	183	-	183
Net cash provided by (used in) noncapital financing activities	<u>11,211,344</u>	<u>87,383</u>	<u>-</u>	<u>11,298,727</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,158,555)	-	-	(1,158,555)
Capital grants	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(1,158,555)</u>	<u>-</u>	<u>-</u>	<u>(1,158,555)</u>
Cash flows from investing activities:				
Purchase of investments	-	-	-	-
Interest on investments	-	(1)	1,348	1,347
Net cash provided by (used in) investing activities	<u>-</u>	<u>(1)</u>	<u>1,348</u>	<u>1,347</u>
Net increase (decrease) in cash and cash equivalents	1,915,750	(56,607)	56,740	1,915,883
Cash and cash equivalents - beginning of year	89,249	234,675	790,114	1,114,038
Cash and cash equivalents - end of year	<u>\$ 2,004,999</u>	<u>\$ 178,068</u>	<u>\$ 846,854</u>	<u>\$ 3,029,921</u>

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (13,289,951)	\$ (1,009,590)	\$ 22,085	\$ (14,277,456)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,449,488	53,633	-	2,503,121
(Increase)Decrease in assets:				
Receivables	(13,322)	(6,132)	3,140	(16,314)
Due from other governments	2,948,282	-	-	2,948,282
Inventories	(64,137)	(2,762)	-	(66,899)
Deferred outflows for pensions	-	(155,933)	-	(155,933)
Prepaid items	18,919	-	-	18,919
Increase(Decrease) in liabilities:				
Accounts payable	187,692	(408)	30,167	217,451
Accrued liabilities	33,231	4,556	-	37,787
Deferred inflows for pensions	-	187,872	-	187,872
Due to other funds	(1,411,160)	-	-	(1,411,160)
Unearned revenue	-	25,760	-	25,760
Compensated absences	(3,009)	6,739	-	3,730
Total OPEB obligation	-	(91,973)	-	(91,973)
Net Pension Liability	-	844,387	-	844,387
Other increases (decreases)	1,006,928	1	-	1,006,929
Total adjustments	<u>5,152,912</u>	<u>865,740</u>	<u>33,307</u>	<u>6,051,959</u>
Net cash provided by (used in) operating activities	<u>\$ (8,137,039)</u>	<u>\$ (143,850)</u>	<u>\$ 55,392</u>	<u>\$ (8,225,497)</u>

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

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, and to other governments, on a cost reimbursement basis.

Employees Health Care Fund - This fund is used to account for self-insurance activities involving medical and dental care claims by the City's employees, retirees, and dependents.

Retained Risk Fund - This fund is used to account for self-insurance activities involving property damage, worker's compensation and general liability claims.

**CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2018**

	<u>Employees Health Care</u>	<u>Retained Risk</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 9,889,582	\$ 7,616,993	\$ 17,506,575
Investments	958,656	-	958,656
Receivables, net	10,188,826	-	10,188,826
Interest Receivable	13,866	-	13,866
Prepaid items	-	545,465	545,465
Total current assets	<u>21,050,930</u>	<u>8,162,458</u>	<u>29,213,388</u>
LIABILITIES			
Current liabilities:			
Accounts payable	178,403	519,135	697,538
Due to other funds	24,751,846	-	24,751,846
Claims and judgments	3,394,809	14,374,403	17,769,212
Total current liabilities	<u>28,325,058</u>	<u>14,893,538</u>	<u>43,218,596</u>
Noncurrent liabilities:			
Claims and judgments	-	21,790,597	21,790,597
Compensated absences	-	17,336	17,336
Total noncurrent liabilities	<u>-</u>	<u>21,807,933</u>	<u>21,807,933</u>
Total liabilities	<u>28,325,058</u>	<u>36,701,471</u>	<u>65,026,529</u>
NET POSITION (DEFICIT)			
Unrestricted (deficit)	<u>(7,274,128)</u>	<u>(28,539,013)</u>	<u>(35,813,141)</u>
Total net position (deficit)	<u>\$ (7,274,128)</u>	<u>\$ (28,539,013)</u>	<u>\$ (35,813,141)</u>

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Employees Health Care</u>	<u>Retained Risk</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES			
Charges for services	\$ 37,400,840	\$ 9,432,821	\$ 46,833,661
Miscellaneous	1,121,073	1,273,125	2,394,198
Total operating revenues	<u>38,521,913</u>	<u>10,705,946</u>	<u>49,227,859</u>
OPERATING EXPENSES			
Personal services	103,421	302,378	405,799
Contractual services and other expenses	2,241,194	3,245,999	5,487,193
Materials and supplies	4,996	3,770	8,766
Claims	38,805,065	11,230,966	50,036,031
Total operating expenses	<u>41,154,676</u>	<u>14,783,113</u>	<u>55,937,789</u>
Operating income (loss)	<u>(2,632,763)</u>	<u>(4,077,167)</u>	<u>(6,709,930)</u>
NONOPERATING REVENUES			
Investment earnings (loss)	76,213	7,476	83,689
Net nonoperating revenues (loss)	<u>76,213</u>	<u>7,476</u>	<u>83,689</u>
Change in net position	(2,556,550)	(4,069,691)	(6,626,241)
Total net position (deficit)-beginning	(4,964,403)	(24,469,322)	(29,433,725)
Prior period adjustment	246,825	-	246,825
Total net position (deficit)-beginning, as restated	<u>(7,274,128)</u>	<u>(24,469,322)</u>	<u>(31,743,450)</u>
Total net position (deficit)-ending	<u>\$ (7,274,128)</u>	<u>\$ (28,539,013)</u>	<u>\$ (35,813,141)</u>

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

**CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Employees Health Care</u>	<u>Retained Risk</u>	<u>Total Internal Service Funds</u>
Cash flows from operating activities:			
Receipts from operations	\$ 32,691,101	\$ 10,652,939	\$ 43,344,040
Payments to suppliers	(1,935,734)	(3,233,641)	(5,169,375)
Payments to employees	(103,421)	(299,220)	(402,641)
Claims	(22,316,076)	(9,328,966)	(31,645,042)
Net cash provided by (used in) operating activities	<u>8,335,870</u>	<u>(2,208,888)</u>	<u>6,126,982</u>
Cash flows from noncapital financing activities:			
Transfers in/(out)	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Purchase of investments	(951,583)	-	(951,583)
Proceeds from sale and maturity of investments	963,996	-	963,996
Interest on investments	58,337	7,476	65,813
Net cash provided by (used in) investing activities	<u>70,750</u>	<u>7,476</u>	<u>78,226</u>
Net increase (decrease) in cash and cash equivalents	<u>8,406,620</u>	<u>(2,201,412)</u>	<u>6,205,208</u>
Cash and cash equivalents - beginning of year	1,482,962	9,818,405	11,301,367
Cash and cash equivalents - end of year	<u>\$ 9,889,582</u>	<u>\$ 7,616,993</u>	<u>\$ 17,506,575</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (2,632,763)	\$ (4,077,167)	\$ (6,709,930)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase)Decrease in assets:			
Receivables	(5,830,812)		(5,830,812)
Due from other funds			-
Prepaid items		(27,506)	(27,506)
Increase(Decrease) in liabilities:			
Accounts payable	(310,456)	43,634	(266,822)
Accrued liabilities	287,730	1,902,000	2,189,730
Due to other funds	16,822,171	(53,007)	16,769,164
Compensated absences		3,158	3,158
Other increases (decreases)	-	-	-
Total adjustments	<u>10,968,633</u>	<u>1,868,279</u>	<u>12,836,912</u>
Net cash provided by (used in) operating activities	<u>\$ 8,335,870</u>	<u>\$ (2,208,888)</u>	<u>\$ 6,126,982</u>

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

Discretely Presented Component Unit

Metropolitan Planning Commission - This special revenue fund accounts for receipts and disbursements which occur in conjunction with coordinating City planning, preparing and enforcing zoning laws, and keeping City annexation policies current.

**CITY OF SHREVEPORT, LOUISIANA
METROPOLITAN PLANNING COMMISSION
BALANCE SHEET
DECEMBER 31, 2018**

ASSETS

Cash and cash equivalents	\$	44,368
Due from primary government		50,000
 Total assets		94,368

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable		18,733
Due to other governments		75,635
Total liabilities		94,368
 Fund balance		-

Amounts reported for the Metropolitan Planning Commission in the Statement of Net Position for component units are different because:

Capital assets reported in governmental activities are not financial assets and, therefore, are not reported in governmental funds.		796,134
		796,134
 Net position	\$	796,134

**CITY OF SHREVEPORT, LOUISIANA
METROPOLITAN PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018**

REVENUES

Intergovernmental	\$	200,000
Miscellaneous		310,861
Total revenues		510,861

EXPENDITURES

General government		1,227,586
Total expenditures		1,227,586

Deficiency of revenues under expenditures		(716,725)
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OTHER FINANCING SOURCES

Transfers In		716,725
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Net change in fund balance		-
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Fund balance - beginning		-
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Fund balance - ending	\$	-
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Amounts reported for the Metropolitan Planning Commission in the Statement of Activities for component units 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.

Depreciation expense		(10,414)
Change in net position	\$	(10,414)

Statistical Section

This part of the City of Shreveport's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

CITY OF SHREVEPORT, LOUISIANA
NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 518,394,035	\$ 540,238,387	\$ 507,856,245	\$ 525,050,532	\$ 527,404,356	\$ 498,281,721	\$ 447,755,978	\$ 594,396,807	\$ 604,854,487	\$ 619,093,951
Restricted	66,374,435	52,008,888	66,131,354	151,571,752	134,588,349	227,239,617	207,407,523	168,897,674	133,100,842	3,960,404
Unrestricted(Deficit)	(66,220,992)	(87,144,658)	(174,840,905)	(312,357,344)	(346,760,306)	(450,501,025)	(584,381,854)	(784,343,447)	(811,432,005)	(87,168,778)
Total governmental activities net position	\$ 518,547,478	\$ 505,102,617	\$ 399,146,694	\$ 364,264,940	\$ 315,232,399	\$ 275,020,313	\$ 70,781,647	\$ (21,048,966)	\$ (73,476,676)	\$ 535,885,577
Business-type activities										
Net investment in capital assets	\$ 368,705,299	\$ 372,834,742	\$ 485,342,461	\$ 492,313,051	\$ 510,326,673	\$ 523,710,809	\$ 518,261,289	\$ 570,187,946	\$ 614,521,810	\$ 1,225,426,223
Restricted	2,769,016	3,958,325	3,958,848	4,041,954	3,959,892	3,960,404	-	3,960,404	3,960,404	126,753,136
Unrestricted(Deficit)	(3,750,025)	(5,874,101)	(16,495,186)	(20,035,941)	(24,028,572)	(15,504,876)	435,800,986	(74,137,780)	(58,424,472)	(1,141,660,557)
Total business-type activities net position	\$ 367,724,290	\$ 370,918,966	\$ 472,806,123	\$ 476,319,064	\$ 490,257,993	\$ 512,166,337	\$ 954,062,275	\$ 500,010,570	\$ 560,057,742	\$ 210,518,802
Primary government										
Net investment in capital assets	\$ 887,099,334	\$ 913,073,129	\$ 993,198,706	\$ 1,017,363,583	\$ 1,037,731,029	\$ 1,021,992,530	\$ 966,017,267	\$ 1,164,584,753	\$ 1,219,376,297	\$ 1,844,520,174
Restricted	69,143,451	55,967,213	70,090,202	155,613,706	138,548,241	231,200,021	207,407,523	172,858,078	137,061,246	130,713,540
Unrestricted(Deficit)	(69,971,017)	(93,018,759)	(191,336,091)	(332,393,285)	(370,788,878)	(466,005,901)	(148,580,868)	(858,481,227)	(869,856,477)	(1,228,829,335)
Total primary government net position	\$ 886,271,768	\$ 876,021,583	\$ 871,952,817	\$ 840,584,004	\$ 805,490,392	\$ 787,186,650	\$ 1,024,843,922	\$ 478,961,604	\$ 486,581,066	\$ 746,404,379

Unaudited - see accompanying independent auditors' report.

**CITY OF SHREVEPORT, LOUISIANA
CHANGES IN NET POSITION, LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses										
Governmental activities:										
General government	\$ 36,368,232	\$ 45,631,827	\$ 50,522,532	\$ 52,871,070	\$ 59,180,755	\$ 55,486,934	\$ 29,837,534	\$ 55,317,669	\$ 61,780,900	\$ 55,935,361
Public safety	114,755,487	120,370,342	128,009,588	132,296,947	129,986,772	130,048,046	128,387,069	140,960,844	116,156,813	121,011,556
Public works	49,697,351	54,493,585	55,707,874	54,861,069	55,054,294	54,417,093	53,377,050	55,847,544	66,261,441	50,513,932
Culture and recreation	24,444,194	24,340,798	22,601,155	22,298,863	23,634,459	23,249,858	23,951,836	25,188,570	36,076,061	29,182,679
Health and welfare	224,472	364,424	334,526	25,854	14,760	13,602	108,878	-	2,791	76,426
Community development	4,409,060	5,136,142	5,866,418	4,517,472	4,663,450	5,495,408	3,880,501	6,678,055	2,893,364	4,179,698
Economic development	6,585,469	5,763,806	3,441,846	4,462,780	4,576,357	3,657,075	3,505,893	910,774	3,235,826	2,051,968
Economic opportunity	6,850,646	3,689,216	2,714,400	2,609,908	2,558,968	2,558,816	2,143,306	5,241	2,265,807	2,260,793
Interest on long-term debt	13,421,295	10,923,435	9,910,030	11,331,384	9,509,948	9,321,094	11,030,882	9,655,942	9,029,444	6,296,780
Total governmental activities expenses	<u>256,756,206</u>	<u>270,713,575</u>	<u>279,108,369</u>	<u>285,275,347</u>	<u>289,179,763</u>	<u>284,247,926</u>	<u>256,222,948</u>	<u>294,564,639</u>	<u>297,702,447</u>	<u>271,509,193</u>
Business-type activities										
Municipal and Regional Airports	15,011,292	15,175,747	15,922,093	15,414,301	15,490,057	15,615,759	14,596,911	14,118,982	13,708,757	16,578,088
Water and Sewerage	54,476,538	53,055,547	54,096,547	58,346,912	59,722,975	63,354,907	63,817,718	76,285,816	65,808,452	83,159,229
Convention Center	-	-	6,694,097	6,969,925	6,811,134	7,102,290	7,863,035	7,336,641	7,148,971	6,654,656
Convention Center Hotel	12,931,427	13,535,949	13,424,358	12,867,218	12,510,097	12,149,036	10,716,085	11,119,464	12,278,765	13,715,123
Shreveport Area Transit System	13,993,824	13,843,465	15,240,703	15,804,741	16,439,796	16,644,288	15,628,664	15,293,243	16,756,528	15,601,479
Golf	1,727,208	1,489,766	1,373,739	1,310,004	1,029,810	1,316,897	4,292,902	4,448,415	(3,768,584)	2,542,458
Downtown Parking	466,000	419,280	417,809	423,433	419,280	419,280	349,566	363,000	367,630	393,959
Total business-type activities expenses	<u>98,606,289</u>	<u>97,519,754</u>	<u>107,169,346</u>	<u>111,136,534</u>	<u>112,423,149</u>	<u>116,602,457</u>	<u>117,264,881</u>	<u>128,965,561</u>	<u>112,300,519</u>	<u>138,644,992</u>
Total primary government expenses	<u>\$ 355,362,495</u>	<u>\$ 368,233,329</u>	<u>\$ 386,277,715</u>	<u>\$ 396,411,881</u>	<u>\$ 401,602,912</u>	<u>\$ 400,850,383</u>	<u>\$ 373,487,829</u>	<u>\$ 423,530,200</u>	<u>\$ 410,002,966</u>	<u>\$ 410,154,185</u>

(1) The Convention Center became a separate fund in 2011.

(continued)

(continued)

CITY OF SHREVEPORT, LOUISIANA
CHANGES IN NET POSITION, LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Program Revenues										
Governmental Activities										
Charges for services:										
Public safety	\$ 9,220,566	\$ 10,053,128	\$ 10,026,553	\$ 10,115,288	\$ 12,868,050	\$ 11,196,830	\$ 10,767,228	\$ 12,941,736	\$ 20,908,980	\$ 20,353,976
Public works	13,832,164	15,737,329	17,439,141	16,940,167	15,817,405	14,925,161	22,351,362	21,395,782	20,133,031	20,409,359
Other activities	309,938	480,671	308,550	438,991	305,041	281,880	1,604,519	1,673,500	2,101,051	2,040,376
Operating grants and contributions	23,733,763	19,440,207	20,941,429	18,342,548	17,205,002	15,912,520	17,478,683	20,505,899	21,527,543	16,631,067
Capital grants and contributions	3,022,403	2,079,020	6,727,297	3,591,188	2,392,234	1,993,674	49,982	-	137,421	247,810
Total governmental activities program revenues	<u>50,118,834</u>	<u>47,790,355</u>	<u>55,442,970</u>	<u>49,428,182</u>	<u>48,587,732</u>	<u>44,310,065</u>	<u>52,251,774</u>	<u>56,516,917</u>	<u>64,808,026</u>	<u>59,682,588</u>
Business-type activities										
Charges for services:										
Municipal and Regional Airports	8,564,049	9,533,588	10,117,819	10,159,922	10,658,288	10,961,308	10,102,240	10,505,926	10,942,803	11,031,770
Water and Sewerage	58,177,800	63,361,068	66,775,465	58,634,935	61,742,737	75,259,282	75,961,390	82,453,869	85,830,305	89,206,455
Convention Center	-	-	2,262,319	2,437,396	2,013,793	2,552,784	2,873,802	3,005,319	3,072,879	2,793,537
Convention Center Hotel	11,141,947	11,934,328	11,631,259	11,012,614	11,109,856	11,283,028	11,666,633	10,853,180	11,671,322	12,496,939
Shreveport Area Transit System	2,583,705	2,601,316	2,695,670	2,723,380	2,842,739	3,076,104	2,344,315	2,243,846	2,061,377	1,804,318
Golf	1,196,859	1,148,443	1,010,625	957,807	785,516	1,084,133	1,106,515	1,282,163	1,509,499	1,516,791
Downtown Parking	623,988	613,876	613,524	653,945	581,154	562,091	460,687	499,394	448,267	416,044
Operating grants and contributions	5,490,761	6,077,306	5,169,564	5,898,980	6,174,220	6,362,042	5,742,865	6,606,819	4,649,172	5,705,623
Capital grants and contributions	13,796,684	9,771,827	14,080,038	8,558,562	6,644,821	8,811,969	5,769,680	5,068,766	21,590,610	6,430,985
Total business-type activities program revenues	<u>101,575,793</u>	<u>105,041,752</u>	<u>114,356,283</u>	<u>101,037,541</u>	<u>102,553,124</u>	<u>119,952,741</u>	<u>116,028,127</u>	<u>122,519,282</u>	<u>141,776,234</u>	<u>131,402,462</u>
Total primary government program revenues	<u>\$ 151,694,627</u>	<u>\$ 152,832,107</u>	<u>\$ 169,799,253</u>	<u>\$ 150,465,723</u>	<u>\$ 151,140,856</u>	<u>\$ 164,262,806</u>	<u>\$ 168,279,901</u>	<u>\$ 179,036,199</u>	<u>\$ 206,584,260</u>	<u>\$ 191,085,050</u>
Net(Expense) Revenue										
Governmental activities	\$ (206,637,372)	\$ (222,923,220)	\$ (223,665,399)	\$ (235,847,165)	\$ (240,592,031)	\$ (239,937,861)	\$ (203,971,174)	\$ (238,047,723)	\$ (228,265,470)	\$ (228,265,470)
Business-type activities	2,969,504	7,521,998	7,186,937	(10,098,993)	(9,870,025)	3,350,284	(1,236,754)	(6,446,279)	29,475,715	(7,242,530)
Total primary government net expense	<u>\$ (203,667,868)</u>	<u>\$ (215,401,222)</u>	<u>\$ (216,478,462)</u>	<u>\$ (245,946,158)</u>	<u>\$ (250,462,056)</u>	<u>\$ (236,587,577)</u>	<u>\$ (205,207,928)</u>	<u>\$ (244,494,002)</u>	<u>\$ (198,789,755)</u>	<u>\$ (235,508,000)</u>

(1) Opened in 2007

(2) The Convention Center became a separate fund in 2011.

(continued)

CITY OF SHREVEPORT, LOUISIANA
CHANGES IN NET POSITION, LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

(continued)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 58,542,857	\$ 60,397,983	\$ 61,892,794	\$ 58,031,369	\$ 59,428,155	\$ 59,842,135	\$ 56,414,985	\$ 55,580,376	\$ 52,786,509	\$ 52,786,509
Sales taxes	105,947,678	113,990,284	117,161,088	113,068,390	114,192,366	119,809,168	117,900,678	115,450,214	123,869,548	123,869,548
Franchise taxes	7,290,551	7,780,000	7,822,649	7,512,211	7,750,603	7,661,160	7,911,173	7,981,794	8,926,566	8,926,566
Occupational licenses	6,659,033	6,760,523	7,005,960	7,175,204	7,306,835	7,289,383	7,433,349	7,355,815	7,229,454	7,229,454
Gaming	12,931,910	12,457,759	12,326,597	11,925,489	11,003,579	10,241,584	10,035,079	9,615,662	8,792,004	8,792,004
Unrestricted grants and contributions	3,961,292	3,641,977	3,510,589	3,398,492	1,886,334	2,762,622	1,233,863	1,185,383	1,121,363	1,121,363
Investment earnings	1,163,022	435,482	550,198	861,704	534,354	420,727	598,673	269,008	766,640	766,640
Miscellaneous	10,833,738	7,578,232	8,252,475	12,558,552	12,232,148	11,571,074	10,351,367	3,068,395	678,548	678,548
Transfers	(4,285,799)	(3,563,881)	(100,815,874)	(13,566,000)	(20,703,921)	(19,872,078)	(19,144,109)	(37,229,142)	(6,633,942)	(6,633,942)
Total governmental activities	<u>203,044,282</u>	<u>209,478,359</u>	<u>117,706,476</u>	<u>200,965,411</u>	<u>193,630,453</u>	<u>199,725,775</u>	<u>192,735,058</u>	<u>163,277,505</u>	<u>197,536,690</u>	<u>197,536,690</u>
Business-type activities:										
Investment earnings (loss)	2,580,624	(2,528,522)	(6,115,654)	45,934	5,846,715	(1,314,018)	1,081,568	1,359,656	4,040,377	4,040,377
Miscellaneous	795,942	2,170	-	-	-	-	(14,401,995)	2,229,312	3,494,519	3,494,519
Transfers	4,285,799	3,563,881	100,815,874	13,566,000	20,703,921	19,872,078	19,144,109	37,229,142	6,633,942	6,633,942
Total business-type activities	<u>7,662,365</u>	<u>1,037,529</u>	<u>94,700,220</u>	<u>13,611,934</u>	<u>26,550,636</u>	<u>18,558,060</u>	<u>5,823,682</u>	<u>40,818,110</u>	<u>14,168,838</u>	<u>14,168,838</u>
Total primary government	<u>\$ 210,706,647</u>	<u>\$ 210,515,888</u>	<u>\$ 212,406,696</u>	<u>\$ 214,577,345</u>	<u>\$ 220,181,089</u>	<u>\$ 218,283,835</u>	<u>\$ 198,558,740</u>	<u>\$ 204,095,615</u>	<u>\$ 211,705,528</u>	<u>\$ 211,705,528</u>
Change in Net Position										
Governmental activities	\$ (3,593,090)	\$ (13,444,861)	\$ (105,955,923)	\$ (34,881,754)	\$ (46,961,578)	\$ (40,212,086)	\$ (11,236,116)	\$ (74,770,218)	\$ (14,289,919)	\$ (14,289,919)
Business-type activities	10,631,869	8,559,527	101,887,157	3,512,941	16,680,611	21,908,344	4,586,928	34,371,831	6,926,308	6,926,308
Total primary government	<u>\$ 7,038,779</u>	<u>\$ (4,885,334)</u>	<u>\$ (4,068,766)</u>	<u>\$ (31,368,813)</u>	<u>\$ (30,280,967)</u>	<u>\$ (18,303,742)</u>	<u>\$ (6,649,188)</u>	<u>\$ (40,398,387)</u>	<u>\$ (7,363,611)</u>	<u>\$ (7,363,611)</u>

(1) Included in the transfers was \$93,061,016 for the Convention Center to a separate enterprise fund.

Unaudited - see accompanying independent auditors' report.

(concluded)

CITY OF SHREVEPORT, LOUISIANA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Nonspendable	\$ 1,529,818	\$ 1,302,722	\$ 1,521,316	\$ 1,582,251	\$ 1,457,442	\$ 1,622,361	\$ 1,601,762	\$ 1,617,488	\$ 1,628,957	\$ 1,850,822
Restricted	-	-	-	-	43,187	122,404	206,168	283,492	354,446	411,230
Assigned	5,192,490	9,001,311	6,672,603	8,235,732	7,353,477	10,210,582	9,907,967	10,441,503	11,596,542	10,561,557
Unassigned	13,930,927	11,458,224	9,805,320	6,429,096	4,137,247	4,036,252	1,257,328	1,614,702	155,452	(1,206,981)
Total General Fund	<u>\$ 20,653,235</u>	<u>\$ 21,762,257</u>	<u>\$ 17,999,239</u>	<u>\$ 16,247,079</u>	<u>\$ 12,991,353</u>	<u>\$ 15,991,599</u>	<u>\$ 12,973,225</u>	<u>\$ 13,957,185</u>	<u>\$ 13,735,397</u>	<u>\$ 11,616,628</u>
All Other Governmental Funds										
Restricted	\$ 97,498,999	\$ 76,580,843	\$ 177,217,086	\$ 154,952,867	\$ 135,712,949	\$ 229,202,191	\$ 204,022,094	\$ 154,628,693	\$ 118,104,543	\$ 108,886,464
Unassigned	-	-	(460,762)	(1,729,116)	(918,267)	(1,578,868)	-	-	-	-
Total all other governmental funds	<u>\$ 97,498,999</u>	<u>\$ 76,580,843</u>	<u>\$ 176,756,324</u>	<u>\$ 153,223,751</u>	<u>\$ 134,794,682</u>	<u>\$ 227,623,323</u>	<u>\$ 204,022,094</u>	<u>\$ 154,628,693</u>	<u>\$ 118,104,543</u>	<u>\$ 108,886,464</u>

Unaudited - see accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues										
Taxes	\$ 171,405,070	\$ 182,891,465	\$ 187,282,626	\$ 179,323,323	\$ 180,915,510	\$ 187,814,734	\$ 183,390,846	\$ 178,722,267	\$ 182,329,963	\$ 185,662,509
Licenses and permits	8,591,789	8,945,467	9,126,196	9,159,315	9,333,071	9,554,623	9,578,009	9,128,991	9,060,734	9,113,603
Intergovernmental	27,747,701	24,073,617	25,510,000	23,012,567	19,327,161	18,754,217	17,477,915	20,502,974	21,589,131	16,907,626
Charges for services	21,992,151	24,381,786	25,562,367	25,786,275	27,764,494	24,519,238	23,381,449	25,134,234	31,948,695	31,080,783
Fines and forfeitures	3,460,862	3,553,996	3,832,276	3,377,228	3,002,987	3,210,062	2,510,504	2,528,965	2,547,015	2,264,333
Gaming	12,931,910	12,457,759	12,326,597	11,925,489	11,003,579	10,241,584	10,035,079	9,615,662	8,916,942	8,792,004
Investment earnings	949,243	324,785	395,837	664,659	444,336	351,591	539,595	237,948	317,624	682,951
Miscellaneous	10,833,738	7,578,232	8,252,475	12,558,552	12,232,148	11,571,074	12,752,087	11,054,440	12,228,411	11,191,309
Total revenues	<u>257,912,464</u>	<u>264,207,107</u>	<u>272,288,374</u>	<u>265,807,408</u>	<u>264,023,286</u>	<u>266,017,123</u>	<u>259,665,484</u>	<u>256,925,481</u>	<u>268,938,515</u>	<u>265,695,118</u>
Expenditures										
General government	30,099,483	40,898,671	33,670,983	33,754,118	36,770,691	36,118,397	39,708,557	38,650,918	37,653,695	41,363,349
Public safety	94,952,030	104,102,246	109,360,999	114,152,950	110,841,564	108,919,662	110,000,160	115,618,481	111,740,773	121,007,727
Public works	35,257,799	40,134,184	43,626,714	40,188,370	38,571,558	39,577,765	37,354,544	40,695,630	39,290,998	35,139,059
Culture and recreation	14,609,505	15,214,547	15,576,293	16,419,548	16,433,993	16,135,262	17,621,679	17,570,028	19,268,147	18,831,843
Health and welfare	209,710	350,176	319,316	11,841	-	-	108,878	-	2,791	76,426
Community development	3,881,994	4,593,147	5,375,401	3,957,114	4,043,129	4,844,285	3,402,083	6,459,958	2,678,717	3,964,926
Economic development	6,504,277	5,678,318	3,358,194	4,385,707	4,502,555	3,589,063	3,505,893	903,974	3,229,013	2,045,702
Economic opportunity	6,592,309	3,439,875	2,448,233	2,364,677	2,367,082	2,402,389	2,143,306	-	2,262,389	2,257,637
Capital outlay	7,210,328	6,645,730	7,188,534	7,609,546	17,563,135	16,550,444	16,638,321	19,178,491	28,937,461	17,390,845
Debt service										
Principal	32,309,943	50,311,347	26,645,341	51,542,365	23,738,712	20,068,059	24,671,368	24,206,740	22,195,408	21,357,629
Interest	13,765,069	11,421,559	8,848,980	12,004,912	10,059,930	9,142,698	11,595,965	11,539,939	11,367,611	8,003,821
Bond issuance cost	-	358,682	701,646	-	-	860,175	471,440	468,073	715,873	16,058
Total expenditures	<u>245,392,447</u>	<u>283,148,482</u>	<u>257,120,634</u>	<u>286,391,148</u>	<u>264,892,349</u>	<u>258,208,199</u>	<u>267,222,194</u>	<u>275,292,232</u>	<u>279,342,876</u>	<u>271,455,022</u>
Excess(deficiency) of revenues over (under) expenditures	<u>12,520,017</u>	<u>(18,941,375)</u>	<u>15,167,740</u>	<u>(20,583,740)</u>	<u>(869,063)</u>	<u>7,808,924</u>	<u>(7,556,710)</u>	<u>(18,366,751)</u>	<u>(10,404,361)</u>	<u>(5,759,904)</u>
Other Financing Sources(Uses)										
Bonds issued	-	-	81,500,000	-	-	93,500,000	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	24,205,000	22,477,312	50,000,000	-
Premium on debt issued	-	379,132	7,603,061	-	-	14,392,041	2,521,090	2,476,543	7,085,177	-
Certificate of indebtedness issued	-	14,995,000	-	-	-	-	-	8,194,901	-	-
Capital leases	-	2,337,440	-	8,865,007	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	(15,015,450)	-	-	-	-	(26,644,875)	(26,369,104)	(56,369,303)	-
Swap termination payment	-	-	-	-	-	-	-	-	-	-
Transfers in	27,020,204	28,100,857	27,056,191	28,141,986	28,891,695	18,511,141	17,897,431	35,262,981	30,562,705	30,404,065
Transfers out	(31,738,541)	(31,664,738)	(34,914,529)	(41,707,986)	(49,707,427)	(38,383,219)	(37,041,539)	(72,085,323)	(57,582,655)	(37,038,011)
Total other financing sources(uses)	<u>(4,718,337)</u>	<u>(867,759)</u>	<u>81,244,723</u>	<u>(4,700,993)</u>	<u>(20,815,732)</u>	<u>88,019,963</u>	<u>(19,062,893)</u>	<u>(30,042,690)</u>	<u>(26,304,076)</u>	<u>(6,633,946)</u>
Net change in fund balances	<u>\$ 7,801,680</u>	<u>\$ (19,809,134)</u>	<u>\$ 96,412,463</u>	<u>\$ (25,284,733)</u>	<u>\$ (21,684,795)</u>	<u>\$ 95,828,887</u>	<u>\$ (26,619,603)</u>	<u>\$ (48,409,441)</u>	<u>\$ (36,708,437)</u>	<u>\$ (12,393,850)</u>
Debt service as a percentage of noncapital expenditures	19.3%	22.5%	14.5%	22.8%	13.7%	12.4%	14.7%	14.1%	13.4%	11.6%

Unaudited - see accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(DOLLARS IN THOUSANDS)

Year Ended December 31	Residential Property	Commercial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2009	582,832	735,357	1,318,189	44.54	11,781,298	11.19%
2010	593,873	761,099	1,354,972	44.54	12,119,017	11.18%
2011	621,666	767,556	1,389,222	44.54	12,371,084	11.23%
2012	665,138	803,002	1,468,140	39.70	13,106,704	11.20%
2013	717,774	772,590	1,490,364	39.70	13,273,988	11.23%
2014	724,530	718,584	1,503,114	39.70	13,375,262	11.24%
2015	737,351	790,153	1,527,154	36.65	13,591,787	11.24%
2016	746,197	777,863	1,524,061	36.29	13,602,121	11.20%
2017	752,551	784,056	1,536,607	35.81	13,721,633	11.20%
2018	757,545	793,505	1,551,050 (1)	33.65	13,833,927	11.21%

Note:

Assessed values are established by the Caddo Parish Tax Assessor on January 1 of each year at approximately 10-25% of assumed market value. A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the tax roll of January 1, 2016. The next revaluation will be completed as of January 1, 2020 for the 2020 tax roll. Tax rates are per \$1,000 of assessed value.

(1) Included in the total assessed value of property within the City is \$2,713 of assessed value that has been adjudicated to Caddo and Bossier parish.

Unaudited - see accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Year Ended December 31,	City Direct Rates									Overlapping Rates		
	Debt Service (1)	General Alimony (2)	Police Three-Platoon System (2)	Police and Fire Uniforms and Equipment (3)	Salary & Wage Schedule (3)	Street Improvements (3)	Employee Benefits (3)	Parks and Recreational Facilities (3)	Total Direct Debt	School Board	Parish	Total
2008	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	82.81	35.14	207.03
2009	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	78.20	35.14	202.42
2010	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	78.20	35.14	202.42
2011	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	78.20	35.14	202.42
2012	22.05	10.30	1.47	1.12	1.12	1.12	1.69	0.83	39.70	78.20	35.14	192.74
2013	22.05	10.30	1.47	1.12	1.12	1.12	1.69	0.83	39.70	78.20	35.14	192.74
2014	22.05	10.30	1.47	1.12	1.12	1.12	1.69	0.83	39.70	78.20	35.14	192.74
2015	19.00	10.30	1.47	1.12	1.12	1.12	1.69	0.83	36.65	74.66	34.94	182.90
2016	19.00	10.09	1.44	1.10	1.10	1.10	1.65	0.81	36.29	73.30	31.79	177.67
2017	18.16	10.30	1.47	1.12	1.12	1.12	1.69	0.83	35.81	73.82	31.80	141.43
2018	16.36	10.09	1.44	1.10	1.10	1.10	1.65	0.81	33.65	73.82	32.05	139.52

(1) Political subdivisions in Louisiana are required to levy taxes without limitation at such rates as may be necessary to service general obligation bonds.

(2) City Council is authorized by Louisiana Constitution to levy, after public hearing by a two-thirds affirmative vote, a millage rate of up to, but not in excess of:
(a) 10.49 mills for General Alimony
(b) 1.50 mills for Police Three-Platoon System

(3) Special millage approved by referendum and must be reapproved by referendum every five years.
(Last submitted and approved on April 6, 2013).

Unaudited - see accompanying independent auditors' report.

**CITY OF SHREVEPORT, LOUISIANA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>2018</u>			<u>2008</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
AEP Southwestern Electric Power Company	\$ 62,211,970	1	4.01%	\$ 41,710,270	1	3.40%
Calumet Lubricants	20,979,040	2	1.35%	9,933,300	6	0.80%
Wal-Mart	9,541,388	3	0.62%	10,843,830	5	0.50%
Capital One	9,503,660	4	0.61%	7,739,420	7	0.00%
Regions Bank	8,816,740	5	0.57%	11,945,770	4	1.80%
Centerpoint Energy	8,659,550	6	0.56%	6,957,130	8	0.70%
Bell South	8,159,920	7	0.53%	22,531,420	2	0.90%
JP Morgan Chase Bank	7,604,637	8	0.49%	6,154,880	10	0.50%
Union Pacific Railroad Co.	5,015,890	9	0.32%		-	0.00%
Kansas City Southern	4,813,890	10	0.31%		-	0.00%
Sam's Town	-	-	0.00%	14,341,200	3	0.90%
Libby Glass	-	-	0.00%	6,249,940	9	0.50%
	<u>\$ 145,306,685</u>		<u>9.37%</u>	<u>\$ 138,407,160</u>		<u>10.00%</u>

Unaudited - see accompanying independent auditors' report.

Source: Caddo Parish Assessor's Office

**CITY OF SHREVEPORT, LOUISIANA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Year Ended December 31,	Taxes Levied for the Year	Collections				
		Collected within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	59,236,967	41,889,578	70.72%	15,875,672	57,765,250	97.52%
2010	60,974,524	43,965,388	72.10%	15,211,490	59,176,878	97.05%
2011	61,875,991	48,969,445	79.14%	11,317,501	60,286,946	97.43%
2012	58,285,191	46,570,605	79.90%	10,438,058	57,008,663	97.81%
2013	59,167,413	44,608,285	75.39%	13,400,321	58,008,606	98.04%
2014	59,673,655	42,808,850	71.74%	15,519,037	58,327,887	97.74%
2015	55,983,017	47,419,429	84.70%	8,454,596	55,874,025	99.81%
2016	55,308,166	38,969,359	70.46%	15,599,859	54,569,218	98.66%
2017	55,025,879	45,466,930	82.63%	8,689,787	54,156,717	98.42%
2018	52,192,857	42,200,485	80.85%	-	42,200,485	80.85%

Unaudited - see accompanying independent auditors' report.

**CITY OF SHREVEPORT, LOUISIANA
TAXABLE SALES BY CATEGORY
LAST TEN YEARS
(DOLLARS IN THOUSANDS)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Wholesale - professional and commercial equipment	\$ 124,317	\$ 120,942	\$ 127,079	\$ 126,233	\$ 127,280	\$ 150,374	\$ 161,885	\$ 167,471	\$ 165,329	\$ 101,511
Wholesale - machinery, equipment and supplies	135,353	163,050	162,277	138,198	131,008	146,945	120,782	174,275	194,793	73,301
Restaurant, food services and drinking places	349,599	368,846	387,584	398,130	399,637	422,097	436,275	431,620	433,079	270,175
Motor vehicle dealers	296,797	338,048	355,903	383,516	399,335	416,102	409,966	391,831	382,033	235,608
Miscellaneous general merchandise stores	134,135	141,453	145,860	153,232	157,961	155,202	142,565	139,606	139,683	86,548
Lumber and other building materials dealers	116,038	122,498	124,232	126,412	130,991	126,160	127,344	221,617	224,377	139,116
Grocery stores	313,897	339,339	347,203	358,057	358,774	359,222	364,369	343,521	369,845	221,158
Drug stores	121,495	123,124	122,653	128,210	129,714	131,297	139,293	143,149	139,021	78,291
Discount stores	344,958	337,130	329,741	321,133	320,610	313,209	317,414	434,240	419,912	255,040
Department stores	125,391	130,370	133,183	129,848	124,666	120,540	122,590	165,539	94,514	56,580
All others	1,830,375	1,938,100	2,062,456	1,870,476	1,872,615	2,012,783	1,990,503	1,613,523	1,778,718	1,183,237
Total	<u>\$ 3,892,355</u>	<u>\$ 4,122,900</u>	<u>\$ 4,298,171</u>	<u>\$ 4,133,445</u>	<u>\$ 4,152,591</u>	<u>\$ 4,353,931</u>	<u>\$ 4,332,986</u>	<u>\$ 4,226,392</u>	<u>\$ 4,341,304</u>	<u>\$ 2,700,565</u>
City sales tax rate	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%

Source: Caddo-Shreveport Sales and Use Tax Commission

Unaudited - see accompanying independent auditors' report.

**CITY OF SHREVEPORT, LOUISIANA
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN YEARS**

<u>Year</u>	<u>City of Shreveport</u>	<u>Caddo Parish School Board</u>	<u>Caddo Law Enforcement District</u>	<u>State of Louisiana</u>	<u>Total Rate</u>
2009	2.75%	1.50%	0.35%	4.00%	8.60%
2010	2.75%	1.50%	0.35%	4.00%	8.60%
2011	2.75%	1.50%	0.35%	4.00%	8.60%
2012	2.75%	1.50%	0.35%	4.00%	8.60%
2013	2.75%	1.50%	0.35%	4.00%	8.60%
2014	2.75%	1.50%	0.35%	4.00%	8.60%
2015	2.75%	1.50%	0.35%	4.00%	8.60%
2016	2.75%	1.50%	0.35%	5.00%	9.60%
2017	2.75%	1.50%	0.35%	5.00%	9.60%
2018	2.75%	1.50%	0.35%	4.45%	9.05%

Source: Caddo-Shreveport Sales and Use Tax Commission

Note: The City's sales tax rate may be changed with voter approval.

Unaudited - see accompanying independent auditors' report.

**CITY OF SHREVEPORT, LOUISIANA
SALES TAX REVENUE PAYERS BY INDUSTRY
LAST NINE YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Tax Liability									
Retail trade	\$ 67,052,000	\$ 70,424,851	\$ 72,388,451	\$ 73,575,215	\$ 74,537,809	\$ 75,233,688	\$ 75,300,541	\$ 72,683,366	\$ 73,104,925	\$ 74,992,690
Services	16,273,181	17,554,911	18,370,738	17,706,280	16,830,868	18,742,751	20,132,251	20,631,495	21,246,848	20,917,452
Wholesale Trade	16,311,724	18,516,602	19,624,037	16,685,163	16,874,399	18,833,822	17,908,432	17,506,165	18,117,127	18,644,009
Transportation, communications, electric, and gas	1,412,211	1,540,652	1,742,285	1,309,172	1,504,851	1,973,396	1,903,462	2,161,957	2,129,681	2,104,788
Manufacturing	1,548,868	1,452,756	1,491,183	1,316,033	1,125,528	925,950	807,423	1,061,578	1,017,228	1,108,829
Other	2,438,234	998,816	907,987	1,150,457	807,415	794,909	819,597	769,331	615,528	741,960
Construction	1,111,438	1,434,632	1,146,763	1,121,224	1,024,641	883,028	1,071,438	976,543	892,378	917,644
Mining	555,957	1,124,557	2,189,999	564,954	1,317,105	2,165,834	1,055,407	257,835	2,049,149	4,589,914
Finance, insurance, and real estate	184,351	167,256	180,255	180,264	117,435	109,475	94,506	102,659	127,923	137,851
Agricultural	100,890	113,984	113,060	20,505	23,713	24,720	19,944	25,059	27,902	17,759
Government	50,907	50,712	44,963	40,549	32,498	45,547	44,158	49,818	58,977	53,089
Total	\$ 107,039,761	\$ 113,379,729	\$ 118,199,721	\$ 113,669,818	\$ 114,196,262	\$ 119,733,120	\$ 119,157,159	\$ 116,225,807	\$ 119,387,666	\$ 124,225,984

Source: Caddo-Shreveport Sales and Use Tax Commission

Note: Due to confidentiality issues, the names of the 10 largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. The amounts shown are gross collections prior to refunds and collections of amounts due from prior years. The amounts reported in the financial statements are net collections. Years 2005 through 2013 are the most recent years for which data are available.

Unaudited - see accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA)

Year	Governmental Activities				Business-type Activities					Total Primary Government	Percentage of Personal Income	City Per Capita
	General Obligation Bonds	Certificates of Indebtedness	Loans and Notes	Capital Leases	Municipal and Regional Airports Loan	Water and Sewerage Revenue Bonds	Water and Sewerage Loan	Convention Center Hotel Loan	Capital Leases			
2009	183,830	22,722	31,852	12,692	37,176	152,641	50,000	39,543	1,153	531,609	5.1	2,667
2010	143,481	18,698	30,132	11,201	37,259	156,000	50,000	39,282	696	486,749	5.0	2,442
2011	216,372	13,955	28,334	7,191	36,182	143,259	50,000	39,118	472	534,883	4.9	2,684
2012	173,986	9,072	27,429	12,313	35,029	130,924	50,000	38,714	1,427	478,894	4.2	2,403
2013	159,524	7,534	28,170	8,155	34,750	119,312	48,855	41,350	2,945	450,595	4.0	2,232
2014	251,448	5,718	27,072	5,747	33,370	192,117	48,185	40,696	2,324	606,677	5.5	3,028
2015	229,365	3,848	25,918	3,296	34,920	315,994	46,671	39,985	1,694	701,691	5.7	3,521
2016	208,237	1,924	23,240	9,543	34,920	467,187	-	39,038	1,055	785,144	6.6	3,981
2017	189,576	1,567	23,021	6,468	32,990	561,347	-	38,033	409	853,411	7.8	4,328
2018	170,108	1,197	21,268	4,856	30,590	656,321	-	36,814	-	921,154	N/A	4,671

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the Schedule of Demographic and Economic Statistics for personal income and population data.

N/A Statistical information is not available.

Unaudited - see accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA)

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>City Per Capita</u>
2009	183,830	58,867	124,963	1.06	627
2010	143,481	46,292	97,189	0.80	488
2011	216,372	60,170	156,202	1.26	784
2012	173,896	40,556	133,340	1.02	670
2013	159,524	46,089	113,435	0.85	562
2014	251,448	56,080	195,368	1.46	975
2015	229,365	54,992	174,373	1.28	875
2016	208,237	51,264	156,973	1.15	796
2017	189,576	50,717	138,859	1.01	704
2018	169,584	50,366	119,218	0.86	605

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Assessed and Actual Value of Taxable Property for property value data.

See the Schedule of Demographics and Economic Statistics for population data.

Unaudited - see accompanying independent auditors' report.

**CITY OF SHREVEPORT, LOUISIANA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018
(DOLLARS IN THOUSANDS)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Caddo Parish Commission	29,250	70.8%	\$ 20,709
Caddo Parish School Board	309,795	70.8%	<u>219,335</u>
Subtotal, Overlapping Debt			240,044
City direct debt			<u>196,908</u>
Total direct and overlapping debt			<u><u>\$ 436,952</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Caddo Parish

Debt outstanding data is provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident-- and therefore responsible for repaying the debt--of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Commission and School Board's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Unaudited - see accompanying independent auditors' report.

**CITY OF SHREVEPORT, LOUISIANA
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(DOLLARS IN THOUSANDS)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 465,514	\$ 479,144	\$ 486,228	\$ 513,849	\$ 521,627	\$ 526,090	\$ 534,626	\$ 533,421	\$ 537,812	\$ 542,868
Total debt applicable to limit	<u>183,110</u>	<u>142,810</u>	<u>208,315</u>	<u>166,400</u>	<u>149,560</u>	<u>228,255</u>	<u>207,210</u>	<u>188,035</u>	<u>167,865</u>	<u>150,285</u>
Legal debt margin	<u>\$ 282,404</u>	<u>\$ 336,334</u>	<u>\$ 277,913</u>	<u>\$ 347,449</u>	<u>\$ 372,067</u>	<u>\$ 297,835</u>	<u>\$ 327,416</u>	<u>\$ 345,386</u>	<u>\$ 369,947</u>	<u>\$ 392,583</u>
Total debt applicable to the limit as a percentage of debt limit	39.34%	29.81%	42.84%	32.38%	28.67%	43.39%	38.76%	35.25%	31.21%	27.68%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	\$ 1,551,050
Debt limit (35% of total assessed value)	542,868
Debt applicable to limit:	
General obligation bonds	<u>150,285</u>
Legal debt margin	<u>\$ 392,583</u>

State law allows a maximum of 10% of the assessed valuation for bonded debt for any purpose. However, the 10% maximum can be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuations.

Unaudited - see accompanying independent auditors' report.

**CITY OF SHREVEPORT, LOUISIANA
WATER AND SEWERAGE
PLEGDED REVENUE COVERAGE
LAST TEN YEARS**

Year	Gross Revenues(1)	Less: Operating Expenses(2)(3)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2009	56,352,027	33,617,542	22,734,485	11,362,709	4,000,153	15,362,862	1.48
2010	60,803,198	33,688,533	27,114,665	8,478,772	3,025,458	11,504,230	2.36
2011	61,110,266	33,172,696	27,937,570	8,390,478	2,823,412	11,213,890	2.49
2012	58,605,356	33,897,265	24,708,091	8,132,678	2,535,244	10,667,922	2.32
2013	67,751,942	36,405,157	31,346,785	8,110,966	2,219,129	10,330,095	3.03
2014	74,765,989	37,702,211	37,063,778	7,822,370	2,027,947	9,850,317	3.76
2015	77,688,814	50,706,720	26,982,094	9,410,400	10,080,793	19,491,193	1.38
2016	84,380,817	43,857,841	40,522,976	17,983,427	11,618,895	29,602,322	1.37
2017	88,626,798	44,808,251	43,818,547	10,079,400	20,732,091	30,811,491	1.42
2018	94,613,394	46,834,011	47,779,383	14,789,400	25,632,115	40,421,515	1.18

(1) Includes operating revenues, interest income, changes in fair value of investments and intergovernmental revenues.

(2) Before depreciation and amortization expenses and after transfers out.

(3) Beginning in 2011, Other Post Employment Benefits (OPEB) costs were excluded in the calculation of the Rate Covenant Requirements for the debt service coverage computation. Years prior to 2011 were recalculated to reflect this change to exclude OPEB costs.

Unaudited - see accompanying independent auditors' report.

**CITY OF SHREVEPORT, LOUISIANA
MUNICIPAL AND REGIONAL AIRPORTS
PLEDGED REVENUE COVERAGE
LAST TEN YEARS**

Year	Gross Revenues(1)	Less: Operating Expenses(2)(7)	Net Available Revenue	Unrestricted Operating Reserve (6)	Net Resources Available For Debt Service	Debt Service (3 & 4)			Coverage
						Principal	Interest	Total	
2009	8,970,640	7,577,770	1,392,870	3,315,900	4,708,770	335,000	2,310,257	2,645,257	1.78
2010	9,766,437	7,692,162	2,074,275	482,800	2,557,075	-	1,451,250	1,451,250	1.76
2011	10,349,559	8,193,481	2,156,078	1,872,300	4,028,378	355,000	2,050,319	2,405,319	1.67
2012	10,411,803	7,727,100	2,684,703	4,010,200	6,694,903	385,000	2,003,708	2,388,708	2.80
2013	10,854,430	7,949,169	2,905,261	5,113,545	8,018,806	405,000	1,973,174	2,378,174	3.37
2014	11,218,738	8,043,517	3,175,221	6,945,100	10,129,321	504,117	2,145,103	2,649,220	3.82
2015	10,394,962	8,325,336	2,069,626	6,401,000	8,470,626	493,360	2,294,400	2,787,760	3.04
2016	10,823,691	5,625,389	5,198,302	3,609,626	8,807,928	-	1,865,556	1,865,556	4.72
2017	11,474,774	6,836,855	4,637,919	8,455,360	13,093,279	1,970,000	1,314,765	3,284,765	3.99
2018	11,359,320	3,864,286	7,495,034	6,143,002	13,638,036	2,400,000	1,752,468	4,152,468	3.28

- (1) Includes operating revenues, interest income, intergovernmental revenues, net fair value adjustment of investments, transfers in and excludes gain on disposal of capital assets, passenger facility charges and associated PFC debt up to the amount of the charges.
- (2) Before depreciation and amortization expenses but including transfers out.
- (3) Excludes passenger facility charges and associated PFC debt up to the amount of the charges.
- (4) Reflects current year debt service expenses.
- (5) Excludes swap termination payment of \$3,563,000 and excludes Swaption receipt of \$809,321. These amounts are not normal operating revenue and expense items.
- (6) Beginning in 2009, the Unrestricted Operating Reserve was used in the calculation of the Rate Covenant Requirement for the debt service. Years prior to 2009 were recalculated to reflect this change to include current year's net revenues as well as the Unrestricted Operating Reserve at Year-Ending. Beginning in 2012, Restricted appropriation for Debt Service Coverage Operating Reserve was also used in the computation. Year 2011 has been restated to reflect this change in computation.
- (7) Beginning in 2011, Other Post employment Benefits costs (OPEB) were excluded in the calculation of the Rate Covenant Requirement for the debt service coverage computation. Years prior to 2011 were recalculated to reflect this change to exclude OPEB costs.

Unaudited - see accompanying independent auditors' report.

**CITY OF SHREVEPORT, LOUISIANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

Year	City Population	Caddo Parish Population	Caddo Parish Personal Income (in thousands)	Caddo Parish Per Capita Personal Income	City Unemployment Rate
2009	199,345	253,932	10,337,630	40,710	7.5
2010	199,311	254,969	9,804,879	38,358	6.6
2011	199,285	256,912	10,990,340	42,779	6.4
2012	199,259	257,093	11,351,511	44,153	6.0
2013	201,867	254,887	11,336,821	44,478	5.2
2014	200,327	252,603	11,091,583	43,909	7.1
2015	199,311	251,460	12,341,720	49,080	5.5
2016	197,204	248,851	11,941,648	47,987	5.7
2017	194,920	246,581	10,988,905	44,565	4.3
2018	192,036	N/A	N/A	N/A	4.7

Sources: City population provided by the U.S. Census Bureau for census years and estimates for other years. Population and personal income for Caddo Parish (which the City resides in) provided by the Bureau of Economic Analysis. City unemployment rate provided by Louisiana Workforce Commission.

N/A Statistical information is not available.

Unaudited - see accompanying independent auditors' report.

**CITY OF SHREVEPORT, LOUISIANA
PRINCIPAL EMPLOYERS
SHREVEPORT-BOSSIER METROPOLITAN AREA
CURRENT YEAR AND NINE YEARS AGO**

Employer	2018			2009		
	Employees	Rank	% of Area Employment	Employees	Rank	% of Area Employment
State of Louisiana	12,226	1	6.82%	11,700	1	6.74%
Barksdale Air Force Base	11,205	2	6.25%	9,018	2	5.19%
Caddo Parish School Board	6,101	3	3.40%	6,743	3	3.88%
University Health Shreveport *	6,200	4	3.46%	5,941	4	3.42%
Willis Knighton Health System	6,145	5	3.43%	5,061	5	2.91%
Bossier Parish School Board	2,926	6	1.63%	2,638	8	1.52%
City of Shreveport	2,718	7	1.52%	2,790	7	1.61%
Wal-Mart/Sam's Stores	2,000	8	1.11%	-	-	0.00%
Harrah's/Horseshoe	1,800	9	1.00%	2,018	10	1.16%
Christus Schumpert Health System	1,600	10	0.89%	2,093	9	1.21%
General Motors	-	-	0.00%	3,002	6	1.73%
Total	52,921		29.50%	51,004		29.37%

Source: City of Shreveport Annual Budget Book

Unaudited - see accompanying independent auditors' report.

* Previously LSU Health Sciences Center - Shreveport

CITY OF SHREVEPORT, LOUISIANA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS

Function/Program	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government	276	269	278	274	275	274	281	278	276	684
Public safety	1,356	1,378	1,398	1,404	1,377	1,385	1,408	1,415	1,412	1,413
Public works	401	383	383	389	398	397	403	403	403	-
Culture and recreation	244	235	258	253	259	255	256	263	229	229
Health and welfare	2	2	2	2	2	2	2	2	1	-
Community development	9	9	9	9	9	9	9	11	11	9
Economic development	11	12	11	11	10	10	7	7	8	7
Economic opportunity	35	35	35	35	26	23	23	23	23	22
Municipal and Regional Airports	82	82	70	68	75	76	81	66	77	79
Water and Sewerage	317	289	265	284	284	323	326	327	327	327
Convention Center (1)	-	-	-	-	-	-	-	-	-	-
Convention Center Hotel (1)	-	-	-	-	-	-	-	-	-	-
Shreveport Area Transit System (1)	-	-	-	-	-	-	-	-	-	-
Golf	25	23	23	23	14	18	18	19	22	22
Downtown Parking (1)	-	-	-	-	-	-	-	-	-	-
Total	<u><u>2,758</u></u>	<u><u>2,717</u></u>	<u><u>2,732</u></u>	<u><u>2,752</u></u>	<u><u>2,729</u></u>	<u><u>2,772</u></u>	<u><u>2,814</u></u>	<u><u>2,814</u></u>	<u><u>2,789</u></u>	<u><u>2,792</u></u>

(1) Managed through contracts operated by non-City employees.

Unaudited - see accompanying independent auditors' report.

Source: City of Shreveport 2018 Annual Operating Budget

**CITY OF SHREVEPORT, LOUISIANA
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program										
General government										
Property standards inspections made	28,172	30,810	30,000	32,000	50,000	50,000	65,600	40,000	48,000	51,000
Lots cut	9,223	9,220	8,019	10,000	15,000	14,500	18,500	14,000	14,500	17,000
Public safety										
Prisoners booked in City jail	13,628	13,160	16,461	16,856	15,000	13,419	13,858	10,802	10,000	11,000
Offense reports processed	32,189	29,340	29,340	30,310	35,500	27,822	28,315	28,000	30,000	30,500
Traffic citations issued	42,692	50,286	55,912	58,934	59,044	50,926	37,087	32,652	30,708	32,500
Fires reported	1,403	1,337	1,538	1,330	1,050	1,200	1,210	1,258	1,200	1,100
Fire responses	36,701	36,802	37,822	38,000	37,000	38,500	39,000	42,000	42,000	42,500
Fire inspections	17,000	9,811	9,237	9,960	18,398	16,054	16,430	14,280	7,959	9,500
EMS responses	26,308	29,167	30,117	30,250	30,300	30,300	31,600	32,800	34,000	33,000
Public works										
Refuse collected (tons)	137,400	137,400	137,400	135,600	119,450	92,000	92,000	92,000	92,000	96,000
Building permits issued	2,682	1,777	1,161	2,764	1,950	2,796	2,140	2,548	2,548	2,732
Asphalt repairs	2,000	2,000	3,000	2,453	2,300	2,400	2,500	2,500	2,500	2,500
Street resurfacing (miles)	52	52	15	10	10	15	15	17	17	19
Culture and recreation										
Events at all facilities	227	244	293	240	531	579	967	966	986	931
Acres of City parks maintained	2,345	2,345	2,345	2,900	2,900	2,900	2,900	2,900	2,565	2,565
Participants in team sports	8,935	8,935	9,830	9,400	9,400	9,400	9,090	9,000	9,000	10,000
Program participants	37,900	37,900	37,900	40,250	40,500	40,500	44,400	42,555	45,974	47,637
Community development										
Programs funded	54	54	56	41	43	39	43	34	33	33
Economic development										
Housing units assisted	209	209	88	95	103	151	111	110	145	152
Small business loans	-	1	1	3	2	1	-	-	-	-
Economic opportunity										
Participants served	14,180	19,987	29,035	32,000	28,778	28,600	19,950	20,200	20,400	21,000
Municipal and Regional Airports										
Capital projects managed	15	16	16	16	26	11	20	18	18	21
Contracts/leases monitored	300	300	389	395	395	395	395	395	395	395
Water and Sewerage										
Water treated and pumped per day (MGD)	37	37	37	37	37	37	37	37	33	30
Wastewater treated per day (MGD)	37	37	37	37	37	37	37	36	24	37
Water mains (miles)	1,104	1,104	1,135	1,144	1,150	1,152	1,152	1,153	1,162	1,163
Sewer mains (miles)	1,077	1,077	1,088	1,093	1,105	1,106	1,106	1,107	1,113	1,114
Fire hydrants	7,310	7,064	7,074	7,084	7,084	7,100	7,111	7,115	7,885	7,890
Shreveport Area Transit System										
Passenger trips (thousands)	3,400	3,400	3,400	3,400	3,400	3,100	3,163	2,758	2,666	3,067
Golf										
Golf rounds played	51,466	51,466	38,310	36,109	28,811	47,170	37,700	28,790	29,800	32,800
Downtown Parking										
Citations issued	43,000	25,000	20,338	22,000	26,600	20,000	16,839	18,000	18,000	19,000

Source: City of Shreveport Annual Budget Book

(1) The city's collection contract with Bossier City ended during 2013.

(2) Huntington Course reopened in 2014.

Note - No indicators are available for Health and Welfare or the Convention Center Hotel.

Unaudited - see accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN YEARS

	2009	2010	2011	2012	2013
Functions:					
Public Safety					
Police:					
Station	1	1	1	1	1
Patrol Units	304	305	307	321	296
Fire Stations	22	22	22	22	22
Police and fire academy facility	1	1	1	1	1
City courts facility	1	1	1	1	1
Public Works:					
Collection Trucks	54	64	66	68	68
Streets (miles)	2,700	2,959	3,326	3,326	3,326
Street lights	30,100	30,100	30,100	30,100	30,100
Traffic signals	351	351	351	351	353
Culture and recreation					
Parks acreage	1,783	1,783	1,808	1,773	1,773
Number of playgrounds	46	46	53	45	45
Number of picnic areas	42	42	42	44	44
Swimming pools	10	10	9	8	8
Tennis courts	29	29	29	29	29
Community centers	21	21	16	17	17
Baseball park	1	1	1	1	2
Multipurpose stadium	1	1	1	1	1
Auditorium	1	1	1	1	1
Theater	1	1	1	1	1
Coliseum	1	1	1	1	1
Convention center	1	1	1	1	1
Softball and soccer complex	1	1	1	1	1
Stage works movie facility	1	1	1	1	1
Planetariums	2	1	1	1	1
Hotel					
Number of Hotels	1	1	1	1	1
Municipal and Regional Airports:					
Number of airports	2	2	2	2	2
Water and Sewerage:					
Number of water accounts	68,435	68,989	69,300	69,500	69,500
Water mains (miles)	1,104	1,104	1,135	1,144	1,150
Fire Hydrants	7,310	7,350	7,074	7,084	7,084
Maximum daily capacity (thousands of gallons)	90,000	90,000	90,000	90,000	90,000
Number of water storage tanks	10	10	10	10	11
Capacity of water storage tanks	35,500,000	35,500,000	35,500,000	35,500,000	35,500,000
Number of sewerage accounts	64,300	64,854	65,165	65,365	65,786
Sanitary sewers (miles)	1,077	1,077	1,088	1,092	1,105
Storm sewers (miles)	233	233	233	233	233
Maximum daily treatment capacity (thousands of gallons)	100,000	100,000	100,000	100,000	100,000
Golf:					
Number of municipal golf courses	3	3	3	3	3
Shreveport Area Transit System:					
Number of transit buses	46	52	54	55	52
Number of transit liftline vehicles	12	14	15	15	18

Sources: Various City departments.

Note - No capital asset indicators are available for general government, health and welfare, community development, economic development, economic opportunity, convention center hotel, and downtown parking.

N/A - Statistical information is not available.

Unaudited - see accompanying independent auditors' report.

2014	2015	2016	2017	2018
1	1	1	1	1
297	302	309	301	304
22	22	22	22	22
1	1	1	1	1
1	1	1	1	1
68	67	82	82	61
3,326	2,700	2,730	2,732	2,734
30,100	30,102	30,102	30,324	30,324
353	347	347	348	348
1,773	1,773	1,773	1,777	1,777
45	45	45	46	46
44	44	44	46	46
8	8	5	5	5
29	29	29	31	31
17	17	17	17	17
2	2	2	2	2
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
2	2	2	2	2
69,500	65,543	65,965	65,638	65,541
1,150	1,170	1,163	1,202	1,213
7,100	7,120	7,885	8,228	8,409
90,000	90,000	90,000	90,000	90,000
11	11	11	11	11
35,500,000	35,500,000	37,000,000	37,000,000	37,000,000
66,000	64,700	64,730	64,386	64,198
1,103	1,130	1,114	1,005	1,015
233	233	269	270	371
100,000	100,000	90,000	90,000	90,000
3	3	3	3	3
47	49	53	51	51
21	20	20	19	27

CITY OF SHREVEPORT
Shreveport, Louisiana

Single Audit Report

December 31, 2018

(With Independent Auditors' Reports Thereon)



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CITY OF SHREVEPORT

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

The Honorable Adrian D. Perkins, Mayor
Members of the City Council
City of Shreveport
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Shreveport, Louisiana ("City"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated August 30, 2019. Our report includes reference to other auditors who audited the financial statements of Downtown Development Authority, City of Shreveport City Court, and Charlie Caldwell, Jr. City Marshal, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) to determine the 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to

prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2018-001, 2018-002, 2018-004, 2018-006, 2018-007, 2018-008, 2018-010, 2018-011, 2018-014, 2018-015, 2018-019, 2018-020, 2018-022, and 2018-025 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2018-005, 2018-012, 2018-016, 2018-021, 2018-026, and 2018-027 to be significant deficiencies.

Compliance and Other Matters

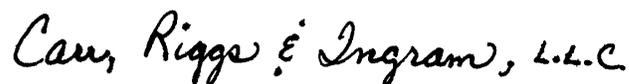
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2018-003, 2018-009, 2018-013, 2018-017, 2018-18, 2018-023, and 2018-024.

City of Shreveport's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
August 30, 2019



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**Independent Auditors' Report on Compliance for
Each Major Program and on Internal
Control Over Compliance Required by the Uniform Guidance**

The Honorable Adrian D. Perkins, Mayor
Members of the City Council
City of Shreveport
Shreveport, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Shreveport ("City")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2018. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated August 30, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
August 30, 2019

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE PERIOD ENDED DECEMBER 31, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster	Federal CFDA Number	Grant or Pass-through Number	Federal Expenditures			Total
			Direct	Pass-Through (Indirect)	Passed to Subrecipients	
U. S. DEPARTMENT OF TRANSPORTATION						
Federal Transit Administration (FTA)						
<u>Direct</u>						
Federal Transit Cluster						
Federal Transit - Capital Investment Grants	20.500	LA-04-0017, LA-04-0080	\$ 27,045	\$ -	\$ -	\$ 27,045
Total Federal Transit - Capital Investment Grants			27,045	-	-	27,045
Federal Transit - Formula Grants	20.507	LA-90-0383,2383 and 8383	50,582	-	-	50,582
Federal Transit - Formula Grants	20.507	LA-90-0408	17,990	-	-	17,990
Federal Transit - Formula Grants	20.507	LA-04-0417, 2417, & 8417	15,486	-	-	15,486
Federal Transit - Formula Grants	20.507	LA-04-0454	429,922	-	-	429,922
Federal Transit - Formula Grants	20.507	LA-90-Y001	3,103,724	-	-	3,103,724
Federal Transit - Formula Grants	20.507	LA-95-X015 and LA-95-X011	149,624	-	-	149,624
Federal Transit - Formula Grants	20.507	LA-090-X407	219	-	-	219
Federal Transit - Formula Grants	20.507	LA-04-0447 & 8447	4,883	-	-	4,883
Total Federal Transit - Formula Grants			3,772,430	-	-	3,772,430
Bus and Bus Facilities Formula Program	20.526	LA-34-0022	154,873	-	-	154,873
Bus and Bus Facilities Formula Program	20.526	LA-34-0007	33,000	-	-	33,000
Bus and Bus Facilities Formula Program	20.526	LA-34-0021	61,649	-	-	61,649
Total Bus and Bus Facilities Formula Program			249,522	-	-	249,522
Total Federal Transit Cluster			4,048,997	-	-	4,048,997
Public Transportation Research, Technical Assistance, and Training	20.514	LA-26-0004	6,527	-	-	6,527
Total Federal Transit Administration (FTA)			4,055,524	-	-	4,055,524

See accompanying notes to the Schedule of Expenditures of Federal Awards

(continued)

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE PERIOD ENDED DECEMBER 31, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster	Federal CFDA Number	Grant or Pass-through Number	Federal Expenditures			Total
			Direct	Pass-Through (Indirect)	Passed to Subrecipients	
Federal Aviation Administration (FAA)						
<u>Direct</u>						
Airport Improvement Program						
Airport Improvement Program	20.106	03-22-0047-24 & 25	184,608	-	-	184,608
Airport Improvement Program	20.106	03-22-0047-26	115,711	-	-	115,711
Airport Improvement Program	20.106	03-22-0047-27 & 28	83,016	-	-	83,016
Airport Improvement Program	20.106	03-22-0048-57	6,045	-	-	6,045
Airport Improvement Program	20.106	03-22-0048-61	1,893	-	-	1,893
Airport Improvement Program	20.106	03-22-0048-62	93,279	-	-	93,279
Airport Improvement Program	20.106	03-22-0048-63	376,006	-	-	376,006
Airport Improvement Program	20.106	03-22-0048-64 & 65	232,299	-	-	232,299
Total Airport Improvement Program			<u>1,092,857</u>	<u>-</u>	<u>-</u>	<u>1,092,857</u>
Total Federal Aviation Administration (FAA)			1,092,857	-	-	1,092,857
National Highway Traffic Safety Administration (NHTSA)						
<u>Pass-Through Programs</u>						
Louisiana Highway Safety Commission						
Highway Safety Cluster						
State and Community Highway Safety	20.600	2018-30-48	-	81,415	-	81,415
Total Highway Safety Cluster			<u>-</u>	<u>81,415</u>	<u>-</u>	<u>81,415</u>
Total Louisiana Highway Safety Commission			<u>-</u>	<u>81,415</u>	<u>-</u>	<u>81,415</u>
Total National Highway Traffic Safety Administration (NHTSA)			<u>-</u>	<u>81,415</u>	<u>-</u>	<u>81,415</u>
Total U. S. DEPARTMENT OF TRANSPORTATION			5,148,381	81,415	-	5,229,796
U. S. ENVIRONMENTAL PROTECTION AGENCY						
Office of Solid Waste and Emergency Response						
<u>Direct</u>						
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-01F08301-0	145,530	-	-	145,530
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-01F08401-0	102,280	-	-	102,280
Total Office of Solid Waste and Emergency Response			<u>247,810</u>	<u>-</u>	<u>-</u>	<u>247,810</u>
Total U. S. ENVIRONMENTAL PROTECTION AGENCY			<u>247,810</u>	<u>-</u>	<u>-</u>	<u>247,810</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

(continued)

(continued)

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE PERIOD ENDED DECEMBER 31, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster	Federal CFDA Number	Grant or Pass-through Number	Federal Expenditures			Total	(continued)
			Direct	Pass-Through (Indirect)	Passed to Subrecipients		
U. S. DEPARTMENT OF LABOR							
<u>Pass-Through Programs</u>							
Louisiana Workforce Commission							
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	17.262	CFMS #590611	-	303,025	-	303,025	
WIOA Cluster							
WIA/WIOA Adult Program	17.258	N/A	-	849,829	26,582	876,411	
WIA/WIOA Youth Activities	17.259	N/A	-	242,350	341,484	583,834	
WIA/WIOA Dislocated Worker Formula Grant	17.278	N/A	-	354,130	-	354,130	
Total WIOA Cluster			-	1,446,309	368,066	1,814,375	
Total Louisiana Workforce Commission			-	1,749,334	368,066	2,117,400	
Total U. S. DEPARTMENT OF LABOR			-	1,749,334	368,066	2,117,400	
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
<u>Office of Community Planning and Development</u>							
<u>Direct</u>							
CDBG - Entitlement Grants Cluster							
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-22-0007	2,053,990	-	405,959	2,459,949	
Total CDBG - Entitlement Grants Cluster			2,053,990	-	405,959	2,459,949	
HOPE VI Cluster							
Choice Neighborhoods Implementation Grants	14.889	N/A	-	-	812,756	812,756	
Total HOPE VI Cluster			-	-	812,756	812,756	
Home Investment Partnerships Program	14.239	M-18-MC-22-0200	202,714	-	197,358	400,072	
Emergency Solutions Grant Program	14.231	E-18-MC-22-0007	-	-	33,875	33,875	
Emergency Solutions Grant Program	14.231	E-18-MC-22-0007	-	-	106,535	106,535	
Emergency Solutions Grant Program	14.231	E-18-MC-22-0007	11,167	-	6,309	17,476	
Total Office of Community Planning and Development			2,267,871	-	1,562,792	3,830,663	
See accompanying notes to the Schedule of Expenditures of Federal Awards						(continued)	

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE PERIOD ENDED DECEMBER 31, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster	Federal CFDA Number	Grant or Pass-through Number	Federal Expenditures			Total
			Direct	Pass-Through (Indirect)	Passed to Subrecipients	
<u>Pass-Through Programs</u>						
Louisiana Housing Corporation Emergency Solutions Grant Program	14.231	N/A	-	-	158,172	158,172
Total Louisiana Housing Corporation			-	-	158,172	158,172
Total U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			2,267,871	-	1,720,964	3,988,835
U. S. DEPARTMENT OF JUSTICE						
<u>Direct</u>						
Safe Streets	16.166	N/A	35,971	-	-	35,971
Crimes Against Children Task Force 2018	16.800	N/A	27,956	-	-	27,956
Innovations in Community-Based Crime Reduction	16.817	2016-AJ-BX-0004	-	-	23,252	23,252
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0578	25,282	-	-	25,282
U S Marshals	16.U01	N/A	14,052	-	-	14,052
Federal ATF Grant	16.U02	MOA	17,619	-	-	17,619
A.F.I.S.2017	16.U03	HQ-1-024	154,204	-	-	154,204
Tactical Diversion Task Force 2018	16.U04	MOA	669	-	-	669
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-DJ-01-4634	456	-	-	456
Organized Crime Enforcement Task Force	16.U05	SE-LAW-0167(H)	12,555	-	-	12,555
Organized Crime Enforcement Task Force	16.U06	SE-LAW-0162(H)/SE-LAW-0168(H)	3,932	-	-	3,932
<u>Pass-Through Programs</u>						
Louisiana Commission on Law Enforcement A.F.I.S.2018	16.U07	HQ-1-178	-	217,992	-	217,992
Violence Against Women Formula Grants	16.588	2016-WF-01-3671	-	1,489	-	1,489
Violence Against Women Formula Grants	16.588	2017-WF-01-4182	-	11,633	-	11,633
Total Louisiana Commission on Law Enforcement			-	231,114	-	231,114
Total U. S. DEPARTMENT OF JUSTICE			292,696	231,114	23,252	547,062

See accompanying notes to the Schedule of Expenditures of Federal Awards

(continued)

(continued)

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE PERIOD ENDED DECEMBER 31, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster	Federal CFDA Number	Grant or Pass-through Number	Federal Expenditures			Total	(continued)
			Direct	Pass-Through (Indirect)	Passed to Subrecipients		
U. S. DEPARTMENT OF HOMELAND SECURITY							
<u>Direct</u>							
Transportation Security Administration (TSA)							
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS02-16-H-SLR914	116,800	-	-	116,800	
Total Transportation Security Administration (TSA)			116,800	-	-	116,800	
Federal Emergency Management Agency (FEMA)							
Louisiana Office of Homeland Security and Emergency Preparedness Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4228-PA-LA	95,381	-	-	95,381	
Total Federal Emergency Management Agency (FEMA)			95,381	-	-	95,381	
<u>Pass-Through Programs</u>							
Immigration and Customs Enforcement (ICE)							
Immigration and Customs Enforcement (IACE) 2017	97.U01	MOU	-	1,530	-	1,530	
Total Immigration and Customs Enforcement (ICE)			-	1,530	-	1,530	
Total U. S. DEPARTMENT OF HOMELAND SECURITY			212,181	1,530	-	213,711	
EXECUTIVE OFFICE OF THE PRESIDENT							
<u>Direct</u>							
High Intensity Drug Trafficking Areas Program	95.001	N/A	14,011	-	-	14,011	
High Intensity Drug Trafficking Areas Program	95.001	N/A	3,458	-	-	3,458	
Total EXECUTIVE OFFICE OF THE PRESIDENT			17,469	-	-	17,469	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 8,186,408	\$ 2,063,393	\$ 2,112,282	\$ 12,362,083	

See accompanying notes to the Schedule of Expenditures of Federal Awards

(concluded)

NOTE 1 GENERAL

The accompanying Schedule of Expenditures of Federal Awards (“the Schedule”) presents the activity of the federal awards of the City of Shreveport, Louisiana (the “City”) and is presented on the accrual basis of accounting. The City’s reporting entity is defined in Note 1 to the City’s financial statements for the year ended December 31, 2018. All federal awards received from federal agencies are included on the Schedule.

NOTE 2 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the same basis of accounting, which is described in Note 1 to the City’s financial statements for the year ended December 31, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The City did not elect to use the 10 percent (10%) de minimis indirect cost rate.

NOTE 3 PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City’s portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 4 - MATCHING REQUIREMENTS

Certain Federal programs require the Parish to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Parish has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE 5 LOANS AND LOAN GUARANTEES

The Office of Community Planning and Development has issued a compliance supplement regarding the programs for the Community Development Block Grant (CFDA 14.218). For subrecipients of these loans in years after the subrecipient has expended loan proceeds and completed construction, and the subrecipient’s only ongoing financial activity of the program is the payment of principal and interest on outstanding balances, the prior loan balances at the subrecipient level are not considered to have continuing compliance requirements. The City had loans outstanding under Federal loan or loan guarantee award programs of \$796,000 at December 31, 2018.

NOTE 6 SUBSEQUENT EVENTS

The City is required to evaluate events or transactions that may occur after the Schedule of Expenditures of Federal Awards date for potential recognition or disclosure in the notes to the Schedule of Expenditures of Federal Awards. The City performed such an evaluation through August 30, 2019, the date which the schedule of expenditures of federal awards was available to be issued, and noted no events or transactions that occurred after the Schedule of Expenditures of Federal Awards date requiring recognition or disclosure.

NOTE 7 NONCASH PROGRAM

No noncash awards were received for the year ended December 31, 2018.

NOTE 8 FEDERAL EMERGENCY MANAGEMENT AGENCY GRANT

Expenditures related to the Federal Emergency Management Agency Grant (CFDA #97.036) were incurred in the fiscal year ended December 31, 2015; however, the project worksheets that allow for reimbursement of funds to the City were approved in the fiscal year ended December 31, 2018.

NOTE 9 PROGRAM INCOME

Expenditures reported include income received by the grantee, directly generated by grant-supported activity and includes the following programs:

Program	CFDA Number	Amount
Community Development Block Grants/Entitlement Grants	14.218	\$ 743,113
Home Investment Partnerships Program	14.239	111,355
Total Program Income		<u>\$ 854,468</u>

I. SUMMARY OF AUDITORS' RESULTS

A. Primary Government Financial Statement Audit

1. Type of Auditors' report issued on the basic financial statements: **Unmodified**
2. Internal control over financial reporting:
 - Material weaknesses identified? **Yes**
 - Significant deficiencies identified? **Yes**
3. Noncompliance material to the basic financial statements noted? **Yes**

B. Audit of Federal Awards

1. Type of Auditors' report issued on compliance for major programs: **Unmodified**
2. Internal control over major programs:
 - Material weaknesses identified? **No**
 - Significant deficiencies identified? **No**
3. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? **No**
4. Any instances of material noncompliance in major programs disclosed during the audit? **No**
5. Identification of major programs:

<u>CFDA number</u>	<u>Name of federal program or cluster</u>
	WIA/WIOA Cluster
17.258	WIA/WIOA Adult Program
17.259	WIA/WIOA Youth Activities
17.278	WIA Dislocated Workers
14.892	Choice Neighborhoods Implementation Grants
14.218	Community Development Block Grants/Entitlement Grants

6. The dollar threshold used to distinguish between Type A and Type B programs: **\$750,000.**
7. Auditee qualified as a low-risk auditee under Section 200.520 of Uniform Guidance: **No**

II. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS

2018-001 Material Weakness - Lack of Controls for Cash and Investment Account Reconciliations and Review

CONDITION:	<p>We noted that:</p> <ul style="list-style-type: none">a) the Operating and Payroll Bank reconciliations were not provided upon request (April 1, 2019) indicating they were not completed timelyb) the operating and payroll bank accounts reconciliations were not prepared correctlyc) the hotel cash account and City investment account reconciliations did not have any evidence of reviewd) in the case of the operating and payroll reconciliations, our test work identified that the accountant could not provide support for most of the reconciling items
CRITERIA:	<p>Each bank/cash and investment account should be reconciled monthly as part of the month end closing procedure. Each reconciliation should be prepared completely and accurately with supporting documentation of all reconciling items and carryforward schedules maintained showing items as they clear. The reconciliations should be reviewed by a member of management supervisory to the preparer. The reviewer should document their timely review on the reconciliation.</p>
CAUSE:	<p>The Finance Department does not have policies and procedures in place requiring cash and investment account reconciliations to be prepared accurately and timely or properly reviewed and approved. There is lack of proper training regarding performing bank reconciliations. The review of the bank reconciliations is inadequate and does not require that the reconciliation be prepared timely and correctly.</p>
EFFECT:	<p>There could be material misstatements due to errors, omissions or fraud which would not be detected timely and a lack of proper review increased the risk of fraud.</p>
RECOMMENDATION:	<p>We recommend that personnel performing the reconciliations receive adequate training. We also recommend that the reconciliations be properly reviewed for accuracy and completeness on a timely basis by an appropriate level of management. Evidence of the review and approval including who performed the review and the date of the review should be documented.</p>

2018-002 Material Weakness - Lack of Controls over Payroll Processing and Payroll Data

CONDITION:

During review of payroll procedures, testing of controls over payroll, testing of payroll transactions, and testing of pay rates we identified:

- A lack of supervisor approval for salaried employees regular hours was noted. Per inquiry of City employees responsible for payroll processing, it was revealed that while some salaried employees do submit timesheets to be approved by the department supervisor, other salaried employees' time is automatically entered into the system. There is no control in place requiring the review of regular hours for salaried employees, nor the tracking of the use of compensated absences and compensatory time.
- Some departments do not require supervisor review and approval of timesheets.
- During testing of twenty five payroll transactions the following errors were noted:
 - one exception was noted in which an employee was not paid in accordance with the approved Pay Schedule
 - two exceptions were noted in which employee pay was not calculated correctly
 - one employee was improperly paid additional compensation for duties not performed and underpaid for other pay earned
 - one employee was overpaid due to an error in calculation of a raise
 - one payroll transaction was not properly posted to the general ledger.
- During testing of sixty pay rates, six variances were noted in which the approved pay rate per the personnel file did not agree to the pay rate entered into the payroll software.
- Approximately 90 employees did not have social security and/ or Medicare taxes withheld from their payroll checks.

CRITERIA:

- Before payroll is processed, each employee's hours should be approved by a supervisor, who is generally knowledgeable about the employees' attendance, hours, and work assignments during the pay period.
- Controls should be in place to ensure employees are paid in accordance with approved documentation such as approve pay rates, timesheets and pay schedules.
- According to the City's Personnel Rules and Regulations the accuracy of hours worked should be certified at the close of each pay period and when granting compensatory time off.

City of Shreveport
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

- According to Louisiana Constitution Article VII, Section 14, public funds of a political subdivision shall not be donated to or for any person, association, or corporation, public or private.
- According to The Federal Insurance Contributions Act (FICA) is a federal law that requires employers to withhold and remit social security and Medicare taxes from the wages paid to employees.

CAUSE:

- The City's time entry system allows automatic entry of hours for salaried employees and there is no approval required prior to payroll processing.
- The City does not have adequate controls in place and operating effectively to ensure employees are paid correctly and payroll transactions are properly recorded.
- Policies and procedures regarding approval of timesheets are not consistently applied to all departments.
- There is no review and approval of employee set up including withholdings in the payroll software.

EFFECT:

- Payroll expense, compensated absences, and compensatory time could be misstated if time is not properly reported.
- Amounts paid to employees may be improper if time is not accurately reported and approved.
- Payroll expense may not be properly supported by contemporaneous approved documentation.
- Employees may not be paid in accordance with approved pay rates and pay schedules.
- The City may not be paying employees for actual time worked in violation of Article VII, Section 14 of the Louisiana Constitution prohibiting donation of public funds.
- Accrued leave and compensatory time may not be accurately tracked and recorded.
- Balances owed to employees for compensatory time and accumulated compensated absences upon termination may be over or under paid if the balances are not accurate.
- The City is not in compliance with the FICA law.

RECOMMENDATION:

We recommend that:

- All employees, whether salary or hourly, be required to input their actual hours into Attendance Enterprise and have those hours approved by a supervisor prior to payroll processing.
- The City implement policies and procedures to ensure pay rates are properly set up for all employees.
- The City conduct an independent review of all payroll transactions and pay rates prior to final processing

- There be an independent review of any pay earned in addition to base salary include properly approved documentation to ensure accuracy.
- All timesheets be reviewed for accuracy and approved by a direct supervisor prior to payroll processing.
- Payroll not be processed for employees who do not have approved time properly documented.
- Monitoring procedures be designed to detect coding errors in certain payroll fields.
- A complete and comprehensive review of data input in the payroll software to set up each employee be reviewed for accuracy and completeness by a separate individual.

2018-003 Compliance - Late Filing

CONDITION:	The City's audit for the year ended December 31, 2018 was not completed and the audit report was not submitted to the Louisiana Legislative Auditor within six months of year end. A sixty day extension was granted by the Louisiana Legislative Auditor.
CRITERIA:	Louisiana revised statute 24:513 A (5)(a)(i) requires that audits of government agencies shall be completed within six months of the close of the entity's fiscal year. Audit reports are required to be filed with the Louisiana Legislative Auditor within this time restriction.
CAUSE:	The City's audit was not completed timely. The City's Civil Service employee leave balances have not been reported in the financial statements. A significant amount of effort and time was required to obtain usable information needed to calculate the estimate which could not be accomplished timely. The process to provide data to the actuary to estimate the liability related to claims and judgments took longer than expected. The fund financial statements had to be revised multiple times delaying test work. As a result, the City of Shreveport audit was not submitted to Legislative Auditor by June 30, 2019.
EFFECT:	The City is not in compliance with Louisiana Revised Statute 24:513 A (5)(a)(i).
RECOMMENDATION:	We recommend that the City implement year end close procedures to ensure all significant estimates and other information required for financial reporting is properly captured and adjusted timely.

2018-004 Material Weakness - Lack of Controls over Data Provided to the City's Actuaries

CONDITION: The City does not verify the accuracy of the census data provided to the actuary of pensions and OPEB plans and claims and litigation data prior to submission to the actuary.

CRITERIA: Data provided to the City's actuaries who prepare the valuations for the City's pension and OPEB plans and liability claim reserves must be complete and accurate. The City should perform controls to ensure the completeness and accuracy of census data prior to submitting to the actuary. Performance of the controls and any testing should be adequately documented including corrective action.

CAUSE: The City does not have policies and procedures in place requiring pension, OPEB, claims, and litigation census data testing for completeness and accuracy prior to submission to the actuary preparing the liability valuations be performed and documented.

EFFECT: Claims and litigation census data submitted to the actuary to estimate liability for claims and judgments may not be accurate resulting in an estimate that is not reasonable. Evidence of performance of controls over accuracy of Pension and OPEB census data is not documented.

RECOMMENDATION: We recommend that claims and litigation census data be reviewed and tested for accuracy prior to submission to the actuary. Evidence of the review and testing of all census data submitted to actuaries should be documented and maintained on file. Documentation should include such detail as the population, sample selection, individuals performing the testing, date of testing, procedures performed and results of testing.

2018-005 Significant Deficiency - Lack of Controls for Supply Inventory Accounting

CONDITION: The City adjusts inventory balances at year end to November counts which does not reflect the amounts actually on hand at year end. Inventory movement after the count date through year end are not tracked to ensure proper cutoff and accurate reporting of inventory balances as of year-end. Perpetual inventory records are not updated for variances noted in physical counts. There is no review and approval of adjusted inventory balances after adjusting entries are made to ensure the balances reflect the actual inventory owned by the City.

CRITERIA:	Inventory balances reported should accurately reflect the actual inventory balances at year end. Policies and procedures should be in place to ensure proper cutoff and valuation of inventory at year end. Perpetual inventory records should be adjusted for any variances noted in inventory counts and movement of inventory after the count date through year end should be tracked. Adjustments to inventory should be reviewed and approved. The review and approval should be documented.
CAUSE:	Inventory is counted prior to year-end and there are no procedures in place to track movement of inventory and ensure proper cutoff. Policies and procedures are not in place to ensure adjusted inventory balances are reviewed and approved.
EFFECT:	Inventory balances reported do not accurately reflect actual inventory balances at year end. Inventory adjustments could result in misstated amounts without proper review and approval procedures in place.
RECOMMENDATION:	We recommend that the City suspend movement of inventory between the count date and year end if possible. If this is not feasible we recommend that the City perform the physical inventory as close to the end of the year as possible. All inventory movements after the count should be tracked to ensure proper cutoff. We also recommend that the City report inventory balances as of year-end. The City should implement policies and procedures requiring review and approval of adjusted inventory balances during the financial close process.

2018-006 Material Weakness - Lack of Controls over Fund Financial Statement Adjustments

CONDITION:	The reported fund balance of the Employee's Healthcare Fund in the 2017 CAFR did not agree to the beginning fund balance for the fiscal year 2018 by a material amount.
CRITERIA:	The reported fund balance of a Fund per the ending financial statements, as presented in the City's Comprehensive Annual Financial Report (CAFR) should agree with the beginning fund balance of the current fiscal year.
CAUSE:	Year-end health care claims liability adjustments were posted to the fund after the financials were incorporated into the CAFR and these changes were not communicated to the Controller as he prepared the CAFR or to the auditor.
EFFECT:	Activities and balances are not properly reported.

RECOMMENDATION: We recommend that management implement procedures to ensure all transactions related to the reporting period be captured and properly included in the CAFR. In addition, we recommend that any journal entries required after fund financials have been submitted for inclusion in the CAFR be reviewed and approved by an appropriate member of management prior to posting and updated financials reflecting the adjustments obtained and used for CAFR preparation.

2018-007 Material Weakness - Failure to Comply with Controls for Bank Wire Disbursements

CONDITION: Controls over cash disbursements via bank wire are not operating effectively. For two of the twenty-five wires tested during the audit, the Vendor Funds Request Form was not completed to properly document the preparation and approval of the wires. In the cases tested, the wires were for valid vendors and expenditures.

CRITERIA: Per City policy, all wires are initiated and completed with the completion of a Vendor Funds Request Form which documents approval of the wire.

CAUSE: Per the City's Director of Finance and Controller, due to haste and untimely processing of payables the established procedure was avoided in an effort to avoid penalty of late payment by vendor.

EFFECT: The City is not processing cash disbursements via bank wire in accordance with their established controls. Unauthorized wires may be performed.

RECOMMENDATION: We recommend the City follow their policies and procedures, without exception, in order to properly document the authorization of bank wire disbursements.

2018-008 Material Weakness - Lack of Controls for Fund Financial Review and Close Procedures

CONDITION: During the course of the audit, multiple versions of fund level financial statements and supporting documentation were provided by the City for audit for four months after the date the financials were originally provided. These revisions occurred due to a variety of reasons including incomplete financial statements. The Accounting Department uses two different accounting software systems for accounting and financial reporting. The underlying accounting information for these two systems must be entered twice, financial information must be reviewed and reconciled twice in order to ensure accuracy and completeness of records between the two systems. This resulted in significant delays in the audit due to work having to be

performed multiple times due to changes being made to accounting records and supporting information submitted for the audit.

CRITERIA: Fund level financial information, related supporting documentation, reconciliations, and journal entries should be prepared timely and thoroughly reviewed for accuracy and completeness prior to submission for audit.

CAUSE: There is no formal year-end financial close process in place to ensure the timely and accurate preparation and review of the fund financial statements. Two accounting systems are being used by the City accounting department resulting in additional work to ensure completeness and increasing the risk for potential errors.

EFFECT: The audit was significantly delayed. There were multiple versions of fund financial statements and supporting documentation provided.

RECOMMENDATION: We recommend the City develop standardized year-end close procedures to be used by all accountant. The procedures should include any necessary reconciliations. We also recommend the City develop monitoring and review procedures to ensure all fund financial statements and supporting documentation are complete and accurate. In addition, we recommend that accounting procedures performed by various accountants be standardized to the extent possible. We also recommend that proper supporting documentation be maintained on file to support amounts reported in the financial statements.

2018-009 Control Deficiency – Budget Preparation

CONDITION: Budgeted items do not properly reflect the nature of the expenditure. There are material amounts of expenditures for contractual services which are included in the budget presented for adoption as transfers to other funds within the City. Expenditures to be paid to outside entities are comingled with transfers to other funds.

CRITERIA: Budget amounts should reflect the nature of the expenditures.

CAUSE: The City does not have policies and procedures in place to ensure budgets accurately reflect the nature of the expenditures.

EFFECT: Decision making in the budget process may be ineffective based on inaccurate information. The comparability of the budget to actual expenditures is compromised due to the inaccurate coding in the budget.

RECOMMENDATION: We recommend that the City properly create and report the budget accurately to meet the presentation of the financial statements and their purpose.

2018-010 Material Weakness - Lack of Journal Entry, Account Balance, and Financial Statement Transaction Review

CONDITION: While performing the audit of franchise tax revenue, we identified that one of the payments made to the City for franchise taxes was recorded for the incorrect amount. During review of Landfill's Accounts Receivable balances there was a misstatement identified in the year-end balance of amounts due the City. Amounts received as insurance proceeds for the damage of property and equipment were improperly recorded to expenditure accounts.

CRITERIA: Financial statements, transactions and balances should be reviewed for accuracy before providing documentation and support for the audit. Insurance proceeds should be reported as revenue when received.

CAUSE: There are no policies and procedures in place requiring detailed journal entry review. Financial statements are not thoroughly reviewed in detail prior to submission for the audit. Balance was not properly adjusted at year-end to ensure amounts reported in the financial statements were accurate. The City accountants are not following the procedures in place to properly record cash receipts in the accounting software.

EFFECT: Revenues for the General Fund were overstated and revenues for the Street Fund were understated by a material amount. The Landfill's Accounts Receivable balance was understated at year-end. Revenues and expenditures were understated by the amount of insurance proceeds received.

RECOMMENDATION: We recommend that a detailed journal entry review be performed. In addition, we recommend that financial statements be reviewed in detail prior to submission for audit. Account balances and support should be reviewed for reasonableness and agreement to ensure amounts disclosed in financial statements are accurate. We recommend the City ensure that all accountants are adequately trained in the accounting software and that proper procedures are followed to ensure that all cash receipts are properly recorded in the system.

2018-011 Material Weakness - Lack of Controls over the Preparation and Review of the Schedule of Federal Expenditures (SEFA)

- CONDITION:** For four years, the Schedule of Expenditures of Federal Awards prepared by the auditee has included inaccurate information, omitted federal awards, misclassified federal awards into the wrong program and was not properly reconciled the expenditures to the underlying accounting records. The schedule has been materially misstated and was not mathematically accurate. Clusters of programs were not properly identified and reported in the schedule.
- CRITERIA:** According to the Code of Federal Regulations Title 2 Grants and Agreements Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F – Audit Requirements, it is the auditee’s responsibility to have an internal controls to prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards. The Schedule should be complete and accurate.
- CAUSE:** Policies and procedures are not in place to ensure complete and accurate reporting in the Schedule of Expenditures of Federal Awards. The schedule is not independently reviewed by an appropriate individual other than the preparer. Responsibility for federal awards reporting is not centralized.
- EFFECT:** The City is not in compliance with the auditee responsibilities per the Code of Federal Regulations and has not corrected the lack of internal controls and procedures to eliminate this finding.
- RECOMMENDATION:** We recommend the City design and implement policies and procedures for preparation and review of the Schedule of Expenditures of Federal Awards to ensure the schedule is complete and accurate. In addition, we recommend that the policies and procedures include independent review of the prepared schedule by an appropriate individual other than the preparer. We also recommend that one individual be assigned the responsibility for gathering data, verifying its accuracy and completeness, preparing adequate documentation to prove the Schedule reconciles to appropriate accounting records and proper reporting of federal awards. This individual should receive proper training on the preparation of the Schedule of Expenditures of Federal Awards. We also recommend that this person have the authority and autonomy to ensure the Schedule is properly prepared and documented.

2018-012 Significant Deficiency - Lack of Controls, Failure to Timely File Payroll Tax Filings with LA Dept. of Revenue

- CONDITION:** The City did not timely file the 2nd and 3rd quarter 2018 Form L-1 with the Louisiana Department of Revenue. As a result, the City was assessed a penalty of \$189,274.55 in total for both quarters.
- CRITERIA:** The City is required to file all required payroll tax forms timely.
- CAUSE:** The Director of Finance did not timely file the required payroll form L-1 with the Louisiana Department of Revenue for the 2nd and 3rd quarter of 2018 and did not request abatement of the penalty.
- EFFECT:** The City was required to pay a penalty of \$142,211.25 for the 2nd quarter late filing and \$47,063.30 for the 3rd quarter. The total penalty paid was \$189,274.55.
- RECOMMENDATION:** We recommend that the City have a process that requires two individuals to prepare and file the required payroll tax forms. We recommend someone be responsible for verifying the forms have been filed accurately and timely.

2018-013 Control Deficiency - Lack of Controls for Preparing and Accurately Filing Quarterly Payroll Reporting

- CONDITION:** The City prepares its quarterly IRS Form 941, Schedule B, by intentionally reporting minor payroll payments with scheduled payrolls by inputting a pay date other than the actual date in order to avoid making payments when required by IRS regulations and manipulating the reporting to avoid late payment penalties.
- CRITERIA:** The City should prepare and file IRS Form 941, Schedule B, which shows the actual payroll liability based on the dates the payroll is paid and thus, because the City is a three (3) day filer, establishes the dates to pay in the payroll taxes.
- CAUSE:** Potential Management Override.
- EFFECT:** Violation of rules and regulations.
- RECOMMENDATION:** We recommend that the City utilize the reporting capabilities of the software in place, without manipulation, and make the appropriate payroll tax remittances regardless of dollar amount when required by law.

2018-014 Material Weakness - Lack of Controls over Liability Recognition

CONDITION:	The City did not identify and properly accrue as liabilities two invoices that are material to their respective funds at year end.
CRITERIA:	The City should record liabilities in the appropriate period for which the expenditure was incurred. The liability should be recorded for expenditures incurred but not paid prior to year-end.
CAUSE:	Cutoff procedures were not properly performed to identify all invoices and related payables or liabilities to be recorded in the proper period.
EFFECT:	Accounts payable or other liabilities and expenditures are understated and the purchase population is not complete.
RECOMMENDATION:	We recommend that the City implement policies and procedures to completely identify and review all invoices to ensure that expenditures and any related accruals are recorded in the proper period and liabilities are properly stated.

2018-015 Material Weakness - Failure to Comply with City Disbursement Policies and Procedures

CONDITION:	The City sent wire transfers to two recipients outside of the accounts payable process and entered them into the payable system with a journal entry circumventing the controls in place over wire transfers.
CRITERIA:	The City's process and controls over wire transfers require them to be processed through the accounts payable system in order for them to be subject to the appropriate reviews and approvals and to ensure there is proper segregation of duties for the cash disbursements.
CAUSE:	Management override of controls in place over wire transfers.
EFFECT:	Wire transfers are not properly reviewed and approved. There is potential for management override of controls, possible error and there is not proper segregation of duties.
RECOMMENDATION:	We recommend that the City require all wire transfers be processed with the established procedures and controls over these types of disbursements.

2018-016 Significant Deficiency - Lack of Controls over the Employee Retirement System and Cost of Living Adjustments

- CONDITION:** There were cost of living adjustments approved for two beneficiaries of the retirement plan that were not paid during 2018. In January 2019, the errors were detected and additional payments were issued to the beneficiaries to correct for the underpayment during 2018.
- CRITERIA:** Benefit payments should agree to the amounts approved and documented in the beneficiary retirement file. Cost of living adjustments should be entered into the payroll system timely and paid accordingly.
- CAUSE:** The City did not have procedures in place to verify each cost of living adjustment was entered into the payroll system for processing.
- EFFECT:** The beneficiaries did not receive the correct benefit payments during the current year.
- RECOMMENDATION:** We recommend the City implement procedures to verify that all cost of living adjustments are entered into the payroll system and verify that all beneficiaries are receiving the correct payment from the Employee Retirement System.

2018-017 Material Noncompliance - Uninsured Bank Balances

- CONDITION:** Deposits held at three banks were not fully insured, causing the City to have exposure totaling \$9,330,787 as of December 31, 2018.
- CRITERIA:** As required by Louisiana Revised Statutes 39:1211 through 39:1245, all deposits are required to be insured or collateralized. Deposits must be secured by Federal Deposit Insurance or the pledge of securities owned by the financial institution where the deposits are maintained.
- CAUSE:** Periodic reviews of deposits held at financial institutions are not performed to ensure balances are fully insured or collateralized. The City does not have in place a process and related controls to establish and review the bank deposit balances and compliance with LA RS 39:1211-1245.
- EFFECT:** The City is not in compliance with Louisiana Revised Statutes 39:1211 through 39:1245. The City is exposed to risk of loss up to \$9,330,787.

RECOMMENDATION: We recommend that the City review the bank balances and pledged securities monthly to ensure that all balances are appropriately secured. We further recommend that this process be formalized and clearly documented to demonstrate compliance, when it was reviewed and approved and how the City confirmed the balances were properly covered either by insurance or securities. Further, the City should institute procedures with the banks to ensure compliance and remediation when needed.

2018-018 Misappropriations

CONDITION: The City discovered a misappropriation of the City's public funds or assets from the City of Shreveport Water Department located at 139 Greenwood Road, Shreveport, LA 71103 in the amount of \$2,766. A complaint was received in reference to suspicious activity that was being conducted by an employee with the City of Shreveport Water and Sewerage Department, Lashaun Wheeler. The suspect in the misappropriation was adjusting water bills in order provide free water and sewerage utilities to themselves and others. The misappropriation is believed to have occurred during the period from August 1, 2014 through September 13, 2018. The employee believed to have committed the misappropriation is no longer employed by the City. The City notified the Shreveport Police Department about the misappropriation on September 14, 2018. An investigation was subsequently conducted by the Shreveport Police Department. An arrest warrant affidavit charging Ms. Lashaun Catrice Wheeler with Felony Theft, Louisiana Revised Statute 14:67, was submitted to the Caddo Parish District Attorney's office on October 30, 2018. An arrest warrant was signed by a Caddo judge and a bond was set the same day. The suspect turned themselves in at the Caddo Correctional Center on November 1, 2018 and appeared before a Caddo judge on December 20, 2018. The case has been continued until September 17, 2019 and has not been adjudicated as of the date of the Auditors' report. Restitution has not been made. No insurance claim was filed related to the misappropriation. The City notified the Louisiana Legislative Auditor in writing, as required by Louisiana Revised Statute 24:523. The City's internal controls did not allow for the detection of the misappropriation in a timely manner. Subsequent to year end the City discovered a misappropriation in which a City Water and Sewerage zone supervisor and site supervisor collaborated and used City resources to install a concrete driveway and perform other concrete work at the zone supervisor's residence. The approximate value of the assets involved is \$3,302. City employees were also used to complete the projects. The misappropriation occurred between January 10, 2019 and June 12, 2019. The individuals are no longer

City of Shreveport
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

employed by the City. The City notified the Caddo Parish Sheriff regarding the incidents. The investigation was completed and both individuals were arrested on felony theft charges. The cases have not been adjudicated as of the date of the Auditors' report. Restitution has not been made. No insurance claim was filed related to the misappropriation. The City has notified the Louisiana Legislative Auditor in writing, as required by Louisiana Revised Statute 24:523. The City's internal controls did not allow for the detection of the misappropriation in a timely manner. Subsequent to year end the City discovered a misappropriation in which a City Water and Sewerage employee used City resources including gravel, dump trucks, and a backhoe to install a gravel driveway at their residence. The approximate value of the assets involved is \$22,088. The misappropriation occurred on or around July 29, 2019. The individual is no longer employed by the City. The City notified the Caddo Parish Sheriff regarding the incidents. The investigation was completed and the individual was arrested on felony theft and unauthorized use of a movable charges. The case has not been adjudicated as of the date of the Auditors' report. The backhoe valued at \$20,000 was recovered. No insurance claim was filed related to the misappropriation. The City has notified the Louisiana Legislative Auditor in writing, as required by Louisiana Revised Statute 24:523. The City's internal controls did not allow for the detection of the misappropriation in a timely manner.

- CRITERIA:** Adequate controls should be in place to ensure timely detection and reporting of fraud and misappropriation.
- CAUSE:** Controls over water and sewerage utilities billing adjustments are not properly designed and implemented. Controls to properly safeguard water and sewerage inventory and equipment are not properly designed and implemented.
- EFFECT:** Improper adjustments may go undetected resulting in lost revenue for the City. City resources may be misappropriated.
- RECOMMENDATION:** We recommend that the City Water and Sewerage Department implement controls over billing adjustments to ensure timely detection of fraud, errors, or misappropriation. We also recommend that management implement timely review of billing adjustments by an appropriate member of management. We recommend that the City Water and Sewerage Department implement controls to safeguard City assets.

2018-019 Material Weakness - Lack of Controls for Capital Asset Acquisitions and Capitalization

CONDITION:	In performing expense analytics, explanations were given for activity during the year in certain accounts. In corroborating this explanation, CRI noted several significant fixed asset purchases during the year which were not recorded as property, plant, & equipment totaling approximately \$3,693,614.
CRITERIA:	Controls should be in place to ensure all property, plant, & equipment asset purchases are capitalized in accordance with the Company's fixed asset policy and captured in the correct reporting period. Accurate and proper documentation should be available to support balances.
CAUSE:	The City does not have adequate controls in place and operating effectively to ensure all fixed asset purchases which should be capitalized are captured, reviewed, approved, and reported in a timely manner.
EFFECT:	The capital asset reports were materially misstated due to several significant purchases during 2018 were not capitalized and reported in the capital asset records.
RECOMMENDATION:	We recommend the City adopt or reinforce the controls to ensure that all accountants are adequately trained in the Logos software and that proper procedures are followed to ensure that all assets are properly recorded in the system. We recommend that the City ensure the capital assets records are updated timely throughout the year. We also recommend that there is an adequate and timely review of the supporting capital assets reports performed by the City controller. We recommend that the City implement policies and procedures to ensure timely review of expense accounts (Monthly or Quarterly review of accounts to which fixed asset purchases would be coded). In addition, all personnel involved with this process should be reminded to perform their part of the process without fail.

2018-020 Material Weakness - Lack of Controls for Compensated Absences

CONDITION:	Compensated absences accrued at year end did not include all City Police and Fire leave balances causing the liability to be materially understated. Police Department leave records are manually documented and stored on site. No electronic records are maintained that can be backed up in case of disaster or destruction of the manual records.
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CRITERIA:	Controls should be in place to ensure compensated absences balances for all employees from all departments are included in the liability and in the correct reporting period. Accurate and proper documentation should be available to support balances recorded.
CAUSE:	Leave balances for City Police and Fire personnel are not maintained in the City's payroll software and are not otherwise tracked for inclusion in the liability calculation.
EFFECT:	The compensated absence report and liability were materially misstated due to exclusion of these employees from the accrual calculation. Manual leave records could be destroyed with no means of recovery.
RECOMMENDATION:	We recommend the City ensures all employees of each department are included in the calculation of compensated absences at year end. We recommend that leave records be electronically maintained and backed up daily.

2018-021 Significant Deficiency - Failure to Maintain Vendor Support for Financial Statement Documentation

CONDITION:	The City of Shreveport was unable to locate two vendor files requested during testing.
CRITERIA:	Documentation should be kept on file to support transactions that make up the financial statements.
CAUSE:	City's Finance Department was not able to locate vendor files requested for testing during the audit. The City's Finance Department continues to maintain its records predominately in a paper environment which allows the possibility of lost, destroyed and misplaced files with no accountability.
EFFECT:	This is a lack of supporting documentation and potential lack of authorization.
RECOMMENDATION:	We recommend always utilizing the system in place to check in/out vendor files. Currently, to check out a vendor file, a person must sign a log with their name, the vendor number, the year, and the date the file is checked out. When the file is returned, a person must note the date on the log. The City should strive to migrate to an electronic records environment utilizing its significant software assets.

2018-022 Material Weakness - Lack of Controls over Cash Disbursement Processing

CONDITION:	An invoice totaling \$235,572.60 was copied and entered into the accounting software a second time causing the invoice to be paid twice.
CRITERIA:	Payments should be made from original invoices only. Faxed invoices, copies of invoices and manually altered invoices or statements are not acceptable support for payments.
CAUSE:	Override of manual and IT controls. The invoice was paid from a copy. The invoice was entered into the accounting software by both department personnel and accounting personnel. The invoice number entered into the accounting software was altered to circumvent the system control preventing duplicate invoices to be entered and to allow entry of the invoice into the system.
EFFECT:	The invoice was included in both accounts payable and short term accrued liabilities at year end resulting in the liability and expense being overstated by the amount of the invoice and the invoice being paid twice subsequent to year end.
RECOMMENDATION:	We recommend that copied invoices be marked as such so that copies are not mistaken as original invoices. We recommend that payments be made only from original invoices. Invoice numbers should not be modified during entry into the accounting software. Invoices should also be marked as paid upon payment.

2018-023 Noncompliance with Louisiana Local Government Budget Act

CONDITION:	<p>The City did not publish notice of certification that all required action related to the Local Government Budget Act has taken place.</p> <p>Budgets for four funds were not in compliance with the requirements of the Louisiana Local Government Budget Act. The actual revenue of the Public Safety budget is 66% or \$1,765,025 less than the amended budgeted revenue, the actual revenue of the Community Development Fund is 37% or \$3,820,755 less than the amended budgeted revenue, the actual revenue of the Downtown Entertainment Economic Development Fund is 25% or \$29,621 less than the budgeted revenue, the actual revenue of the Environmental Grants Fund is 16% or \$46,823 less than the budgeted revenue.</p>
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- CRITERIA:** R.S. 39:1307 requires that the governing authority publish a certification notice that all required action related to the Budget Law has taken place in the same manner that is required for notice related to the proposed budget and public hearing. The certification is to occur after completion of the budgeting process.
- R.S. 39:1311 requires that the governing authority must adopt a budget amendment if there is a 5% or greater shortage in revenue or a 5% or greater overage in expenditure or if there is a 5% or greater variance in the actual fund balance at the beginning of the year.
- CAUSE:** There are not sufficient procedures implemented to monitor compliance with the Louisiana Local Government Budget Act.
- EFFECT:** The City is not in compliance with the Louisiana Local Government Budget Act.
- RECOMMENDATION:** We recommend that the City regularly monitor budget to actual results, notify the governing authority of variances in total revenues and expenditures of 5% or more when required, and amend budgets as necessary to ensure compliance with the Louisiana Local Government Budget Act. Personnel should be assigned to monitor the City's compliance with the budget act requirements.

2018-024 Compliance - Monitoring Compliance with Contracts

- CONDITION:** The City has contracts whose provisions should be monitored for compliance and proper renewal. Specifically, the Convention Center Hotel did not have an annual audit conducted by a certified public accountant for the fiscal year ended December 31, 2018. The collection agreement for water and sewer has been in place since 2006 and should be reviewed and brought current.
- CRITERIA:** The City should monitor compliance with its contracts and re-negotiate the contracts at renewal or if no renewal, as a prudent business man would. The Qualified Management Agreement between the Shreveport Convention Center Hotel Authority and the Manager of the facility requires an external audit of the Hotel's financial statements shall be conducted annually by a certified public accountant. The City's contract for water and sewer delinquent account collection has been in place for over twenty years without apparent review or renegotiation.

- CAUSE:** The City does not have policies and procedures in place to properly monitor the contracts in place or the Hotel to ensure the annual financial statement audit is performed by a certified public accountant timely and submitted to the City or the collection contract to ensure the City's interest are reviewed and protected.
- EFFECT:** The Hotel is not in compliance with the management agreement and the collection agreement should be reviewed.
- RECOMMENDATION:** We recommend that the City implement policies and procedures to properly monitor its contract provisions. We also recommend that the Hotel be required to obtain the audit and the City's Finance Department monitor compliance with the annual requirement. We further recommend that the audit be maintained on file at the City.

2018-025 Material Weakness - Water and Sewer Billing System, Sales Tax Collections, and Materially Misstated Water and Sewer Financial Statements

- CONDITION:** The Water and Sewerage Department previously charged sales taxes that were not consistent with L.R.S. 47:305(D)(1)(c) for sales of water for nonresidential use and improperly recorded these billings and collections as revenue. The Finance Department was aware of these errors and did not take action to correction the accounts or activities.
- CRITERIA:** L.R.S. 47:305(D)(1)(c) states that sales of water for nonresidential use are taxable at established rates in periods from July 1, 2015 through June 30, 2025.
- CAUSE:** The City improperly charged sales tax on sewer charges and security fees.
- EFFECT:** Nonresidential customers were not charged the proper amount of sales tax on their monthly bills and revenue for the Water and Sewer was overstated, the related liability due to the State of Louisiana was not recorded properly, resulting in materially misstated financial statements for the Water and Sewer Fund not corrected by the Finance Department.
- RECOMMENDATION:** We recommend that the Finance Department following proper accounting procedures to properly report revenues and liabilities on the financial statements.

2018-026 Significant Deficiency - Lack of Controls over Sales and Use Tax Reconciliations

- CONDITION:** Sales Tax Charges for the water and sewer department, although being improperly charged on Sewerage charges, were not reconciled and remitted to the State as required by State law.
- CRITERIA:** Sales tax charges should be remitted properly to the State.
- CAUSE:** The Water and Sewerage Department charged sales taxes on water properly, but also improperly charged sales tax on sewerage. No reconciliation was performed to compare what should be remitted to the State for water sales and what was collected by the Water and Sewerage department.
- EFFECT:** Potential for material misstatement of financial accounts and overcharges to the customers and noncompliance with state sales and use tax ordinances.
- RECOMMENDATION:** We recommend sales and use tax reconciliations be performed to ensure proper amounts are being reported and remitted.

2018-027 Significant Deficiency - Improper Account Classification

- CONDITION:** Sales tax charges for Water sales and previously sewerage charges are not properly coded to sales tax liability accounts.
- CRITERIA:** Generally Accepted Accounting Principles requires proper account classifications for liabilities to be reported on the balance sheet instead of the income statement.
- CAUSE:** The mapping of the financial transactions is not proper resulting in sales tax collections to be reported on the income statement instead of a liability account.
- EFFECT:** Overstatement of revenue transactions during the year and the potential for improper reconciliation of sales tax liability numbers.
- RECOMMENDATION:** We recommend the City correct the mapping of the sales tax charges to be reported as a liability.

III. FEDERAL AWARD FINDINGS AND RESPONSES

Current Year Findings and Responses

NONE



CITY OF SHREVEPORT

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Website: www.shreveportla.gov

Summary Schedule of Prior Audit Findings For the Year Ended December 31, 2018

Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards*

2017-001 Financial Statement and Detail Record Review

Condition:

- After reconciliation of the Capital One Investment statements by the Treasury Accountant there is no review by anyone else to ensure proper and timely reconciliation.
- During the course of the audit, multiple versions of fund financial statements and supporting documentation were provided by the City. Two different software systems are being used for accounting and financial reporting. Information from these two systems must be reconciled. This resulted in significant delays in the audit due to work having to be performed multiple times due to changes made to financials and supporting information submitted for the audit.
- The operating and payroll bank reconciliations, including final balances and a significant amount of other fund's reconciliations, for the year ended December 31, 2017 were not reconciled and provided in a timely manner.
- When performing the fixed asset rollforward from the fiscal year 2016 to fiscal year 2017, it was discovered that approximately \$3.5 million in fixed assets was capitalized in fiscal year 2016 and not captured in the financial statements appropriately. Beginning balance of the fixed assets is materially misstated.
- When reviewing financial statements provided by the accountants, it was identified that beginning fund balance was not appropriately stated for the Fireman and Police Pension Funds.
- Lack of review or inadequate review of workpapers by management.
- During review of the deferred inflows and outflows of resources related to bond refundings, it was identified the new 2017 series bonds for the debt service fund was calculated incorrectly resulting in an approximately \$3.6M error.
- Workpapers prepared by the accountants for the various funds related to bonds were not properly prepared and reviewed.

Status: **Not Resolved. Repeated in 2018 findings.**



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2017-002 Segregation of Duties and IT User Access Review

Condition:

- Improper segregation of duties related to direct deposits to vendors. The Director of Finance has the ability to initiate and release EFT batches which are incompatible duties. EFT vendor payments are not reviewed to ensure accuracy.
- Lack of review of user access roles and responsibilities.

Status: **Partially Resolved. Repeated in 2018 findings.**

2017-003 SEFA Preparation and Review

Condition:

The Schedule of Expenditures of Federal Awards prepared by the auditee included inaccurate information and was not properly reconciled to the underlying accounting records. The schedule was materially misstated and was not mathematically accurate. Clusters of programs were not properly identified and reported in the schedule.

Status: **Not Resolved. Repeated in Finding 2018-011.**

Findings and Questioned Costs for Federal Awards

Condition:

The City's Water and Sewer Division of their Engineering Department, the responsible party for the management of the federal award, does not have documented controls in place for the period of performance.

Status: **Resolved.**



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Corrective Action Plan For the Year Ended December 31, 2018

Person(s) responsible for corrective actions on all findings, unless noted otherwise in that finding:

Charles Madden, Director of Finance
City of Shreveport
505 Travis Street, Suite 600
Shreveport, LA 71101
Telephone: 318-673-5400

David Creswell, Controller
City of Shreveport
505 Travis Street, Suite 600
Shreveport, LA 71101
Telephone: 318-673-5615

Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards*

2018-001 Material Weakness - Lack of Controls for Cash and Investment Account Reconciliations and Review

CONDITION:

We noted that:

- a) the Operating and Payroll Bank reconciliations were not provided upon request (April 1, 2019) indicating they were not completed timely
- b) the operating and payroll bank accounts reconciliations were not prepared correctly
- c) the hotel cash account and City investment account reconciliations did not have any evidence of review
- d) in the case of the operating and payroll reconciliations, our test work identified that the accountant could not provide the support for the reconciling items

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: Investments will be reviewed and sign off as reviewed by Controller. All small bank accounts should be reviewed and signed off by immediate supervisor. All major accounts (operating and payroll) will be reviewed and sign-offed and dated by Controller.

ANTICIPATED COMPLETION DATE: Immediately

2018-002 Material Weakness - Lack of Controls over Payroll Processing and Payroll Data

CONDITION:

During review of payroll procedures, testing of controls over payroll, testing of payroll transactions, and testing of pay rates we identified:

- A lack of supervisor approval for salaried employees regular hours was noted. Per inquiry of City employees responsible for payroll processing, it was revealed that while some salaried employees



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do submit timesheets to be approved by the department supervisor, other salaried employees' time is automatically entered into the system. There is no control in place requiring the review of regular hours for salaried employees, nor the tracking of the use of compensated absences and compensatory time.

- Some departments do not require supervisor review and approval of timesheets.
- During testing of twenty five payroll transactions the following errors were noted:
 - one exception was noted in which an employee was not paid in accordance with the approved Pay Schedule
 - two exceptions were noted in which employee pay was not calculated correctly
 - one employee was improperly paid additional compensation for duties not performed and underpaid for other pay earned
 - one employee was overpaid due to an error in calculation of a raise
 - one payroll transaction was not properly posted to the general ledger.
- During testing of sixty pay rates six variances were noted in which the approved pay rate per the personnel file did not agree to the pay rate entered into the payroll software.
- Approximately 90 employees did not have social security and/ or Medicare taxes withheld from their payroll checks.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: All employees are required to turn in a Form 24 (Absence Request form) for all time taken off. Semi-monthly payroll is processed as an exception payroll, all employees receive a full regular pay check unless exceptions are keyed into the system for vacation, sick time, or unpaid leave. Each time keeper and department head is responsible for verifying time submitted and approved for each payroll.

ANTICIPATED COMPLETION DATE: Immediately

2018-003 Compliance - Late Filing

CONDITION:

The City's audit for the year ended December 31, 2018 was not completed and the audit report was not submitted to the Louisiana Legislative Auditor within six months of year end. A sixty day extension was granted by the Louisiana Legislative Auditor.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City will ensure the timely filing in future years.



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ANTICIPATED COMPLETION DATE: 2019 Audit

2018-004 Material Weakness - Lack of Controls over Data Provided to the City's Actuaries

CONDITION: The City does not test the claims and litigation census data prior to submission to the actuary. Testing of the Pension and OPEB plans census data prior to submission to the actuary is not documented.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: Information was looked at by pension manager in past. With the change of pension manager the information was not looked in 2019. For future years, the City will document its procedures and results to ensure the data is correct prior to submitting to the actuary. This will be performed by the Pension Manager.

ANTICIPATED COMPLETION DATE: December 31, 2019

2018-005 Significant Deficiency - Lack of Controls for Supply Inventory Accounting

CONDITION: The City does not adjust inventory balances to reflect the amounts actually on hand at year end. Inventory movements after the count date through year end are not tracked to ensure proper cutoff and accurate reporting of inventory balances as of year-end. Perpetual inventory records are not updated for variances noted in physical counts. There is no review and approval of adjusted inventory balances after adjusting entries are made to ensure the balances reflect the actual inventory owned by the City.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: City does not maintain a perpetual inventory system. Controller will verify entries once completed. City will consider installing a perpetual inventory system in SPAR, W&S, Public Works, and Fire.

ANTICIPATED COMPLETION DATE: Unknown

2018-006 Material Weakness - Lack of Controls over Fund Financial Statement Adjustments

CONDITION: The reported fund balance of the Employee's Healthcare Fund in the 2017 CAFR did not agree to the beginning fund balance for the fiscal year 2018 by a material amount.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: All accountants will review CAFR after publishing to verify all fund balance. Person responsible for corrective actions: Controller and Fund accountants.

ANTICIPATED COMPLETION DATE: Immediately



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2018-007 Material Weakness - Failure to Comply with Controls for Bank Wire Disbursements

CONDITION: Controls over cash disbursements via bank wire are not operating effectively. For two of the twenty-five wires tested during the audit, the Vendor Funds Request Form was not completed to properly document the preparation and approval of the wires. In the cases tested, the wires were for valid vendors and expenditures.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City will comply with their internal procedures.

ANTICIPATED COMPLETION DATE: Immediately

2018-008 Material Weakness - Lack of Controls for Fund Financial Review and Close Procedures

CONDITION: During the course of the audit, multiple versions of fund level financial statements and supporting documentation were provided by the City for audit for four months after the date the financials were originally provided. These revisions occurred due to a variety of reasons including incomplete financial statements. The Accounting Department uses two different accounting software systems for accounting and financial reporting. The underlying accounting information for these two systems must be entered twice, financial information must be reviewed and reconciled twice in order to ensure accuracy and completeness of records between the two systems. This resulted in significant delays in the audit due to work having to be performed multiple times due to changes being made to accounting records and supporting information submitted for the audit.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: Controller will review all work completed by accountants before it is submitted to auditors to ensure it accuracy and completeness.

ANTICIPATED COMPLETION DATE: Immediately

2018-009 Control Deficiency – Budget Preparation

CONDITION: Budgeted items do not properly reflect the nature of the expenditure. There are material amounts of expenditures for contractual services which are included in the budget presented for adoption as transfers to other funds within the City. Expenditures to be paid to outside entities are comingled with transfers to other funds.



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MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City will implement procedures to ensure budget line items are appropriately described and the actual payments are coded in the same manner as budgeted.

ANTICIPATED COMPLETION DATE: 2020 Budget Cycle

2018-010 Material Weakness - Lack of Journal Entry, Account Balance, and Financial Statement Transaction Review

CONDITION: While performing the audit of franchise tax revenue, we identified that one of the payments made to the City for franchise taxes was recorded for the incorrect amount. During review of Landfill's Accounts Receivable balances there was a misstatement identified in the year-end balance of amounts due the City. Amounts received as insurance proceeds for the damage of property and equipment were improperly recorded to expenditure accounts.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: Controller will ensure accounts are timely reconciled and reviewed before it is submitted to auditors to ensure its accuracy and completeness.

ANTICIPATED COMPLETION DATE: Immediately

2018-011 Material Weakness - Lack of Controls over the Preparation and Review of the Schedule of Federal Expenditures (SEFA)

CONDITION: For four years, the Schedule of Expenditures of Federal Awards prepared by the auditee has included inaccurate information, omitted federal awards, misclassified federal awards into the wrong program and was not properly reconciled the expenditures to the underlying accounting records. The schedule has been materially misstated and was not mathematically accurate. Clusters of programs were not properly identified and reported in the schedule.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City will implement procedures to ensure an accurate, timely, and correct SEFA is prepared.

ANTICIPATED COMPLETION DATE: Immediately

2018-012 Significant Deficiency - Lack of Controls, Failure to Timely File Payroll Tax Filings with LA Dept. of Revenue

CONDITION: The City did not timely file the 2nd and 3rd quarter 2018 Form L-1 with the Louisiana Department of Revenue. As a result, the City was assessed a penalty of \$189,274.55 in total for both quarters.



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MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City will implement procedures to ensure these will be filed timely and properly.

ANTICIPATED COMPLETION DATE: Immediately

2018-013 Control Deficiency - Lack of Controls for Preparing and Accurately Filing Quarterly Payroll Reporting

CONDITION: The City prepares its quarterly IRS Form 941, Schedule B, by intentionally reporting minor payroll payments with scheduled payrolls by inputting the a pay date other than the actual date in order to avoid making payments when required by IRS regulations and manipulating the reporting to avoid late payment penalties.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City issues manual checks to employee for various reason, because of requirement of next day deposit, payroll will no longer issues manual checks after 2:00. This will allow time for payroll to collect the necessary information and file it on line to make a next day deposit of taxes for a weekly or semi-monthly payroll.

ANTICIPATED COMPLETION DATE: Immediately

2018-014 Material Weakness - Lack of Controls over Liability Recognition

CONDITION: The City did not identify and properly accrue as liabilities, two invoices that are material to their respective funds at year end.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City will review its procedures to ensure that all items are properly accrued.

ANTICIPATED COMPLETION DATE: Immediately

2018-015 Material Weakness - Failure to Comply with City Disbursement Policies and Procedures

CONDITION: The City sent wire transfers to two recipients outside of the accounts payable process and entered them into the accounting system with a journal entry, circumventing the controls in place over wire transfers.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City will correct the system to comply with its policies.

ANTICIPATED COMPLETION DATE: Immediately



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2018-016 Significant Deficiency - Lack of Controls over the Employee Retirement System and Cost of Living Adjustments

CONDITION: There were cost of living adjustments approved for two beneficiaries of the retirement plan that were not paid during 2018. In January 2019, the errors were detected and additional payments were issued to the beneficiaries to correct for the underpayment during 2018.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: We will use the monthly report that is created showing those persons who are reaching their one year date and ensure that each person's COLA is appropriately set up in the benefit system.

ANTICIPATED COMPLETION DATE: Immediately

2018-017 Material Noncompliance - Uninsured Bank Balances

CONDITION: Deposits held at four banks were not fully insured, causing the City to have exposure totaling \$9,330,787 as of December 31, 2018.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City will implement a monthly review of the bank balances and collateralization from the banks to ensure compliance; we will also take appropriate timely action with the banks to ensure they are also reviewing our activity to ensure the bank has sufficient collateral pledged to cover all our balances.

ANTICIPATED COMPLETION DATE: Immediately

2018-018 Misappropriations

CONDITION: The City discovered a misappropriation of the City's public funds or assets from the City of Shreveport Water Department located at 139 Greenwood Road, Shreveport, LA 71103 in the amount of \$2,766. A complaint was received in reference to suspicious activity that was being conducted by an employee with the City of Shreveport Water and Sewerage Department, Lashaun Wheeler. The suspect in the misappropriation was adjusting water bills in order provide free water and sewerage utilities to themselves and others. The misappropriation is believed to have occurred during the period from August 1, 2014 through September 13, 2018. The employee believed to have committed the misappropriation is no longer employed by the City. The City notified the Shreveport Police Department about the misappropriation on September 14, 2018. An investigation was subsequently conducted by the Shreveport Police Department. An arrest warrant affidavit charging Ms. Lashaun Catrice Wheeler with Felony Theft, Louisiana Revised Statute 14:67, was submitted to the



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Caddo Parish District Attorney's office on October 30, 2018. An arrest warrant was signed by a Caddo judge and a bond was set the same day. The suspect turned themselves in at the Caddo Correctional Center on November 1, 2018 and appeared before a Caddo judge on December 20, 2018. The case has been continued until September 17, 2019 and has not been adjudicated as of the date of the Auditors' report. Restitution has not been made. No insurance claim was filed related to the misappropriation. The City notified the Louisiana Legislative Auditor in writing, as required by Louisiana Revised Statute 24:523. The City's internal controls did not allow for the detection of the misappropriation in a timely manner. Subsequent to year end the City discovered a misappropriation in which a City Water and Sewerage zone supervisor and site supervisor collaborated and used City resources to install a concrete driveway and perform other concrete work at the zone supervisor's residence. The approximate value of the assets involved is \$3,302. City employees were also used to complete the projects. The misappropriation occurred between January 10, 2019 and June 12, 2019. The individuals are no longer employed by the City. The City notified the Caddo Parish Sheriff regarding the incidents. The investigation was completed and both individuals were arrested on felony theft charges. The cases have not been adjudicated as of the date of the Auditors' report. Restitution has not been made. No insurance claim was filed related to the misappropriation. The City has notified the Louisiana Legislative Auditor in writing, as required by Louisiana Revised Statute 24:523. The City's internal controls did not allow for the detection of the misappropriation in a timely manner. Subsequent to year end the City discovered a misappropriation in which a City Water and Sewerage employee used City resources including gravel, dump trucks, and a backhoe to install a gravel driveway at their residence. The approximate value of the assets involved is \$22,088. The misappropriation occurred on or around July 29, 2019. The individual is no longer employed by the City. The City notified the Caddo Parish Sheriff regarding the incidents. The investigation was completed and the individual was arrested on felony theft and unauthorized use of a movable charges. The case has not been adjudicated as of the date of the Auditors' report. The backhoe valued at \$20,000 was recovered. No insurance claim was filed related to the misappropriation. The City has notified the Louisiana Legislative Auditor in writing, as required by Louisiana Revised Statute 24:523. The City's internal controls did not allow for the detection of the misappropriation in a timely manner.



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MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City will consider implementing additional procedures in an attempt to prevent or deter this in the future.

ANTICIPATED COMPLETION DATE: Immediately

2018-019 Material Weakness - Lack of Controls for Capital Asset Acquisitions and Capitalization

CONDITION: In performing expense analytics, explanations were given for activity during the year in certain accounts. In corroborating this explanation, CRI noted several significant fixed asset purchases during the year which was not recorded as property, plant, & equipment totaling approximately \$3,693,614.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City will review its procedures to ensure that fixed assets records are complete.

ANTICIPATED COMPLETION DATE: December 31, 2019

2018-020 Material Weakness - Lack of Controls for Compensated Absences

CONDITION: Compensated absences accrued at year end did not include all City Police and Fire leave balances causing the liability to be materially understated. Police Department leave records are manually documented and stored on site. No electronic records are maintained that can be backed up in case of disaster or destruction of the manual records.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: Will work with Fire, Police and IT to create a system that can be used to accurately track and report numbers.

ANTICIPATED COMPLETION DATE: Immediately

2018-021 Significant Deficiency - Failure to Maintain Vendor Support for Financial Statement Documentation

CONDITION: The City of Shreveport was unable to locate two vendor files requested during testing.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City will follow its existing system for checking out files.

ANTICIPATED COMPLETION DATE: Immediately



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2018-022 Material Weakness - Lack of Controls over Cash Disbursement Processing

CONDITION: An invoice totaling \$235,572.60 was copied and entered into the accounting software a second time causing the invoice to be paid twice.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City will review its accounts payable procedures and make necessary corrections to eliminate this in the future.

ANTICIPATED COMPLETION DATE: Immediately

2018-023 Noncompliance with Louisiana Local Government Budget Act

CONDITION: The City did not publish notice of certification that all required action related to the Local Government Budget Act has taken place.

Budgets for four funds were not in compliance with the requirements of the Louisiana Local Government Budget Act. The actual revenue of the Public Safety budget is 66% or \$1,765,025 less than the amended budgeted revenue, the actual revenue of the Community Development Fund is 37% or \$3,820,755 less than the amended budgeted revenue, the actual revenue of the Downtown Entertainment Economic Development Fund is 25% or \$29,621 less than the budgeted revenue, the actual revenue of the Environmental Grants Fund is 16% or \$46,823 less than the budgeted revenue.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: Adjustments to budget will be submitted to Council earlier to ensure they are passed early enough for them to be effective before end of year.

ANTICIPATED COMPLETION DATE: 2019 Fiscal year

2018-024 Compliance - Monitoring Compliance with Contracts

CONDITION: The City has contracts whose provisions should be monitored for compliance and proper renewal. Specifically, the Convention Center Hotel did not have an annual audit conducted by a certified public accountant for the fiscal year ended December 31, 2018. The collection agreement for water and sewer has been in place since 2006 and should be reviewed and brought current.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: The City will continue to monitor compliance with its contracts and ensure the appropriate contracts are maintained current.

ANTICIPATED COMPLETION DATE: Immediately



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2018-025 Material Weakness - Water and Sewer Billing System, Sales Tax Collections, and Materially Misstated Water and Sewer Financial Statements

CONDITION: The Water and Sewerage Department previously charged sales taxes that were not consistent with L.R.S. 47:305(D)(1)(c) for sales of water for nonresidential use and improperly recorded these billings and collections as revenue. The Finance Department was aware of these errors and did not take action to correction the accounts or activities.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: Sales tax was not posted to separate account and could not be track in Enquest system. Proper liability accounts and tracking of sales tax information has been incorporated in to new water billing system.

ANTICIPATED COMPLETION DATE: July 1, 2019

2018-026 Significant Deficiency - Lack of Controls over Sales and Use Tax Reconciliations

CONDITION: Sales Tax Charges for the water and sewer department, although being improperly charged on Sewerage charges, were not reconciled and remitted to the State as required by State law.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: Prior bill system stated they could not correct the problem. Proper liability accounts and tracking of sales tax information has been incorporated in to new water billing system.

ANTICIPATED COMPLETION DATE: August 31, 2019

2018-027 Significant Deficiency - Improper Account Classification

CONDITION: Sales tax charges for Water sales and previously sewerage charges are not properly coded to sales tax liability accounts.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN: Prior bill system stated they could not correct the problem. Proper liability accounts and tracking of sales tax information has been incorporated in to new water billing system.

ANTICIPATED COMPLETION DATE: August 31, 2019



REPORT TO THE CITY COUNCIL AND LOUISIANA LEGISLATIVE AUDITOR BY THE CITY INTERNAL AUDITOR

INDEPENDENT INTERNAL AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE YEAR ENDED DECEMBER 31, 2018

INTERNAL AUDIT OFFICE

505 Travis St.
Suite 450

Shreveport, LA 71101

www.shreveportla.gov

Office: 318-673-7900

Fraud Hotline: 318-222-5698

INTERNAL AUDIT REPORT (IAR) 280119-05

August 30, 2019



Leanis L. Steward
City Internal Auditor

Report Highlights

Page(s)

- Exceptions were reported for 6 of the 20 procedures 3,4,5,7,9,11
- No exceptions were reported for 14 of the 20 procedures 3 - 11



The Council
City of Shreveport

Leanis L. Steward, CPA, CIA
City Internal Auditor
P.O. Box 31109
Shreveport, LA 71130-1109

E-Mail Address:
Leanis.Steward@shreveportla.gov
Phone: 318.673.7900
Fax: 318.673.7911

August 30, 2019

Councilman Jerry Bowman, Jr.
Chairman, Shreveport City Council

Dear Councilman Bowman:

Subject: IAR 280119-05 – Independent Internal Auditors' Report on Applying Agreed-Upon Procedures for the Year Ended December 31, 2018

Attached please find the report mentioned above. Management comments are included in the report.

Sincerely,

Leanis L. Steward, CPA, CIA
City Internal Auditor

dw



Independent Internal Auditors' Report On Applying Agreed-Upon Procedures For the Year Ended December 31, 2018

City of Shreveport City Council Members
Shreveport, Louisiana
And the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by management of the City of Shreveport (City) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The City's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with United States generally accepted government auditing standards which incorporate attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

The procedures and associated findings are as follows.



**PROCEDURES TO BE PERFORMED IN CONNECTION WITH
LOUISIANA LEGISLATIVE AUDITOR STATEWIDE AGREED-UPON
PROCEDURES**

Agreed - Upon Procedures	Results of Procedures
Written Policies and Procedures	
<p>1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):</p> <p>a) Budgeting, including preparing, adopting, monitoring, and amending the budget.</p> <p>b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.</p> <p>c) Disbursements, including processing, reviewing, and approving.</p> <p>d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).</p> <p>e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.</p> <p>f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.</p>	<p>The following was noted during review of the written policies and procedures:</p> <p>a) No exceptions noted in the procedures performed.</p> <p>b) No exceptions noted in the procedures performed.</p> <p>c) No exceptions noted in the procedures performed.</p> <p>d) Procedure needs updating (effective date of procedure 1980). Management Response: On item d) management agrees the revenue collections policies and procedures need to be updated. We have been updating all of the procedures over the last few years. Since we are implementing a new water billing system and tax system and possibly a new cashing system this has been last to be updated.</p> <p>e) No exceptions noted in the procedures performed.</p> <p>f) No exceptions noted in the procedures performed.</p>



Agreed - Upon Procedures	Results of Procedures
<p>g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).</p> <p>h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.</p> <p>i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.</p> <p>j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.</p>	<p>g) No exceptions noted in the procedures performed.</p> <p>h) No exceptions noted in the procedures performed.</p> <p>i) The City does have a written draft ethics policy, but it does not include the prohibitions or penalties. However, the Personnel Rules and Regulations manual addresses the Code of Governmental Ethics, but it does not include all the prohibitions. Management Response: On i) we will work with HR to get the necessary changes made to the City's ethics policy.</p> <p>j) No exceptions noted in the procedures performed.</p>
Board (or Finance Committee, if applicable)	
<p>2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:</p> <p>a) Observe that the board/finance committee met with a quorum at least monthly or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.</p>	<p>No exceptions noted in the procedures performed.</p>



Agreed - Upon Procedures	Results of Procedures
<p>Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.</p> <p>c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.</p>	
Bank Reconciliations	
<p>3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p>	<p style="text-align: center;">(For items a and b)</p> <p>For the month of April 2018:</p> <p>Operating Account reconciliation was prepared over 2 months (August 2, 2018) after the statement closing date.</p> <p>Area Transit Account reconciliation did not have evidence of who prepared and date prepared, however it was reviewed June 27, 2018.</p> <p>Flexible Spending Account reconciliation did not have evidence of who prepared and reviewed and date prepared and reviewed.</p> <p>Library Account reconciliation did not have evidence of who prepared and date prepared, however it was reviewed September 5, 2018.</p> <p>Management Response: All bank accounts are reviewed daily for any debits made particularly electronic transactions. While management believes our reconciliations are reviewed properly, we will insure that the preparer and reviewer are properly notated on the reconciliations.</p> <p>c) No exceptions noted in the procedures performed.</p>



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Collections	
<p>4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).</p>	No exceptions noted in the procedures performed.
<p>5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:</p> <p>a) Employees that are responsible for cash collections do not share cash drawers/registers.</p> <p>b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.</p> <p>c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.</p> <p>d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.</p>	No exceptions noted in the procedures performed.
<p>6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.</p>	No exceptions noted in the procedures performed.



Agreed - Upon Procedures	Results of Procedures
<p>7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p> <p>a) Observe that receipts are sequentially pre-numbered.</p> <p>b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c) Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).</p> <p>e) Trace the actual deposit per the bank statement to the general ledger.</p>	<p style="text-align: center;"><i>(For items a through e)</i></p> <p>Airports: Amount collected of \$6,519.61 was made within 2 business days.</p> <p>Transit: Amounts collected over 3 days totaling \$1,416.38 were deposited within 2 to 4 business days.</p> <p>Library: Amount collected of \$585 was made within 3 business days. Two checks for \$25 each were made within 10 to 11 business days not within 1 week.</p> <p>Management Response: Management will reinforce the need to deposit all cash and checks within a timely manner.</p>
<p>Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)</p>	
<p>8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).</p>	<p>No exceptions noted in the procedures performed.</p>
<p>9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:</p> <p>a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an</p>	<p>No exceptions noted in the procedures performed.</p>



Agreed - Upon Procedures	Results of Procedures
<p>order/making the purchase.</p> <p>b) At least two employees are involved in processing and approving payments to vendors.</p> <p>c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.</p> <p>d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.</p>	
<p>10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:</p> <p>a) Observe that the disbursement matched the related original invoice/billing statement.</p> <p>b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p>	<p>No exceptions noted in the procedures performed.</p>
Credit Cards/Debit Cards/Fuel Cards/P-Cards	
<p>11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.</p>	<p>No exceptions noted in the procedures performed.</p>
<p>12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a</p>	



Agreed - Upon Procedures	Results of Procedures
<p>debit card, randomly select one monthly bank statement), obtain supporting documentation, and:</p> <p>a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]</p> <p>b) Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>a) The monthly Fuel Card report for the Fire Maintenance Department is monitored; however, there was no evidence that it was reviewed.</p> <p>Management Response: Management will remind all departments that fuel card statements should be reviewed and initialed to verify that it has been reviewed and exceptions noted.</p> <p>b) No exceptions noted in the procedures performed.</p>
<p>13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).</p>	<p>Two Travel credit cards did not document the business/public purpose for the transactions.</p> <p>Management Response: Management will review the policy and procedure for travel cards to ensure that proper backup is turned in. Occasionally the traveler may turn in proper back up with the travel statement explaining a charge but may only turn in receipt with the statement and do not explain reason for charge.</p>
<p>Travel and Travel-Related Expense Reimbursements (excluding card transactions)</p>	
<p>14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p>	



Agreed - Upon Procedures	Results of Procedures
<p>a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).</p> <p>b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).</p> <p>d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>No exceptions noted in the procedures performed.</p>
Payroll and Personnel	
<p>15. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p>	<p>No exceptions noted in the procedures performed.</p>
<p>16. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #15 above, obtain attendance records and leave documentation for the pay period, and:</p> <p>a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)</p>	<p>No exceptions noted in the procedures performed.</p>



<i>Agreed - Upon Procedures</i>	<i>Results of Procedures</i>
<p>b) Observe that supervisors approved the attendance and leave of the selected employees/officials.</p> <p>c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	
<p>17. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.</p>	<p>No exceptions noted in the procedures performed.</p>
<p>18. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.</p>	<p>Exceptions were found by external auditors. Payroll tax forms were not always filed by required deadlines.</p> <p>Management Response: All state tax deposits are made on timely basis. One quarter was filed 3 months late, two others were filed 1 day late. There have been new procedures instituted to make sure all filings are done timely. All penalties incurred have been abated and returned to City. Federal tax are remitted the next day after payroll is paid.</p>
<i>Other</i>	
<p>19. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.</p>	<p>No exceptions noted in the procedures performed.</p>



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