

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**



CITY OF SHREVEPORT, LOUISIANA
For the Year Ended December 31, 2015

Finance Department
Charles J. Madden III, Director



**CITY OF SHREVEPORT, LOUISIANA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

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CITY OF SHREVEPORT

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Website: www.shreveportla.gov

August 31, 2016

Mayor Ollie S. Tyler
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, I am pleased to submit the Comprehensive Annual Financial Report for the year ended December 31, 2015. 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 2015 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 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, 2015, 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, 2015, 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 30 miles south of Arkansas and 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.

Local Economy

Sales taxes make up the largest part of local revenues. While collections dropped significantly in 2013 as gas exploration slowed they rebounded to 2011 levels. They are expected to hold at 2015 levels through 2016. The five year trend for sales tax has been as follows:

2011	\$117,164,088
2012	113,068,390
2013	114,192,366
2014	119,809,168
2015	117,990,678

While the regional gaming revenues decreased slightly in 2014, due to the addition of a new casino in 2013, casino gaming revenues for the city held steady in 2015. Casino revenues are expected to remain flat in the future. The five-year history of gaming revenues is as follows:

2011	\$12,326,597
2012	11,925,489
2013	11,003,579
2014	10,241,584
2015	10,035,079

Work has been completed on the steel mill at the port with production starting late in 2015. Commercial construction continues on a new shopping center in southeast Shreveport and Whole Food store with both opening in fall of 2016.

Another \$4.6 million was appropriated from the streets special revenue fund to overlay major arterial streets through 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. A 14% increase in sewer rates went into effect January 1, 2015. The Water & Sewerage department continues to work with the EPA to make sure the project stays on schedule. To that end \$120 million of Water & Sewer revenue bonds were sold in 2015 to meet the consent decree schedule.

The City continues to report record low crime and homicide rates through community involvement and proactive policing policies.

Relevant Financial Policies

Even with the 2014 issuance of \$91.5 million of General Obligation Bonds, the city will pay off 40% of all outstanding GOB debt in the next 5 years. 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.

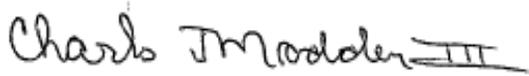
Awards and Acknowledgements

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, 2014. This was the sixth 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

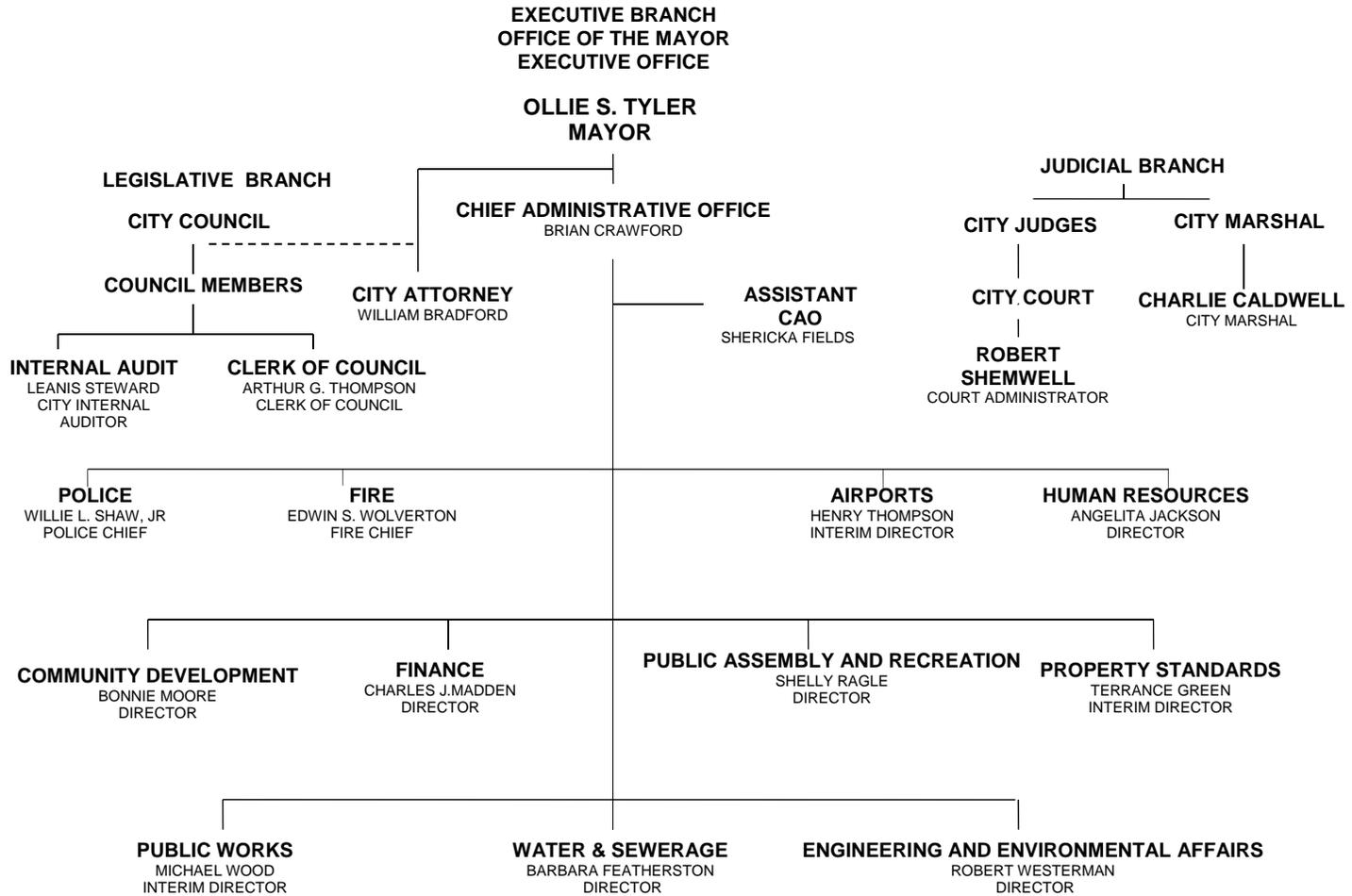
December 31, 2014

Executive Director/CEO

CITY OF SHREVEPORT

ORGANIZATION CHART

December 31, 2015



CITY OF SHREVEPORT, LOUISIANA

PRINCIPAL OFFICIALS

Ollie S. Tyler
Mayor

Brian Crawford
Chief Administrative Officer

Members of City Council

Willie Bradford
Jeff Everson
Oliver Jenkins
Michael Corbin
James Flurry
Stephanie Lynch
Jerry Bowman

District A
District B
District C
District D
District E
District F
District G

CITY OF SHREVEPORT, LOUISIANA

FINANCE DEPARTMENT

Department Director

Charles J. Madden III

Division Managers

David Creswell
Angela Duncan
Wendy Wagnon

Accounting
Revenue Collection
Purchasing

Accounting Staff

Rosalyn Atkins
Drucilla Carter
Dorothy Cole
Evelyn Jones
Marie LaFontant
Tobi Maiden
Diane Pharr
Linda Smith
Vernell Wiggins

Shiwanda Brown
Rosemary Clark
Barbara Dunn
Doris LaCour
Linda Long
Abigail Monette
Lashonda Samuels
Sharon Tillman



Carr, Riggs & Ingram, LLC
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Shreveport, LA 71104

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Independent Auditors' Report

**Members of the City Council and
Honorable Ollie S. Tyler, 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, 2015, 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 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. With the exception of Shreve Memorial Library, Metropolitan Planning Commission, and Shreveport Home Mortgage Authority, we did not audit the financial statements of the remaining discretely presented component units as described in note 1(a) to the financial statements. 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 these entities, is based solely on the reports of the other auditors and represent \$10,776,573 (14.2%) of the assets and \$7,976,676 (27.9%) of the revenues of the aggregate discretely presented component units. 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 respective financial statements referred to above present fairly, in all material respects, the 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, 2015, 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.

Emphasis of Matter

As described in Notes I E and IV A to the financial statements, in 2015, the City of Shreveport adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. Accordingly, adjustments of (\$261,565,320) have been made to the beginning net position on the government-wide financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (page 13-25), and the budgetary comparison information (page 112-118), the schedule of employer contributions – other postemployment benefits (page 98), schedule of funding progress – other postemployment benefits (page 99), the schedule of changes in the net pension liability (page 100), the schedule of investment returns (page 101), the schedule of pension contributions (page 102), the schedule of employer's proportionate share of net pension liability - state (page 104), and the schedule of employer's contributions to the plans - state (page 105), 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the nonmajor fund budgetary comparison schedules, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, 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 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 prepared 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, 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 31, 2016, 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 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 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 31, 2016

Management's Discussion and Analysis

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, 2015. This information presented here should be considered in conjunction with additional information provided in the letter of transmittal which is found on pages 1 - 4 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2015 by \$519.0 million (net position). Unrestricted net position is a deficit of \$668.5 million.
- The City's total net position decreased \$6.7 million. Net position of governmental activities decreased \$11.2 million and net position of business-type activities increased \$4.6 million.
- As of December 31, 2015, the City's governmental funds reported combined fund balances of \$217.0 million, a decrease of \$26.7 million from the prior year. Of this amount, \$1.3 million for the General Fund was unassigned and available for spending.
- The unassigned fund balances for the General Fund represented 0.62% of total General Fund expenditures.
- The City's total debt increased \$92.61 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. Also included in the report 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 sewer 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. The government-wide financial statements can be found on pages 26-27 of this report.

Fund financial statements. A fund is a grouping of 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.

The basic governmental fund financial statements can be found on pages 28-31 of this report.

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 sewer, 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.

The basic proprietary fund financial statements can be found on pages 37-41 of 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. The basic fiduciary aggregated fund financial statements can be found on pages 42-43 of this report.

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. The notes to the financial statements can be found on pages 46-97 of this report.

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. Required supplementary information can be found on pages 98-105 of this report.

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. Combining and individual fund statements and schedules can be found on pages 108-110 for governmental funds, pages 120-122 for enterprise funds, pages 124 - 126 for internal service funds and pages 128-129 for fiduciary funds.

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	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 256.79	\$ 284.70	\$ 245.95	\$ 123.20	\$ 502.74	\$ 407.90
Capital assets	592.27	592.70	764.20	745.10	1,356.47	1,337.80
Total assets	<u>849.06</u>	<u>877.40</u>	<u>1,010.15</u>	<u>868.30</u>	<u>1,859.21</u>	<u>1,745.70</u>
Deferred outflows of resources	30.16	3.90	14.25	6.80	44.41	10.70
Long-term liabilities	792.71	589.50	543.52	352.10	1,336.23	941.60
Other liabilities	20.76	16.80	15.04	10.80	35.80	27.60
Total liabilities	<u>813.47</u>	<u>606.30</u>	<u>558.56</u>	<u>362.90</u>	<u>1,372.03</u>	<u>969.20</u>
Deferred inflows of resources	12.03	-	0.59	-	12.62	-
Net position						
Net investment in capital assets	447.76	498.30	518.26	523.70	966.02	1,022.00
Restricted	217.69	227.20	3.72	4.00	221.42	231.20
Unrestricted (Deficit)	<u>(611.73)</u>	<u>(450.50)</u>	<u>(56.73)</u>	<u>(15.50)</u>	<u>(668.46)</u>	<u>(466.00)</u>
Total net position	<u>\$ 53.72</u>	<u>\$ 275.00</u>	<u>\$ 465.25</u>	<u>\$ 512.20</u>	<u>\$ 518.97</u>	<u>\$ 787.20</u>

At December 31, 2015, the City as a whole had assets and deferred outflows greater than its liabilities by \$518.9 million compared to \$787.20 million at December 31, 2014. 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 405% 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 \$611.73 million at the end of the year, an increase in the deficit from a \$450.50 million deficit in 2014. 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 City administers three defined benefit pension plans and participates in two state-administered cost-sharing multiple-employer defined benefit pension plans. For the year ended December 31, 2015, the City implemented GASB 68 which requires governments providing defined benefit plans to report the net pension liability in the statement of net position. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. The financial statements have been adjusted to reflect retroactive application as of January 1, 2015.

Additional information on the City's pension arrangements can be found in notes I E and IV A in the notes to the basic financial statements.

The net position of the City's business-type activities is \$465.25 million, a decrease of \$46.95 million from 2014. The decrease is primarily the result of recording the net pension liability to implement GASB 68. 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 \$56.73 million at December 31, 2015 compared to \$15.50 million in the prior year. The increase in the deficit was mainly due to recording the net pension liability.

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

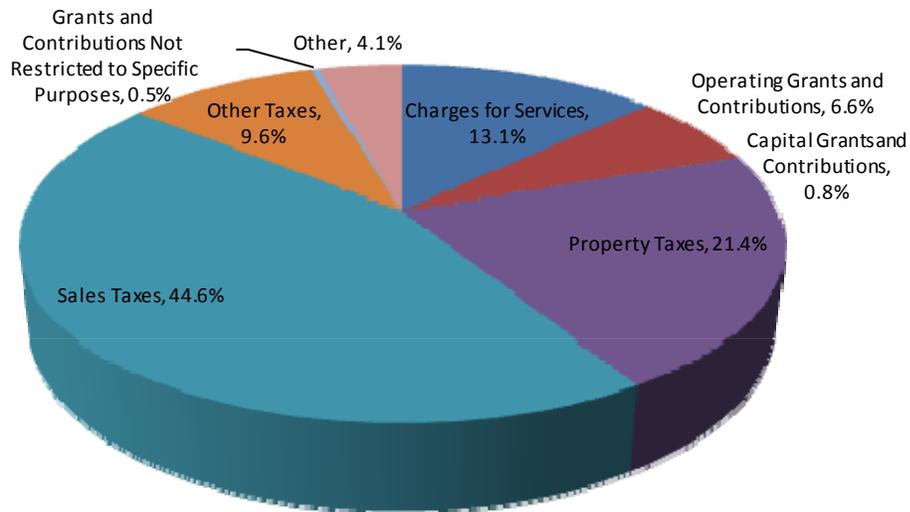
Changes in Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 34.72	\$ 26.4	\$ 104.5	\$ 104.8	\$ 139.2	\$ 131.2
Operating Grants and Contributions	17.48	15.90	5.74	6.30	23.22	22.20
Capital grants and contributions	0.05	2.00	5.77	8.80	5.82	10.80
General Revenues:						
Property taxes	56.41	59.90	-	-	56.41	59.90
Sales taxes	117.90	119.80	-	-	117.90	119.80
Other taxes	25.38	25.20	-	-	25.38	25.20
Grants and contributions not restricted	1.23	2.80	-	-	1.23	2.80
Other Revenues	10.95	11.90	(13.32)	(1.30)	(2.37)	10.60
Total Revenues	264.13	263.90	102.71	118.60	366.84	382.50
Expenses						
General government	29.84	55.50	-	-	29.84	55.50
Public Safety	128.39	130.00	-	-	128.39	130.00
Public Works	53.38	54.40	-	-	53.38	54.40
Culture and recreation	23.95	23.20	-	-	23.95	
Health and welfare	0.11	-	-	-	0.11	-
Community development	3.88	5.50	-	-	3.88	5.50
Economic development	3.51	3.70	-	-	3.51	3.70
Economic opportunity	2.14	2.60	-	-	2.14	2.60
Interest on long-term debt	11.03	9.30	-	-	11.03	9.30
Municipal and regional airports	-	-	14.60	15.60	14.60	15.60
Water and sewerage	-	-	63.82	63.40	63.82	63.40
Convention Center	-	-	7.86	7.10	7.86	7.10
Convention Center Hotel	-	-	10.72	12.10	10.72	12.10
Shreveport area transit	-	-	15.63	16.70	15.63	16.70
Golf	-	-	4.29	1.30	4.29	1.30
Downtown parking	-	-	0.35	0.40	0.35	0.40
Total expenses	256.22	284.20	117.26	116.60	373.49	377.60
Increase (decrease) in net position before transfers	7.91	(20.30)	(14.56)	2.00	(6.65)	4.90
Transfers	(19.14)	(19.90)	19.14	19.90	-	-
Net position-beginning	275.00	315.20	512.20	490.30	787.20	805.50
Prior period adjustments	(210.06)	-	(51.50)	-	(261.57)	-
Net position-beginning, as restated	64.94	315.20	460.70	490.30	525.64	805.50
Net position-ending	\$ 53.70	\$ 275.00	\$ 465.28	\$ 512.20	\$ 518.99	\$ 810.40

Governmental Activities. Revenues for the City’s governmental activities for the year ended December 31, 2015 were \$264.13 million compared to \$263.9 million in 2014.

- Program revenues increased \$7.9 million in 2015 compared to 2014 as a result of a increases in charges for services, operating grants and contributions and decreases in capital grants and contributions.
- General revenues are, for the most part, comprised of sales and property taxes (82.27%).
 - Sales taxes represent 55.65% of general revenues at \$117.90 million compared to \$119.80 million for 2014. Collections were down 1.9% for 2015.
 - Property tax revenues represent 26.63% at \$56.41 million.

Revenues by Source - Governmental Activities

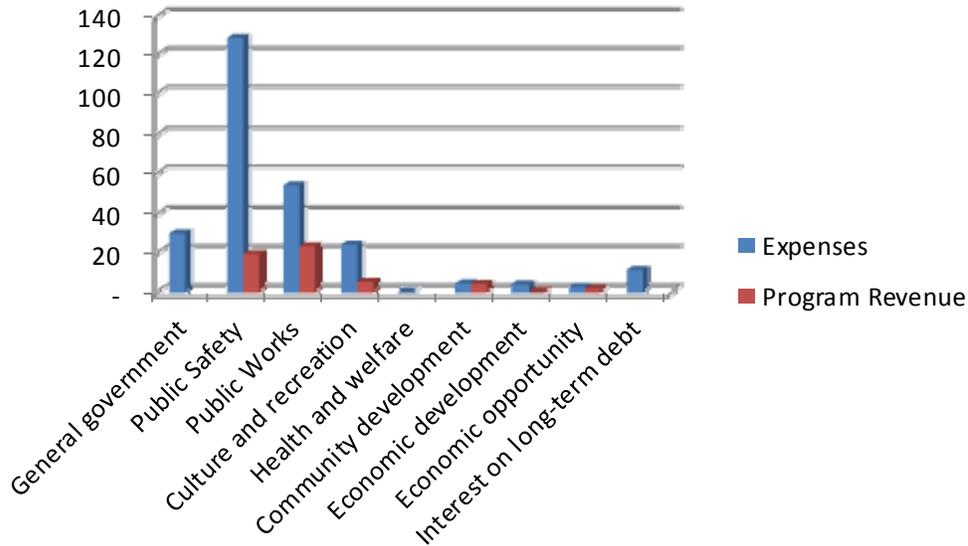


The cost of providing all governmental activities this year was \$256.22 million, a decrease of \$10.43 million from the prior year. The key factors for the decrease were:

- General government expenses were \$29.84 million compared to \$55.5 million in 2014. The decrease was primarily due to a decrease in claim estimated liabilities of \$17.9 million compared to 2014.
- Public works expenses were \$53.38 million compared to \$54.4 million in 2014. The decrease was mainly due to decreases in OPEB and pension costs.

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

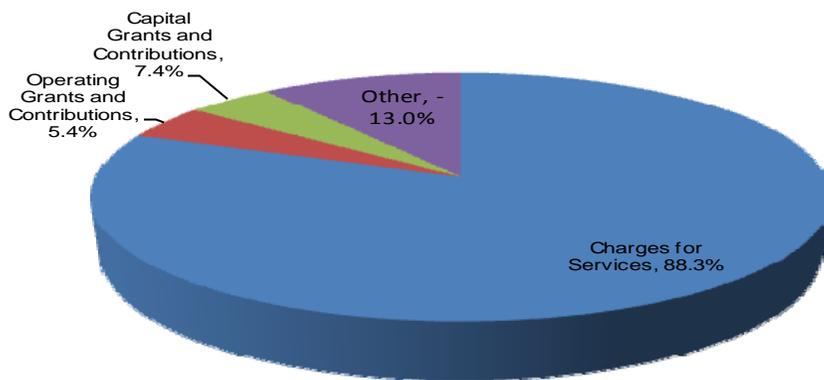


(in millions)

Business-type Activities. Charges for services for the City’s business-type activities were \$104.5 million for 2015, a decrease of \$.3 million from 2014.

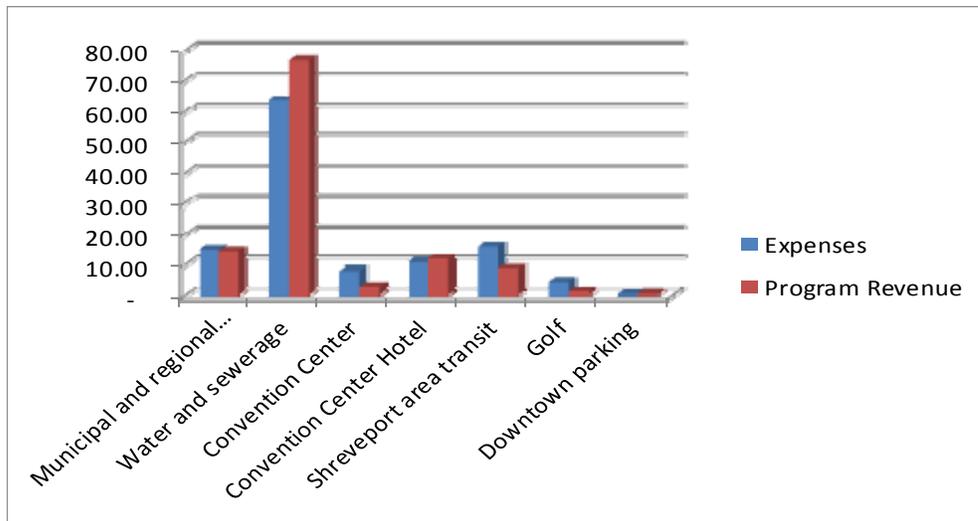
- Water and Sewerage revenues increased \$1.4 million in 2015 due to rate increases that went into effect in October 2014.
- The Convention Center revenues increased \$0.3 million due to increased use of the facilities.

Revenues by Source - Business-type Activities



The costs of these business-type activities were \$117.26 million for 2015, an increase of \$0.6 million from 2014.

Expenses and Program Revenues - Business-type Activities



- Water and Sewerage expenses increased \$9.3 million over 2014. Depreciation decreased \$1.5 million, personal services increased \$9.3 million, contractual services increased \$0.5 million, and repairs and maintenance decreased \$.6 million.
- 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, 2015 reflect combined fund balances of \$217.0 million, a decrease of \$26.6 million compared to the prior year. The decrease in fund balances were mostly associated with the prior year sale of the 2014 General Obligation Bonds for \$93.5 million plus a premium of \$14.4 million. There is 94.1% or \$204.2 million restricted primarily for debt service and capital projects. Balances assigned to the future years are \$9.9 million and \$1.3 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 \$3.0 million from the prior year. Revenues were down for the year, decreasing by \$3.1 million. The major revenue sources are property taxes, sales taxes, and charges for services.

- Property tax collections decreased \$0.7 million from 2014.
- Sales tax collections decreased \$1.9 million from 2014.
- Charges for services decreased \$1.1 million from 2014.

The Debt Service Fund has a total fund balance of \$55.0 million which is restricted for payment of principal and interest on debt outstanding. The fund balance for 2015 decreased by \$1.1 million during the year compared to an increase of \$10.0 million in 2014. The decrease is due to decreased revenues and increased debt service payments.

Proprietary funds. The proprietary funds had increased net position of \$4.6 million. The Municipal and Regional Airports fund decreased \$2.3 million due to an increase in personal and contractual services. The Water and Sewerage Fund increased \$12.2 million due mostly to transfers in of \$11.9 million. The Convention Center net position decreased \$3.2 million and other nonmajor enterprise funds decreased \$2.7 million.

General Fund Budgetary Highlights

During the year, the City Council revised the City’s 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 1 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 decreased by \$525 thousand while expenditures including transfers out were increased by \$7.97 million. During the year, revenues including transfers in were \$8.1 million less than the revised budget while expenditures including transfers out were less than the revised budget by \$14.7 million.

Overruns in appropriations at the legal level of budgetary controls were experienced by:

General Government:

Office of the Mayor:

Salaries, wages and employee benefits	\$ 91,360
Leave/vacation that was paid to the outgoing administration exceeded the amount budgeted.	
Materials and supplies	2,471
Expenses for letterhead, letters, etc. for the new administration exceeded the amount budgeted.	
Contractual services	20,678
Expenses for remodeling for the new administration exceeded the amount budgeted.	

City Attorney:

Contractual services	17,777
Expenses for remodeling for the new administration exceeded the amount budgeted.	
Improvements and equipment	3,142
New computer purchases exceeded the amount budgeted.	

Property Standards:

Improvements and equipment	23,762
New vehicle purchases exceeded the amount budgeted.	

Personnel:

Other charges	278
Professional membership expenditures exceeded the amount budgeted.	

Finance:

Materials and supplies	116,102
Expenditures for postage were not charged back making the actual exceed the amount budgeted.	
Improvements and equipment	11,124
Vehicle purchase exceeded the amount budgeted.	

Other unclassified:

Salaries, wages and employee benefits	668,012
Group insurance exceeded the budget	
Contractual services	345,042
Expenditures for parking fees exceeded the amount budgeted.	
Interest and civic appropriations	34,458
Payments for interest, which was unbudgeted, exceeded the amount budgeted.	
Claims	890,045
Payments exceeded the amount budgeted	

Public Safety:

Police:

Contractual services	166,937
Costs to maintain the jail exceeded the amount budgeted.	
Improvements and equipment	3,109
Computer purchases exceeded the amount budgeted.	

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets as of December 31, 2015, for its governmental and business-type activities was \$1.3 billion net of depreciation as reflected in the following schedule.

**Capital Assets
(net of depreciation in millions)**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 110.39	\$ 109.30	\$ 46.71	\$ 46.70	\$ 157.10	\$ 156.00
Construction in progress	25.66	27.50	80.92	45.30	106.58	72.80
Buildings	121.62	120.20	147.57	151.90	269.19	272.10
Improvement other than buildings	40.40	32.30	45.01	48.20	85.41	80.50
Equipment	19.31	21.00	31.44	28.70	50.75	49.70
Distribution and collection systems	-	-	412.54	424.30	412.54	424.30
Infrastructure	274.89	282.40	-	-	274.89	282.40
Total	<u>\$ 592.27</u>	<u>\$ 592.70</u>	<u>\$ 764.19</u>	<u>\$ 745.10</u>	<u>\$1,356.46</u>	<u>\$1,337.80</u>

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

Taxiway Alpha - Regional Airport funded with Federal Aviation Administration and State Grants	\$ 4.0
Municipal Auditorium Improvements-ADA	5.8
Police Property and Evidence Storage Facility	3.7
Huntington Park Golf Course Building Renovation	2.9
Querbes Golf Course Clubhouse & Pro Shop Building (New)	1.0
Amis WTP-Raw Water Piping Modifications	3.3
Agurs Lift Station Improvements	1.8
Lucas Lift Station Improvements	5.1
	<u>\$ 27.6</u>

Project Description	Remaining Commitment	Financing Sources
General Aviation Apron – Regional Airport	\$ 1,120,373	LADOT State Grants
Rehabilitation of Taxiway B, C, D, F – Regional Airport	729,692	Federal FAA Grants and State Grants
South Highlands Lift Station Improvements	1,325,648	2005 W&S Rev Bonds & 2011 GOB-Prop 1
Sanitary Sewer Evaluation Survey & Wastewater Master Plan	1,720,386	2005 W&S Rev Bonds & 2011 GOB-Prop 1
Broadmoor Sewer Outfall 48” Sewer Main Rehabilitation	1,778,895	2011 GOB-Prop 1 & 2014 GOB-Prop 1
Sanitary Sewer Assessment - Phase I	583,005	2014 B&C W&S
	<u>\$ 7,258,000</u>	

Detailed information on the City’s capital assets can be found in Note III E on pages 63-67 of the report.

Long-term debt. At year end, the City had \$703.41 million in bonds and other lending agreements, including \$1.6 million 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)**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 229.37	\$ 251.40	\$ -	\$ -	\$ 229.37	\$ 251.40
Revenue bonds	-	-	436.12	312.80	436.12	312.80
Other lending agreements	34.75	40.90	3.18	5.70	37.93	46.60
Total	<u>\$ 264.11</u>	<u>\$ 292.30</u>	<u>\$ 439.30</u>	<u>\$ 318.50</u>	<u>\$ 703.41</u>	<u>\$ 610.80</u>

In the governmental activities, the City issued \$24.2 million in General Obligation Bonds, Series

2015 Refunding Issue.

In the business-type activities, Water and Sewerage issued \$120 million in Revenue Refunding Bonds, Series 2015 and Municipal and Regional Airport issued \$23.6 million in Taxable Revenue Refunding Bonds, Series 2015A and \$11.3 million in Taxable PFC Revenue Refunding Bonds, Series 2015B.

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 \$327 million of additional general obligation bonded debt is available for issuance.

Detailed information on the City's long-term debt can be found in Note III H on pages 69-75 of the report.

Economic Factors and Next Year's Budgets and Rates

Sales and Use taxes for the first half of 2016 are 1% lower than 2015 levels which decreased from 2014 levels. They are expected to remain stable for the rest of 2016. 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 our 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, LA 71101.

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 151,982,142	\$ 7,331,773	\$ 159,313,915	\$ 16,214,113
Investments	32,583,692	5,117,886	37,701,578	2,522,573
Receivable, net	45,947,716	9,407,085	55,354,801	15,504,431
Due from other governments	14,583,770	3,753,759	18,337,529	-
Due from primary government	-	-	-	380,069
Internal balances	(21,023)	21,023	-	-
Inventories	1,587,043	2,916,553	4,503,596	-
Prepaid items	518,830	355,578	874,408	179,875
Notes receivable	6,821,657	-	6,821,657	3,505,000
Other assets	276,245	-	276,245	-
Restricted assets:				
Cash and cash equivalents	-	212,237,763	212,237,763	-
Investments	2,510,298	2,938,518	5,448,816	-
Prepaid items	-	1,874,098	1,874,098	-
Capital assets:				
Land and construction in progress	136,049,915	127,635,459	263,685,374	6,096,195
Other capital assets, net of depreciation	456,218,540	636,564,337	1,092,782,877	31,495,613
Total assets	<u>849,058,825</u>	<u>1,010,153,832</u>	<u>1,859,212,657</u>	<u>75,897,869</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	2,430,441	10,897,506	13,327,947	-
Deferred outflows for pensions	27,729,652	3,349,573	31,079,225	1,662,531
Total deferred outflows of resources	<u>30,160,093</u>	<u>14,247,079</u>	<u>44,407,172</u>	<u>1,662,531</u>
LIABILITIES				
Accounts payable	8,135,377	10,384,482	18,519,859	179,987
Accrued liabilities	19,179	2,384,010	2,403,189	355,209
Accrued interest payable	3,880,664	1,284,019	5,164,683	-
Due to other governments	734,459	-	734,459	75,455
Due to component unit	10,743	-	10,743	-
Unearned revenue	7,182,361	116,878	7,299,239	-
Deposits and other	793,747	875,266	1,669,013	-
Non-current liabilities:				
Due within one year	41,509,528	18,402,996	59,912,524	593,300
Due in more than one year	253,187,627	432,983,744	686,171,371	19,396,194
Net pension obligation	309,455,763	56,915,210	366,370,973	27,802,127
Other postemployment benefit obligation	188,556,006	35,217,727	223,773,733	-
Total liabilities	<u>813,465,454</u>	<u>558,564,332</u>	<u>1,372,029,786</u>	<u>48,402,272</u>
DEFERRED INFLOWS OF RESOURCES				
Resources received before time requirements	-	-	-	796,081
Deferred inflows for pensions	12,032,213	585,689	12,617,902	286,099
Total deferred inflows of resources	<u>12,032,213</u>	<u>585,689</u>	<u>12,617,902</u>	<u>1,082,180</u>
NET POSITION				
Net investment in capital assets	447,755,978	518,261,289	966,017,267	37,187,896
Restricted for:				
Capital projects	132,030,938	-	132,030,938	-
Debt service	54,992,204	3,722,693	58,714,897	260,038
Community development	1,935,792	-	1,935,792	-
Streets	9,527,300	-	9,527,300	-
Enrichment	1,458,134	-	1,458,134	-
Downtown entertainment economic development	840,538	-	840,538	-
Environmental grants	1,257,859	-	1,257,859	-
Other purposes	15,649,995	-	15,649,995	1,516,090
Unrestricted (deficit)	(611,727,487)	(56,733,092)	(668,460,579)	(10,888,076)
Total net position	<u>\$ 53,721,251</u>	<u>\$ 465,250,890</u>	<u>\$ 518,972,141</u>	<u>\$ 28,075,948</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, 2015

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			Component Units
	Expenses	Operating	Capital	Primary Government			
		Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	
Primary Government:							
Governmental Activities:							
General government	\$ 29,837,534	\$ -	\$ -	\$ -	\$ (29,837,534)	\$ -	\$ -
Public safety	128,387,069	10,767,228	8,421,354	-	(109,198,487)	-	(109,198,487)
Public works	53,377,050	22,351,362	705,538	49,982	(30,270,168)	-	(30,270,168)
Culture and recreation	23,951,836	1,604,519	3,100,618	-	(19,246,699)	-	(19,246,699)
Health and welfare	108,878	-	-	-	(108,878)	-	(108,878)
Community development	3,880,501	-	3,719,495	-	(161,006)	-	(161,006)
Economic development	3,505,893	-	167,266	-	(3,338,627)	-	(3,338,627)
Economic opportunity	2,143,306	-	1,364,412	-	(778,894)	-	(778,894)
Interest on long-term debt	11,030,882	-	-	-	(11,030,882)	-	(11,030,882)
Total governmental activities	256,222,948	34,723,109	17,478,683	49,982	(203,971,174)	-	(203,971,174)
Business-type activities							
Municipal and Regional Airports	14,596,911	10,102,240	136,320	3,980,978	-	(377,373)	(377,373)
Water and Sewerage	63,817,718	75,961,390	-	799,325	-	12,942,997	12,942,997
Convention Center	7,863,035	2,873,802	-	-	-	(4,989,233)	(4,989,233)
Convention Center Hotel	10,716,085	11,666,633	-	-	-	950,548	950,548
Shreveport Area Transit System	15,628,664	2,344,315	5,606,545	902,177	-	(6,775,627)	(6,775,627)
Golf	4,292,902	1,106,515	-	87,200	-	(3,099,187)	(3,099,187)
Downtown Parking	349,566	460,687	-	-	-	111,121	111,121
Total business-type activities	117,264,881	104,515,582	5,742,865	5,769,680	-	(1,236,754)	(1,236,754)
Total primary government	\$ 373,487,829	\$ 139,238,691	\$ 23,221,548	\$ 5,819,662	\$ (203,971,174)	\$ (1,236,754)	\$ (205,207,928)
Component units:							
Shreveport Home Mortgage Authority	282,973	263,330	-	-	-	-	(19,643)
City Court	4,293,408	653,981	-	-	-	-	(3,639,427)
City Marshal	2,644,279	603,414	1,748,750	-	-	-	(292,115)
Downtown Development Authority	1,340,157	660,800	9,430	-	-	-	(669,927)
Metropolitan Planning Commission	1,679,599	278,977	189,200	-	-	-	(1,211,422)
Shreve Memorial Library	18,598,277	384,184	2,208,846	-	-	-	(16,005,247)
Total component units	\$ 28,838,693	\$ 2,844,686	\$ 4,156,226	\$ -	\$ -	\$ -	\$ (21,837,781)
General Revenues:							
Taxes:							
Property taxes levied for general purposes				26,944,036	-	26,944,036	16,084,988
Property taxes levied for debt service				29,470,949	-	29,470,949	-
Sales taxes				117,900,678	-	117,900,678	-
Franchise taxes				7,911,173	-	7,911,173	-
Occupational licenses				7,433,349	-	7,433,349	-
Gaming				10,035,079	-	10,035,079	-
Grants and contributions not restricted to specific programs				1,233,863	-	1,233,863	-
Investment earnings				598,673	1,081,568	1,680,241	22,333
Payment from City of Shreveport				-	-	-	5,051,698
Miscellaneous				10,351,367	(14,401,995)	(4,050,628)	447,946
Transfers				(19,144,109)	19,144,109	-	-
Total general revenues and transfers				192,735,058	5,823,682	198,558,740	21,606,965
Change in Net Position				(11,236,116)	4,586,928	(6,649,188)	(230,816)
Net position - beginning				275,020,313	512,166,337	787,186,650	65,126,109
Prior Period Adjustments				(210,062,945)	(51,502,375)	(261,565,320)	(36,819,345)
Net position - beginning - as restated, see Note IV.H.				64,957,368	460,663,962	525,621,330	28,306,764
Net position - ending				\$ 53,721,252	\$ 465,250,890	\$ 518,972,142	\$ 28,075,948

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

CITY OF SHREVEPORT, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General	Debt Service	2014 General Obligation Bonds	Community Development	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 7,108	\$ 7,585,189	\$ 101,106,620	\$ 1,124,121	\$ 31,033,436	\$ 140,856,474
Investments	-	7,642,125	-	1,219,041	14,791,737	23,652,903
Property taxes receivable, net	4,001,794	4,335,431	-	-	-	8,337,225
Franchise taxes receivable	1,877,226	-	-	-	-	1,877,226
Accounts receivable, net	2,218,404	-	-	151,516	2,421,594	4,791,514
Due from other governments	13,163,386	38,611	-	1,294,349	87,424	14,583,770
Due from other funds	67,935	33,802,628	-	-	643,408	34,513,971
Inventories	1,587,043	-	-	-	-	1,587,043
Notes receivable, net	-	-	-	6,629,902	191,755	6,821,657
Assets held for resale	-	-	-	91,995	196,066	288,061
Restricted assets	-	2,510,298	-	-	-	2,510,298
Total assets	<u>\$ 22,922,896</u>	<u>\$ 55,914,282</u>	<u>\$ 101,106,620</u>	<u>\$ 10,510,924</u>	<u>\$ 49,365,420</u>	<u>\$ 239,820,142</u>
LIABILITIES						
Liabilities:						
Accounts payable	\$ 3,496,539	\$ -	\$ 14,663	\$ 399,672	\$ 2,528,116	\$ 6,438,990
Accrued liabilities	19,179	-	-	-	-	19,179
Due to other governments	734,459	-	-	-	-	734,459
Due to other funds	3,521,683	-	-	-	643,408	4,165,091
Due to component unit	10,743	-	-	-	-	10,743
Unearned revenue	509,962	-	-	6,480,644	191,755	7,182,361
Deposits and other	793,747	-	-	-	-	793,747
Notes payable	-	-	-	1,683,000	-	1,683,000
Items held in escrow	-	-	-	11,816	-	11,816
Total liabilities	<u>9,086,312</u>	<u>-</u>	<u>14,663</u>	<u>8,575,132</u>	<u>3,363,279</u>	<u>21,039,386</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	863,359	922,078	-	-	-	1,785,437
Total deferred inflows of resources	<u>863,359</u>	<u>922,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,785,437</u>
FUND BALANCES						
Nonspendable:						
Inventories	1,587,043	-	-	-	-	1,587,043
Endowments	14,719	-	-	-	-	14,719
Restricted for:						
Debt service	-	54,992,204	-	-	-	54,992,204
Community development	-	-	-	1,935,792	-	1,935,792
Streets	-	-	-	-	9,527,300	9,527,300
Capital projects	-	-	101,091,957	-	30,938,981	132,030,938
Other purposes	206,168	-	-	-	5,535,860	5,742,028
Assigned to:						
Purchases on order	6,720,881	-	-	-	-	6,720,881
Landfill	3,187,086	-	-	-	-	3,187,086
Unassigned	1,257,328	-	-	-	-	1,257,328
Total fund balance	<u>12,973,225</u>	<u>54,992,204</u>	<u>101,091,957</u>	<u>1,935,792</u>	<u>46,002,141</u>	<u>216,995,319</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,922,896</u>	<u>\$ 55,914,282</u>	<u>\$ 101,106,620</u>	<u>\$ 10,510,924</u>	<u>\$ 49,365,420</u>	<u>\$ 239,820,142</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, 2005**

Fund balances - total governmental funds \$ 216,995,319

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	1,030,378,018	
Less accumulated depreciation	<u>(438,109,563)</u>	592,268,455

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. 1,785,437

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	(240,187,545)	
Unamortized bond discount	18,636	
Deferred charge on refunding	2,430,441	
Unamortized bond premium	(22,250,676)	
Accrued interest payable	(3,880,664)	
Compensated absences	<u>(2,346,381)</u>	(266,216,190)
Net pension liability and deferred inflows and outflows for pensions		(293,758,323)
Landfill postclosure care		(3,187,087)
Net OPEB obligation		(188,556,006)

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. (5,610,354)

Net position of governmental activities. \$ 53,721,251

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, 2015

	<u>General</u>	<u>Debt Service</u>	<u>2014 General Obligation Bonds</u>	<u>Community Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes:						
Property	\$ 28,108,046	\$ 29,470,949	\$ -	\$ -	\$ -	\$ 57,578,995
Sales	117,900,678	-	-	-	-	117,900,678
Franchise	7,911,173	-	-	-	-	7,911,173
Licenses and permits	9,578,009	-	-	-	-	9,578,009
Intergovernmental	9,498,587	1,313,072	-	5,251,173	1,415,083	17,477,915
Charges for services	23,381,449	-	-	-	-	23,381,449
Fines and forfeitures	2,510,504	-	-	-	-	2,510,504
Gaming	-	-	-	-	10,035,079	10,035,079
Investment earnings	42,102	225,483	69,371	8,381	194,258	539,595
Miscellaneous	779,123	-	-	1,729,747	10,243,217	12,752,087
Total revenues	<u>199,709,671</u>	<u>31,009,504</u>	<u>69,371</u>	<u>6,989,301</u>	<u>21,887,637</u>	<u>259,665,484</u>
EXPENDITURES						
Current:						
General government	39,542,107	-	-	-	166,450	39,708,557
Public safety	108,295,537	-	-	-	1,704,623	110,000,160
Public works	37,354,544	-	-	-	-	37,354,544
Culture and recreation	17,411,620	-	-	28,577	181,482	17,621,679
Health and welfare	-	-	-	108,878	-	108,878
Community development	-	-	-	3,402,083	-	3,402,083
Economic development	-	-	-	1,936,371	1,569,522	3,505,893
Economic opportunity	-	-	-	2,143,306	-	2,143,306
Debt service:						
Principal	-	24,671,368	-	-	-	24,671,368
Interest and other charges	-	11,595,965	-	-	-	11,595,965
Bond issuance costs	-	471,440	-	-	-	471,440
Capital outlay	-	-	167,550	-	16,470,771	16,638,321
Total expenditures	<u>202,603,808</u>	<u>36,738,773</u>	<u>167,550</u>	<u>7,619,215</u>	<u>20,092,848</u>	<u>267,222,194</u>
Excess (deficiency) of revenues over (under) expenditures	(2,894,137)	(5,729,269)	(98,179)	(629,914)	1,794,789	(7,556,710)
OTHER FINANCING SOURCES (USES)						
Transfers in	12,059,600	4,559,831	-	1,278,000	-	17,897,431
Transfers out	(12,183,837)	-	(5,851,113)	-	(19,006,589)	(37,041,539)
Refunding bonds issued	-	24,205,000	-	-	-	24,205,000
Premium on bonds issued	-	2,521,090	-	-	-	2,521,090
Payments to refunded bond escrow agent	-	(26,644,875)	-	-	-	(26,644,875)
Total other financing sources and (uses)	<u>(124,237)</u>	<u>4,641,046</u>	<u>(5,851,113)</u>	<u>1,278,000</u>	<u>(19,006,589)</u>	<u>(19,062,893)</u>
Net change in fund balances	(3,018,374)	(1,088,223)	(5,949,292)	648,086	(17,211,800)	(26,619,603)
Fund balances-beginning	15,991,599	56,080,427	107,041,249	1,287,706	63,213,941	243,614,922
Fund balances-ending	<u>\$ 12,973,225</u>	<u>\$ 54,992,204</u>	<u>\$ 101,091,957</u>	<u>\$ 1,935,792</u>	<u>\$ 46,002,141</u>	<u>\$ 216,995,319</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, 2015

Net change in fund balances - total funds \$ (26,619,603)

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	21,374,347	
Depreciation expense	(22,927,178)	(1,552,831)

Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial revenues. 1,113,440

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 (1,164,010)

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	24,671,368	
Refunding bonds issued	(24,205,000)	
Premium on refunding bonds issued	(2,521,090)	
Payments to refunding bonds escrow agent	26,644,875	24,590,153

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	(21,997,242)	
Net OPEB obligation	(1,385,650)	(23,382,892)

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 charge on refunding	(542,460)	
Amortization of certificate of indebtedness discount	(3,219)	
Amortization of bond premiums	1,873,103	
Increase in accrued interest	(290,902)	
Decrease in compensated absences	22,431	
Increase in landfill closure and postclosure care	(279,078)	779,875

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. 14,999,752

Change in net position of governmental activities. \$ (11,236,116)

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

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 157,824,500	\$ 157,203,000	\$ 153,919,897	\$ (3,283,103)
Licenses and Permits	9,433,200	9,433,200	9,578,009	144,809
Intergovernmental	2,785,000	2,785,000	3,044,769	259,769
Charges for services	26,700,600	27,206,100	23,381,449	(3,824,651)
Fines and forfeitures	3,829,800	3,209,800	2,510,504	(699,296)
Investment earnings	-	-	42,102	42,102
Miscellaneous	541,300	752,100	779,123	27,023
Total revenues	<u>201,114,400</u>	<u>200,589,200</u>	<u>193,255,853</u>	<u>(7,333,347)</u>
EXPENDITURES				
General government:				
Office of the Mayor:				
Salaries, wages and employee benefits	901,200	889,900	981,260	(91,360)
Materials and supplies	21,000	21,027	23,498	(2,471)
Contractual services	43,500	43,500	64,178	(20,678)
Other charges	500	500	-	500
Improvements and equipment	6,600	36,600	30,777	5,823
Total Office of the Mayor	<u>972,800</u>	<u>991,527</u>	<u>1,099,713</u>	<u>(108,186)</u>
City Attorney:				
Salaries, wages and employee benefits	994,200	1,038,800	1,005,567	33,233
Materials and supplies	18,000	73,000	29,385	43,615
Contractual services	118,900	118,900	136,677	(17,777)
Other charges	5,300	5,300	110	5,190
Improvements and equipment	8,800	8,800	11,942	(3,142)
Total City Attorney	<u>1,145,200</u>	<u>1,244,800</u>	<u>1,183,681</u>	<u>61,119</u>
Property Standards:				
Salaries, wages and employee benefits	1,450,400	1,450,400	1,271,595	178,805
Materials and supplies	138,200	145,090	108,695	36,395
Contractual services	1,369,000	1,369,000	1,100,235	268,765
Other charges	540,000	540,000	415,350	124,650
Improvements and equipment	65,000	65,000	88,762	(23,762)
Total Property Standards	<u>3,562,600</u>	<u>3,569,490</u>	<u>2,984,637</u>	<u>584,853</u>
Personnel:				
Salaries, wages and employee benefits	577,200	577,200	542,150	35,050
Materials and supplies	5,800	5,927	3,746	2,181
Contractual services	23,200	23,200	21,518	1,682
Other charges	2,000	2,000	2,278	(278)
Improvements and equipment	2,000	3,588	3,203	385
Total Personnel	<u>610,200</u>	<u>611,915</u>	<u>572,895</u>	<u>39,020</u>

(continued)

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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, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Information Technology:				
Salaries, wages and employee benefits	2,090,800	1,990,800	1,965,198	25,602
Materials and supplies	95,100	123,877	98,627	25,250
Contractual services	1,200,000	1,596,840	1,084,079	512,761
Improvements and equipment	264,200	700,531	592,765	107,766
Total Information technology	<u>3,650,100</u>	<u>4,412,048</u>	<u>3,740,669</u>	<u>671,379</u>
City Council:				
Salaries, wages and employee benefits	1,149,600	1,147,100	1,131,448	15,652
Materials and supplies	13,800	13,800	10,386	3,414
Contractual services	196,500	321,668	164,499	157,169
Improvements and equipment	21,000	23,500	20,164	3,336
Total City Council	<u>1,380,900</u>	<u>1,506,068</u>	<u>1,326,497</u>	<u>179,571</u>
Finance:				
Salaries, wages and employee benefits	2,503,100	2,505,082	2,144,951	360,131
Materials and supplies	114,400	115,669	231,771	(116,102)
Contractual services	1,143,900	1,148,383	1,142,602	5,781
Improvements and equipment	13,600	30,229	41,353	(11,124)
Total Finance	<u>3,775,000</u>	<u>3,799,363</u>	<u>3,560,677</u>	<u>238,686</u>
Other - unclassified				
Salaries, wages and employee benefits	6,129,000	6,040,700	6,708,712	(668,012)
Contractual services	649,200	649,200	994,242	(345,042)
Interest and civic appropriations	3,104,100	3,104,100	3,138,558	(34,458)
Payments to component units	5,994,400	6,449,081	6,428,581	20,500
Claims	6,913,200	6,913,200	7,803,245	(890,045)
Total other - unclassified	<u>22,789,900</u>	<u>23,156,281</u>	<u>25,073,338</u>	<u>(1,917,057)</u>
Total general government	<u>37,886,700</u>	<u>39,291,492</u>	<u>39,542,107</u>	<u>(250,615)</u>
Public Safety				
Police:				
Salaries, wages and employee benefits	51,626,400	51,034,520	49,958,510	1,076,010
Materials and supplies	2,705,800	2,645,800	1,814,521	831,279
Contractual services	1,264,600	1,270,422	1,437,359	(166,937)
Other charges	138,600	198,600	135,154	63,446
Improvements and equipment	4,000	4,000	7,109	(3,109)
Total Police	<u>55,739,400</u>	<u>55,153,342</u>	<u>53,352,653</u>	<u>1,800,689</u>
Fire:				
Salaries, wages and employee benefits	49,629,000	49,155,196	45,805,228	3,349,968
Materials and supplies	1,767,600	1,878,331	1,508,351	369,980
Contractual services	1,981,100	3,133,095	2,610,696	522,399
Improvements and equipment	226,200	226,200	158,401	67,799
Total Fire	<u>53,603,900</u>	<u>54,392,822</u>	<u>50,082,676</u>	<u>4,310,146</u>
Total public safety	<u>109,343,300</u>	<u>109,546,164</u>	<u>103,435,329</u>	<u>6,110,835</u>

(continued)

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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, 2015

	<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	3,158,200	3,133,270	2,837,405	295,865
Materials and supplies	203,300	225,490	150,516	74,974
Contractual services	672,500	991,599	313,589	678,010
Improvements and equipment	73,500	73,500	50,309	23,191
Total engineering	<u>4,107,500</u>	<u>4,423,859</u>	<u>3,351,819</u>	<u>1,072,040</u>
Public Works:				
Salaries, wages and employee benefits	12,825,400	12,266,361	11,850,669	415,692
Materials and supplies	4,546,600	6,139,242	3,721,604	2,417,638
Contractual services	18,235,200	19,406,162	16,904,193	2,501,969
Improvements and equipment	796,100	3,031,056	1,526,259	1,504,797
Total public works	<u>36,403,300</u>	<u>40,842,821</u>	<u>34,002,725</u>	<u>6,840,096</u>
Culture and recreation:				
Salaries, wages and employee benefits	9,275,800	9,294,406	9,279,773	14,633
Materials and supplies	888,700	924,403	784,056	140,347
Contractual services	5,200,900	5,824,595	5,553,568	271,027
Other charges	264,500	285,933	267,594	18,339
Improvements and equipment	368,700	1,985,927	1,526,629	459,298
Total culture and recreation	<u>15,998,600</u>	<u>18,315,264</u>	<u>17,411,620</u>	<u>903,644</u>
Total expenditures	<u>203,739,400</u>	<u>212,419,600</u>	<u>197,743,600</u>	<u>14,676,000</u>
Excess (deficiency) of revenues over (under) expenditures	(2,625,000)	(11,830,400)	(4,487,747)	7,342,653
OTHER FINANCING SOURCES (USES)				
Capital lease	-	1,500,000	-	(1,500,000)
Transfers in	12,059,600	10,604,200	12,059,600	1,455,400
Transfers out	(11,353,600)	(10,112,100)	(10,590,227)	(478,127)
Total other financing sources (uses)	<u>706,000</u>	<u>1,992,100</u>	<u>1,469,373</u>	<u>(522,727)</u>
Net change in fund balance	(1,919,000)	(9,838,300)	(3,018,374)	6,819,926
Fund balances -beginning	<u>15,991,599</u>	<u>15,991,599</u>	<u>15,991,599</u>	<u>-</u>
Fund balances -ending	<u>\$ 14,072,599</u>	<u>\$ 6,153,299</u>	<u># \$ 12,973,225</u>	<u>\$ 6,819,926</u>

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

**CITY OF SHREVEPORT, LOUISIANA
COMMUNITY DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 6,192,200	\$ 8,333,600	\$ 5,251,173	\$ (3,082,427)
Investment earnings	-	-	8,381	8,381
Miscellaneous	1,038,000	1,100,800	1,729,747	628,947
Total revenues	<u>7,230,200</u>	<u>9,434,400</u>	<u>6,989,301</u>	<u>(2,445,099)</u>
EXPENDITURES				
Administration:				
Salaries, wages and employee benefits	714,400	702,150	671,155	30,995
Materials and supplies	19,700	20,841	16,933	3,908
Contractual services	174,000	533,890	404,718	129,172
Other charges	-	1,008,744	30,884	977,860
Improvements and equipment	3,000	3,000	2,299	701
Total administration	<u>911,100</u>	<u>2,268,625</u>	<u>1,125,989</u>	<u>1,142,636</u>
Community services:				
Contractual services	559,530	554,000	-	554,000
Other charges	1,423,228	1,428,226	442,309	985,917
Total community development projects	<u>1,982,758</u>	<u>1,982,226</u>	<u>442,309</u>	<u>1,539,917</u>
Workforce development:				
Salaries, wages and employee benefits	1,458,200	1,558,200	1,444,377	113,823
Materials and supplies	73,900	78,600	57,668	20,932
Contractual services	1,191,730	1,223,098	899,230	323,868
Other charges	3,200	3,200	16,692	(13,492)
Improvements and equipment	62,725	62,724	5,705	57,019
Total workforce development	<u>2,789,755</u>	<u>2,925,822</u>	<u>2,423,672</u>	<u>502,150</u>
Housing and business development administration:				
Salaries, wages and employee benefits	568,700	429,800	427,990	1,810
Materials and supplies	39,900	39,900	30,510	9,390
Contractual services	271,760	237,500	298,654	(61,154)
Other charges	5,263,460	5,215,560	2,799,771	2,415,789
Improvements and equipment	13,100	13,100	70,320	(57,220)
Total housing and business development administration	<u>6,156,920</u>	<u>5,935,860</u>	<u>3,627,245</u>	<u>2,308,615</u>

(continued)

(continued)

**CITY OF SHREVEPORT, LOUISIANA
COMMUNITY DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Total expenditures	11,840,533	13,112,533	7,619,215	5,493,318
Excess (deficiency) of revenues over (under) expenditures	(4,610,333)	(3,678,133)	(629,914)	3,048,219
OTHER FINANCING SOURCES				
Transfers in	1,278,000	1,278,000	1,278,000	-
Total other financing sources	1,278,000	1,278,000	1,278,000	-
Net change in fund balances	(3,332,333)	(2,400,133)	648,086	3,048,219
Fund balances - beginning	1,287,706	1,287,706	1,287,706	-
Fund balances - ending	\$ (2,044,627)	\$ (1,112,427)	\$ 1,935,792	\$ 3,048,219

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

Business-type Activities
Enterprise Funds

	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds	Total	Activities Internal Service Funds
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ 3,818,699	\$ 2,161,329	\$ 427,019	\$ 166,696	\$ 758,030	\$ 7,331,773	\$ 11,125,668
Investments	4,141,474	-	197,595	180,804	598,013	5,117,886	8,930,789
Receivables, net	371,379	7,978,902	413,344	420,647	222,813	9,407,085	3,411,751
Due from other funds	-	86,704	-	-	59,571	146,275	1,129,848
Due from other governments	3,046,553	-	-	409,616	297,590	3,753,759	-
Inventories	92,321	1,741,740	77,963	45,358	959,171	2,916,553	-
Prepaid items	-	-	11,555	144,675	199,348	355,578	518,830
Total current assets	<u>11,470,426</u>	<u>11,968,675</u>	<u>1,127,476</u>	<u>1,367,796</u>	<u>3,094,536</u>	<u>29,028,909</u>	<u>25,116,886</u>
Noncurrent Assets:							
Restricted:							
Cash and cash equivalents	3,722,693	206,412,761	-	2,102,309	-	212,237,763	-
Investments	-	2,938,518	-	-	-	2,938,518	-
Prepaid items	264,606	1,609,492	-	-	-	1,874,098	-
Total restricted assets	<u>3,987,299</u>	<u>210,960,771</u>	<u>-</u>	<u>2,102,309</u>	<u>-</u>	<u>217,050,379</u>	<u>-</u>
Capital Assets:							
Land	37,627,729	996,201	6,147,743	-	1,940,407	46,712,080	-
Buildings	72,555,533	-	88,781,632	44,646,313	11,704,165	217,687,643	-
Improvements other than buildings	105,996,953	-	3,545,299	-	868,530	110,410,782	-
Equipment	7,714,705	23,366,206	8,026,254	4,852,260	21,685,199	65,644,624	-
Distribution and collection systems	-	682,750,490	-	-	-	682,750,490	-
Construction in progress	8,278,915	72,644,124	-	-	340	80,923,379	-
Less accumulated depreciation	<u>(107,775,229)</u>	<u>(273,947,283)</u>	<u>(26,664,307)</u>	<u>(12,959,509)</u>	<u>(18,582,874)</u>	<u>(439,929,202)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>124,398,606</u>	<u>505,809,738</u>	<u>79,836,621</u>	<u>36,539,064</u>	<u>17,615,767</u>	<u>764,199,796</u>	<u>-</u>
Total noncurrent assets	<u>128,385,905</u>	<u>716,770,509</u>	<u>79,836,621</u>	<u>38,641,373</u>	<u>17,615,767</u>	<u>981,250,175</u>	<u>-</u>
Total assets	<u>139,856,331</u>	<u>728,739,184</u>	<u>80,964,097</u>	<u>40,009,169</u>	<u>20,710,303</u>	<u>1,010,279,084</u>	<u>25,116,886</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred amount on refunding	5,327,360	2,929,877	-	2,640,269	-	10,897,506	-
Deferred pension	643,378	2,593,226	-	-	112,969	3,349,573	-
Total deferred outflows of resources	<u>5,970,738</u>	<u>5,523,103</u>	<u>-</u>	<u>2,640,269</u>	<u>112,969</u>	<u>14,247,079</u>	<u>-</u>

(continued)

(continued)

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

	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	1,392,716	7,806,964	725,554	377,661	120,009	10,422,904	1,696,387
Accrued liabilities	569,085	1,128,757	90,477	386,196	209,495	2,384,010	-
Accrued interest payable	206,837	1,041,367	-	35,815	-	1,284,019	-
Due to other funds	-	-	-	-	125,252	125,252	3,969,751
Unearned revenue	77,178	-	-	-	39,700	116,878	-
Customer deposits	66,429	658,697	137,263	12,877	-	875,266	-
Compensated absences	27,896	123,971	-	-	211,428	363,295	1,241
Claims and judgments	-	-	-	-	-	-	14,312,595
Leases payable	-	620,479	-	-	17,754	638,233	-
Revenue bonds and notes payable, net	1,970,000	13,838,011	-	947,400	-	16,755,411	-
Total current liabilities	<u>4,310,141</u>	<u>25,218,246</u>	<u>953,294</u>	<u>1,759,949</u>	<u>723,638</u>	<u>32,965,268</u>	<u>19,979,974</u>
Noncurrent Liabilities:							
Accrued liabilities	-	1,603,853	-	-	-	1,603,853	-
Claims and judgments	-	-	-	-	-	-	10,740,316
Compensated absences	138,442	505,508	-	-	27,288	671,238	6,950
Leases payable	-	1,037,917	-	-	17,984	1,055,901	-
Net OPEB obligation	5,770,136	25,269,217	-	-	4,178,374	35,217,727	-
Net pension liability	10,932,141	44,063,525	-	-	1,919,544	56,915,210	-
Derivative instrument liability	-	9,445,515	-	-	-	9,445,515	-
Revenue bonds and notes payable, net	32,950,000	348,826,972	-	39,037,900	-	420,814,872	-
Total noncurrent liabilities	<u>49,790,719</u>	<u>430,752,507</u>	<u>-</u>	<u>39,037,900</u>	<u>6,143,190</u>	<u>525,724,316</u>	<u>10,747,266</u>
Total liabilities	<u>54,100,860</u>	<u>455,970,753</u>	<u>953,294</u>	<u>40,797,849</u>	<u>6,866,828</u>	<u>558,689,584</u>	<u>30,727,240</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred pensions	112,498	453,438	-	-	19,753	585,689	-
NET POSITION (DEFICIT)							
Net investment in capital assets	96,583,157	352,196,033	79,836,621	(187,514)	17,580,029	546,008,326	-
Restricted for debt service	3,722,693	-	-	-	-	3,722,693	-
Unrestricted (deficit)	(8,692,139)	(74,357,937)	174,182	2,039,103	(3,643,338)	(84,480,129)	(5,610,354)
Total net position (deficit)	<u>\$ 91,613,711</u>	<u>\$ 277,838,096</u>	<u>\$ 80,010,803</u>	<u>\$ 1,851,589</u>	<u>\$ 13,936,691</u>	<u>\$ 465,250,890</u>	<u>\$ (5,610,354)</u>

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	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	\$ 10,102,240	\$ 75,961,390	\$ 2,873,802	\$ 11,666,633	\$ 3,911,517	\$ 104,515,582	\$ 42,552,881
Miscellaneous	100,268	706,792	20,837	63,849	350,883	1,242,629	2,969,196
Total operating revenues	<u>10,202,508</u>	<u>76,668,182</u>	<u>2,894,639</u>	<u>11,730,482</u>	<u>4,262,400</u>	<u>105,758,211</u>	<u>45,522,077</u>
OPERATING EXPENSES							
Personal services	6,494,867	25,013,140	1,695,670	-	12,631,299	45,834,976	329,842
Contractual services and other expenses	1,752,160	9,085,020	1,838,888	8,217,189	2,007,614	22,900,871	5,962,160
Utilities	970,218	4,528,333	748,476	522,940	279,759	7,049,726	-
Repairs and maintenance	341,279	1,584,153	488,655	683,906	20,491	3,118,484	-
Materials and supplies	259,176	9,061,074	199,491	-	3,146,341	12,666,082	6,685
Claims	-	-	-	-	-	-	24,282,716
Depreciation	4,779,211	14,545,998	2,891,855	1,292,050	2,185,628	25,694,742	-
Total operating expenses	<u>14,596,911</u>	<u>63,817,718</u>	<u>7,863,035</u>	<u>10,716,085</u>	<u>20,271,132</u>	<u>117,264,881</u>	<u>30,581,403</u>
Operating income (loss)	<u>(4,394,403)</u>	<u>12,850,464</u>	<u>(4,968,396)</u>	<u>1,014,397</u>	<u>(16,008,732)</u>	<u>(11,506,670)</u>	<u>14,940,674</u>
NONOPERATING REVENUES (EXPENSES)							
Investment earnings (loss)	56,134	1,020,632	464	-	4,338	1,081,568	59,078
Interest expense	(2,294,400)	(11,552,931)	-	(600,255)	(610)	(14,448,196)	-
Intergovernmental	136,320	-	-	-	6,595,922	6,732,242	-
Passenger facility charges	966,640	-	-	-	-	966,640	-
Bond issuance costs	(697,461)	(1,395,675)	-	-	-	(2,093,136)	-
Loss on disposal of capital assets	(28,052)	(1,428)	-	(40,452)	-	(69,932)	-
Net nonoperating revenues (expenses)	<u>(1,860,819)</u>	<u>(11,929,402)</u>	<u>464</u>	<u>(640,707)</u>	<u>6,599,650</u>	<u>(7,830,814)</u>	<u>59,078</u>
Income (loss) before contributions and transfers	<u>(6,255,222)</u>	<u>921,062</u>	<u>(4,967,932)</u>	<u>373,690</u>	<u>(9,409,082)</u>	<u>(19,337,484)</u>	<u>14,999,752</u>
Capital contributions	3,980,978	799,325	-	-	-	4,780,303	-
Transfers in	-	11,913,603	1,730,000	202,000	6,733,506	20,579,109	-
Transfers out	-	(1,435,000)	-	-	-	(1,435,000)	-
Change in net position	<u>(2,274,244)</u>	<u>12,198,990</u>	<u>(3,237,932)</u>	<u>575,690</u>	<u>(2,675,576)</u>	<u>4,586,928</u>	<u>14,999,752</u>
Total net position-beginning, as restated	103,780,411	305,512,036	83,248,735	1,275,899	18,349,256	512,166,337	(20,610,106)
Prior period adjustment	(9,892,456)	(39,872,930)	-	-	(1,736,989)	(51,502,375)	-
Total net position-beginning, as restated	<u>93,887,955</u>	<u>265,639,106</u>	<u>83,248,735</u>	<u>1,275,899</u>	<u>16,612,267</u>	<u>460,663,962</u>	<u>(20,610,106)</u>
Total net position-ending	<u>\$ 91,613,711</u>	<u>\$ 277,838,096</u>	<u>\$ 80,010,803</u>	<u>\$ 1,851,589</u>	<u>\$ 13,936,691</u>	<u>\$ 465,250,890</u>	<u>\$ (5,610,354)</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, 2015

	Business-type Activities					Governmental Activities Internal Service Funds	
	Enterprise Funds						
	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds		Total
Cash flows from operating activities:							
Receipts from operations	\$ 10,558,300	\$ 76,168,495	\$ 2,722,546	\$ 11,677,212	\$ 4,558,277	\$ 105,684,830	\$ 45,324,324
Payments to suppliers	(3,668,949)	(20,409,971)	(3,122,209)	(5,090,914)	(5,762,328)	(38,054,371)	(3,127,016)
Payments to employees	(3,966,626)	(14,325,107)	(1,705,245)	(4,288,096)	(9,666,187)	(33,951,261)	(329,994)
Claims	-	-	-	-	-	-	(42,215,489)
Other receipts	100,268	706,792	20,837	63,849	328,368	1,220,114	-
Other payments	(292,200)	(2,431,395)	-	-	(57,000)	(2,780,595)	-
Net cash provided by (used in) operating	<u>2,730,793</u>	<u>39,708,814</u>	<u>(2,084,071)</u>	<u>2,362,051</u>	<u>(10,598,870)</u>	<u>32,118,717</u>	<u>(348,175)</u>
Cash flows from noncapital financing activities:							
Cash bond	-	8	-	-	-	8	-
Transfers out	-	(1,435,000)	-	-	-	(1,435,000)	-
Intergovernmental	136,320	-	-	-	6,595,940	6,732,260	-
Transfers in	-	11,913,603	1,730,000	(202,000)	6,733,506	20,175,109	-
Interest expense on operations	-	-	-	(21,440)	(610)	(22,050)	-
Net cash provided by (used in) noncapital financing activities	<u>136,320</u>	<u>10,478,611</u>	<u>1,730,000</u>	<u>(223,440)</u>	<u>13,328,836</u>	<u>25,450,327</u>	<u>-</u>
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(4,449,798)	(33,257,375)	-	234,596	(2,717,615)	(40,190,192)	-
Principal paid on debt	(1,460,000)	(9,410,400)	-	(710,900)	(17,529)	(11,598,829)	-
Interest paid on debt	(3,100,229)	(11,494,509)	-	(464,188)	-	(15,058,926)	-
Capitalized lease payment	-	(612,130)	-	-	-	(612,130)	-
Proceeds from bond issuance	37,320,984	130,417,157	-	-	-	167,738,141	-
Payment of bond issuance cost	(697,461)	(61,936)	-	-	-	(759,397)	-
Payment used in refunded revenue bonds issued	(31,910,000)	-	-	-	-	(31,910,000)	-
Payment of bonds prepaid insurance	-	(679,839)	-	-	-	(679,839)	-
Capital grants	3,720,261	-	-	(409,616)	-	3,310,645	-
Contributed capital by others	260,717	-	-	-	-	260,717	-
Passenger facility charges	966,640	-	-	-	-	966,640	-
Net cash provided by (used in) capital and related financing activities	<u>651,114</u>	<u>74,900,968</u>	<u>-</u>	<u>(1,350,108)</u>	<u>(2,735,144)</u>	<u>71,466,830</u>	<u>-</u>
Cash flows from investing activities:							
Purchase of investments	-	-	-	(180,804)	(63,366)	(244,170)	(963,775)
Proceeds from sale and maturity of investments	-	-	-	-	-	-	1,337,333
Interest on investments	55,779	85,451	464	-	4,338	146,032	50,578
Net cash provided by (used in) investing activities	<u>55,779</u>	<u>85,451</u>	<u>464</u>	<u>(180,804)</u>	<u>(59,028)</u>	<u>(98,138)</u>	<u>424,136</u>
Net increase (decrease) in cash and cash equivalents	<u>3,574,006</u>	<u>125,173,844</u>	<u>(353,607)</u>	<u>607,699</u>	<u>(64,206)</u>	<u>128,937,736</u>	<u>75,961</u>
Cash and cash equivalents, beginning of year	8,108,860	83,400,246	742,937	1,661,306	822,236	94,735,585	11,049,707
Cash and cash equivalents, end of year	<u>\$ 11,682,866</u>	<u>\$ 208,574,090</u>	<u>\$ 389,330</u>	<u>\$ 2,269,005</u>	<u>\$ 758,030</u>	<u>\$ 223,673,321</u>	<u>\$ 11,125,668</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	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)	\$ (4,394,403)	\$ 12,850,464	\$ (4,968,396)	\$ 1,014,397	\$ (16,008,732)	\$ (11,506,670)	\$ 14,940,674
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	4,779,211	14,545,998	2,891,855	1,292,050	2,185,628	25,694,742	-
(Increase)Decrease in assets:							
Receivables	305,721	202,047	(179,713)	13,595	117,179	458,829	(6,766)
Due from other funds	-	-	-	-	338,687	338,687	(277,691)
Due from other governments	-	-	-	-	86,849	86,849	-
Inventories	(8,331)	214,862	(5,741)	4,543	109,919	315,252	-
Prepaid items	-	-	(2,894)	(42,406)	(74,859)	(120,159)	(15,449)
Increase(Decrease) in liabilities:							
Accounts payable	(126,324)	1,624,885	161,936	81,330	(409,170)	1,332,657	1,418,899
Accrued liabilities	(321,957)	240,564	(8,194)	24,887	(19,347)	(84,047)	(3,627,002)
Net OPEB obligation	1,492,364	8,647,954	-	-	2,894,483	13,034,801	-
Net pension liability	1,039,685	2,050,807	-	-	89,339	3,179,831	-
Deferred inflows for pensions	112,498	-	-	-	-	112,498	-
Due to other funds	-	(684,324)	-	(23,329)	125,252	(582,401)	1,525,083
Unearned revenue	(150,339)	-	-	-	12,500	(137,839)	-
Claims and judgements	-	-	-	-	-	-	(14,305,771)
Customers' deposits	(1,140)	5,018	28,457	(3,016)	-	29,319	-
Compensated absences	3,808	10,539	(1,381)	-	(46,598)	(33,632)	(152)
Total adjustments	7,125,196	26,858,350	2,884,325	1,347,654	5,409,862	43,625,387	(15,288,849)
Net cash provided by (used in) operating activities	\$ 2,730,793	\$ 39,708,814	\$ (2,084,071)	\$ 2,362,051	\$ (10,598,870)	\$ 32,118,717	\$ (348,175)

Non-cash investing, capital and financing activities:

The Municipal and Regional Airports had a loss on disposal of capital assets of \$1,504.

The Water and Sewerage Fund had \$629,980 in capital contributions, \$27,528 in loss on disposal of capital assets, and an investment loss of \$1,359,141 due to the change in fair value of the derivative instrument. Refunding bonds in the amount of \$75,835,000 with a premium of \$9,793,379 were issued with proceeds going directly to paying and escrow agents for defeasance of prior bonds. Issuance costs of \$920,155, prepaid insurance of \$266,251 and deferred charge on refunding \$2,823,327 were recorded. The City contributed \$947,000 to complete the transactions.

The Shreveport Area Transit System had a loss on disposal of capital assets of \$-0-.

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2015

	Employee Retirement Funds
ASSETS	
Cash and cash equivalents	\$ 1,240,256
Receivables:	
Interest and dividends receivable	75,127
Accounts receivable	61,108
Prepaid items	450,595
Investments, at fair value:	
U.S. government obligations	3,678,593
Investment pool	164,482
Mutual funds	223,973,968
Domestic corporate bonds	3,838,688
Domestic equities	5,115,495
International equities	1,560,884
Total investments	238,332,110
Other assets:	
Cash surrender value of life insurance policies	6,313,461
Total assets	246,472,657
 LIABILITIES	
Due to other funds	27,530,000
Accrued liabilities	-
Employees' deposits held in escrow	1,854,449
Total liabilities	29,384,449
 Net position restricted for pensions	\$ 217,088,208

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, 2015

	Employee Retirement Funds
ADDITIONS	
Contributions:	
Employer	\$ 9,134,637
Plan members	5,305,200
Total contributions	14,439,837
Investment earnings:	
Net appreciation in fair value of investments	653,853
Interest	43,999
Dividends	550,949
Total investment earnings	1,248,801
Less investment expense	1,227,571
Net investment earnings	21,230
Life insurance proceeds	1,399,901
Miscellaneous	27,322
Total additions	15,888,290
DEDUCTIONS	
Benefits	27,332,129
Refund of member contribution	1,520,500
Administrative expenses	115,298
Life insurance premiums	1,205,672
Total deductions	30,173,599
Change in net position	(14,285,309)
Net position restricted for pensions	
Beginning of year	231,373,517
End of year	\$ 217,088,208

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2015

	Shreveport Home Mortgage Authority	City Court	City Marshal	Downtown Development Authority	Metropolitan Planning Commission	Shreve Memorial Library	Total
ASSETS							
Cash and cash equivalents	\$ 2,161,999	\$5,195,436	\$ 1,777,837	\$ 990,009	\$ 93,554	\$ 5,995,278	\$ 16,214,113
Investments	2,522,573	-	-	-	-	-	2,522,573
Receivables, net	7,635	34,306	-	885,476	-	14,577,014	15,504,431
Due from primary governments	-	-	-	-	10,743	369,326	380,069
Prepaid items	-	6,767	34,234	19,616	-	119,258	179,875
Notes receivable	3,505,000	-	-	-	-	-	3,505,000
Capital assets:							
Land	-	-	-	130,237	704,514	5,261,444	6,096,195
Other capital assets, net of depreciation	-	164,900	362,297	1,175,458	123,263	29,669,695	31,495,613
Total assets	<u>8,197,207</u>	<u>5,401,409</u>	<u>2,174,368</u>	<u>3,200,796</u>	<u>932,074</u>	<u>55,992,015</u>	<u>75,897,869</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows	-	-	342,132	26,320	-	1,294,079	1,662,531
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>342,132</u>	<u>26,320</u>	<u>-</u>	<u>1,294,079</u>	<u>1,662,531</u>
LIABILITIES							
Accounts payable	-	5,989	19,036	5,981	28,843	120,138	179,987
Accrued liabilities	14,382	-	-	12,251	-	328,576	355,209
Due to other governments	-	-	-	-	75,455	-	75,455
Unearned income	-	-	-	-	-	-	-
Noncurrent liabilities:							
Due within one year	148,032	-	-	129,849	-	315,419	593,300
Due in more than one year	5,127,133	-	5,813,423	1,069,275	-	35,188,490	47,198,321
Total liabilities	<u>5,289,547</u>	<u>5,989</u>	<u>5,832,459</u>	<u>1,217,356</u>	<u>104,298</u>	<u>35,952,623</u>	<u>48,402,272</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows	-	-	59,823	796,081	-	226,276	1,082,180
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>59,823</u>	<u>796,081</u>	<u>-</u>	<u>226,276</u>	<u>1,082,180</u>
NET POSITION							
Net investments in capital assets	-	164,900	362,297	901,784	827,776	34,931,139	37,187,896
Restricted for:							
Debt service	260,038	-	-	-	-	-	260,038
Other purposes	-	1,341,378	-	174,712	-	-	1,516,090
Unrestricted	2,647,622	3,889,142	(3,738,079)	137,183	-	(13,823,944)	(10,888,076)
Total net position	<u>\$ 2,907,660</u>	<u>\$5,395,420</u>	<u>\$ (3,375,782)</u>	<u>\$ 1,213,679</u>	<u>\$ 827,776</u>	<u>\$21,107,195</u>	<u>\$ 28,075,948</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, 2015

	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	\$ 282,973	\$ 263,330	\$ -	\$ (19,643)						\$ (19,643)
City Court										
Judicial	4,293,408	653,981	-		\$ (3,639,427)					(3,639,427)
City Marshal										
Judicial	2,644,279	603,414	1,748,750			\$ (292,115)				(292,115)
Downtown Development Authority										
Downtown development	587,526	-	9,430				(578,096)			(578,096)
Streetscape program	271,861	296,400	-				24,539			24,539
Parking program	384,912	364,400	-				(20,512)			(20,512)
Interest on long-term debt	95,858	-	-				(95,858)			(95,858)
Total Downtown Development Authority	<u>1,340,157</u>	<u>660,800</u>	<u>9,430</u>				<u>(669,927)</u>			<u>(669,927)</u>
Metropolitan Planning Commission										
Planning and zoning	1,679,599	278,977	189,200					(1,211,422)		(1,211,422)
Shreve Memorial Library										
Culture and recreation	<u>18,598,277</u>	<u>384,184</u>	<u>2,208,846</u>						(16,005,247)	<u>(16,005,247)</u>
	<u>\$28,838,693</u>	<u>\$ 2,844,686</u>	<u>\$ 4,156,226</u>	(19,643)	(3,639,427)	(292,115)	(669,927)	(1,211,422)	(16,005,247)	(21,837,781)
General Revenues:										
Property taxes levied for general purposes				-	-	-	728,233	-	15,356,755	16,084,988
Investment earnings				(65,090)	9,020	4,788	3,344	-	70,271	22,333
Payment from City of Shreveport				-	3,476,296	-	-	1,201,716	373,686	5,051,698
Miscellaneous				-	18,630	-	59,990	-	369,326	447,946
Total general revenues (expense)				<u>(65,090)</u>	<u>3,503,946</u>	<u>4,788</u>	<u>791,567</u>	<u>1,201,716</u>	<u>16,170,038</u>	<u>21,606,965</u>
Change in Net Position				(84,733)	(135,481)	(287,327)	121,640	(9,706)	164,791	(230,816)
Net position - beginning, as previously reported				2,992,393	5,530,901	2,172,091	1,092,039	837,482	52,501,203	65,126,109
Prior period adjustment				-	-	(5,260,546)	-	-	(31,558,799)	(36,819,345)
Net position - beginning, as restated				<u>2,992,393</u>	<u>5,530,901</u>	<u>(3,088,455)</u>	<u>1,092,039</u>	<u>837,482</u>	<u>20,942,404</u>	<u>28,306,764</u>
Net position - ending				<u>\$ 2,907,660</u>	<u>\$ 5,395,420</u>	<u>\$ (3,375,782)</u>	<u>\$ 1,213,679</u>	<u>\$ 827,776</u>	<u>\$ 21,107,195</u>	<u>\$ 28,075,948</u>

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

**CITY OF SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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 their 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.

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.

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.

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.

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.

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.

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.

Administrative Offices:

City Court
1244 Texas Avenue
Shreveport, Louisiana 71101

Shreveport Home Mortgage Authority
1215 Hawn Avenue
Shreveport, Louisiana 71107

City Marshal
1244 Texas Avenue
Shreveport, Louisiana 71101

Downtown Development Authority
400 Edwards Street
Shreveport, Louisiana 71101

Shreve Memorial Library
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.

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. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. 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 or 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 uncollectibles.

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 are recorded at estimated 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 not capitalized.

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.

The total interest expense incurred by the Water and Sewerage Fund was \$11,739,830. Of this amount \$186,889 was included as the cost of capital assets in construction in progress. The total interest expense incurred by the Municipal and Regional Airports Fund was \$2,309,762. Of this amount \$15,362 was included as the cost of capital assets in construction in progress.

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

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.

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 two 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 other is deferred pension related 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 two 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.

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 \$221,415,453 of restricted assets, of which \$54,128,788 is restricted by enabling legislation.

E. Change in Accounting Principle

The City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* and GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73* during 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. For defined benefit pensions, these Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Please refer to Note IV.A.

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.

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.

General fund	\$ 6,720,881
Debt Service fund	-
2014 General Obligation Bond fund	-
Community Development	3,750,359
Nonmajor governmental funds	4,252,673
Total encumbrances	<u>\$ 14,723,913</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>\$ 215,093,000</u>	<u>\$ 7,438,700</u>	<u>\$ 222,531,700</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	\$ 193,255,853
Adjustment for state supplemental pay	<u>6,453,818</u>
GAAP basis	<u>\$ 199,709,671</u>
<u>Expenditures (Including transfers out)</u>	
Actual on the budgetary basis	\$ 208,333,827
Adjustment for state supplemental pay	<u>6,453,818</u>
GAAP basis	<u>\$ 214,787,645</u>

B. Excess of Expenditures over Appropriations

During 2015, based on the legally adopted level of control for budgetary purposes, the General Fund had excess expenditures over appropriations as follows:

General Government:

Office of the Mayor:

Salaries, wages and employee benefits	\$ 91,360
Leave/vacation that was paid to the outgoing administration exceeded the amount budgeted.	
Materials and supplies	2,471
Expenses for letterhead, letters, etc. for the new administration exceeded the amount budgeted.	
Contractual services	20,678
Expenses for remodeling for the new administration exceeded the amount budgeted.	

City Attorney:

Contractual services	17,777
Expenses for remodeling for the new administration exceeded the amount budgeted.	
Improvements and equipment	3,142
New computer purchases exceeded the amount budgeted.	

Property Standards:

Improvements and equipment	23,762
New vehicle purchases exceeded the amount budgeted.	

Personnel:

Other charges	278
Professional membership expenditures exceeded the amount budgeted.	

Finance:

Materials and supplies	116,102
Expenditures for postage were not charged back making the actual exceed the amount budgeted.	
Improvements and equipment	11,124
Vehicle purchase exceeded the amount budgeted.	

Other unclassified:

Salaries, wages and employee benefits	668,012
Group insurance exceeded the budget	
Contractual services	345,042
Expenditures for parking fees exceeded the amount budgeted.	
Interest and civic appropriations	34,458
Payments for interest, which was unbudgeted, exceeded the amount budgeted.	
Claims	890,045
Payments exceeded the amount budgeted	

Public Safety:

Police:

Contractual services	166,937
Costs to maintain the jail exceeded the amount budgeted.	
Improvements and equipment	3,109
Computer purchases exceeded the amount budgeted.	

C. Deficit Net Position

The Golf Fund, a nonmajor enterprise fund, had a deficit net position balance of \$2,760,092. The deficit was due to the accrual of Other Postemployment Benefits (OPEB) and the net pension liability as described in Note IV A.

The Retained Risk Fund, an internal service fund, had a deficit net position balance of \$6,720,824 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

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasuries	\$ 9,823,842
U.S. Instrumentalities	162,139,311
Money Market	201,015,902
LAMP	107,772
Capital One Investment Account	33,130,072
Certificates of Deposit	<u>595,017</u>
Total	<u>\$ 406,812,016</u>

The fair value of \$172,558,270 for U.S. Treasuries and Instrumentalities and Certificates of Deposit, is classified on the Statement of Net Position as “Investments”. The money market amounts of \$201,015,907, LAMP \$107,772, and Capital One Investment Account \$33,130,072 are classified as “Cash and cash equivalents”.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
		Less Than 1	1-3
U.S. Treasuries	\$ 9,823,942	\$ 6,445,691	\$ 3,378,251
U.S. Instrumentalities	162,139,311	132,896,288	29,423,023
Certificates of Deposit	595,017	-	595,017
Money Market	201,015,902	201,015,902	-
LAMP	107,772	107,772	-
Capital One Investment Account	<u>33,130,072</u>	<u>33,130,072</u>	<u>-</u>
Total	<u>\$ 406,812,016</u>	<u>\$ 373,595,725</u>	<u>\$ 33,216,291</u>

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. The City is exposed to interest rate risk on its pay fixed, receive variable rate swap. The City pays 3.56% and receives 70% of USD-LIBOR-BBA. A decrease in the variable rate increases the City’s interest expense. The swap had a negative fair value of \$9,445,515 at December 31, 2015 and is classified under noncurrent liabilities within the Water and Sewerage Fund as derivative instrument liability. The increase in the fair value for 2015 was \$935,180 and is classified as investment gain. The swap has a notional amount of \$70,580,000 and matures on October 1, 2026.

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 AAAm.

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.

2. Investments – Fiduciary Funds

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasuries	\$ 1,926,897
U.S. Instrumentalities	155,435
Asset-backed Securities	1,596,261
Corporate Bonds	3,838,688
Mutual Funds	56,244,811
Mutual Bond Funds	167,729,157
Investment Pool	164,482
Domestic Equities	5,115,495
International Equities	1,560,884
Money Market	<u>1,016,251</u>
Total	<u>\$239,348,361</u>

The fair value of \$238,332,110 is classified on the Statement of Fiduciary Net Position as “Investments”. The money market amounts of \$1,016,251 are classified as “Cash and Cash Equivalents”.

Investment Maturities (in years)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>5-10</u>	<u>>10</u>
U.S. Treasuries	\$ 1,926,897	\$ -	\$ 1,128,017	\$ 338,579	\$ 460,301
U.S. Instrumentalities	155,435	155,435	-	-	-
Asset-backed Securities	1,596,261	-	31,921	198,219	1,366,121
Corporate Bonds	3,838,688	462,322	2,127,886	642,863	605,617
Money Market	<u>1,016,251</u>	<u>1,016,251</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$8,533,532</u>	<u>\$1,634,008</u>	<u>\$3,287,824</u>	<u>\$1,179,661</u>	<u>\$2,432,039</u>

S&P/Moody's <u>Rating</u>	<u>Fair Value</u>
Government	\$ 1,926,897
AAA	1,983,275
AA	876,013
A	1,311,961
BBB	1,305,310
B	113,825
Money Market	<u>1,016,251</u>
Total	<u>\$8,533,532</u>

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 purchases 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.

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.

City Court – The City Court does not have a policy for custodial credit risk. As of December 31, 2015, \$7,404,941 of the City Court's bank balance was exposed to custodial credit risk due to being uninsured and collateral held by the pledging bank's trust department not in the City Court's name.

City Marshal – The City Marshal does not have a policy for custodial credit risk. As of December 25, 2015, \$1,198,745 of the City Marshal's bank balance of \$1,980,512 was exposed to custodial credit risks due to being uninsured and collateral held by the pledging banks' trust department not in the City Marshal's name.

Downtown Development Authority – The Authority does not have a policy for custodial credit risk. As of December 31, 2015, \$795,635 of the Authority's bank balance of \$1,045,655 was uninsured but collateralized with pledged securities held by the custodial bank's trust department not in the Authority's name.

Shreve Memorial Library – The Library does not have a policy for custodial credit risk. As of December 31, 2015, \$5,744,078 of the Library's bank balance of \$5,994,078 was uninsured but collateralized with pledged securities held by the custodial bank's trust department not in the Library's name.

Louisiana Revised Statute 39:1229 imposes statutory requirement 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 \$2,522,573 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, 2015
Levy date	Not later than June 1, 2015
Tax bills mailed	On or about November 15, 2015
Total taxes are due	December 31, 2015
Penalties and interest are added	January 1, 2016
Lien date	January 1, 2016
Tax sale - 2015 delinquent property	July 1, 2016

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, 2012.

C. Receivables

Receivables as of year end for the City's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are outlined below.

	General	Debt Service	Community Development	Water and Sewerage	Municipal and Regional Airports	Convention Center Hotel	Nonmajor and Other Funds	Total
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,127	\$ 75,127
Taxes	6,550,103	5,083,415	-	-	-	-	-	11,633,518
Accounts	2,871,610	-	151,516	13,106,277	372,957	420,647	6,528,204	23,451,211
Intergovernmental	13,163,386	38,611	1,294,349	86,704	3,046,553	409,616	385,014	18,424,233
Notes receivable	-	-	11,672,058	-	-	-	191,755	11,863,813
Gross receivables	22,585,099	5,122,026	13,117,923	13,192,981	3,419,510	830,263	7,180,100	65,447,902
Less: Allowance for uncollectibles	(1,324,289)	(747,984)	(5,042,156)	(5,127,375)	(1,578)	-	-	(12,243,382)
Net total receivables	\$ 21,260,810	\$ 4,374,042	\$ 8,075,767	\$ 8,065,606	\$ 3,417,932	\$ 830,263	\$ 7,180,100	\$ 53,204,520

The total of notes receivable is not expected to be collected within one year. Approximately 6.13% or \$1,222,763 will be collected in the next fiscal period and the balance in future years in accordance with the payment schedules.

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:

General Fund	\$ 9,498,587
Debt Service Fund	1,313,072
Special Revenue Funds:	
Community Development	5,251,173
Police Grants	862,168
Environmental Grants	49,982
Capital Projects Funds	502,933
Enterprise Funds:	
Municipal and Regional Airports	5,083,938
Water and Sewerage	799,325
Shreveport Area Transit System	<u>6,595,922</u>
Totals	<u>\$29,957,100</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 to the following groups of employees: Fire Department \$3,165,947 Police Department \$3,110,644 and City Marshal (a component unit) \$177,227. 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, 2015, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 109,273,687	\$ 1,113,440	\$ -	\$ 110,387,127
Construction in progress	27,482,714	16,472,812	(18,292,737)	25,662,789
Total capital assets not being depreciated	136,756,401	17,586,252	(18,292,737)	136,049,916
Capital assets, being depreciated:				
Buildings	186,659,390	5,385,344	-	192,044,734
Improvements other than buildings	70,462,307	10,057,222	-	80,519,529
Equipment	82,992,680	3,299,354	(428,280)	85,863,754
Infrastructure	531,408,273	4,491,813	-	535,900,086
Total capital assets being depreciated	871,522,650	23,233,733	(428,280)	894,328,103
Less accumulated depreciation for:				
Buildings	(66,470,075)	(3,953,632)	-	(70,423,707)
Improvements other than buildings	(38,142,181)	(1,978,153)	-	(40,120,334)
Equipment	(62,031,530)	(4,908,111)	388,819	(66,550,822)
Infrastructure	(248,927,418)	(12,087,282)	-	(261,014,700)
Total accumulated depreciation	(415,571,204)	(22,927,178)	388,819	(438,109,563)
Total capital assets, being depreciated, net	455,951,446	306,555	(39,461)	456,218,540
Governmental activities capital assets, net	\$ 592,707,847	\$ 17,892,807	\$ (18,332,198)	\$ 592,268,456

	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	4,224,159	4,243,109	(188,353)	8,278,915
Total capital assets not being depreciated	41,851,888	4,243,109	(188,353)	45,906,644
Capital assets, being depreciated:				
Buildings	72,417,921	137,612	-	72,555,533
Improvements other than buildings	105,938,113	58,840	-	105,996,953
Equipment	7,516,115	198,590	-	7,714,705
Total capital assets being depreciated	185,872,149	395,042	-	186,267,191
Less accumulated depreciation for:				
Buildings	(36,810,409)	(1,369,606)	-	(38,180,015)
Improvements other than buildings	(60,490,945)	(3,144,604)	-	(63,635,549)
Equipment	(5,648,330)	(265,000)	(46,334)	(5,959,664)
Total accumulated depreciation	(102,949,684)	(4,779,210)	(46,334)	(107,775,228)
Total capital assets, being depreciated, net	82,922,465	(4,384,168)	(46,334)	78,491,963
Municipal and Regional Airports capital assets	\$ 124,774,353	\$ (141,059)	\$ (234,687)	\$ 124,398,607

	Beginning Balance	Increases	Decreases	Ending Balance
Water and Sewerage:				
Capital assets, not being depreciated:				
Land	\$ 996,201	\$ -	\$ -	\$ 996,201
Construction in progress	40,673,405	33,011,051	(1,040,332)	72,644,124
Total capital assets not being depreciated	41,669,606	33,011,051	(1,040,332)	73,640,325
Capital assets, being depreciated:				
Equipment	19,894,732	3,561,271	(89,797)	23,366,206
Distribution and collection systems	680,760,882	1,989,608	-	682,750,490
Total capital assets being depreciated	700,655,614	5,550,879	(89,797)	706,116,696
Less accumulated depreciation for:				
Equipment	(3,010,959)	(787,373)	59,569	(3,738,763)
Distribution and collection systems	(256,449,895)	(13,758,624)	-	(270,208,519)
Total accumulated depreciation	(259,460,854)	(14,545,997)	59,569	(273,947,282)
Total capital assets, being depreciated, net	441,194,760	(8,995,118)	(30,228)	432,169,414
Water and Sewerage capital assets, net	\$ 482,864,366	\$ 24,015,933	\$ (1,070,560)	\$ 505,809,739

	Beginning Balance	Increases	Decreases	Ending Balance
Convention Center:				
Capital assets, not being depreciated:				
Land	\$ 6,147,743	\$ -	\$ -	\$ 6,147,743
Construction in progress	39,254	109,021	(148,275)	-
Total capital assets not being depreciated	<u>6,186,997</u>	<u>109,021</u>	<u>(148,275)</u>	<u>6,147,743</u>
Capital assets, being depreciated:				
Buildings	88,781,632	-	-	88,781,632
Improvements other than buildings	3,545,299	-	-	3,545,299
Equipment	8,028,957	-	(2,703)	8,026,254
Total capital assets being depreciated	<u>100,355,888</u>	<u>-</u>	<u>(2,703)</u>	<u>100,353,185</u>
Less accumulated depreciation for:				
Buildings	(15,621,216)	(1,864,422)	-	(17,485,638)
Improvements other than buildings	(1,201,143)	(146,387)	-	(1,347,530)
Equipment	(6,952,796)	(881,045)	2,703	(7,831,138)
Total accumulated depreciation	<u>(23,775,155)</u>	<u>(2,891,854)</u>	<u>2,703</u>	<u>(26,664,306)</u>
Total capital assets, being depreciated, net	<u>76,580,733</u>	<u>(2,891,854)</u>	<u>-</u>	<u>73,688,879</u>
Convention Center capital assets, net	<u>\$ 82,767,730</u>	<u>\$ (2,782,833)</u>	<u>\$ (148,275)</u>	<u>\$ 79,836,622</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Convention Center Hotel:				
Capital assets, being depreciated:				
Buildings	\$ 44,384,632	\$ 55,086	\$ -	\$ 44,439,718
Improvements other than buildings	161,471	30,563	-	192,034
Equipment	5,187,066	235,686	(555,931)	4,866,821
Total capital assets being depreciated	<u>49,733,169</u>	<u>321,335</u>	<u>(555,931)</u>	<u>49,498,573</u>
Less accumulated depreciation for:				
Buildings	(7,975,707)	(995,504)	-	(8,971,211)
Improvements other than buildings	(68,814)	(7,454)	-	(76,268)
Equipment	(4,095,196)	(289,092)	472,258	(3,912,030)
Total accumulated depreciation	<u>(12,139,717)</u>	<u>(1,292,050)</u>	<u>472,258</u>	<u>(12,959,509)</u>
Total capital assets, being depreciated, net	<u>37,593,452</u>	<u>(970,715)</u>	<u>(83,673)</u>	<u>36,539,064</u>
Convention Center Hotel capital assets, net	<u>\$ 37,593,452</u>	<u>\$ (970,715)</u>	<u>\$ (83,673)</u>	<u>\$ 36,539,064</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Other business-type activity programs:				
Capital assets, not being depreciated:				
Land	\$ 1,940,407	\$ -	\$ -	\$ 1,940,407
Construction in progress	214,255	3,062,449	(3,276,364)	340
Total capital assets not being depreciated	<u>2,154,662</u>	<u>3,062,449</u>	<u>(3,276,364)</u>	<u>1,940,747</u>
Capital assets, being depreciated:				
Buildings	11,697,294	13,796	(6,925)	11,704,165
Improvements other than buildings	868,530	-	-	868,530
Equipment	19,457,512	2,917,734	(690,048)	21,685,198
Total capital assets being depreciated	<u>32,023,336</u>	<u>2,931,530</u>	<u>(696,973)</u>	<u>34,257,893</u>
Less accumulated depreciation for:				
Buildings	(4,940,890)	(336,918)	6,925	(5,270,883)
Improvements other than buildings	(505,558)	(27,491)	-	(533,049)
Equipment	(11,647,752)	(1,821,218)	690,048	(12,778,922)
Total accumulated depreciation	<u>(17,094,200)</u>	<u>(2,185,627)</u>	<u>696,973</u>	<u>(18,582,854)</u>
Total capital assets, being depreciated, net	<u>14,929,136</u>	<u>745,903</u>	<u>-</u>	<u>15,675,039</u>
Other enterprise funds capital assets, net	<u>\$ 17,083,798</u>	<u>\$ 3,808,352</u>	<u>\$ (3,276,364)</u>	<u>\$ 17,615,786</u>
Business-type activities capital assets, net	<u>\$ 745,083,699</u>	<u>\$ 23,929,678</u>	<u>\$ (4,813,559)</u>	<u>\$ 764,199,818</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.

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

Governmental activities:	
General government	\$ 362,456
Public safety	3,289,950
Public works, including depreciation of general infrastructure assets	13,819,652
Community development	516,013
Culture and recreation	4,939,108
Total depreciation expense-governmental activities	<u>\$ 22,927,178</u>
 Business-type activities:	
Municipal and Regional Airports	\$ 4,779,210
Convention Center Hilton Hotel	1,292,051
Convention Center	2,891,855
Water and Sewerage	14,545,998
Shreveport Area Transit System	2,135,890
Golf	49,737
Total depreciation expense-business-type activities	<u>\$ 25,694,741</u>

Construction commitments

The government has active major construction projects as of December 31, 2015. The projects include public works projects, Airport additions, and improvements to Water and Sewerage facilities. At year end, the government's commitments with contractors are as follows:

Project Number	Project Description	Remaining Commitment	Financing Sources
H12002	General Aviation Apron – Regional Airport	\$ 1,120,373	LADOT State Grants
H13004	Rehabilitation of Taxiway B, C, D, F – Regional Airport	729,692	Federal FAA Grants and State Grants
F05017	South Highlands Lift Station Improvements	1,325,648	2005 W&S Rev Bonds & 2011 GOB-Prop 1
F10001	Sanitary Sewer Evaluation Survey & Wastewater Master Plan	1,720,386	2005 W&S Rev Bonds & 2011 GOB-Prop 1
F11001	Broadmoor Sewer Outfall 48" Sewer Main Rehabilitation	1,778,895	2011 GOB-Prop 1 & 2014 GOB-Prop 1
F14006	Sanitary Sewer Assessment - Phase I	583,005	2014 B&C W&S
		<u>\$ 7,258,000</u>	

Note: Construction Commitments listed are project encumbrances at year end that total \$500,000 or greater for any given project.

Discretely presented component unit

Activity for the Metropolitan Planning Commission (MPC) for the year ended December 31, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Metropolitan Planning Commission				
Capital assets, not being depreciated:				
Land	\$ 704,514	\$ -	\$ -	\$ 704,514
Capital assets, being depreciated:				
Improvements other than buildings	999,234	-	-	999,234
Equipment	96,104	10,428	(13,397)	93,135
Total capital assets being depreciated	1,095,338	10,428	(13,397)	1,092,369
Less accumulated depreciation for:				
Improvements other than buildings	(907,114)	(5,236)	-	(912,350)
Equipment	(55,256)	(7,756)	6,255	(56,757)
Total accumulated depreciation	(962,370)	(12,992)	6,255	(969,107)
Total capital assets, being depreciated, net	132,968	(2,564)	(7,142)	123,262
MPC capital assets, net	\$ 837,482	\$ (2,564)	\$ (7,142)	\$ 827,776

All depreciation was charged to planning and zoning.

Activity for the Downtown Development Authority for the year ended December 31, 2015, was of follows:

	Beginning Balance	Increases	Decreases	Ending Balance
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	130,237	-	-	130,237
Capital assets, being depreciated:				
Leasehold improvements	52,369	-	(52,369)	-
Buildings	1,139,828	387,524	(16,229)	1,511,123
Equipment	35,607	-	(28,510)	7,097
Streetscape equipment	96,174	-	(5,257)	90,917
Parking program equipment	139,869	-	(37,160)	102,709
Total capital assets being depreciated	1,463,847	387,524	(139,525)	1,711,846
Less accumulated depreciation for:				
Leasehold improvements	(28,079)	(1,746)	29,825	-
Buildings	(305,905)	(57,149)	-	(363,054)
Equipment	(26,216)	-	25,328	(888)
Streetscape equipment	(81,205)	(10,181)	36,066	(55,320)
Parking program equipment	(137,339)	(5,545)	25,758	(117,126)
Total accumulated depreciation	(578,744)	(74,621)	116,977	(536,388)
Total capital assets, being depreciated, net	885,103	312,903	(22,548)	1,175,458
Downtown Development Authority capital assets, net	\$ 1,015,340	\$ 312,903	\$ (22,548)	\$ 1,305,695

Depreciation expense was charged to functions/programs as follows:

Downtown development	\$ 58,895
Streetscape program	10,181
Parking program	5,545
Total	\$ 74,621

Activity for the Shreve Memorial Library for the year ended December 31, 2015, was of follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Shreve Memorial Library				
Capital assets, not being depreciated:				
Land and land improvements	\$ 5,261,444	\$ -	\$ -	\$ 5,261,444
Construction in progress	4,879,118	-	(4,879,118)	-
Total capital assets, not being depreciated	<u>10,140,562</u>	<u>-</u>	<u>(4,879,118)</u>	<u>5,261,444</u>
Capital assets, being depreciated:				
Buildings and structures	27,419,780	6,411,972	-	33,831,752
Improvements	284,995	-	-	284,995
Equipment and books	20,197,928	1,525,291	(172,271)	21,550,948
Total capital assets being depreciated	<u>47,902,703</u>	<u>7,937,263</u>	<u>(172,271)</u>	<u>55,667,695</u>
Less accumulated depreciation for:				
Buildings and structures	(8,104,099)	(555,854)	-	(8,659,953)
Improvements	(211,411)	(5,319)	-	(216,730)
Equipment and books	(15,792,734)	(1,500,854)	172,271	(17,121,317)
Total accumulated depreciation	<u>(24,108,244)</u>	<u>(2,062,027)</u>	<u>172,271</u>	<u>(25,998,000)</u>
Total capital assets, being depreciated, net	<u>23,794,459</u>	<u>5,875,236</u>	<u>-</u>	<u>29,669,695</u>
Downtown Development Authority capital assets, net	<u>\$ 33,935,021</u>	<u>\$ 5,875,236</u>	<u>\$ (4,879,118)</u>	<u>\$ 34,931,139</u>

All depreciation was charged to culture and recreation.

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2015, is as follows:

Due to/from other funds:		
Receivable Fund	Payable Fund	Amount
General fund	Nonmajor enterprise funds	\$ 67,935
Nonmajor governmental funds	Nonmajor governmental funds	643,408
Nonmajor enterprise funds	General Fund	59,571
Internal service funds	General Fund	1,129,848
Debt service fund	Fiduciary Funds	27,530,000
	Nonmajor enterprise funds	57,317
	Internal Service Fund	3,883,047
	General Fund	2,332,264
Water and Sewerage Fund	Internal Service Fund	86,704
Total		<u>\$ 35,790,094</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.

Interfund transfers:

	Transfer out:				Total
	General Fund	2014 General Obligation Bond Fund	Nonmajor Governmental Fund	Water & Sewerage Fund	
<u>Transfer in:</u>					
General Fund	\$ -	\$ -	\$ 10,624,600	\$ 1,435,000	\$ 12,059,600
Debt Service	4,559,831	-	-	-	4,559,831
Community Development	890,500	-	387,500	-	1,278,000
Water & Sewerage	-	5,851,113	6,062,489	-	11,913,602
Convention Center	-	-	1,730,000	-	1,730,000
Convention Center Hotel	-	-	202,000	-	202,000
Nonmajor enterprise funds	6,733,506	-	-	-	6,733,506
Total transfers	<u>\$ 12,183,837</u>	<u>\$ 5,851,113</u>	<u>\$ 19,006,589</u>	<u>\$ 1,435,000</u>	<u>\$ 38,476,539</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 \$47,281,040. The lease agreements qualify as capital leases for accounting purposes and, therefore, 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.

The assets acquired through the capital leases follow:

	Governmental Activities	Business-type Activities
Equipment	\$ 42,219,301	\$ 5,114,322
Less: accumulated depreciation	(26,309,544)	(1,981,244)
	<u>\$ 15,909,757</u>	<u>\$ 3,133,078</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2015, were as follows:

<u>Ending December 31,</u>	Governmental Activities	Business-type Activities
2016	\$ 1,842,340	\$ 659,240
2017	1,506,391	659,242
2018	-	413,274
Total minimum lease payments	3,348,731	1,731,756
Less: amount representing interest	(53,258)	(38,723)
Present value of minimum lease payments	<u>\$ 3,295,473</u>	<u>\$ 1,693,033</u>

H. Long-term Liabilities

Long-term liability activity (in thousands of dollars) for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 228,255	\$ 24,205	\$ (45,250)	\$ 207,210	\$ 19,175
Plus unamortized premium	23,193	2,521	(3,559)	22,155	2,327
Total bonds payable	<u>251,448</u>	<u>26,726</u>	<u>(48,809)</u>	<u>229,365</u>	<u>21,502</u>
Certificate of indebtedness	5,635	-	(1,815)	3,820	1,880
Less unamortized discount	(22)	-	3	(19)	(3)
Plus unamortized premium	105	-	(58)	47	47
Total certificates of indebtedness	<u>5,718</u>	<u>-</u>	<u>(1,870)</u>	<u>3,848</u>	<u>1,924</u>
Capital lease	5,747	-	(2,451)	3,296	1,803
Notes	27,020	-	(1,150)	25,870	1,205
Plus unamortized premium	52	-	(4)	48	3
Total notes	<u>27,072</u>	<u>-</u>	<u>(1,154)</u>	<u>25,918</u>	<u>1,208</u>
Net pension liability	61,698	247,758	(61,698)	309,456	-
Net OPEB obligation	187,170	1,386	-	188,556	-
Landfill postclosure care	2,908	279	-	3,187	-
Claims and judgments	42,986	6,350	(24,283)	25,053	14,313
Compensated absences	2,377	319	(350)	2,346	395
Governmental activities (Excluding: Community Development notes)	587,124	282,818	(140,615)	791,025	41,145
Community Development notes	2,400	-	(717)	1,683	363
Total long-term liabilities	<u>\$ 589,524</u>	<u>\$ 282,818</u>	<u>\$ (141,332)</u>	<u>\$ 792,708</u>	<u>\$ 41,508</u>
Business-type activity					
Municipal and Regional Airports:					
Revenue bonds and notes	\$ 33,370	\$ 34,920	\$ (33,370)	34,920	\$ 1,970
Plus unamortized premium	0	39	-	39	-
Net pension liability	-	11,294	-	11,294	-
Net OPEB obligation	4,278	517	-	4,795	-
Compensated absences	164	23	(21)	166	28
Total	<u>37,812</u>	<u>46,794</u>	<u>(33,391)</u>	<u>51,215</u>	<u>1,998</u>
Water and Sewerage:					
Revenue bonds and notes	228,090	121,063	(14,930)	334,223	12,363
Plus unamortized premium	12,212	17,490	(1,260)	28,442	1,820
Total bonds payable	<u>240,302</u>	<u>138,553</u>	<u>(16,190)</u>	<u>362,665</u>	<u>14,183</u>
Capital lease	2,271	-	(612)	1,659	621
Net pension liability	-	-	-	-	-
Net OPEB obligation	16,621	8,648	-	25,269	-
Compensated absences	619	109	(99)	629	124
Accrued liability	1,814	89	(300)	1,603	300
Derivative instrument liability	10,381	-	(935)	9,446	-
Total	<u>272,008</u>	<u>147,400</u>	<u>(18,136)</u>	<u>401,271</u>	<u>15,228</u>
Convention Center Hotel					
Notes	1,611	-	(121)	1,490	127
Revenue bonds	39,085	-	(590)	38,495	820
Total	<u>40,696</u>	<u>-</u>	<u>(711)</u>	<u>39,985</u>	<u>947</u>
Other business-type activities:					
Net pension liability	-	16,978	-	16,978	-
Net OPEB obligation	1,284	2,894	-	4,178	-
Capital lease	53	-	(18)	35	18
Compensated absences	285	224	(270)	239	211

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, Net 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 \$327,416,345 of additional general obligation bonded debt is available for issuance on a total assessed valuation of \$1,527,503,845 pursuant to the 35% limitation. Included in the total assessed valuation of property within the City is \$9,683,982 of assessed valuation which has been adjudicated to Caddo and Bossier Parish. The table below shows the computation of the City's legal debt margin calculated at 10% of assessed valuation as of December 31, 2015.

	Debt limit-10% of assessed value for any one purpose	Deduct-amount of debt applicable to debt limit	Legal Debt margin
Street Improvements	\$ 152,750,385	\$ 46,201,198	\$ 106,549,186
Police and Fire	152,750,385	2,871,795	149,878,589
Water and Sewer Improvement	152,750,385	85,840,203	66,910,182
Parks and Recreation	152,750,385	31,914,012	120,836,372
Public Buildings	152,750,385	29,774,460	122,975,924
Drainage	152,750,385	9,389,062	143,361,323
Sanitation and Incinerator	152,750,385	-	152,750,385
Industrial Bond	152,750,385	-	152,750,385
Airports	152,750,385	-	152,750,385
Sportran	152,750,385	152,882	152,597,503
Riverfront Park	152,750,385	1,066,390	151,683,995

	Maturities (in thousands of dollars)									
	Total	2016	2017	2018	2019	2020	2021-2025	2026-2030	2031-2035	2036-2040
PRINCIPAL REQUIREMENTS:										
GENERAL OBLIGATION DEBT:										
2003B Refunding Issue - 2.00-5.25%	\$ 1,245	\$ 1,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Unamortized Premium	11	11	-	-	-	-	-	-	-	-
	<u>1,256</u>	<u>1,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2004A Refunding Issue - 3.00-4.50%	3,925	1,920	2,005	-	-	-	-	-	-	-
Plus: Unamortized Premium	24	17	7	-	-	-	-	-	-	-
	<u>3,949</u>	<u>1,937</u>	<u>2,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2005B Refunding Issue - 4.50 - 5.25%	10,995	2,535	2,670	2,820	2,970	-	-	-	-	-
Plus: Unamortized Premium	567	179	179	179	30	-	-	-	-	-
	<u>11,562</u>	<u>2,714</u>	<u>2,849</u>	<u>2,999</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2008 Refunding Issue - 4.00%	5,655	1,790	1,885	1,980	-	-	-	-	-	-
Plus: Unamortized Premium	105	47	47	11	-	-	-	-	-	-
	<u>5,760</u>	<u>1,837</u>	<u>1,932</u>	<u>1,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2011 Issue - 2.00-5.00%	71,355	2,895	3,055	3,225	3,400	3,585	21,125	27,605	6,465	-
Plus: Unamortized Premium	5,924	380	380	380	380	380	1,900	1,900	224	-
	<u>77,279</u>	<u>3,275</u>	<u>3,435</u>	<u>3,605</u>	<u>3,780</u>	<u>3,965</u>	<u>23,025</u>	<u>29,505</u>	<u>6,689</u>	<u>-</u>
2014 Issue - 2.00-5.00%	89,830	3,170	3,235	3,365	3,465	3,585	20,605	26,265	26,140	-
Plus: Unamortized Premium	13,545	726	726	726	726	726	3,630	3,630	2,655	-
	<u>103,375</u>	<u>3,896</u>	<u>3,961</u>	<u>4,091</u>	<u>4,191</u>	<u>4,311</u>	<u>24,235</u>	<u>29,895</u>	<u>28,795</u>	<u>-</u>
2015 Issue - 2.00-5.00%	24,205	5,620	5,910	6,190	6,485	-	-	-	-	-
Plus: Unamortized Premium	1,977	593	593	593	198	-	-	-	-	-
	<u>26,182</u>	<u>6,213</u>	<u>6,503</u>	<u>6,783</u>	<u>6,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Obligation Bonds	<u>229,364</u>	<u>21,128</u>	<u>20,692</u>	<u>19,470</u>	<u>17,654</u>	<u>8,276</u>	<u>47,260</u>	<u>59,400</u>	<u>35,484</u>	<u>-</u>

(continued)

Maturities (in thousands of dollars)

	Total	2016	2017	2018	2019	2020	2021-2025	2026-2030	2031-2035	2036-2040
General Obligation Notes										
2000A LCDA Convention Center Hotel -	1,490	127	135	142	152	160	774	-	-	-
2004 Certificate of Indebtedness - 2.00-4	2,285	345	360	370	385	400	425	-	-	-
Less: Unamortized Discount	(19)	(3)	(3)	(3)	(3)	(7)	-	-	-	-
	2,266	342	357	367	382	393	425	-	-	-
2008 LCDA Independence Stadium - 4.00	25,870	1,205	1,265	1,330	1,395	1,460	8,622	10,593	-	-
Plus: Unamortized Premium	48	3	3	3	3	3	15	18	-	-
	25,918	1,208	1,268	1,333	1,398	1,463	8,637	10,611	-	-
2008A Refunding LCDA Convention Cen	38,495	820	870	820	1,025	1,180	7,815	11,315	14,650	-
2010A Refunding Certificate of Indebtedr	1,430	1,430	-	-	-	-	-	-	-	-
Plus: Unamortized Premium	47	47	-	-	-	-	-	-	-	-
	1,477	1,477	-	-	-	-	-	-	-	-
2010B Refunding Certificate of Indebtedn	105	105	-	-	-	-	-	-	-	-
2012 Chase Lease Purchase -1.620%	992	658	333	-	-	-	-	-	-	-
2012A Chase Lease Purchase - 1.286%	2,304	1,145	1,159	-	-	-	-	-	-	-
2012A Chase Lease Purchase - Golf - 1.2i	35	18	17	-	-	-	-	-	-	-
2012A Capital Lease - Water & Sewer -1.	448	223	225	-	-	-	-	-	-	-
2013 Capital Lease - Water & Sewer -1.4	1,210	398	403	409	-	-	-	-	-	-
	5,094	2,547	2,137	409	-	-	-	-	-	-
Total General Obligation Debt	304,105	27,650	25,460	22,541	20,611	11,472	64,911	81,326	50,134	-
Municipal and Regional Airports										
2015A Revenue Refunding	23,620	-	-	-	-	-	8,555	-	5,100	9,965
Plus: Unamortized premium	40	-	-	-	-	-	13	-	13	13
	23,660	-	-	-	-	-	8,568	-	5,113	9,978
2015B Taxable PFC Revenue	11,300	1,970	2,400	2,645	2,810	1,475	-	-	-	-
Total Municipal and Regional Airports - NO	34,960	1,970	2,400	2,645	2,810	1,475	8,568	-	5,113	9,978
Water and Sewerage										
2009A Revenue Bonds RLF - 3.45%	794	45	46	47	48	49	260	285	14	-
2009B Revenue Bonds RLF - 3.45%	6,970	391	400	410	420	430	2,300	2,550	69	-
2010D Revenue Bonds RLF - .95%	5,147	553	557	562	566	570	2,339	-	-	-
2013 Revenue Bonds RLF - .95%	3,917	230	233	235	237	239	1,241	1,284	218	-
2005 LCDA Note - Variable	46,671	3,666	3,834	3,996	4,130	5,975	25,070	-	-	-
2007 LCDA Revenue Bonds - 4.00%	2,400	1,175	1,225	-	-	-	-	-	-	-
2013 Revenue Bonds	2,579	368	368	368	368	368	739	-	-	-
2014A Refunding Revenue Bonds	70,745	5,490	5,660	7,185	7,490	7,870	29,955	7,095	-	-
Plus: Unamortized Reoffer Call Premium	9,136	1,024	1,024	1,024	1,024	1,024	4,016	-	-	-
	79,881	6,514	6,684	8,209	8,514	8,894	33,971	7,095	-	-
2014B Revenue Bonds	67,045	-	-	-	-	-	-	13,640	31,325	22,080
Plus: Unamortized Reoffer Call Premium	1,606	87	76	76	76	76	381	381	381	72
	68,651	87	76	76	76	76	381	14,021	31,706	22,152
2014C Revenue Bonds	7,955	-	-	-	-	-	-	-	-	7,955
Plus: Unamortized Reoffer Call Premium	670	28	28	28	28	28	140	140	140	112
	8,625	28	28	28	28	28	140	140	140	8,067
2015 Revenue Refunding	120,000	445	460	485	515	545	2,455	24,400	36,170	54,525
Plus: Unamortized premium	17,029	710	710	710	710	710	3,548	3,548	3,548	2,838
	137,029	1,155	1,170	1,195	1,225	1,255	6,003	27,948	39,718	57,363
Total Revenue Bonds - Water and Sewerage	362,665	14,211	14,621	15,126	15,612	17,884	72,443	53,322	71,865	87,581
Total Principal	\$ 701,729	\$ 43,832	\$ 42,480	\$ 40,312	\$ 39,032	\$ 30,831	\$ 145,922	\$ 134,649	\$ 127,112	\$ 97,560
INTEREST REQUIREMENTS:										
General Obligation Debt	88,915	9,716	8,910	8,070	7,265	6,728	28,057	16,499	3,670	-
Revenue Bonds and Notes										
Convention Center Hotel	5,113	371	362	352	343	425	1,612	1,081	538	29
Water and Sewerage	214,406	15,069	14,855	14,347	13,800	13,161	56,857	43,982	29,715	12,620
Municipal and Regional Airports	18,560	888	2,192	2,108	2,017	1,872	6,903	2,361	219	-
Total Interest Requirements	326,994	26,044	26,319	24,877	23,425	22,186	93,429	63,923	34,142	12,649
Total Future Debt Requirements	\$ 1,028,723	\$ 69,875	\$ 68,800	\$ 65,188	\$ 62,458	\$ 53,017	\$ 239,351	\$ 198,572	\$ 161,254	\$ 110,209

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 February 2015, the City issued \$24,205,000 in General Obligation Refunding Bonds, Series 2015. The bonds were issued to advance refund a portion of the General Obligation Refunding Bonds, Series 2005A in the amount of \$25,995,000 and paying the costs of issuance. The net proceeds of \$26,254,650 together with \$390,225 transferred from the City’s debt service funds (including a premium of \$2,521,090 and issuance costs of \$471,440) were put in an irrevocable trust with an escrow agent. The refunded bonds of \$25,995,000 were called for redemption on May 1, 2015. The 2015 refunding bonds have an interest rate of 5% and maturities of 2016 through 2019. The reacquisition price of the 2005A bonds exceeded the carrying amount by \$636,464 and is amortized over the life of the old debt which is the same as the new debt. The refunding was undertaken to reduce future debt service payments by \$1,984,731 and resulted in an economic gain of \$1,919,206.

Community Development Notes

The City has four 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. An allowance for doubtful accounts has been provided for one note originally made for \$2,200,000 and still outstanding for the full amount.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 363,000	\$ 67,278
2017	263,000	58,043
2018	261,000	49,068
2019	261,000	39,719
2020	131,000	29,914
2021-2023	404,000	46,133
Total	<u>\$ 1,683,000</u>	<u>\$ 290,155</u>

Municipal and Regional Airports Revenue Bonds

In November 2015, the City issued \$23,620,000 in Taxable Revenue and Refunding Bonds, Series 2015A (Shreveport Airport System – Terminal Project). The bonds were issued to defease and refund the 2008A Bonds \$9,160,000, the 2008C Bonds \$9,325,000 and the 2008D Bonds \$1,790,000, provide funds for the Terminal Project, purchase a municipal bond insurance policy, purchase a reserve fund surety, fund the coverage reserve and pay the costs of issuance. The net proceeds of \$23,997,819 (including a discount of \$39,525, issuance costs of \$452,469, insurance premiums \$181,691, Terminal Project funds \$1,397,597 and coverage reserve funds \$1,014,605 along with transfers from the debt service funds of \$3,463,706) 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 2008A, 2008C and 2008D bonds are considered defeased and the liabilities have been removed from the statement of net position. The outstanding amounts of all the bonds will be called on January 1, 2019, and the amounts outstanding at December 31, 2015, were 2008A \$9,160,000, 2008C \$9,325,000 and 2008D bonds \$1,790,000.

The 2015A Revenue and Refunding Bonds bear interest rates of 3.231% to 5% with maturities from 2021 to 2040. The reacquisition price exceeded the carrying amount by \$3,447,962 and is amortized over the life of the refunded debt. This was a non-economic refunding undertaken because the revenues needed to meet the rate covenant for the refunded bonds were not sufficient.

In November 2015, the City issued \$11,300,000 in Taxable PFC Revenue Refunding Bonds, Series 2015B (Shreveport Airport System – PFC Project). The bonds were issued to defease and refund the 2008B PFC Bonds \$11,635,000, purchase a reserve fund surety, fund the coverage reserve and pay the costs of issuance. The net proceeds of \$13,236,871 (including issuance costs of \$218,034, insurance premiums \$86,923 and coverage reserve

funds \$485,395 along with transfers from the debt service funds of \$2,727,223) were placed in an irrevocable trust with an escrow agent to provide funds for the advance refunding of above bonds. As a result, the 2008B PFC bonds are considered defeased and the liabilities have been removed from the statement of net position. The outstanding amount of all the bonds will be called on January 1, 2019. The amount outstanding at December 31, 2015, was \$11,635,000.

The 2015B PFC Revenue Refunding Bonds bear interest rates of 1.513% to 3.231% with maturities from 2017 to 2021. The reacquisition price exceeded the carrying amount by \$1,965,492 and is amortized over the life of the new bonds. This was a non-economic refunding undertaken because the revenues needed to meet the rate covenant for the refunded bonds were not sufficient.

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 \$3,960,404 at December 31, 2015, 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, 2015, follows:

Fund

Other Miscellaneous Restricted Funds	\$ 1,003,271
Bond and Interest Sinking Funds	<u>\$ 1,716,422</u>
Total restricted assets	<u><u>\$ 2,719,693</u></u>

Water and Sewerage Revenue Bonds

In December 2015, the City issued \$120,000,000 in Water and Sewer Revenue and Refunding Bonds, Series 2015. The bonds were issued to advance refund the balance of the 2006A Refunding Issue in the amount of \$5,520,000, obtaining financing for the acquisition and construction of improvements, extensions and replacements to the combined revenue producing water and sewer utility system, funding a reserve fund surety, funding a municipal bond insurance policy and paying the costs of issuance of the bonds. The net proceeds of \$134,900,395 (including a premium of \$17,029,476 and issuance costs and insurance premiums of \$2,129,081) were used to place \$5,546,090 in an irrevocable trust with an escrow agent to provide funds for the advance refunding and \$129,354,305 was placed in the project account. As a result, the 2006A, Refunding Bonds are considered defeased and the liabilities have been removed from the statement of net position. The bonds will be called on January 11, 2016, and the amount outstanding at December 31, 2015, is \$5,520,000.

The Revenue and Refunding Bonds bear interest rates of 5% and have maturities from 2016 through 2040. The reacquisition price of the refunded bonds exceeded the carrying amount by \$373,338 and is amortized over the life of the old debt which is in nine years. The refunding was undertaken to reduce future debt service payments by \$529,155 and resulted in an economic gain of \$451,091.

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 in December 31, 2015, is \$16,135,000.

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 2015 was \$799,737 for a total of \$4,067,980.

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 2015 was \$263,115 for a total of \$7,012,992.

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. The \$2,000,000 of 2009A bonds were drawn down in prior years and \$1,000,000 has been forgiven through the American Recovery and Investment Act of 2009. There were no drawdowns in 2015. The total to date is \$8,692,302 for the 2009B bonds.

In September 2005, the City entered into a Loan Agreement for \$75,000,000 with the Louisiana Local Governmental Environmental Facilities and Community Development Authority. The Authority issued \$75,000,000 of its Revenue Bonds (Shreveport Utility System Project) Series 2005. In June 2009, the City redeemed \$25,000,000 of the \$75,000,000 Revenue Bonds Series 2005 with funds remaining in the Project Fund. At the same time, the remaining \$50,000,000 of the Revenue Bonds Series 2005 were purchased by Capital One Public Funding, LLC ("COPF") and held by COPF as purchased bonds. In June 2014 the remaining balance of \$48,855,000 was remarketed for a five year period through June 2019 with COPF. The Bonds carry a fluctuating interest rate per annum equal to sixty-five (65%) percent of LIBOR for a one month interest period (resetting weekly) plus 1.59% at December 31, 2015 the balance remaining on the bonds was \$46,671,000.

The City entered into a Substitute Standby Bond Purchase Agreement with COPF effective June 23, 2014, for a period of five years from June 23, 2014, for the purchased bonds. The commitment was equal to the sum of (a) \$48,855,000 constituting the principal face amount of the Bonds and (b) \$546,105 equal to 34 days interest on the Bonds at 12% percent interest. At December 31, 2015, the commitment had been reduced to \$46,671,000 principal and \$521,692 interest. COPF expressly reserves the right to directly sell the purchased bonds on or after the expiration date of the Substitute Standby Bond Purchase Agreement. Upon notice from COPF, the City shall have the right to obtain a substitute standby bond purchase agreement or a standby letter of credit or to obtain a bond purchaser for all of the Purchased Bonds owned by COPF. If the City fails to obtain a substitute bond purchaser and COPF fails to sell or remarket the Bonds, the outstanding principal will be subject to mandatory redemption over a five year period with principal payable in equal semi-annual installments, bearing interest at the highest of (1) the Overnight Federal Funds Rate plus 2.00%; (2) the Prime Rate plus 1.50%; or (3) 8.50%. If the balance of the issue was converted to a five-year semi-annual installment loan, the semi-annual payments would be \$5,825,947 assuming a 8.50% interest rate.

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, 2015, follows:

<u>Fund</u>	
Debt Service Reserve Funds	\$ 2,054,639
Bond and Interest Sinking Funds	39,823
2001C Bond Construction Fund	573,062
2007 LCDA Revenue Bonds	883,954
2014B Bond Project Fund	67,860,667
2014C Bond Project Fund	8,531,261
2015 Bond Project Fund	<u>129,407,873</u>
Total restricted assets	<u>\$ 209,351,279</u> ,

Convention Center Hotel

In May 2014, the City remarketed the \$39,085,000 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 Capital Advantage, Inc. for a period of five years through May 30, 2019 and shall bear interest at a variable rate of 65.1% of one-month LIBOR plus 0.92%. The bonds were remarketed without credit enhancement or rating. In the event the bonds are not remarketed at the end of the holding period, the interest rate will increase to 12%.

Restricted assets of the Convention Center Hotel Fund primarily represent amounts required to be maintained in accordance with the trust indenture and loan agreement. A summary of restricted assets at December 31, 2015 follows:

<u>Fund</u>	
Bond Interest Sinking Fund	\$ 654,268
Miscellaneous Restricted Funds	<u>1,448,041</u>
Total restricted assets	<u>\$ 2,102,309</u>

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, 2015, the principal outstanding on the 2004 bonds was \$3,540,000. 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, 2015 including interest requirements are as follows:

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, 2015:

	<u>FPRF</u>	<u>PPRF</u>	<u>ERS</u>
Retirees and beneficiaries receiving benefits	361	188	1,018
Active plan members:			
Vested	1	-	671
Nonvested	-	-	698
Total	<u>362</u>	<u>188</u>	<u>2,387</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.

The FPRF, PPRF and ERS do not have any legally required reserves.

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.

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): Caddo Parish 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, 2015, the annual money-weighted rate of returns on pensions plan investments, net of pensions plan investment expense, was -2.54%. 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, 2015, the annual money-weighted rate of returns on pension plan investments, net of pensions plan investment expense, was .74%. 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.

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 12.10% 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 percent 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 five percent.

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, 2015, the annual money-weighted rate of returns on pension plan investments, net of pensions plan investment expense, was .20%. The money weighted rate of return expenses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

FPRF plan:

At December 31, 2015, the City reported a liability of \$11,614,516 for its share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2015 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%. For the year ended December 31, 2015, the City recognized pension expense of \$4,245,871.

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.

The following table presents the FPRF plan changes in net pension liability measured as of the year ended December 31, 2015.

	<u>FPRF</u>
Total pension liability	
Service cost	\$ 4,979
Interest	1,859,480
Changes of benefit terms	-
Differences between expected and actual experience	(3,213,720)
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(1,354,158)</u>
Net change in total pension liability	(3,724,021)
Total pension liability - beginning	<u>24,008,380</u>
Total pension liability - ending (a)	<u>\$ 27,732,401</u>
Plan fiduciary net position	
Contributions - employer	\$ 971,454
Contributions - member	-
Net investment income	(425,457)
Benefit payments, including refunds of member contributions	(1,354,158)
Administrative expense	(20,509)
Other	<u>-</u>
Net change in plan fiduciary net position	(826,670)
Plan fiduciary net position - beginning	<u>16,946,555</u>
Plan fiduciary net position - ending (b)	<u>\$ 16,117,885</u>
Net pension liability - ending (a) - (b)	<u>\$ 11,614,516</u>
Plan fiduciary net position as a percentage of the total pension liability	58.12%
Covered-employee payroll	955,637
Net pension liability as a percentage of covered-employee payroll	1215.37%

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings	1,278,274	-
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 1,278,274</u>	<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:	
2016	\$ 319,568
2017	\$ 319,568
2018	\$ 319,568
2019	\$ 319,570

PPRF plan:

At December 31, 2015, the City reported a liability of \$3,324,229 for its share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2015 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. For the year ended December 31, 2015, the City recognized pension expense of (\$232,366).

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.

The following table presents the PPRF plan changes in net pension liability measured as of the year ended December 31, 2015.

	<u>PPRF</u>
Total pension liability	
Service cost	\$ -
Interest	1,398,072
Changes of benefit terms	-
Differences between expected and actual experience	(648,505)
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(1,210,296)</u>
Net change in total pension liability	<u>(460,729)</u>
Total pension liability - beginning	<u>21,215,878</u>
Total pension liability - ending (a)	<u>\$ 20,755,149</u>
Plan fiduciary net position	
Contributions - employer	\$ 959,232
Contributions - member	-
Net investment income	129,297
Benefit payments, including refunds of member contributions	(1,210,296)
Administrative expense	(20,551)
Other	<u>-</u>
Net change in plan fiduciary net position	<u>(142,318)</u>
Plan fiduciary net position - beginning	<u>17,573,238</u>
Plan fiduciary net position - ending (b)	<u>\$ 17,430,920</u>
Net pension liability - ending (a) - (b)	<u>\$ 3,324,229</u>
Plan fiduciary net position as a percentage of the total pension liability	83.98%
Covered-employee payroll	N/A
Net pension liability as a percentage of covered-employee payroll	N/A

At December 31, 2015, 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 experience	\$ -	\$ -
Net difference between projected and actual earnings	873,187	-
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 873,187</u>	<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:

<u>Year ended December 31:</u>	
2016	\$ 218,297
2017	218,297
2018	218,297
2019	218,297

ERS plan:

At December 31, 2015, the City reported a total net pension liability of \$216,855,986. This amount is allocated according to each fund or entity's proportionate share based on contributions which is shown in the tables below. The Net Pension Liability was measured as of December 31, 2015 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

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.

The following table presents the PPRF plan changes in net pension liability measured as of the year ended December 31, 2015.

	<u>ERS</u>
Total pension liability	
Service cost	\$ 6,264,500
Interest	27,067,858
Changes of benefit terms	-
Differences between expected and actual experience	(3,180,367)
Changes of assumptions	3,439,187
Benefit payments, including refunds of member contributions	<u>(26,288,175)</u>
Net change in total pension liability	7,303,003
Total pension liability - beginning	<u>393,085,958</u>
Total pension liability - ending (a)	<u>\$ 400,388,961</u>
Plan fiduciary net position	
Contributions - employer	\$ 7,364,386
Contributions - member	5,305,200
Net investment income	372,079
Benefit payments, including refunds of member contributions	(26,288,175)
Administrative expense	(74,238)
Other	<u>-</u>
Net change in plan fiduciary net position	(13,320,748)
Plan fiduciary net position - beginning	<u>196,853,723</u>
Plan fiduciary net position - ending (b)	<u>\$ 183,532,975</u>
Net pension liability - ending (a) - (b)	<u>\$ 216,855,986</u>
Plan fiduciary net position as a percentage of the total pension liability	45.84%
Covered-employee payroll	43,859,241
Net pension liability as a percentage of covered-employee payroll	494.44%

For the year ended December 31, 2015, net pension liability of \$216,855,986 and pension expense of \$17,457,300 were allocated as follows:

	Proportionate Share %	Net Pension Liability	Pension Expense
Primary Government			
Governmental activities	60.64%	\$131,495,879	\$10,585,657
Business-type activities	25.36%	54,995,665	4,427,250
Total primary government	86.00%	186,491,544	15,012,907
Component Units			
Shreve Memorial Library	10.14%	21,988,704	1,770,131
City Marshall	2.68%	5,813,423	467,991
Total component units	12.82%	27,802,127	2,238,122
Jointly Governed Entity			
Sales and Use Tax Commission	1.18%	2,562,315	206,271
Total	100.00%	\$216,855,986	\$17,457,300

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources
	Changes of assumptions	Net difference between projected and actual earnings	Total Deferred Outflows of Resources	Differences between expected and actual experience
Primary Government				
Governmental activities	\$1,463,288	\$6,275,507	\$7,738,795	(\$1,353,167)
Business-type activities	611,993	2,624,612	3,236,605	(565,936)
Total primary government	2,075,281	8,900,119	10,975,400	(1,919,103)
Component Units				
Shreve Memorial Library	244,691	1,049,388	1,294,079	(226,276)
City Marshall	64,692	277,440	342,132	(59,824)
Total component units	309,383	1,326,828	1,636,211	(286,100)
Jointly Governed Entity				
Sales and Use Tax Commission	28,513	122,284	150,797	(26,367)
Total	\$2,413,177	\$10,349,231	\$12,762,408	(\$2,231,570)

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:	
2016	\$ 2,664,521
2017	2,664,521
2018	2,614,489
2019	2,587,307

These amounts were allocated as follows:

Year ended December 31,	2016	2017	2018	2019
Primary Government				
General fund	\$1,615,697	\$1,615,697	\$1,585,359	\$1,568,876
Enterprise funds	675,734	675,734	663,046	656,153
Total primary government	2,291,431	2,291,431	2,248,405	2,225,029
Component Units				
Shreve Memorial Library	270,176	270,176	265,103	262,347
City Marshall	74,430	74,430	70,089	69,360
Total component units	341,606	341,606	335,192	331,707
Jointly Governed Entity				
Sales and Use Tax Commission	31,483	31,483	30,892	30,571
Total	\$2,664,521	\$2,664,521	\$2,614,489	\$2,587,307

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, 2015, are as follows:

Valuation Date	January 1, 2016
Measurement Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.00% (Net of investment expense)
Inflation	2.50%
Projected salary increases	5.00%
Cost of Living adjustments	3.50%
Mortality rates	Non-annuitants: RP-2000 "Employee's" table projected to 2031 using Scale AA; Annuitants: RP-2000 Healthy Annuitants" projected to 2023 using Scale AA

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, 2015, 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	Citigroup 90-Day T-Bills	0.00%	0.51%	0.50%
Core Fixed Income	Barclays Aggregate	40.00%	1.80%	1.68%
Core Bonds	Barclays Gov/Cred	0.00%	1.63%	1.48%
Short-Term Bonds	Citigroup 1-3 Year Gov/Cred	0.00%	1.23%	1.18%
Intermediate-Term Bonds	Barclays Intermediate Gov/Cred	0.00%	1.48%	1.39%
Long-Term Bonds	Barclays Long Gov/Cred	0.00%	2.49%	2.00%
Mortgages	Barclays Mortgage	0.00%	2.13%	2.03%
High Yield Bonds	Barclays High Yield	0.00%	4.26%	3.74%
Non-US Fixed Income	JPM GBI Global ex-US	0.00%	0.50%	-0.05%
Inflation-indexed Bonds	ML Index	0.00%	1.30%	1.18%
Broad US Equities	Wilshire 5000 / Russell 3000	60.00%	5.36%	4.06%
Large Cap US Equities	S&P 500	0.00%	5.07%	3.86%
Mid Cap US Equities	Russell Mid Caps	0.00%	5.60%	4.01%
Small Cap US Equities	Russell 2000	0.00%	5.56%	3.81%
Developed Foreign Equities	MSCI EAFE	0.00%	5.98%	4.35%
Emerging Market Equities	MSCI Emerging Markets	0.00%	8.08%	4.84%
Private Equity	Cambridge Associates	0.00%	9.03%	5.28%
Hedge Funds / Absolute Return	HFRI Fund of Funds	0.00%	2.16%	1.86%
Real Estate (Property)	NCREIF/TBI Property	0.00%	4.02%	3.32%
Real Estate (REITS)	FTSE NAREIT Equity REIT	0.00%	5.16%	3.33%
Commodities	DJ UBS	0.00%	3.22%	1.66%
Long Credit Bonds	Barclays Long Credit	0.00%	3.35%	2.88%
Assumed Inflation - Mean			2.30%	2.30%
Assumed Inflation - Standard Deviation			1.89%	1.89%
Portfolio Real Mean Return			3.93%	3.41%
Portfolio Nominal Mean Return			6.25%	5.79%
Portfolio Standard Deviation				10.14%
Long-Term Expected Rate of Return (per 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:

<u>Net pension liability</u>	<u>1% Decrease (6%)</u>	<u>Current Discount Rate (7%)</u>	<u>1% Increase (8%)</u>
FPRS	\$15,311,666	\$11,614,516	\$ 8,451,805
PPRS	5,654,234	3,324,229	1,348,300
ERS	260,959,065	216,855,986	180,200,725

Payables to the FPRF, PPRF, and ERS Pension Plans – At December 31, 2015, the City recorded no payables to the pension plans for employee and employer legally required contributions.

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 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.

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, 2015. For the same members, employer contributions were 31.5% from January through June, and 29.50% for July through December 2015. 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 33.5% from January through June and 31.5% for July through December 2015. 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, 2015, was \$5,817,892 and was equal to the statutorily required contribution for the year. The City recognized \$3,410,132 in revenue from non-employer contributions in 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Net pension liability at December 31, 2015, 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, 2015. 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	\$291,937,685
Proportion (%) of net pension liability	10.91%
Increase/(decrease) from prior measurement date	.04%

The components of the net pension liability of the city as of December 31, 2015 was based upon the City's proportion of 10.907553%

Total Pension Liability	\$291,937,685
Plan Fiduciary Net Position	<u>206,488,409</u>
Total Collective Net Pension Liability	<u>\$ 85,449,276</u>

For the year ended December 31, 2015, the City recognized pension expense of \$7,955,270. At December 31, 2015, 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 experience	\$ -	(\$773,293)
Changes of assumptions	7,455,998	-
Net difference between projected and actual earnings on pension plan investments	(4,491,192)	(2,419,568)
Changes in proportion and differences between City contributions and proportionate share of contributions	(196,523)	-
City contributions subsequent to the measurement date	<u>5,817,892</u>	<u>-</u>
Total	<u>\$ 8,586,176</u>	<u>(\$3,192,861)</u>

City contributions subsequent to the measurement date of \$5,817,892 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be reorganized in pension expense as follows:

Year ended December 31,	
2016	\$ 1,507,970
2017	1,507,970
2018	1,473,989
2019	2,489,736

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, 2015 valuation were based on the assumptions used in the June 30, 2015 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, 2015 are as follows:

Valuation Date	June 30, 2015	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	7.5%, net of investment expense	
Inflation Rate	2.875%	
Ad-hoc cost-of-living increases	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 Rates	Active Member	RP-2000 Sex Distinct Employee Tables set back 4 years for males and set back 3 years for females.
	Annuitant and Beneficiary	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 for males and set back 1 year and projected to 2029 for females
Salary Increases, including inflation and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	9.75%
	3-23	4.75%
	Over 23	4.25%

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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2015</u>	
	<u>Target Allocation</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Equity	52%	3.47%
Fixed Income	20%	0.46%
Alternative	23%	1.15%
Other	<u>5%</u>	<u>0.20%</u>
Totals	100%	5.28%
Inflation		<u>3.00%</u>
Expected Nominal Return		<u>8.28%</u>

The discount rate used to measure the total pension liability was 7.5%. 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 of 7.5%, 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 6.5% or one percentage point higher 8.5% than the current rate as of December 31, 2015.

	<u>1% Decrease 6.5%</u>	<u>Current Discount Rate 7.5%</u>	<u>1% Increase 8.5%</u>
Net Pension Liability	\$118,807,863	\$85,449,276	\$57,495,358

Payables to the Pension Plan – At December 31, 2015, the City recorded no payables to the pension plan for employee and employer legally required contributions.

Firefighters' Retirement System (FRS)

The measurement date for the net pension liability was June 30, 2015 and is included in the City's financial statements for the year ended December 31, 2015. Detailed information about the plan's stand-alone report can be attained at <http://www.lafirefighters.net>.

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, 2015, employer and employee contributions for members above the poverty line were 29.25% and 10.0%, respectively. The employer and employee contribution rates for those members below the poverty line were 31.25% and 8.0%, respectively.

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 June 30, 2015, and were excluded from pension expense. Non-employer contributions received by the System for the City during the plan year ended June 30, 2015, were \$1,931,073.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Net pension liability at December 31, 2015, 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, 2015. 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	\$76,929,090
Proportion (%) of net pension liability	14.25%
Increase/(decrease) from prior measurement date	(.53)%

The components of the net pension liability of the City as of December 31, 2015, was based upon the City’s proportion of 14.253575%

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, 2015, were based upon the City’s proportion of 14.253750%.

Total Pension Liability	\$279,209,582
Plan Fiduciary Net Position	<u>202,280,492</u>
Total Collective Net Pension Liability	<u>\$ 76,929,090</u>

For the year ended December 31, 2015, the City recognized pension expense of \$12,184,853. At December 31, 2015, 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 experience	\$ -	(\$2,442,506)
Changes of assumptions	958,648	-
Net difference between projected and actual earnings on pension plan investments	4,032,954	(2,410,874)
Changes in proportion and differences between City contributions and proportionate share of contributions	(1,499,964)	(2,626,191)
City contributions subsequent to the measurement date	<u>5,723,754</u>	<u>-</u>
Total	<u>\$ 9,215,392</u>	<u>(\$7,479,571)</u>

City contributions subsequent to the measurement date of \$5,723,754 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2016.

Other 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,	
2016	(\$ 262,858)
2017	(262,858)
2018	(262,858)
2019	1,931,979

Actuarial Methods and Assumptions - The actuarial assumptions used in the June 30, 2015, valuation were based on the assumptions used in the June 30, 2015, 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, 2015, are as follows:

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service lives	2015 - 7 years 2014 - 7 years
Investment Rate of Return	7.50% per annum
Inflation Rate	2.875% 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	Based on experience study for the period July 1, 2009-June 30, 2014, and review of current levels of mortality. This was compared to standard tables. Results indicated tables used would produce liability approximating 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-estimates 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. The long term expected nominal rate of return was 8.24% as of June 30, 2015. Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Target Asset Allocation</u>	<u>Expected Portfolio Real Rate of Return</u>
Fixed income	24%	1.84%
Equity	51%	6.50%
Alternative	15%	6.96%
Other	<u>10%</u>	<u>4.36%</u>
Totals	<u>100%</u>	5.24%
Inflation		<u>3.00%</u>
Expected Arithmetic Nominal Return		<u>8.24%</u>

The discount rate used to measure the total pension liability was 7.50%. 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 7.50%, 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 6.5% or one percentage point higher 8.5% than the current rate as of December 31, 2015.

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$109,131,488	\$76,929,090	\$49,859,598

Payables to the Pension Plan – At December 31, 2015, the City recorded no payables to the pension plan for employee and employer legally required contributions.

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 multiple-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. The plan is not accounted for as a trust fund. 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.

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- retirement medical, dental and life insurance at December 31, 2015, consisted of:

	<u>Medical</u>	<u>Dental</u>	<u>Life Insurance</u>
Retirees and beneficiaries	1,796	1,487	1,110
Active employees	<u>2,031</u>	<u>2,446</u>	<u>2,060</u>
Total	<u>3,827</u>	<u>3,933</u>	<u>3,170</u>

Number of participating employers 3

Annual OPEB costs and Net OPEB Obligation - The OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding two years were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB cost Contributed</u>	<u>Net Obligation</u>
12/31/13	\$ 35,818,338	\$9,833,830	27.5%	\$184,787,654
12/31/14	35,461,115	10,895,487	30.7	209,353,282
12/31/15	37,476,810	9,856,573	26.3	236,973,520

The net OPEB obligation as of December 31, 2015, was allocated based on participant count as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Shreve Memorial Library (Component Unit)</u>	<u>Total OPEB plan</u>
Annual required contribution (ARC)	\$32,109,803	\$5,997,338	\$38,107,141	\$2,247,834	\$40,354,975
Interest on net OPEB obligation	7,496,057	1,400,083	8,896,140	524,758	9,420,898
Adjustment to ARC	(9,786,166)	(1,827,820)	(11,613,986)	(685,077)	(12,299,063)
Annual OPEB cost	29,819,694	5,569,601	35,389,295	2,087,515	37,476,810
Less: Contributions made	(7,842,716)	(1,464,830)	(9,307,546)	(549,026)	(9,856,572)
Increase in net OPEB obligation	21,976,978	4,104,771	26,081,749	1,538,489	27,620,238
Net OPEB obligation beginning of year	166,579,029	31,112,956	197,691,985	11,661,297	209,353,282
Net OPEB obligation end of year	<u>\$188,556,007</u>	<u>\$35,217,727</u>	<u>\$223,773,734</u>	<u>\$13,199,786</u>	<u>\$236,973,520</u>

The funded status of the plan as of December 31, 2015, the most recent actuarial valuation date, is as follows:

(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2-1)	Funded Ratio (1/2)	Covered Payroll	UAAL as a Percentage of Covered Payroll 3/5
-	\$430,118,753	\$430,118,753	0.0%	\$122,372,693	351.5%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included 4.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0% for 2014 declining gradually to 4.0% by 2082. An inflation rate of 2.7% was used. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan’s unfunded actuarial accrued liability is being amortized as a level dollar open amortization. The remaining amortization period at December 31, 2015, was 30 years.

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, 2016. Based on terms of the agreement, management fees included in operating expenses were \$276,323. 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 \$6,984,060. Bossier City reimbursed the Transit System \$799,571.

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. 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 \$3,187,086 has been reported at December 31, 2015, for closure and post-closure care cost and represents the cumulative costs reported based on 49.80% of the capacity of the landfill having been used to date. The landfill has an estimated remaining life of approximately 39 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 \$3,212,686. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The estimated closure of the sludge facility is \$13,194. 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.

E. 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.

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 \$22,010,794 reported in the fund at December 31, 2015, 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 2014 and 2015 were:

<u>Retained Risk Fund</u>				
	<u>Beginning of</u> Year <u>Liability</u>	<u>Current Year Claims</u> and Changes <u>in Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>Year End</u>
2014	\$ 32,976,454	\$ 13,758,575	\$ 10,403,093	\$ 36,331,936
2015	\$ 36,331,936	(\$ 4,831,923)	\$ 9,489,219	\$ 22,010,794

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 2014 and 2015 were:

<u>Employees Health Care Fund</u>				
	<u>Beginning of</u> Year <u>Liability</u>	<u>Current Year Claims</u> and Changes <u>in Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>Year End</u>
2014	\$ 5,897,736	\$ 36,148,527	\$ 35,392,515	\$ 6,653,748
2015	\$ 6,653,748	\$ 29,114,639	\$ 32,726,270	\$ 3,042,117

F. Compensation Paid to Council Members

<u>Council Member</u>	<u>Compensation</u>
Willie Bradford, District A	\$ 17,625
Jeff Everson, District B	15,225
Oliver Jenkins, District C	15,225
Michael Corbin, District D	15,225
James Flurry, District E	15,225
Stephanie Lynch, District F	15,225
Jerry Bowman, District G	<u>15,225</u>
	\$ <u>108,975</u>

G. Subsequent Events

In January 2016, the City entered into a Lease-Purchase Agreement with JP Morgan Chase Bank, N.A. in the amount of \$1,493,301 for the purchase of equipment.

H. Restatement of Net Position

The government-wide Statement of Net Position was restated due to the adoption of Governmental Accounting Standard Board Statement No. 68 – Accounting and Financial Reporting for Pensions and No. 71 – Pension Transition for Contributions made subsequent to the measurement date as follows:

Primary Government	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Net Position, December 31, 2014, as reported	\$ 275,020,313	\$ 512,166,337
Elimination of net pension obligation at December 31, 2014	61,698,140	
Recording net pension liability, and related deferred inflows and outflows at December 31, 2014	<u>(271,761,085)</u>	<u>(51,502,375)</u>
Net Position, December 31, 2014, as restated	<u>\$ 64,957,368</u>	<u>\$ 460,663,962</u>

The adjustment of the business-type activities were comprised of adjustments to the following funds:

Municipal and Regional airports	\$ 9,892,456
Water and Sewer	39,872,930
Golf	<u>1,736,989</u>
	<u>\$ 51,502,375</u>

**CITY OF SHREVEPORT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POST EMPLOYMENT BENEFITS
(UNAUDITED)**

Year Ended <u>December 31,</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2010	\$ 33,409,517	19.3%
2011	38,181,849	19.5%
2012	38,181,849	23.8%
2013	38,001,484	25.9%
2014	38,001,484	28.7%
2015	40,354,975	24.4%

For financial statement presentation, OPEB amounts are allocated between the general fund, enterprise funds, and component units. The amounts above are presented for the entire plan.

CITY OF SHREVEPORT
SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS
(UNAUDITED)

(1)	(2)	(3)	(4)	(5)	(6)	
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2-1)	Funded Ratio (1/2)	Covered Payroll	UAAL as a Percentage of Covered Payroll (3/5)
12/31/10	-	\$ 343,176,409	\$ 343,176,409	0.0	\$ 117,034,000	293.2%
12/31/11	-	383,067,995	383,067,995	0.0	124,078,623	308.7%
12/31/12	-	383,067,995	383,067,995	0.0	124,078,623	308.7%
12/31/13	-	401,053,357	401,053,357	0.0	122,318,089	327.9%
12/31/14	-	401,053,357	401,053,357	0.0	122,318,089	327.9%
12/31/15	-	430,118,753	430,118,753	0.0	122,372,693	351.5%

For financial statement presentation, OPEB amounts are allocated between the general fund, enterprise funds, and component units. The amounts above are presented for the entire plan.

CITY OF SHREVEPORT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

LAST 10 FISCAL YEARS (1)
(UNAUDITED)

	2014			2015		
	FPRF	PPRF	ERS (2)	FPRF	PPRF	ERS (2)
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	(3,549,892)	(1,017,239)	25,645,598	3,724,021	(460,729)	7,303,003
Total pension liability - beginning	27,558,272	22,233,117	367,440,360	24,008,380	21,215,878	393,085,958
Total pension liability - ending (a)	\$ 24,008,380	\$ 21,215,878	\$ 393,085,958	\$ 27,732,401	\$ 20,755,149	\$ 400,388,961
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	270,336	598,707	(2,037,487)	(828,670)	(142,318)	(13,320,748)
Plan fiduciary net position - beginning	16,676,219	16,974,531	198,891,210	16,946,555	17,573,238	196,853,723
Plan fiduciary net position - ending (b)	\$ 16,946,555	\$ 17,573,238	\$ 196,853,723	\$ 16,117,885	\$ 17,430,920	\$ 183,532,975
Net pension liability - ending (a) - (b)	\$ 7,061,825	\$ 3,642,640	\$ 196,232,235	\$ 11,614,516	\$ 3,324,229	\$ 216,855,986
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-employee payroll	1,016,908	N/A	49,120,412	955,637	N/A	43,859,241
Net pension liability as a percentage of covered-employee payroll	694.44%	N/A	399.49%	1215.37%	N/A	494.44%

(1) Two years of data are displayed. 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 (ERS) 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
SCHEDULE OF INVESTMENT RETURNS**

Last 10 Fiscal Years(1)

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%

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

**CITY OF SHREVEPORT
SCHEDULE OF PENSION CONTRIBUTIONS**

**Last 10 Fiscal Years
(UNAUDITED)**

	Fireman Pension and Relied Fund									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$2,046,177	\$2,132,120	\$2,044,285	\$ 2,719,001	\$ 2,847,389	\$ 2,310,932	\$ 3,726,529	\$ 4,477,402	\$ 4,171,194	\$ 2,696,250
Contributions in relation to the actuarially determined contribution	1,407,770	1,408,553	1,406,904	1,406,904	1,407,204	1,462,207	1,465,203	964,526	1,048,879	971,454
Contribution deficiency (excess)	638,407	723,567	637,381	1,312,097	1,440,185	848,725	2,261,326	3,512,876	3,122,315	1,724,796
Covered-employee payroll	4,125,853	3,604,757	2,974,729	2,034,266	2,135,980	1,197,330	1,140,314	858,951	1,016,908	955,637
Contributions as a percentage of covered-employee payroll	34.12%	39.07%	47.30%	69.16%	65.88%	122.12%	128.49%	112.29%	103.14%	101.66%
	Policeman Pension and Relief Fund									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$1,398,435	\$1,506,135	\$1,353,760	\$ 1,835,113	\$ 1,616,818	\$ 1,373,266	\$ 2,215,304	\$ 2,437,506	\$ 1,371,743	\$ 1,854,426
Contributions in relation to the actuarially determined contribution	1,398,435	1,408,194	1,353,760	1,407,096	1,407,296	1,373,266	1,445,914	954,585	1,036,775	959,232
Contribution deficiency (excess)	-	97,941	-	428,017	209,522	-	769,390	1,482,921	334,968	895,194
Covered-employee payroll	275,070	275,070	275,070	n/a						
Contributions as a percentage of covered-employee payroll	508.39%	511.94%	492.15%	n/a						
	Employee Retirement System (1)									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$7,375,855	\$4,806,416	\$4,898,103	\$12,040,692	\$11,238,882	\$12,202,624	\$16,380,807	\$16,764,758	\$16,351,357	\$18,083,506
Contributions in relation to the actuarially determined contribution	4,263,244	6,099,342	6,685,911	6,634,421	6,261,604	6,003,545	5,970,988	5,951,946	5,944,981	7,364,386
Contribution deficiency (excess)	3,112,611	(1,292,926)	(1,787,808)	5,406,271	4,977,278	6,199,079	10,409,819	10,812,812	10,406,376	10,719,120
Covered-employee payroll	44,403,000	46,875,000	51,761,000	49,021,000	45,226,000	45,538,000	45,247,171	44,749,039	49,120,412	43,859,241
Contributions as a percentage of covered-employee payroll	9.60%	13.01%	12.92%	13.53%	13.85%	13.18%	13.20%	13.30%	12.10%	16.79%

(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.

CITY OF SHREVEPORT

**Notes to Required Supplementary Pension Information
For the Year Ended December 31, 2015**

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, 2015. 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	Level dollar, closed
Remaining amortization period	3 years	3 years	30 years
Asset valuation period	N/A	N/A	N/A
Inflation	3.50%	3.50%	3.00%
Salary increases	5.00%	N/A	Based on classification
Investment rate of return	7.00%	7.00%	7.00%
Cost of Living adjustment	3.50%	3.50%	None
Retirement Age	Plan specific	Plan specific	Plan specific
Turnover	Plan specific	Plan specific	Plan specific
Mortality	Non-annuitants: RP-2000 "Employee" table projected to 2030 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2022 using Scale AAA	Non-annuitants: RP-2000 "Employee" table projected to 2030 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2022 using Scale AAA	Non-annuitants: RP-2000 "Employee" table projected to 2030 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2022 using Scale AAA
Disability	Plan specific	Plan specific	Plan specific

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY - STATE

Last 10 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 Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee 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%

(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, 2015.

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS - STATE

Last 10 Fiscal Years (1)
(UNAUDITED)

Plan	Year	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
MPERS	2015	\$ 5,817,892	\$ 5,817,892	\$ -	\$ 18,469,499	31.50%
FRS	2015	\$ 5,723,754	\$ 5,723,754	\$ -	\$ 14,132,726	40.50%

(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, 2015.



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 BALANCESHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2015

	Special Revenue Funds					
	Streets	Enrichment	Riverfront Development	Police Grants	Downtown Entertainment Economic Development	Redevelopment
ASSETS						
Cash and cash equivalents	\$ 3,842,155	\$ 692,613	\$ 661,475	\$ 130,034	\$ 403,207	\$ 1,930
Investments	4,167,320	751,228	717,456	141,038	437,331	2,093
Accounts receivable, net	1,517,825	33,236	870,533	-	-	-
Due from other governments	-	-	-	87,424	-	-
Due from other funds	-	-	-	-	-	-
Notes receivable, net	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	196,066
Total assets	\$ 9,527,300	\$ 1,477,077	\$ 2,249,464	\$ 358,496	\$ 840,538	\$ 200,089
LIABILITIES AND FUND BALANCES (DEFICIT)						
Liabilities:						
Accounts payable	\$ -	\$ 18,943	\$ 236,042	\$ 829	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	591,849	-	-	-
Unearned revenue	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Items held in escrow	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-
Total liabilities	-	18,943	827,891	829	-	-
Fund balance (deficit):						
Restricted	9,527,300	1,458,134	1,421,573	357,667	840,538	200,089
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	9,527,300	1,458,134	1,421,573	357,667	840,538	200,089
Total liabilities and fund balance (deficit)	\$ 9,527,300	\$ 1,477,077	\$ 2,249,464	\$ 358,496	\$ 840,538	\$ 200,089

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

		Capital Project Funds					
Environmental Grants	Total	Miscellaneous General Obligation Bond Funds	Miscellaneous Capital Projects Fund	2003A General Obligation Bond Fund	2011 General Obligation Bond Fund	Total	Total Nonmajor Governmental Funds
		\$ 783,756	\$ 6,515,170	\$ 3,998,337	\$ 1,479,861		
474,103	6,690,569	4,392,643	1,605,103	2,103,422	-	8,101,168	14,791,737
-	2,421,594	-	-	-	-	-	2,421,594
-	87,424	-	-	-	-	-	87,424
-	-	51,559	591,849	-	-	643,408	643,408
191,755	191,755	-	-	-	-	-	191,755
-	196,066	-	-	-	-	-	196,066
<u>\$ 1,449,614</u>	<u>\$ 16,102,578</u>	<u>\$ 8,442,539</u>	<u>\$ 3,676,813</u>	<u>\$ 4,042,718</u>	<u>\$ 17,100,772</u>	<u>\$ 33,262,842</u>	<u>\$ 49,365,420</u>
\$ -	\$ 255,814	\$ 14,868	\$ 709,889	\$ 450	\$ 1,547,095	\$ 2,272,302	\$ 2,528,116
-	-	-	-	-	-	-	-
-	591,849	51,559	-	-	-	51,559	643,408
191,755	191,755	-	-	-	-	-	191,755
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>191,755</u>	<u>1,039,418</u>	<u>66,427</u>	<u>709,889</u>	<u>450</u>	<u>1,547,095</u>	<u>2,323,861</u>	<u>3,363,279</u>
1,257,859	15,063,160	8,376,112	2,966,924	4,042,268	15,553,677	30,938,981	46,002,141
-	-	-	-	-	-	-	-
<u>1,257,859</u>	<u>15,063,160</u>	<u>8,376,112</u>	<u>2,966,924</u>	<u>4,042,268</u>	<u>15,553,677</u>	<u>30,938,981</u>	<u>46,002,141</u>
<u>\$ 1,449,614</u>	<u>\$ 16,102,578</u>	<u>\$ 8,442,539</u>	<u>\$ 3,676,813</u>	<u>\$ 4,042,718</u>	<u>\$ 17,100,772</u>	<u>\$ 33,262,842</u>	<u>\$ 49,365,420</u>

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Special Revenue Funds						
	Streets	Enrichment	Riverfront Development	Police Grants	Downtown Entertainment Economic Development	Redevelopment
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 862,168	\$ -	\$ -
Gaming	-	-	10,035,079	-	-	-
Investment earnings	72,919	8,738	9,656	3,387	6,251	26
Miscellaneous	6,908,917	654,392	1,062,192	273,322	146,038	-
Total revenues	<u>6,981,836</u>	<u>663,130</u>	<u>11,106,927</u>	<u>1,138,877</u>	<u>152,289</u>	<u>26</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	192,534	-	1,512,089	-	-
Culture and recreation	-	181,482	-	-	-	-
Health and welfare	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Economic opportunity	-	-	-	-	-	-
Economic development	-	-	1,222,386	-	347,136	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>374,016</u>	<u>1,222,386</u>	<u>1,512,089</u>	<u>347,136</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,981,836</u>	<u>289,114</u>	<u>9,884,541</u>	<u>(373,212)</u>	<u>(194,847)</u>	<u>26</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(6,060,000)	-	(6,884,100)	-	-	-
Total other financing sources and uses	<u>(6,060,000)</u>	<u>-</u>	<u>(6,884,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	921,836	289,114	3,000,441	(373,212)	(194,847)	26
Fund balances (deficit)-beginning	8,605,464	1,169,020	(1,578,868)	730,879	1,035,385	200,063
Fund balances (deficit)-ending	<u>\$ 9,527,300</u>	<u>\$ 1,458,134</u>	<u>\$ 1,421,573</u>	<u>\$ 357,667</u>	<u>\$ 840,538</u>	<u>\$ 200,089</u>

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

Capital Project Funds

Environmental Grants		Capital Project Funds				
Grants	Total	Miscellaneous General Obligation Bond Funds	Miscellaneous Capital Projects Fund	2003A General Obligation Bond Fund	2011 General Obligation Bond Fund	Total
\$ 49,982	\$ 912,150	\$ -	\$ 502,933	\$ -	\$ -	\$ 502,933
-	10,035,079	-	-	-	-	-
5,022	105,999	54,732	-	25,689	7,838	88,259
110,397	9,155,258	-	1,087,959	-	-	1,087,959
165,401	20,208,486	54,732	1,590,892	25,689	7,838	1,679,151
166,450	166,450	-	-	-	-	-
-	1,704,623	-	-	-	-	-
-	181,482	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,569,522	-	-	-	-	-
-	-	343,820	7,367,707	-	8,759,244	16,470,771
166,450	3,622,077	343,820	7,367,707	-	8,759,244	16,470,771
(1,049)	16,586,409	(289,088)	(5,776,815)	25,689	(8,751,406)	(14,791,620)
-	-	-	-	-	-	-
-	(12,944,100)	(28,922)	-	28,922	(6,062,489)	(6,062,489)
-	(12,944,100)	(28,922)	-	28,922	(6,062,489)	(6,062,489)
(1,049)	3,642,309	(318,010)	(5,776,815)	54,611	(14,813,895)	(20,854,109)
1,258,908	11,420,851	8,694,122	8,743,739	3,987,657	30,367,572	51,793,090
\$ 1,257,859	\$ 15,063,160	\$ 8,376,112	\$ 2,966,924	\$ 4,042,268	\$ 15,553,677	\$ 30,938,981

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, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 25,553,000	\$ 25,553,000	\$ 29,470,949	\$ 3,917,949
Investment earnings	200,000	200,000	225,483	25,483
Intergovernmental	1,200,000	1,200,000	1,313,072	113,072
	<u>26,953,000</u>	<u>26,953,000</u>	<u>31,009,504</u>	<u>4,056,504</u>
EXPENDITURES				
Principal	25,200,000	25,200,000	24,671,368	528,632
Interest and other charges	10,238,250	10,238,250	12,067,405	(1,829,155)
	<u>35,438,250</u>	<u>35,438,250</u>	<u>36,738,773</u>	<u>(1,300,523)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,485,250)</u>	<u>(8,485,250)</u>	<u>(5,729,269)</u>	<u>2,755,981</u>
OTHER FINANCING SOURCES				
Bonds issued	-	-	-	-
Refunding bonds issued	-	-	24,205,000	(24,205,000)
Premium on refunding bonds issued	-	-	2,521,090	(2,521,090)
Payments to refunding bonds escrow agent	-	-	(26,644,875)	26,644,875
Transfers in	4,600,000	4,600,000	4,559,831	(40,169)
Total other financing sources	<u>4,600,000</u>	<u>4,600,000</u>	<u>4,641,046</u>	<u>(121,384)</u>
Net change in fund balances	(3,885,250)	(3,885,250)	(1,088,223)	2,797,027
Fund balances - beginning	<u>56,080,427</u>	<u>56,080,427</u>	<u>56,080,427</u>	<u>-</u>
Fund balances - ending	<u>\$ 52,195,177</u>	<u>\$ 52,195,177</u>	<u>\$ 54,992,204</u>	<u>\$ 2,797,027</u>

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

CITY OF SHREVEPORT, LOUISIANA
STREETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	<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	\$ -	\$ -	\$ 72,919	\$ 72,919
Miscellaneous	6,500,000	6,500,000	6,908,917	408,917
Total revenues	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,981,836</u>	<u>481,836</u>
EXPENDITURES				
Capital projects	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,060,000)	(6,060,000)	(6,060,000)	-
Total other financing sources (uses)	<u>(6,060,000)</u>	<u>(6,060,000)</u>	<u>(6,060,000)</u>	<u>-</u>
Net change in fund balances	440,000	440,000	921,836	481,836
Fund balances - beginning	<u>8,605,464</u>	<u>8,605,464</u>	<u>8,605,464</u>	<u>-</u>
Fund balances - ending	<u>\$ 9,045,464</u>	<u>\$ 9,045,464</u>	<u>\$ 9,527,300</u>	<u>\$ 481,836</u>

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

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Gaming	\$ 9,222,900	\$ 9,222,900	\$ 10,035,079	\$ 812,179
Investment Earnings	-	-	9,656	9,656
Miscellaneous	912,900	912,900	1,062,192	149,292
Total revenues	<u>10,135,800</u>	<u>10,135,800</u>	<u>11,106,927</u>	<u>971,127</u>
EXPENDITURES				
Current:				
Economic development:				
Salaries, wages and employee benefits	94,900	244,900	148,836	96,064
Materials and supplies	1,500	1,500	1,674	(174)
Contractual services	26,000	126,000	62,978	63,022
Other charges	1,379,600	1,129,600	1,008,898	120,702
Total expenditures	<u>1,502,000</u>	<u>1,502,000</u>	<u>1,222,386</u>	<u>279,614</u>
Excess (deficiency) of revenues over under expenditures	<u>8,633,800</u>	<u>8,633,800</u>	<u>9,884,541</u>	<u>1,250,741</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(6,884,100)	(6,884,100)	(6,884,100)	-
Total other financing uses	<u>(6,884,100)</u>	<u>(6,884,100)</u>	<u>(6,884,100)</u>	<u>-</u>
Net change in fund balance	1,749,700	1,749,700	3,000,441	1,250,741
Fund balance -beginning	<u>(1,578,868)</u>	<u>(1,578,868)</u>	<u>(1,578,868)</u>	<u>-</u>
Fund balance-ending	<u>\$ 170,832</u>	<u>\$ 170,832</u>	<u>\$ 1,421,573</u>	<u>\$ 1,250,741</u>

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

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,901,346	\$ 1,901,346	\$ 862,168	\$ (1,039,178)
Investment earnings	2,400	2,400	3,387	987
Miscellaneous	111,500	111,500	273,322	161,822
Total revenues	<u>2,015,246</u>	<u>2,015,246</u>	<u>1,138,877</u>	<u>(876,369)</u>
EXPENDITURES				
Current:				
Public Safety:				
Salaries, wages and employee benefits	1,620,174	1,629,174	766,028	863,146
Materials and supplies	140,826	140,826	119,447	21,379
Contractual services	118,976	127,976	46,114	81,862
Other charges	199,836	199,836	131,214	68,622
Improvements and equipment	626,234	608,234	449,286	158,948
Total expenditures	<u>2,706,046</u>	<u>2,706,046</u>	<u>1,512,089</u>	<u>1,193,957</u>
Excess (deficiency) of revenues over under expenditures	<u>(690,800)</u>	<u>(690,800)</u>	<u>(373,212)</u>	<u>317,588</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(690,800)	(690,800)	(373,212)	317,588
Fund balance - beginning	<u>730,879</u>	<u>730,879</u>	<u>730,879</u>	<u>-</u>
Fund balance - ending	<u>\$ 40,079</u>	<u>\$ 40,079</u>	<u>\$ 357,667</u>	<u>\$ 317,588</u>

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

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, 2015

	<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	\$ 5,000	\$ 5,000	\$ 6,251	\$ 1,251
Land rent	151,300	151,300	-	(151,300)
Sales tax	209,000	209,000	146,038	(62,962)
Total revenues	<u>365,300</u>	<u>365,300</u>	<u>152,289</u>	<u>(213,011)</u>
EXPENDITURES				
Current:				
Economic development:				
Salaries, wages and employee benefits	73,100	73,100	46,424	26,676
Materials and supplies	8,000	39,800	8,776	31,024
Contractual services	200,000	200,000	133,299	66,701
Other charges	46,500	46,500	45,995	505
Operating reserves	1,132,100	831,300	-	831,300
Improvements and equipment	-	269,000	112,642	156,358
Total expenditures	<u>1,459,700</u>	<u>1,459,700</u>	<u>347,136</u>	<u>1,112,564</u>
Excess (deficiency) of revenues over under expenditures	<u>(1,094,400)</u>	<u>(1,094,400)</u>	<u>(194,847)</u>	<u>(899,553)</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing uses	-	-	-	-
Net change in fund balance	<u>(1,094,400)</u>	<u>(1,094,400)</u>	<u>(194,847)</u>	<u>\$ 899,553</u>
Fund balance -beginning	<u>1,094,400</u>	<u>1,094,400</u>	<u>1,035,385</u>	<u>\$ -</u>
Fund balance-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 840,538</u>	<u>\$ 899,553</u>

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

CITY OF SHREVEPORT, LOUISIANA
REDEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	<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	\$ -	\$ -	\$ 26	\$ 26
Total revenues	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
EXPENDITURES				
Current:				
Economic development:				
Other charges	4,800	4,800	-	4,800
Total expenditures	<u>4,800</u>	<u>4,800</u>	<u>-</u>	<u>4,800</u>
Excess (deficiency) of revenues over (under) expenditures	(4,800)	(4,800)	26	4,826
Fund balance -beginning	<u>200,063</u>	<u>200,063</u>	<u>200,063</u>	<u>-</u>
Fund balance-ending	<u>\$ 195,263</u>	<u>\$ 195,263</u>	<u>\$ 200,089</u>	<u>\$ 4,826</u>

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

**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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 49,982	\$ (150,018)
Investment earnings	-	-	5,022	5,022
Miscellaneous	110,400	110,400	110,397	(3)
Total revenues	<u>310,400</u>	<u>310,400</u>	<u>165,401</u>	<u>(144,999)</u>
EXPENDITURES				
Current:				
General government:				
Salaries, wages and employee benefits	8,000	8,000	250	7,750
Materials and supplies	-	299	-	299
Contractual services	207,300	228,087	51,733	176,354
Other charges	898,544	898,544	114,467	784,077
Total expenditures	<u>1,113,844</u>	<u>1,134,930</u>	<u>166,450</u>	<u>968,480</u>
Excess (deficiency) of revenues over under expenditures	(803,444)	(824,530)	(1,049)	823,481
Fund balance -beginning	<u>1,258,908</u>	<u>1,258,908</u>	<u>1,258,908</u>	<u>-</u>
Fund balance-ending	<u>\$ 455,464</u>	<u>\$ 434,378</u>	<u>\$ 1,257,859</u>	<u>\$ 823,481</u>

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

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
FOR THE YEAR ENDED DECEMBER 31, 2015

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 683,217	\$ 3,824	\$ 262,543	\$ 949,584
Investments	-	-	286,744	286,744
Receivables, net	183,725	36	43,437	227,198
Due from other funds	59,571	-	-	59,571
Due from other governments	297,590	-	-	297,590
Inventories	949,122	10,049	-	959,171
Prepaid items	199,348	-	-	199,348
Total current assets	<u>2,372,573</u>	<u>13,909</u>	<u>592,724</u>	<u>2,979,206</u>
Noncurrent Assets:				
Capital Assets:				
Land	1,940,407	-	-	1,940,407
Buildings	11,440,792	263,373	-	11,704,165
Improvements other than buildings	-	868,530	-	868,530
Equipment	21,128,096	557,103	-	21,685,199
Construction in progress	340	-	-	340
Less accumulated depreciation	(17,330,047)	(1,252,827)	-	(18,582,874)
Total noncurrent assets	<u>17,179,588</u>	<u>436,179</u>	<u>-</u>	<u>17,615,767</u>
Total assets	<u>19,552,161</u>	<u>450,088</u>	<u>592,724</u>	<u>20,594,973</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	-	-	-
Deferred pensions	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	114,311	5,698	-	120,009
Accrued liabilities	207,732	1,763	-	209,495
Due to other funds	67,935	57,317	-	125,252
Unearned revenue	-	39,700	-	39,700
Compensated absences	189,632	21,796	-	211,428
Leases payable	-	17,754	-	17,754
Total current liabilities	<u>579,610</u>	<u>144,028</u>	<u>-</u>	<u>723,638</u>
Noncurrent Liabilities:				
Compensated absences	-	27,288	-	27,288
Leases payable	-	17,984	-	17,984
Net OPEB obligation	-	1,283,891	-	1,283,891
Net Pension Liability	-	1,736,989	-	1,736,989
Total noncurrent liabilities	<u>-</u>	<u>3,066,152</u>	<u>-</u>	<u>3,066,152</u>
Total liabilities	<u>579,610</u>	<u>3,210,180</u>	<u>-</u>	<u>3,789,790</u>
DEFERRED INFLOWS OR RESOURCES				
Deferred pensions	-	-	-	-
NET POSITION (DEFICIT)				
Net investment in capital assets	17,179,588	400,441	-	17,580,029
Unrestricted (deficit)	1,792,963	(3,160,533)	592,724	(774,846)
Total Net Position (deficit)	<u>\$ 18,972,551</u>	<u>\$ (2,760,092)</u>	<u>\$ 592,724</u>	<u>\$ 16,805,183</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, 2015

	<u>Shreveport Area Transit System</u>	<u>Golf</u>	<u>Downtown Parking</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES				
Charges for services	\$ 2,344,315	\$ 1,106,515	\$ 562,091	\$ 4,012,921
Miscellaneous	328,368	22,515	-	350,883
Total operating revenues	<u>2,672,683</u>	<u>1,129,030</u>	<u>562,091</u>	<u>4,363,804</u>
OPERATING EXPENSES				
Personal services	8,980,309	667,168	-	9,647,477
Contractual services and other expenses	1,305,815	352,233	419,280	2,077,328
Utilities	211,734	68,025	-	279,759
Repairs and maintenance	19,768	723	-	20,491
Materials and supplies	2,975,148	171,193	-	3,146,341
Depreciation	2,135,890	49,738	-	2,185,628
Total operating expenses	<u>15,628,664</u>	<u>1,309,080</u>	<u>419,280</u>	<u>17,357,024</u>
Operating income (loss)	<u>(12,955,981)</u>	<u>(180,050)</u>	<u>142,811</u>	<u>(12,993,220)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	-	129	2,191	2,320
Interest expense	-	(610)	-	(610)
Intergovernmental	9,621,146	-	-	9,621,146
Loss on disposal of capital assets	-	-	-	-
Net nonoperating revenues (expenses)	<u>9,621,146</u>	<u>(481)</u>	<u>2,191</u>	<u>9,622,856</u>
Income (loss) before contributions and transfers	(3,334,835)	(180,531)	145,002	(3,370,364)
Capital contributions	(3,025,224)	-	-	(3,025,224)
Transfers in	6,646,306	87,200	-	6,733,506
Transfers out	-	-	-	-
Change in net position	<u>286,247</u>	<u>(93,331)</u>	<u>145,002</u>	<u>337,918</u>
Total net position (deficit)-beginning, as restated	18,686,304	(2,666,761)	447,722	16,467,265
Total net position (deficit)-ending	<u>\$ 18,972,551</u>	<u>\$ (2,760,092)</u>	<u>\$ 592,724</u>	<u>\$ 16,805,183</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, 2015

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from operations	\$ 2,950,580	\$ 1,142,625	\$ 465,072	\$ 4,558,277
Payments to suppliers	(4,941,296)	(471,466)	(349,566)	(5,762,328)
Payments to employees	(8,980,309)	(685,878)	-	(9,666,187)
Other receipts	328,368	-	-	328,368
Other payments	-	(57,000)	-	(57,000)
Net cash provided by (used in) operating activities	<u>(10,642,657)</u>	<u>(71,719)</u>	<u>115,506</u>	<u>(10,598,870)</u>
Cash flows from noncapital financing activities:				
Intergovernmental	6,595,940	-	-	6,595,940
Transfers in	6,646,306	87,200	-	6,733,506
Interest expense on operations	-	(610)	-	(610)
Net cash provided by (used in) noncapital financing activities	<u>13,242,246</u>	<u>86,590</u>	<u>-</u>	<u>13,328,836</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(2,717,615)	-	-	(2,717,615)
Principal paid on debt	-	(17,529)	-	(17,529)
Net cash provided by (used in) capital and related financing activities	<u>(2,717,615)</u>	<u>(17,529)</u>	<u>-</u>	<u>(2,735,144)</u>
Cash flows from investing activities:				
Purchase of investments	(2,029)	-	(61,337)	(63,366)
Interest on investments	-	129	4,209	4,338
Net cash provided by (used in) investing activities	<u>(2,029)</u>	<u>129</u>	<u>(57,128)</u>	<u>(59,028)</u>
Net increase (decrease) in cash and cash equivalents	(120,055)	(2,529)	58,378	(64,206)
Cash and cash equivalents - beginning of year	553,340	6,353	262,543	822,236
Cash and cash equivalents - end of year	<u>\$ 433,285</u>	<u>\$ 3,824</u>	<u>\$ 320,921</u>	<u>\$ 758,030</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (12,955,981)	\$ (3,163,872)	\$ 111,121	\$(16,008,732)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,135,890	49,738	-	2,185,628
(Increase)Decrease in assets:				
Receivables	112,794	-	4,385	117,179
Due from other funds	338,687	-	-	338,687
Due from other governments	86,849	-	-	86,849
Inventories	103,858	6,061	-	109,919
Prepaid items	(74,859)	-	-	(74,859)
Increase(Decrease) in liabilities:				
Accounts payable	(414,868)	5,698	-	(409,170)
Accrued liabilities	(14,793)	(4,554)	-	(19,347)
Due to other funds	67,935	57,317	-	125,252
Unearned revenue	-	12,500	-	12,500
Compensated absences	(28,169)	(18,429)	-	(46,598)
Net OPEB obligation	-	2,894,483	-	2,894,483
Net Pension Liability	-	89,339	-	89,339
Total adjustments	<u>2,313,324</u>	<u>3,092,153</u>	<u>4,385</u>	<u>5,409,862</u>
Net cash provided by (used in) operating activities	<u>\$ (10,642,657)</u>	<u>\$ (71,719)</u>	<u>\$ 115,506</u>	<u>\$(10,598,870)</u>

Non-cash investing, capital and financing activities:

The Shreveport Area Transit System had a loss on disposal of capital assets of \$-0-.
The Golf fund had a loss on disposal of capital assets of \$1.

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, 2015

	Employees Health Care	Retained Risk	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 3,785,921	\$ 7,339,747	\$ 11,125,668
Investments	969,869	7,960,920	8,930,789
Due from other funds	-	1,129,848	1,129,848
Receivables, net	3,411,751	-	3,411,751
Prepaid items	-	518,830	518,830
Total current assets	<u>8,167,541</u>	<u>16,949,345</u>	<u>25,116,886</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	131,907	1,564,480	1,696,387
Due to other funds	3,883,047	86,704	3,969,751
Compensated absences	-	1,241	1,241
Claims and judgments	3,042,117	11,270,478	14,312,595
Total current liabilities	<u>7,057,071</u>	<u>12,922,903</u>	<u>19,979,974</u>
Noncurrent Liabilities:			
Compensated absences	-	6,950	6,950
Claims and judgments	-	10,740,316	10,740,316
Total noncurrent liabilities	<u>-</u>	<u>10,747,266</u>	<u>10,747,266</u>
Total liabilities	<u>7,057,071</u>	<u>23,670,169</u>	<u>30,727,240</u>
NET POSITION (DEFICIT)			
Unrestricted (deficit)	1,110,470	(6,720,824)	(5,610,354)
Total net position (deficit)	<u>\$ 1,110,470</u>	<u>\$ (6,720,824)</u>	<u>\$ (5,610,354)</u>

See accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Employees Health Care	Retained Risk	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 33,767,328	\$ 8,785,553	\$ 42,552,881
Miscellaneous	543,872	2,425,324	2,969,196
Total operating revenues	<u>34,311,200</u>	<u>11,210,877</u>	<u>45,522,077</u>
OPERATING EXPENSES			
Personal services	96,566	233,276	329,842
Contractual services and other expenses	2,747,404	3,214,756	5,962,160
Materials and supplies	2,896	3,789	6,685
Claims	29,114,639	(4,831,923)	24,282,716
Total operating expenses	<u>31,961,505</u>	<u>(1,380,102)</u>	<u>30,581,403</u>
Operating income (loss)	<u>2,349,695</u>	<u>12,590,979</u>	<u>14,940,674</u>
NONOPERATING REVENUES			
Investment earnings (loss)	(17,308)	76,386	59,078
Net nonoperating revenues (loss)	<u>(17,308)</u>	<u>76,386</u>	<u>59,078</u>
Change in net position	2,332,387	12,667,365	14,999,752
Total net position (deficit)-beginning	(1,221,917)	(19,388,189)	(20,610,106)
Total net position (deficit)-ending	<u>\$ 1,110,470</u>	<u>(6,720,824)</u>	<u>\$ (5,610,354)</u>

See accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Employees Health Care	Retained Risk	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from operations	\$ 34,304,434	\$ 11,019,890	\$ 45,324,324
Payments to suppliers	(1,096,824)	(2,030,192)	(3,127,016)
Payments to employees	(96,566)	(233,428)	(329,994)
Claims	(32,726,270)	(9,489,219)	(42,215,489)
Net cash provided by (used in) operating activities	<u>384,774</u>	<u>(732,949)</u>	<u>(348,175)</u>
Cash flows from noncapital financing activities:			
Transfers in	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Purchase of investments	(963,775)	-	(963,775)
Proceeds from sale and maturity of investments	968,109	369,224	1,337,333
Interest on investments	(25,808)	76,386	50,578
Net cash provided by (used in) investing activities	<u>(21,474)</u>	<u>445,610</u>	<u>424,136</u>
Net increase (decrease) in cash and cash equivalents	<u>363,300</u>	<u>(287,339)</u>	<u>75,961</u>
Cash and cash equivalents - beginning of year	3,422,621	7,627,086	11,049,707
Cash and cash equivalents - end of year	<u>\$ 3,785,921</u>	<u>\$ 7,339,747</u>	<u>\$ 11,125,668</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 2,349,695	\$ 12,590,979	\$ 14,940,674
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase)Decrease in assets:			
Receivables	(6,766)	-	(6,766)
Due from other funds	-	(277,691)	(277,691)
Prepaid items	-	(15,449)	(15,449)
Increase(Decrease) in liabilities:			
Accounts payable	215,097	1,203,802	1,418,899
Accrued liabilities	(392,213)	(3,234,789)	(3,627,002)
Due to other funds	1,438,379	86,704	1,525,083
Claims and judgments	(3,219,418)	(11,086,353)	(14,305,771)
Compensated absences	-	(152)	(152)
Total adjustments	<u>(1,964,921)</u>	<u>(13,323,928)</u>	<u>(15,288,849)</u>
Net cash provided by (used in) operating activities	<u>\$ 384,774</u>	<u>\$ (732,949)</u>	<u>\$ (348,175)</u>

Fiduciary Funds
Pension Trust Funds

Firemen's Pension and Relief Fund - This fund is used to account for 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.

Policemen's Pension and Relief Fund - This fund is used to account for 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.

Employees' Retirement System - This fund is used to account for a cost-sharing defined benefit pension plan that covers all full-time classified employees of the City and other board recommended organizations other than policemen and firemen. Appointed officials also have the option to join the plan.

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015

	Firemen's Pension and Relief	Policemen's Pension and Relief	Employees' Retirement System	Total Employee Retirement Funds
ASSETS				
Cash and cash equivalents	\$ 327,128	\$ 913,128	\$ -	\$ 1,240,256
Receivables:				
Interest and dividends receivable	36,152	38,975	-	75,127
Accounts receivable	-	3,765	57,343	61,108
Prepaid items	253,960	196,635	-	450,595
Investments, at fair value:				
U.S. government obligations	1,888,732	1,789,861	-	3,678,593
Investment pool	-	-	164,482	164,482
Mutual funds	5,617,319	6,023,335	212,333,314	223,973,968
Domestic corporate bonds	1,769,710	2,068,978	-	3,838,688
Domestic equities	2,437,670	2,677,825	-	5,115,495
International equities	674,184	886,700	-	1,560,884
Total investments	<u>12,387,615</u>	<u>13,446,699</u>	<u>212,497,796</u>	<u>238,332,110</u>
Other assets:				
Cash surrender value of life insurance policies	3,475,315	2,838,146	-	6,313,461
Total assets	<u>16,480,170</u>	<u>17,437,348</u>	<u>212,555,139</u>	<u>246,472,657</u>
LIABILITIES				
Due to other funds	362,285	-	27,167,715	27,530,000
Accrued liabilities	-	-	-	-
Employees' deposits held in escrow	-	-	1,854,449	1,854,449
Total liabilities	<u>362,285</u>	<u>-</u>	<u>29,022,164</u>	<u>29,384,449</u>
NET POSITION				
Net position restricted for pensions	<u>\$ 16,117,885</u>	<u>\$ 17,437,348</u>	<u>\$ 183,532,975</u>	<u>\$ 217,088,208</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, 2015

	Firemen's Pension and Relief	Policemen's Pension and Relief	Employees' Retirement System	Total Employee Retirement Funds
ADDITIONS				
Contributions:				
Employer	\$ 890,771	\$ 879,480	\$ 7,364,386	\$ 9,134,637
Plan members	-	-	5,305,200	5,305,200
Total contributions	<u>890,771</u>	<u>879,480</u>	<u>12,669,586</u>	<u>14,439,837</u>
Investment earnings:				
Net appreciation in fair value of investments	(396,333)	(462,085)	1,512,271	653,853
Interest	14,395	29,604	-	43,999
Dividends	256,759	294,190	-	550,949
Total investment earnings	<u>(125,179)</u>	<u>(138,291)</u>	<u>1,512,271</u>	<u>1,248,801</u>
Less investment expense	<u>29,013</u>	<u>31,043</u>	<u>1,167,515</u>	<u>1,227,571</u>
Net investment earnings	<u>(154,192)</u>	<u>(169,334)</u>	<u>344,756</u>	<u>21,230</u>
Life insurance proceeds	<u>440,000</u>	<u>959,901</u>	<u>-</u>	<u>1,399,901</u>
Miscellaneous	<u>-</u>	<u>-</u>	<u>27,322</u>	<u>27,322</u>
Total additions	<u>1,176,579</u>	<u>1,670,047</u>	<u>13,041,664</u>	<u>15,888,290</u>
DEDUCTIONS				
Benefits	1,354,158	1,210,296	24,767,675	27,332,129
Refund of member contribution	-	-	1,520,500	1,520,500
Administrative expenses	20,509	20,551	74,238	115,298
Life insurance premiums	630,582	575,090	-	1,205,672
Total deductions	<u>2,005,249</u>	<u>1,805,937</u>	<u>26,362,413</u>	<u>30,173,599</u>
Change in net position	<u>(828,670)</u>	<u>(135,890)</u>	<u>(13,320,749)</u>	<u>(14,285,309)</u>
Net position restricted for pensions				
Beginning of year	16,946,555	17,573,238	196,853,724	231,373,517
End of year	<u>\$ 16,117,885</u>	<u>\$ 17,437,348</u>	<u>\$ 183,532,975</u>	<u>\$ 217,088,208</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, 2015**

ASSETS

Cash and cash equivalents	\$	93,554
Due from primary government		10,743
		104,297
Total assets		104,297

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable		28,843
Due to other governments		75,455
Total liabilities		104,298
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.		827,776
		827,776
Net position	\$	827,776

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

**CITY OF SHREVEPORT, LOUISIANA
METROPOLITAN PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

REVENUES

Intergovernmental	\$ 189,200
Miscellaneous	278,977
Total revenues	<u>468,177</u>

EXPENDITURES

General government	<u>1,669,893</u>
Total expenditures	<u>1,669,893</u>

Deficiency of revenues under expenditures	(1,201,716)
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OTHER FINANCING SOURCES

Payment from City of Shreveport	<u>1,201,716</u>
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Net change in fund balance	-
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Fund balance - beginning	-
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Fund balance - ending	<u><u>\$ -</u></u>
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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.

Capital outlay	10,428
Loss on disposal of assets	(7,142)
Depreciation expense	<u>(12,992)</u>
Change in net position	<u><u>\$ (9,706)</u></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, 2015

Mayor Ollie S. Tyler

Salary	\$	96,000
Benefits-insurance		1,862
Deferred compensation		7,786
Cell phone		661
Travel		-
Vehicle		-

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.

Contents	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	136
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	142
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	149
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	155
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	158

CITY OF SHREVEPORT, LOUISIANA
NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 495,015,044	\$ 506,744,193	\$ 507,132,856	\$ 518,394,035	\$ 540,238,387	\$ 507,856,245	\$ 525,050,532	\$ 527,404,356	\$ 498,281,721	\$ 447,755,978
Restricted	48,021,783	52,517,433	61,409,857	66,374,435	52,008,888	66,131,354	151,571,752	134,588,349	227,239,617	217,692,760
Unrestricted(Deficit)	(5,981,760)	(28,935,041)	(46,402,145)	(66,220,992)	(87,144,658)	(174,840,905)	(312,357,344)	(346,760,306)	(450,501,025)	(611,727,487)
Total governmental activities net position	\$ 537,055,067	\$ 530,326,585	\$ 522,140,568	\$ 518,547,478	\$ 505,102,617	\$ 399,146,694	\$ 364,264,940	\$ 315,232,399	\$ 275,020,313	\$ 53,721,251
Business-type activities										
Invested in capital assets, net of related debt	\$ 332,708,732	\$ 351,253,030	\$ 361,928,742	\$ 368,705,299	\$ 372,834,742	\$ 485,342,461	\$ 492,313,051	\$ 510,326,673	\$ 523,710,809	\$ 518,261,289
Restricted	3,930,459	3,166,944	3,751,501	2,769,016	3,958,325	3,958,848	4,041,954	3,959,892	3,960,404	3,722,693
Unrestricted(Deficit)	5,666,173	51,301	(8,587,822)	(3,750,025)	(5,874,101)	(16,495,186)	(20,035,941)	(24,028,572)	(15,504,876)	(56,733,092)
Total business-type activities net position	\$ 342,305,364	\$ 354,471,275	\$ 357,092,421	\$ 367,724,290	\$ 370,918,966	\$ 472,806,123	\$ 476,319,064	\$ 490,257,993	\$ 512,166,337	\$ 465,250,890
Primary government										
Invested in capital assets, net of related debt	\$ 827,723,776	\$ 857,997,223	\$ 869,061,598	\$ 887,099,334	\$ 913,073,129	\$ 993,198,706	\$ 1,017,363,583	\$ 1,037,731,029	\$ 1,021,992,530	\$ 966,017,267
Restricted	51,952,242	55,684,377	65,161,358	69,143,451	55,967,213	70,090,202	155,613,706	138,548,241	231,200,021	221,415,453
Unrestricted(Deficit)	(315,587)	(28,883,740)	(54,989,967)	(69,971,017)	(93,018,759)	(191,336,091)	(332,393,285)	(370,788,878)	(466,005,901)	(668,460,579)
Total primary government net position	\$ 879,360,431	\$ 884,797,860	\$ 879,232,989	\$ 886,271,768	\$ 876,021,583	\$ 871,952,817	\$ 840,584,004	\$ 805,490,392	\$ 787,186,650	\$ 518,972,141

Unaudited - see accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA
 CHANGES IN NET POSITION, LAST TEN YEARS
 (accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 41,202,664	\$ 35,773,877	\$ 32,327,417	\$ 36,368,232	\$ 45,631,827	\$ 50,522,532	\$ 52,871,070	\$ 59,180,755	\$ 55,486,934	\$ 29,837,534
Public safety	86,563,843	106,967,208	112,101,951	114,755,487	120,370,342	128,009,588	132,296,947	129,986,772	130,048,046	128,387,069
Public works	47,526,978	50,734,669	54,436,508	49,697,351	54,493,585	55,707,874	54,861,069	55,054,294	54,417,093	53,377,050
Culture and recreation	22,528,381	23,458,242	24,552,571	24,444,194	24,340,798	22,601,155	22,298,863	23,634,459	23,249,858	23,951,836
Health and welfare	431,756	586,125	352,321	224,472	364,424	334,526	25,854	14,760	13,602	108,878
Community development	4,094,946	6,380,100	4,945,019	4,409,060	5,136,142	5,866,418	4,517,472	4,663,450	5,495,408	3,880,501
Economic development	6,823,742	7,098,377	7,752,605	6,585,469	5,763,806	3,441,846	4,462,780	4,576,357	3,657,075	3,505,893
Economic opportunity	3,613,591	3,049,514	3,501,904	6,850,646	3,689,216	2,714,400	2,609,908	2,558,968	2,558,816	2,143,306
Interest on long-term debt	15,539,408	14,476,239	12,803,169	13,421,295	10,923,435	9,910,030	11,331,384	9,509,948	9,321,094	11,030,882
Total governmental activities expenses	228,325,309	248,524,351	252,773,465	256,756,206	270,713,575	279,108,369	285,275,347	289,179,763	284,247,926	256,222,948
Business-type activities										
Municipal and Regional Airports	11,755,786	12,342,488	13,838,731	15,011,292	15,175,747	15,922,093	15,414,301	15,490,057	15,615,759	14,596,911
Water and Sewerage	54,485,362	54,903,981	56,098,592	54,476,538	53,055,547	54,096,547	58,346,912	59,722,975	63,354,907	63,817,718
Convention Center	-	-	-	-	-	6,694,097 (1)	6,969,925	6,811,134	7,102,290	7,863,035
Convention Center Hotel	1,967,861	7,781,837	13,085,201	12,931,427	13,535,949	13,424,358	12,867,218	12,510,097	12,149,036	10,716,085
Shreveport Area Transit System	11,293,961	12,562,076	14,155,118	13,993,824	13,843,465	15,240,703	15,804,741	16,439,796	16,644,288	15,628,664
Golf	1,699,369	1,934,772	1,885,373	1,727,208	1,489,766	1,373,739	1,310,004	1,029,810	1,316,897	4,292,902
Downtown Parking	425,666	436,200	451,000	466,000	419,280	417,809	423,433	419,280	419,280	349,566
Total business-type activities expenses	81,628,005	89,961,354	99,514,015	98,606,289	97,519,754	107,169,346	111,136,534	112,423,149	116,602,457	117,264,881
Total primary government expenses	\$ 309,953,314	\$ 338,485,705	\$ 352,287,480	\$ 355,362,495	\$ 368,233,329	\$ 386,277,715	\$ 396,411,881	\$ 401,602,912	\$ 400,850,383	\$ 373,487,829

(continued)

(1) 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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues										
Governmental Activities										
Charges for services:										
Public safety	\$ 9,203,269	\$ 9,026,836	\$ 8,473,486	\$ 9,220,566	\$ 10,053,128	\$ 10,026,553	\$ 10,115,288	\$ 12,868,050	\$ 11,196,830	\$ 10,767,228
Public works	11,585,956	11,861,491	11,371,166	13,832,164	15,737,329	17,439,141	16,940,167	15,817,405	14,925,161	22,351,362
Other activities	1,149,882	795,440	677,024	309,938	480,671	308,550	438,991	305,041	281,880	1,604,519
Operating grants and contributions	15,634,442	17,268,873	19,503,074	23,733,763	19,440,207	20,941,429	18,342,548	17,205,002	15,912,520	17,478,683
Capital grants and contributions	12,399,644	9,200,892	4,403,430	3,022,403	2,079,020	6,727,297	3,591,188	2,392,234	1,993,674	49,982
Total governmental activities program revenues:	<u>49,973,193</u>	<u>48,153,532</u>	<u>44,428,180</u>	<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>
Business-type activities										
Charges for services:										
Municipal and Regional Airports	7,967,886	9,091,820	9,833,275	8,564,049	9,533,588	10,117,819	10,159,922	10,658,288	10,961,308	10,102,240
Water and Sewerage	58,589,864	56,502,400	58,517,927	58,177,800	63,361,068	66,775,465	58,634,935	61,742,737	75,259,282	75,961,390
Convention Center	-	-	-	-	-	2,262,319 (2)	2,437,396	2,013,793	2,552,784	2,873,802
Convention Center Hotel	-	4,674,048 (1)	11,018,851	11,141,947	11,934,328	11,631,259	11,012,614	11,109,856	11,283,028	11,666,633
Shreveport Area Transit System	2,179,884	2,380,408	2,545,666	2,583,705	2,601,316	2,695,670	2,723,380	2,842,739	3,076,104	2,344,315
Golf	1,446,980	1,372,161	1,374,572	1,196,859	1,148,443	1,010,625	957,807	785,516	1,084,133	1,106,515
Downtown Parking	577,620	596,426	630,648	623,988	613,876	613,524	653,945	581,154	562,091	460,687
Operating grants and contributions	4,288,852	3,489,645	5,068,237	5,490,761	6,077,306	5,169,564	5,898,980	6,174,220	6,362,042	5,742,865
Capital grants and contributions	14,997,350	13,301,924	8,477,153	13,796,684	9,771,827	14,080,038	8,558,562	6,644,821	8,811,969	5,769,680
Total business-type activities program revenues	<u>90,048,436</u>	<u>91,408,832</u>	<u>97,466,329</u>	<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>
Total primary government program revenues	<u>\$ 140,021,629</u>	<u>\$ 139,562,364</u>	<u>\$ 141,894,509</u>	<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>
Net(Expense) Revenue										
Governmental activities	\$ (178,352,116)	\$ (200,370,819)	\$ (208,345,285)	\$ (206,637,372)	\$ (222,923,220)	\$ (223,665,399)	\$ (235,847,165)	\$ (240,592,031)	\$ (239,937,861)	\$ (203,971,174)
Business-type activities	8,420,431	1,447,478	(2,533,242)	2,969,504	7,521,998	7,186,937	(10,098,993)	(9,870,025)	3,350,284	(1,236,754)
Total primary government net expense	<u>\$ (169,931,685)</u>	<u>\$ (198,923,341)</u>	<u>\$ (210,878,527)</u>	<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>

(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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 54,196,554	\$ 54,192,772	\$ 57,452,405	\$ 58,542,857	\$ 60,397,983	\$ 61,892,794	\$ 58,031,369	\$ 59,428,155	\$ 59,842,135	\$ 56,414,985
Sales taxes	109,163,966	105,404,839	109,226,148	105,947,678	113,990,284	117,161,088	113,068,390	114,192,366	119,809,168	117,900,678
Franchise taxes	7,635,287	7,749,311	7,914,581	7,290,551	7,780,000	7,822,649	7,512,211	7,750,603	7,661,160	7,911,173
Occupational licenses	6,276,736	6,597,061	6,549,432	6,659,033	6,760,523	7,005,960	7,175,204	7,306,835	7,289,383	7,433,349
Gaming	12,273,760	12,366,888	12,931,726	12,931,910	12,457,759	12,326,597	11,925,489	11,003,579	10,241,584	10,035,079
Unrestricted grants and contributions	3,878,809	3,677,032	3,368,399	3,961,292	3,641,977	3,510,589	3,398,492	1,886,334	2,762,622	1,233,863
Investment earnings	5,124,099	5,568,888	4,115,495	1,163,022	435,482	550,198	861,704	534,354	420,727	598,673
Miscellaneous	4,133,123	3,554,655	3,653,651	10,833,738	7,578,232	8,252,475	12,558,552	12,232,148	11,571,074	10,351,367
Transfers	(3,328,336)	(5,469,109)	(5,052,569)	(4,285,799)	(3,563,881)	(100,815,874) (1)	(13,566,000)	(20,703,921)	(19,872,078)	(19,144,109)
Total governmental activities	<u>199,353,998</u>	<u>193,642,337</u>	<u>200,159,268</u>	<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>
Business-type activities:										
Investment earnings (loss)	6,112,293	5,249,324	101,819	2,580,624	(2,528,522)	(6,115,654)	45,934	5,846,715	(1,314,018)	1,081,568
Miscellaneous	-	-	-	795,942	2,170	-	-	-	-	(14,401,995)
Transfers	3,328,336	5,469,109	5,052,569	4,285,799	3,563,881	100,815,874 (1)	13,566,000	20,703,921	19,872,078	19,144,109
Total business-type activities	<u>9,440,629</u>	<u>10,718,433</u>	<u>5,154,388</u>	<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>
Total primary government	<u>\$ 208,794,627</u>	<u>\$ 204,360,770</u>	<u>\$ 205,313,656</u>	<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>
Change in Net Position										
Governmental activities	\$ 21,001,882	\$ (6,728,482)	\$ (8,186,017)	\$ (3,593,090)	\$ (13,444,861)	\$ (105,955,923)	\$ (34,881,754)	\$ (46,961,578)	\$ (40,212,086)	\$ (11,236,116)
Business-type activities	17,861,060	12,165,911	2,621,146	10,631,869	8,559,527	101,887,157	3,512,941	16,680,611	21,908,344	4,586,928
Total primary government	<u>\$ 38,862,942</u>	<u>\$ 5,437,429</u>	<u>\$ (5,564,871)</u>	<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>

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

Unaudited - see accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN YEARS
 (modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable	\$ 1,095,980	\$ 1,268,611	\$ 1,267,226	\$ 1,529,818	\$ 1,302,722	\$ 1,521,316	\$ 1,582,251	\$ 1,457,442	\$ 1,622,361	\$ 1,601,762
Restricted	-	-	-	-	-	-	-	43,187	122,404	206,168
Assigned	8,406,811	6,341,925	6,242,982	5,192,490	9,001,311	6,672,603	8,235,732	7,353,477	10,210,582	9,907,967
Unassigned	10,327,081	5,224,682	3,009,981	13,930,927	11,458,224	9,805,320	6,429,096	4,137,247	4,036,252	1,257,328
Total General Fund	<u>\$ 19,829,872</u>	<u>\$ 12,835,218</u>	<u>\$ 10,520,189</u>	<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>
All Other Governmental Funds										
Restricted	\$ 106,847,013	\$ 101,381,672	\$ 99,830,365	\$ 97,498,999	\$ 76,580,843	\$ 177,217,086	\$ 154,952,867	\$ 135,712,949	\$ 229,202,191	\$ 204,022,094
Unassigned	-	-	-	-	-	(460,762)	(1,729,116)	(918,267)	(1,578,868)	-
Total all other governmental funds	<u>\$ 106,847,013</u>	<u>\$ 101,381,672</u>	<u>\$ 99,830,365</u>	<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>

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 170,919,781	\$ 168,009,381	\$ 173,109,183	\$ 171,405,070	\$ 182,891,465	\$ 187,282,626	\$ 179,323,323	\$ 180,915,510	\$ 187,814,734	\$ 183,390,846
Licenses and permits	8,144,443	8,755,409	8,379,559	8,591,789	8,945,467	9,126,196	9,159,315	9,333,071	9,554,623	9,578,009
Intergovernmental	22,112,233	21,710,733	24,240,070	27,747,701	24,073,617	25,510,000	23,012,567	19,327,161	18,754,217	17,477,915
Charges for services	20,184,618	19,251,533	18,681,539	21,992,151	24,381,786	25,562,367	25,786,275	27,764,494	24,519,238	23,381,449
Fines and forfeitures	3,555,633	3,462,609	3,319,902	3,460,862	3,553,996	3,832,276	3,377,228	3,002,987	3,210,062	2,510,504
Gaming	12,273,760	12,366,888	12,931,726	12,931,910	12,457,759	12,326,597	11,925,489	11,003,579	10,241,584	10,035,079
Investment earnings	4,423,360	4,780,092	3,257,053	949,243	324,785	395,837	664,659	444,336	351,591	539,595
Miscellaneous	4,133,123	3,554,655	3,653,651	10,833,738	7,578,232	8,252,475	12,558,552	12,232,148	11,571,074	12,752,087
Total revenues	<u>245,746,951</u>	<u>241,891,300</u>	<u>247,572,683</u>	<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>
Expenditures										
General government	38,900,339	37,204,737	34,638,892	30,099,483	40,898,671	33,670,983	33,754,118	36,770,691	36,118,397	39,708,557
Public safety	90,574,313	91,446,018	96,639,536	94,952,030	104,102,246	109,360,999	114,152,950	110,841,564	108,919,662	110,000,160
Public works	34,062,025	36,218,897	37,036,813	35,257,799	40,134,184	43,626,714	40,188,370	38,571,558	39,577,765	37,354,544
Culture and recreation	12,998,481	14,158,892	15,840,773	14,609,505	15,214,547	15,576,293	16,419,548	16,433,993	16,135,262	17,621,679
Health and welfare	431,756	573,832	339,700	209,710	350,176	319,316	11,841	-	-	108,878
Community development	3,477,313	4,766,654	4,138,744	3,881,994	4,593,147	5,375,401	3,957,114	4,043,129	4,844,285	3,402,083
Economic development	6,823,742	7,030,767	7,670,569	6,504,277	5,678,318	3,358,194	4,385,707	4,502,555	3,589,063	3,505,893
Economic opportunity	3,613,591	2,834,390	3,281,038	6,592,309	3,439,875	2,448,233	2,364,677	2,367,082	2,402,389	2,143,306
Capital outlay	24,414,447	17,058,735	14,117,197	7,210,328	6,645,730	7,188,534	7,609,546	17,563,135	16,550,444	16,638,321
Debt service										
Principal	26,517,782	28,128,374	28,764,098	32,309,943	50,311,347	26,645,341	51,542,365	23,738,712	20,068,059	24,671,368
Interest	14,648,081	13,975,345	12,187,938	13,765,069	11,421,559	8,848,980	12,004,912	10,059,930	9,142,698	11,595,965
Bond issuance cost	-	52,735	833,170	-	358,682	701,646	-	-	860,175	471,440
Total expenditures	<u>256,461,870</u>	<u>253,449,376</u>	<u>255,488,468</u>	<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>
Excess(deficiency) of revenues over (under) expenditures	<u>(10,714,919)</u>	<u>(11,558,076)</u>	<u>(7,915,785)</u>	<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>
Other Financing Sources(Uses)										
Bonds issued	-	-	-	-	-	81,500,000	-	-	93,500,000	-
Refunding bonds issued	-	-	52,850,000	-	-	-	-	-	-	24,205,000
Premium on debt issued	-	-	534,977	-	379,132	7,603,061	-	-	14,392,041	2,521,090
Certificate of indebtedness issued	-	-	-	-	14,995,000	-	-	-	-	-
Capital leases	6,185,810	4,292,190	6,187,239	-	2,337,440	-	8,865,007	-	-	-
Payments to refunded bond escrow age	-	-	(49,170,198)	-	(15,015,450)	-	-	-	-	(26,644,875)
Swap termination payment	-	-	(1,300,000)	-	-	-	-	-	-	-
Transfers in	32,148,537	31,249,879	31,923,157	27,020,204	28,100,857	27,056,191	28,141,986	28,891,695	18,511,141	17,897,431
Transfers out	(35,436,873)	(36,443,988)	(36,975,726)	(31,738,541)	(31,664,738)	(34,914,529)	(41,707,986)	(49,707,427)	(38,383,219)	(37,041,539)
Total other financing sources(uses)	<u>2,897,474</u>	<u>(901,919)</u>	<u>4,049,449</u>	<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>
Net change in fund balances	<u>\$ (7,817,445)</u>	<u>\$ (12,459,995)</u>	<u>\$ (3,866,336)</u>	<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>
Debt service as a percentage of noncapital expenditures	17.7%	17.8%	17.3%	19.3%	22.5%	14.5%	22.8%	13.7%	12.4%	14.7%

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
2006	\$ 486,846	\$ 673,164	\$ 1,160,010	46.64%	\$ 10,244,280	11.32%
2007	501,981	671,729	1,173,710	46.64	10,363,476	11.33
2008	571,963	729,434	1,301,397	44.54	11,589,120	11.23
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 (1)	39.70	13,375,262	11.24
2015	737,351	790,153	1,527,154	36.65	13,591,787	11.24

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, 2012. The next revaluation will be completed as of January 1, 2016 for the 2016 tax roll. Tax rates are per \$1,000 of assessed value.

(1) Included in the total assessed value of property within the City is \$9,683 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
2006	27.82	10.99	1.57	1.19	1.19	1.19	1.80	0.89	46.64	81.73	37.31	165.68
2007	27.82	10.99	1.57	1.19	1.19	1.19	1.80	0.89	46.64	80.65	37.31	164.60
2008	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	82.81	35.14	162.49
2009	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	78.20	35.14	157.88
2010	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	78.20	35.14	157.88
2011	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	78.20	35.14	157.88
2012	22.05	10.30	1.47	1.12	1.12	1.12	1.69	0.83	39.70	78.20	35.14	153.04
2013	22.05	10.30	1.47	1.12	1.12	1.12	1.69	0.83	39.70	78.20	35.14	153.04
2014	22.05	10.30	1.47	1.12	1.12	1.12	1.69	0.83	39.70	78.20	35.14	153.04
2015	19.00	10.30	1.47	1.12	1.12	1.12	1.69	0.83	36.65	74.66	34.94	146.25

(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

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
AEP Southwestern Electric Power Company	\$ 51,548,100	1	3.0%	\$ 42,395,660	1	3.7%
Calumet Lubricants	22,696,140	2	1.2	10,679,340	8	0.6
Bell South	11,918,530	3	0.9	23,442,160	2	2.1
Wal-Mart	10,633,746	4	0.8	8,014,210	6	0.8
Capital One	10,270,100	5	0.7	10,720,850	4	1.1
Regions Bank	8,418,489	6	0.7	11,193,200	-	-
Centerpoint Energy	8,259,120	7	0.7	7,032,750	5	1.0
JP Morgan Chase Bank	7,687,883	8	0.6	6,618,180	9	0.6
IREIT Shreveport Regal Court, LLC	4,977,793	9	0.5	-	3	1.6
BJ Services Company	4,781,430	10	0.5	-	7	0.6
Sam's Town	-	-	-	17,592,380	10	-
Libby Glass	-	-	-	6,098,130	-	-
	-	-	-	-	-	0.5
	<u>\$ 141,191,331</u>		<u>9.6%</u>	<u>\$ 143,786,860</u>		<u>12.6%</u>

Unaudited - see accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA
Property Tax Levies and Collections
Last Ten Years

Year Ended December 31,	Taxes Levied for the Year	Collected within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 54,535,297	\$ 41,076,693	75.3	\$ 12,235,741	\$ 53,312,435	97.8%
2007	55,130,275	44,426,316	80.6	9,797,511	54,223,827	98.4
2008	58,421,540	41,480,921	71.0	15,338,615	56,819,536	97.3
2009	59,236,967	41,889,578	70.7	15,875,672	57,765,250	97.5
2010	60,974,524	43,965,388	72.1	15,211,490	59,176,878	97.1
2011	61,875,991	48,969,445	79.1	11,317,501	60,286,946	97.4
2012	58,285,191	46,570,605	79.9	10,438,058	57,008,663	97.8
2013	59,167,413	44,608,285	75.4	13,400,321	58,008,605	98.0
2014	59,673,655	42,808,850	71.7	15,435,749	58,244,599	97.6
2015	55,983,017	47,419,429	84.7	-	47,419,429	84.7

Unaudited - see accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA
TAXABLE SALES BY CATEGORY
LAST TEN YEARS
(dollars in thousands)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Motor vehicle dealers	\$ 355,024	\$ 355,111	\$ 352,186	\$ 296,797	\$ 338,048	\$ 355,903	\$ 383,516	\$ 399,335	\$ 416,102	\$ 409,966
Restaurant, food services and drinking places	304,988	324,109	350,012	349,599	368,846	387,584	398,130	399,637	422,097	436,275
Discount stores	278,608	298,463	344,308	344,958	337,130	329,741	321,133	320,610	313,209	317,414
Grocery stores	348,106	303,178	311,557	313,897	339,339	347,203	358,057	358,774	359,222	364,369
Department stores	125,978	131,233	129,234	125,391	130,370	133,183	129,848	124,666	120,540	122,590
Miscellaneous general merchandise stores	121,428	126,020	132,498	134,135	141,453	145,860	153,232	157,961	155,202	142,565
Drug stores	133,956	125,768	122,707	121,495	123,124	122,653	128,210	129,714	131,297	139,293
Lumber and other building materials dealers	116,530	119,006	122,095	116,038	122,498	124,232	126,412	130,991	126,160	127,344
Wholesale - machinery, equipment and supplies	116,671	138,445	141,943	135,353	163,050	162,277	138,198	131,008	146,945	120,782
Wholesale - professional and commercial equipment	96,333	111,632	119,797	124,317	120,942	127,079	126,233	127,280	150,374	161,885
All others	<u>1,906,431</u>	<u>1,791,539</u>	<u>1,793,876</u>	<u>1,830,375</u>	<u>1,938,100</u>	<u>2,062,456</u>	<u>1,870,476</u>	<u>1,872,615</u>	<u>2,012,783</u>	<u>1,990,503</u>
Total	<u>\$ 3,904,053</u>	<u>\$ 3,824,504</u>	<u>\$ 3,920,213</u>	<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>
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>
2006	2.75	1.50	0.35	4.00	8.60
2007	2.75	1.50	0.35	4.00	8.60
2008	2.75	1.50	0.35	4.00	8.60
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

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**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	Tax Liability	Tax Liability	Tax Liability	Tax Liability	Tax Liability	Tax Liability	Tax Liability	Tax Liability	Tax Liability
Retail trade	\$ 66,868,050	\$ 69,134,367	\$ 67,052,000	\$ 70,424,851	\$ 72,388,451	\$ 73,575,215	\$ 74,537,809	\$ 75,233,688	\$ 75,300,541
Services	15,769,308	16,295,689	16,273,181	17,554,911	18,370,738	17,706,280	16,830,868	18,742,751	20,132,251
Wholesale Trade	16,838,019	17,444,320	16,311,724	18,516,602	19,624,037	16,685,163	16,874,399	18,833,822	17,908,432
Transportation, communications, electric, and gas	1,324,469	1,435,385	1,412,211	1,540,652	1,742,285	1,309,172	1,504,851	1,973,396	1,903,462
Manufacturing	3,091,773	1,705,805	1,548,868	1,452,756	1,491,183	1,316,033	1,125,528	925,950	807,423
Other	926,510	1,015,865	2,438,234	998,816	907,987	1,150,457	807,415	794,909	819,597
Construction	860,171	1,064,320	1,111,438	1,434,632	1,146,763	1,121,224	1,024,641	883,028	1,071,438
Mining	378,032	901,043	555,957	1,124,557	2,189,999	564,954	1,317,105	2,165,834	1,055,407
Finance, insurance, and real estate	190,785	192,309	184,351	167,256	180,255	180,264	117,435	109,475	94,506
Agricultural	93,873	104,004	100,890	113,984	113,060	20,505	23,713	24,720	19,944
Government	50,178	50,545	50,907	50,712	44,963	40,549	32,498	45,547	44,158
Total	<u>\$106,391,168</u>	<u>\$ 109,343,652</u>	<u>\$ 107,039,761</u>	<u>\$ 113,379,729</u>	<u>\$118,199,721</u>	<u>\$113,669,818</u>	<u>\$114,196,262</u>	<u>\$119,733,120</u>	<u>\$119,157,159</u>

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 Revenue Bonds	Municipal and Regional Airports Loan	Water and Sewerage Revenue Bonds	Water and Sewerage Loan	Convention Center Hotel Loan	Capital Leases			
2006	\$ 244,913	\$ 34,382	\$ 33,437	\$ 13,410	\$ 22,000	\$ 859	\$ 153,785	\$ 75,000	\$ 42,365	\$ 845	\$ 620,996	7.3	3,061
2007	225,414	30,681	32,430	14,379	21,278	848	179,320	75,000	42,288	602	622,240	6.7	3,111
2008	205,408	26,794	33,580	17,447	-	38,194	166,283	75,000	39,591	1,564	603,861	6.4	3,028
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	N/A	3,521

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)

Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	City Per Capita
2006	\$ 244,913	\$ 44,276	\$ 200,637	1.96%	\$ 989
2007	225,414	48,460	176,954	1.71	885
2008	205,408	55,879	149,529	1.29	750
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

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, 2015
 (dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Caddo Parish Commission	\$ 34,232	70.8%	\$ 24,236
Caddo Parish School Board	116,354	70.8	82,379
Subtotal, Overlapping Debt			106,615
City direct debt			262,427
Total direct and overlapping debt			\$ 369,042

Sources: Assessed value data used to estimate applicable percentages provided by the Caddo Parish Tax Assessor.
 Debt outstanding data 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)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 409,249	\$ 413,713	\$ 459,083	\$ 465,514	\$ 479,144	\$ 486,228	\$ 513,849	\$ 521,627	\$ 526,090	\$ 534,626
Total debt applicable to limit	<u>237,602</u>	<u>220,716</u>	<u>202,147</u>	<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>
Legal debt margin	<u>\$ 171,647</u>	<u>\$ 192,997</u>	<u>\$ 256,936</u>	<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>
Total debt applicable to the limit as a percentage of debt limit	58.06%	53.35%	44.03%	39.34%	29.81%	42.84%	32.38%	28.67%	43.39%	38.76%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	\$ 1,527,504
Debt limit (35% of total assessed value)	534,626
Debt applicable to limit:	
General obligation bonds	<u>207,210</u>
Legal debt margin	<u>\$ 327,416</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
PLEDGED REVENUE COVERAGE
LAST TEN YEARS

Year	Gross Revenues(1)	Less: Operating Expenses(2)(3)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2006	\$ 63,131,449	\$ 36,874,335	26,257,114	\$ 11,782,506	\$ 4,766,703	\$ 16,549,209	1.59%
2007	60,876,054	34,081,657	26,794,397	12,370,601	5,079,611	17,450,212	1.54
2008	60,944,320	36,200,116	24,744,204	12,755,277	4,759,719	17,514,996	1.41
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	9,898,232	4,318,615	14,216,847	2.61
2015	77,688,814	40,007,959	37,680,855	13,412,827	8,326,290	21,739,117	1.73

(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. The costs associated with Pension costs under GASB68 are excluded beginning in 2015.

Unaudited - see accompanying independent auditor's report.

CITY OF SHREVEPORT, LOUISIANA
MUNICIPAL AND REGIONAL AIRPORT'S
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	Principal	Debt Service (3 & 4) Interest	Total	Coverage
2006	\$ 9,017,059	\$ 7,353,327	\$ 1,663,732	\$ 1,508,800	\$ 3,172,532	\$ -	\$ 523,861	\$ 523,861	6.06
2007	9,781,072	7,599,917	2,181,155	1,277,800	3,458,955	-	438,199	438,199	7.89
2008	10,180,016 (5)	7,730,899	2,449,117	2,329,500	4,778,617	10,000	930,930	940,930	5.08
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

- (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 coverage computation. 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
2006	202,851	251,577	\$ 8,501,158	33,539	4.0
2007	200,031	252,609	9,348,950	37,029	4.5
2008	199,379	252,895	9,427,392	37,319	6.8
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	N/A	N/A	N/A	5.5

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 CITY, METROPOLITAN AREA
 CURRENT YEAR AND NINE YEARS AGO

Employer	2015			2006		
	Employees	Rank	Percentage of Area Employment	Employees	Rank	Percentage of Area Employment
Barksdale Air Force Base	10,284	1	5.76 %	9,423	2	5.47 %
Caddo Parish School Board	6,815	2	3.82	6,289	3	3.65
State of Louisiana	6,549	3	3.67	13,522	1	7.85
LSU Health Sciences Center	6,200	4	3.47	5,902	4	3.43
Willis Knighton Health System	6,145	5	3.44	4,306	5	2.50
Bossier Parish School System	2,926	6	1.63	2,633	9	1.53
City of Shreveport	2,814	7	1.53	2,731	8	1.59
Wal-Mart/Sam's Stores	2,006	8	-	-	-	-
Harrah's/Horseshoe	1,800	9	1.01	3,332	6	1.94
Christus Schumpert Health System	1,800	10	1.01	2,074	10	1.20
General Motors	-		-	3,002	7	1.74
Total	47,339		25.34 %	53,214		30.90 %

Source: Louisiana Tech University, College of Business

Unaudited - see accompanying independent auditors' report.

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

Full-time Equivalent City Government Employees by Function as of December 31

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	265	274	272	276	269	278	274	275	274	281
Public safety	1,320	1,316	1,348	1,356	1,378	1,398	1,404	1,377	1,385	1,408
Public works	431	422	426	401	383	383	389	398	397	403
Culture and recreation	264	268	252	244	235	258	253	259	255	256
Health and welfare	2	2	2	2	2	2	2	2	2	2
Community development	10	10	10	9	9	9	9	9	9	9
Economic development	10	11	13	11	12	11	11	10	10	7
Economic opportunity	34	35	35	35	35	35	35	26	23	23
Municipal and Regional Airports	82	80	82	82	82	70	68	75	76	81
Water and Sewerage	303	310	320	317	289	265	284	284	323	326
Convention Center (1)	-	-	-	-	-	-	-	-	-	-
Convention Center Hotel (1)	-	-	-	-	-	-	-	-	-	-
Shreveport Area Transit System (1)	-	-	-	-	-	-	-	-	-	-
Golf	30	30	30	25	23	23	23	14	18	18
Downtown Parking (1)	-	-	-	-	-	-	-	-	-	-
Total	2,751	2,758	2,790	2,758	2,717	2,732	2,752	2,729	2,772	2,814

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

Unaudited - see accompanying independent auditors' report.

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

Function/Program	Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Property standards inspections made	46,000	30,600	30,800	28,172	30,810	30,000	32,000	50,000	50,000	65,600
Lots cut	10,000	6,739	9,700	9,223	9,220	8,019	10,000	15,000	14,500	18,500
Public safety										
Prisoners booked in City jail	12,400	12,721	13,500	13,628	13,160	16,461	16,856	15,000	13,419	13,858
Offense reports processed	29,678	30,000	30,000	32,189	29,340	29,340	30,310	35,500	27,822	28,315
Traffic citations issued	43,000	40,000	40,000	42,692	50,286	55,912	58,934	59,044	50,926	37,087
Fires reported	1,730	1,431	1,473	1,403	1,337	1,538	1,330	1,050	1,200	1,210
Fire responses	33,800	36,000	35,500	36,701	36,802	37,822	38,000	37,000	38,500	39,000
Fire inspections	14,484	10,174	9,700	17,000	9,811	9,237	9,960	18,398	16,054	16,430
EMS responses	25,000	25,573	25,506	26,308	29,167	30,117	30,250	30,300	30,300	31,600
Public works										
Refuse collected (tons)	141,000	135,600	137,400	137,400	137,400	137,400	135,600	119,450 (1)	92,000	92,000
Building permits issued	4,400	3,400	3,200	2,682	1,777	1,161	2,764	1,950	2,796	2,140
Asphalt repairs	1,564	2,000	1,564	2,000	2,000	3,000	2,453	2,300	2,400	2,500
Street resurfacing (miles)	52	74	40	52	52	15	10	10	15	15
Culture and recreation										
Events at all facilities	346	291	267	227	244	293	240	531	579	967
Acres of City parks maintained	21,171	23,450	23,450	22,315	22,315	22,315	23,450	23,450	23,450	23,450
Participants in team sports	10,000	9,000	8,935	8,935	8,935	9,830	9,400	9,400	9,400	9,090
Program participants	38,000	38,000	37,900	37,900	37,900	37,900	40,250	40,500	40,500	44,400
Community development										
Programs funded	52	67	66	54	54	56	41	43	39	43
Economic development										
Housing units assisted	170	169	176	209	209	88	95	103	151	111
Small business loans	12	3	-	-	1	1	3	2	1	-
Economic opportunity										
Participants served	4,854	11,943	12,098	14,180	19,987	29,035	32,000	28,778	28,600	19,950
Municipal and Regional Airports										
Capital projects managed	20	15	19	15	16	16	16	26	11	20
Contracts/leases monitored	251	261	280	300	300	389	395	395	395	395
Water and Sewerage										
Water treated and pumped per day (MGD)	36	37	37	37	37	37	37	37	37	37
Wastewater treated per day (MGD)	37	37	37	37	37	37	37	37	37	37
Water mains (miles)	1,089	1,100	1,144	1,104	1,104	1,135	1,144	1,150	1,152	1,152
Sewer mains (miles)	1,144	1,150	1,196	1,077	1,077	1,088	1,093	1,105	1,106	1,106
Fire hydrants	7,310	7,350	7,400	7,310	7,064	7,074	7,084	7,084	7,100	7,111
Shreveport Area Transit System										
Passenger trips (thousands)	3,145	3,383	3,400	3,400	3,400	3,400	3,400	3,400	3,100	3,163
Golf										
Golf rounds played	76,200	70,059	62,343	51,466	51,466	38,310	36,109	28,811	47,170 (2)	37,700
Downtown Parking										
Citations issued	42,000	42,000	42,000	43,000	25,000	20,338	22,000	26,600	20,000	16,839

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**

	Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Functions:										
Public Safety										
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Patrol Units	364	312	302	304	305	307	321	296	297	302
Fire Stations	21	22	22	22	22	22	22	22	22	22
Police and fire academy facility	1	1	1	1	1	1	1	1	1	1
City courts facility	1	1	1	1	1	1	1	1	1	1
Public Works:										
Collection Trucks	52	52	52	54	64	66	68	68	68	67
Streets (miles)	1,998	2,200	2,500	2,700	2,959	3,326	3,326	3,326	3,326	2,700
Street lights	30,085	30,085	30,085	30,100	30,100	30,100	30,100	30,100	30,100	30,102
Traffic signals	350	350	351	351	351	351	351	353	353	347
Culture and recreation										
Parks acreage	1,783	1,783	1,783	1,783	1,783	1,808	1,773	1,773	1,773	1,773
Number of playgrounds	46	46	46	46	46	53	45	45	45	45
Number of picnic areas	42	42	42	42	42	42	44	44	44	44
Swimming pools	11	11	10	10	10	9	8	8	8	8
Tennis courts	29	29	29	29	29	29	29	29	29	29
Community centers	20	20	21	21	21	16	17	17	17	17
Baseball park	1	1	1	1	1	1	1	2	2	2
Multipurpose stadium	1	1	1	1	1	1	1	1	1	1
Auditorium	1	1	1	1	1	1	1	1	1	1
Theater	1	1	1	1	1	1	1	1	1	1
Coliseum	1	1	1	1	1	1	1	1	1	1
Convention center	1	1	1	1	1	1	1	1	1	1
Softball and soccer complex	1	1	1	1	1	1	1	1	1	1
Stage works movie facility	1	1	1	1	1	1	1	1	1	1
Planetariums	2	2	2	2	1	1	1	1	1	1
Hotel	-	1	1	1	1	1	1	1	1	1
Municipal and Regional Airports:										
Number of airports	2	2	2	2	2	2	2	2	2	2
Water and Sewerage:										
Number of water accounts	67,050	67,465	68,000	68,435	68,989	69,300	69,500	69,500	69,500	65,543
Water mains (miles)	1,089	1,097	1,144	1,104	1,104	1,135	1,144	1,150	1,150	1,170
Fire Hydrants	7,310	7,350	7,400	7,310	7,350	7,074	7,084	7,084	7,100	7,120
Maximum daily capacity (thousands of gallons)	80,000	80,000	90,000 (2)	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Number of water storage tanks	13	10 (1)	10	10	10	10	10	11	11	11
Capacity of water storage tanks	35,000,000	35,000,000	35,500,000	35,500,000	35,500,000	35,500,000	35,500,000	35,500,000	35,500,000	35,500,000
Number of sewerage accounts	63,701	63,987	64,000	64,300	64,854	65,165	65,365	65,786	66,000	64,700
Sanitary sewers (miles)	1,063	1,072	1,196	1,077	1,077	1,088	1,092	1,105	1,103	1,130
Storm sewers (miles)	232	233	233	233	233	233	233	233	233	233
Maximum daily treatment capacity (thousands of gallons)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Golf:										
Number of municipal golf courses	3	3	3	3	3	3	3	3	3	3
Shreveport Area Transit System:										
Number of transit buses	28	46	47	46	52	54	55	52	47	49
Number of transit liftline vehicles	12	17	13	12	14	15	15	18	21	20

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.

(1) Three tanks retired from Capital Asset Records

(2) Amiss Water Treatment Plant improvements

N/A - Statistical information is not available.

Unaudited - see accompanying independent auditors' report.



**CITY OF SHREVEPORT
Shreveport, Louisiana**

Single Audit Report

December 31, 2015

(With Independent Auditors' Reports Thereon)

CITY OF SHREVEPORT

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Carr, Riggs & Ingram, LLC
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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 Ollie S. Tyler, 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 the 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 (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 31, 2016. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on the City's financial statements. The 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 the 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs listed as 2015-001, 2015-002, 2015-003, 2015-004, and 2015-006 to be material weaknesses.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2015-005.

We noted certain matters that we reported to management of the City, in a separate letter dated August 31, 2016.

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 finding 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 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 31, 2016



Carr, Riggs & Ingram, LLC
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Shreveport, LA 71104

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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 Ollie S. Tyler, 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 (the 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, 2015. 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 the federal statutes, regulations, contracts, 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, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of finding and questioned costs as items 2015-006, 2015-007, and 2015-008. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-006 that we consider to be a material weakness. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-007 and 2015-008 that we consider to be significant deficiencies.

The City's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated August 31, 2016, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the 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 31, 2016

**City of Shreveport
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Total Federal Expenditures</u>
U. S. DEPARTMENT OF TRANSPORTATION			
Federal Transit Administration (FTA)			
<u>Direct</u>			
Federal Transit_Capital Investment Grants Cluster			
SPORTRAN 2010 Capital Improvements	20.500	LA-90-0356 & 8356	\$ 1,808
SPORTRAN 2011 Capital Improvements	20.500	LA-90-0383, 2383, and 8383	1,300
SPORTRAN 2012 Capital Improvements	20.500	LA-90-0399, 2399, and 8399	817
SPORTRAN 2013 Capital Improvements	20.500	LA-90-0408	814,839
SPORTRAN 2014 Capital Improvements	20.500	LA-04-0417, 2417, and 8417	391,583
SPORTRAN 2015 Capital Improvements	20.500	N/A	3,022,402
Intermodal Greyhound Bus Facility (Fund # 59)	20.500	LA-04-0017	355,770
Total Federal Transit_Capital Investment Grants Cluster			<u>4,588,519</u>
Transit Services Program Cluster			
New Freedom Program	20.521	LA-57-4042	24,519
2014 New Freedom Paratransit Vehicle	20.521	N/A	139,471
2014 JARC Bus Replacement	20.516	N/A	684,150
Automated Passenger Counters	20.514	N/A	198,320
Total Transit Services Program Cluster			<u>1,046,460</u>
Total Federal Transit Administration (FTA)			<u><u>5,634,979</u></u>
Federal Aviation Administration (FAA)			
<u>Direct</u>			
Airport Improvement Program			
Rehabilitate Taxiway B, C, D, & F - Downtown Airport	20.106	N/A	551,347
Part 150 Noise Compatibility Plan Study - Regional Airport	20.106	3-22-0048-57	6,585
Rehabilitate Runway 14-32 - Regional Airport	20.106	3-22-0048-54	2,700
Rehabilitate Taxiways, A,J,Q,M,D-DTN	20.106	N/A	1,000
Total Federal Aviation Administration (FAA)			<u><u>561,632</u></u>
National Highway Traffic Safety Administration (NHTSA)			
<u>Pass-Through Programs</u>			
Louisiana Highway Safety Commission			
State and Community Highway Safety Cluster			
Shreveport PD Year Long 2014	20.600	2015-30-51	79,635
Shreveport PD Year Long 2015	20.600	2016-30-41	11,421
Total Pass-Through Programs			<u>91,056</u>
Total National Highway Traffic Safety Administration (NHTSA)			<u>91,056</u>
Total U. S. DEPARTMENT OF TRANSPORTATION			<u><u>6,287,667</u></u>

continued

**City of Shreveport
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Total Federal Expenditures</u>
U. S. ENVIRONMENTAL PROTECTION AGENCY			
Office of Solid Waste and Emergency Response			
<u>Direct</u>			
Brownfields Training, Research, and Technical Assistance Grants and Total Office of Solid Waste and Emergency Response	66.814	TR-00F6630-1	49,982 <u>49,982</u>
<u>Pass-Through Programs</u>			
Louisiana Department of Environmental Quality			
Capitalization Grants for Clean Water State Revolving Funds Cluster			
Sewer System Project (2010D)	66.458	N/A	263,115
Quality - Sewer System Project (2013)	66.458	N/A	799,737
Total Capitalization Grants for Clean Water State Revolving Funds Cluster			<u>1,062,852</u>
Total Louisiana Department of Environmental Quality			<u>1,062,852</u>
Southern University Shreveport			
Hazmat Training Grant - Enrichment Fund	66.815	JT-9662500-1	4,975
Total Southern University Shreveport			<u>4,975</u>
Total U. S. ENVIRONMENTAL PROTECTION AGENCY			<u>1,117,809</u>
U. S. DEPARTMENT OF LABOR			
<u>Pass-Through Programs</u>			
Louisiana Department of Labor			
Employment Service/Wagner-Peyser Funded Activities	17.207	N/A	105,249
Louisiana J. E. T. Program 2014	17.262	CFMS #590611	328,997
Workforce Investment Act Cluster			
WIA/WIOA Adult Program	17.258	N/A	622,353
WIA/WIOA Youth Activities	17.259	N/A	500,961
WIA Dislocated Workers	17.260	N/A	298,142
Total Workforce Investment Act Cluster			<u>1,421,456</u>
Total Louisiana Department of Labor			<u>1,855,702</u>
Total U. S. DEPARTMENT OF LABOR			<u>1,855,702</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Pass-Through Programs</u>			
Louisiana Department of Labor			
Temporary Assistance for Needy Families	93.558	CFMS #610355	25,336
Total Louisiana Department of Labor			<u>25,336</u>
Total U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>25,336</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<u>Direct</u>			
Community Development Block Grants/Entitlement Grants	14.218	MC-22-0007	1,695,872
Home Investment Partnerships Program	14.239	MC-22-0200	1,347,834
Federal Emergency Grants Cluster			
Federal Emergency Shelter 2011	14.231	N/A	21,475
Federal Emergency Shelter 2014	14.231	N/A	44,900
Federal Emergency Shelter 2015	14.231	N/A	86,597
CDBG Admin (FESG)	14.231	N/A	14,294
Total Federal Emergency Grants Cluster			<u>167,266</u>
Total Office of Community Planning and Development			<u>3,210,972</u>

continued

**City of Shreveport
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Total Federal Expenditures</u>
<u>Pass-Through Programs</u>			
Louisiana Office of Community Service			
State Emergency Grants Cluster			
State Emergency Shelter 2011	14.231	N/A	3,841
State Emergency Shelter 2013	14.231	N/A	25,000
State Emergency Shelter 2014	14.231	N/A	7,456
State Emergency Shelter 2015	14.231	N/A	106,394
Total State Emergency Grants Cluster			<u>142,691</u>
Total Louisiana Office of Community Service			<u>142,691</u>
Total Office of Community Planning and Development			<u>3,353,663</u>
Total U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>3,353,663</u>
 U. S. DEPARTMENT OF JUSTICE			
<u>Direct</u>			
Safe Streets 2014	16.166	N/A	13,158
Safe Streets 2015	16.166	N/A	3,926
Crimes Against Children Task Force 2014	16.800	N/A	26,778
Crimes Against Children Task Force 2015	16.800	N/A	6,837
U S Marshals 2014	16.Unknown	N/A	9,475
U S Marshals 2015	16.Unknown	N/A	809
Federal ATF Grant 2014	16.Unknown	MOA	11,109
A.F.I.S.2014	16.Unknown	HQ-1-1911	155,754
A.F.I.S.2015	16.Unknown	HQ-1-2003	226,633
 <u>Pass-Through Programs</u>			
Louisiana Commission on Law Enforcement			
Violence Against Women Formula Grants Cluster			
Violence Against Women (VAWA) 2013	16.588	N/A	3,377
Violence Against Women (VAWA) 2014	16.588	N/A	10,184
Total Violence Against Women Formula Grants Cluster			<u>13,561</u>
 Edward Byrne Memorial Justice Assistance Grant Program Cluster			
Federal Judicial Assistance Grant 2014	16.738	2014-DJ-BX-1173	131,223
Multi-Jurisdictional Task Force 2014	16.738	2014-DJ-01-2304	77,549
Total Edward Byrne Memorial Justice Assistance Grant Program Cluster			<u>208,772</u>
Total Louisiana Commission on Law Enforcement			<u>222,333</u>
Total U. S. DEPARTMENT OF JUSTICE			<u>676,812</u>
 EXECUTIVE OFFICE OF THE PRESIDENT			
<u>Direct</u>			
High Intensity Drug Trafficing Grant 2014	95.001	N/A	21,948
High Intensity Drug Trafficing Grant 2015	95.001	N/A	5,579
Total EXECUTIVE OFFICE OF THE PRESIDENT			<u>27,527</u>
 Total Expenditures of Federal Awards			<u>\$ 13,344,516</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

City of Shreveport
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015

Note 1 - Basis of Presentation

The audit was performed pursuant to the Single Audit Act of 1996 and the Uniform Guidance.

Summary of significant policies:

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the modified accrual basis of accounting used by the City of Shreveport (the City) in preparation of the government wide financial statements that report these awards. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The preparation of the Schedule of Expenditures of Federal Awards in conformity with accounting principles generally accepted in the United States of America requires management to make certain assumptions that affect the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Disbursements

Disbursements reported in the schedule of Expenditures of Federal Awards cannot be traced, in every case, directly to the disbursements reported in the City's Comprehensive Annual Financial Report (CAFR). However, the detailed information regarding the disbursements reflected in both issued reports can be traced to the detailed general ledger with adjustments for any year-end financial statement accruals and reversals.

Note 3 - Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City that were received directly from federal agencies or passed through other entities and governmental agencies.

The City prepared this Schedule of Expenditures of Federal Awards to comply with the provisions of the Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations. The Uniform Guidance stipulates that a Schedule of Expenditures of Federal Awards be prepared showing total expenditures of each federal award program as identified in the Catalog of Federal Domestic Assistance (CFDA) and for other federal financial awards that have not been assigned a catalog number.

Note 4 - Subrecipient Payments

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grants/Entitlement Grants	14.218	\$ 251,250
HOME Investment Partnerships Program	14.239	730,205
Federal/State Emergency Shelter	14.231	227,587
Edward Byrne Memorial Justice Assistance Grant Program	16.738	63,167
	17.258,	
	17.259, and	
Workforce Investment Act Cluster	17.278	377,878
		<u>\$ 1,650,087</u>

Note 5 – Loans and Loan Guarantees

The City had loans outstanding under Federal loan or loan guarantee award programs of \$1,059,000 at December 31, 2015.

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 31, 2016, 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.

**City of Shreveport
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015**

Section 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? **No**
3. Noncompliance material to the basic financial statements noted? **No**

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? **Yes**
 - Significant deficiencies identified? **Yes**
3. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? **Yes**
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>
14.239	HOME Investment Partnerships Program
14.218	Community Development Block Grants/Entitlement Grants
6. The dollar threshold used to identify Type A programs: **\$750,000**
7. Auditee qualified as a low-risk auditee under the Uniform Guidance: **Yes**

Section II – Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards*

Current Year Findings and Responses

2015-001 Untimely Fund Reconciliations

Criteria or Specific Requirement:

Accurate and timely documentation reconciliation of funds should be available.

Condition:

The City did not provide timely fund reconciliations along with supporting documentation for a significant number of their funds for the year ending December 31, 2015.

Effect:

Auditors were not able to perform the audit timely.

Cause:

There were various factors that contributed to the untimely find reconciliations, along with supporting documentations. The City implemented a new accounting software early in 2015, and it appeared the system's setup and lack of training contributed to the delay. The City also delayed in assigning various fund and reconciliations that were previously handled by a key accountant who passed early in 2016. The City also experienced significant delays in obtaining actuary reports that were needed to establish year end balances.

Recommendation:

We recommend the City Controller take steps to ensure accountants are cross-trained in key areas and to develop a contingency plan to ensure similar delays do not occur. We also recommend accountants are given adequate training in the new accounting system so they can more efficiently perform their duties. We also recommend that management work more closely with actuaries, supply information they require more timely, and request they provide their reports as early in the year as possible.

Views of responsible officials and corrective action plan:

We will implement procedures to ensure fund financial statements and corresponding supporting documentation is accurate and complete and available in a timely fashion.

Person responsible for corrective actions:

David Creswell, Controller
City of Shreveport
505 Travis Street, Suite 600
Shreveport, LA 71101
Telephone: 318-673-5615

2015-002 Material Adjustments

Criteria or Specific Requirement:

The internal controls of an organization should be designed to provide reasonable assurance about the achievement of the entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

A deficiency in internal controls is defined as a condition where 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. It defines a material weakness as a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements may not be prevented, or detected and corrected on a timely basis.

The identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate that the misstatement would not have been detected by the City's internal control is an indicator of a material weakness in internal control.

Condition:

During the performance of audit procedures, we noted various funds and accounts that required material adjustments.

There was a cash clearing account with a balance of approximately (\$1,100,000) that had not been analyzed and adjusted at December 31, 2015. Various revenue, liability and receivable accounts were understated by approximately \$1,100,000.

Liability and claims expense on the retained risk fund were overstated by approximately \$11,100,000 due to errors noted in the underlying database for claims.

Liability and claims expense on the Employees Healthcare Fund were overstated by approximately \$3,200,000 due to the City not using the correct IBNR data.

An accrued interest account included in treasury group cash had a misstatement of approximately \$1,300,000 due to the City not investigating and reconciling the account. Cash was overstated by approximately \$1,300,000, fund balance was overstated by approximately \$1,200,000, and accrued interest was overstated by approximately \$100,000.

Revenue and accounts receivables were understated approximately \$1,100,000 in the Water and Sewerage Fund due to an interface error between the billing system and the general ledger software.

Therefore, certain audit adjustments were necessary to correct misstatements that were material to the City's financial statements.

Cause:

The cause of the condition is failure by management to design and implement effective internal controls such that there is a reasonable possibility that a material misstatement will be prevented or detected and corrected on a timely basis by management or employees, in the normal course of performing their assigned functions. The City does not have a policy in place regarding adequate and timely review and approval of bank and other account reconciliations.

Effect:

The financial statements required significant adjustments. The adjustments were material to the financial statements.

Recommendation:

The City should develop and implement procedures to ensure that material misstatements in the financial statements are identified and corrected in a timely manner. We also recommend the City implement a policy requiring bank and other fund reconciliations be reviewed and signed off once completed by an appropriate individual. We also recommend that all accounts are reviewed and adjusted properly on the general ledger.

Views of responsible officials and planned corrective actions:

We will implement procedures to ensure bank and other fund reconciliations are reviewed and approved monthly. We will also implement procedures to ensure timely, accurate, and complete preparation of the City's financial statements.

Person responsible for corrective actions:

David Creswell, Controller
City of Shreveport
505 Travis Street, Suite 600
Shreveport, LA 71101
Telephone: 318-673-5615

2015-003 Setup of 2015 Capital Asset Additions

Criteria or Specific Requirement:

Accurate and proper documentation should be available to support balances audited.

Condition:

We noted that the City did not properly set up the majority of the 2015 capital asset additions in the fixed asset system, causing the asset cost to be reflected as 2016 additions. Majority of the assets were added in the system after year-end.

Effect:

The capital asset reports were materially misstated due to the fact that the majority of the cost of 2015 additions was not reflected in the asset reports.

Cause:

Proper procedures for setting up new assets in the fixed asset system were not followed causing the majority of the 2015 additions to be improperly setup, which produced materially misstated capital asset reports.

Recommendation:

We recommend the City 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 asset records are updated timely throughout the year. We also recommend that there is an adequate and timely review of the supporting capital asset reports performed by the city controller.

Views of responsible officials and corrective action plan:

We will implement procedures to ensure the fixed asset records are accurate and complete including 1) periodically reviewing the fixed assets records and 2) agreeing those records to the general ledger.

Person responsible for corrective actions:

David Creswell, Controller
City of Shreveport
505 Travis Street, Suite 600
Shreveport, LA 71101
Telephone: 318-673-5615

2015-004 Review of Fund Accounting

Criteria or Specific Requirement:

Proper review of accounting for various funds, supporting documentation and journal entries should be performed.

Condition:

The City did not have procedures in place to adequately review year-end fund accounting, supporting documentation and journal entries prepared by the accountants.

Effect:

The funds could have material misstatements.

Cause:

The City Controller had been working part-time during the year and was not able to devote adequate time to monitor and review the fund reconciliations, supporting documentation and journal entries posted to the system.

Recommendation:

We recommend the new City Controller develop procedures to adequately monitor and review fund financials statements, supporting documentation and all journal entries proposed by the accountants.

Views of responsible officials and corrective action plan:

We will implement procedures to ensure the general ledger is properly reviewed for accuracy and completeness.

Person responsible for corrective actions:

David Creswell, Controller
City of Shreveport
505 Travis Street, Suite 600
Shreveport, LA 71101
Telephone: 318-673-5615

2015-005 Late Submission

Year of Origination: December 31, 2015

Criteria or Specific Requirement:

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.

Condition:

The City's audit was not completed timely because the City's actuarial calculations necessary to record other post-employment benefit liability were not provided timely by the actuary. The City was unable to provide fund reconciliations to the auditors in order for them to complete the audit timely. The City also was delayed in providing various fund reconciliations to the auditors. As a result, the audit report for the City of Shreveport was not submitted to Legislative Auditor by June 30, 2016.

Effect:

The City is not in compliance with Louisiana revised statute 24:513 A (5)(a)(i).

Cause:

The City's audit was not completed timely because the City's actuarial calculations necessary to record other post-employment benefit liability were not provided timely by the actuary, and there were various fund reconciliations that were not timely prepared. As a result, the audit report for the City of Shreveport was not submitted to Legislative Auditor by June 30, 2016.

Recommendation:

We recommend the City obtain actuarial information prior to the beginning of auditor fieldwork and ensure funds are timely reconciled.

Views of responsible officials and corrective action plan:

We will implement procedures to ensure the City is in compliance with state audit law.

Person responsible for corrective actions:

David Creswell, Controller
City of Shreveport
505 Travis Street, Suite 600
Shreveport, LA 71101
Telephone: 318-673-5615

Prior Year Findings and Responses

None

Section III – Federal Award Findings and Responses

Current Year Findings and Responses

2015-006 Schedule of Expenditures of Federal Awards (SEFA)

Program Name and CFDA #

Pervasive across multiple programs

Criteria or Specific Requirement:

According to the Code of Federal Regulations Title 2 Grants and Agreement Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F-Audit Requirements, it is the auditee's responsibility to prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards. The schedule should be complete and accurate.

Condition:

The SEFA prepared by the auditee did not contain all of the required information and included inaccurate information. The total amount provided to subrecipients from each federal program was not identified in the schedule or related notes. Loan guarantees were not included in the schedule with the correct amounts. Clusters of programs were not properly identified and reported in the schedule.

Effect:

The City is not in compliance with the auditee responsibilities per the Code of Federal Regulations.

Cause:

Policies and procedures are not in place to ensure complete and accurate reporting in the SEFA. The schedule is not independently reviewed by an appropriate individual other than the preparer. Responsibility for federal awards reporting is not centralized.

Recommendation:

We recommend the City design and implement policies and procedures for preparation and review of the SEFA 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 and reporting federal awards. This individual should receive proper training on preparing the SEFA.

Views of responsible officials and corrective action plan:

At the time it was submitted to the auditors, we were not aware the schedule was non-compliant. After the schedule was submitted, new accounting management (Controller) started, and after being notified of the errors, the schedule was redrafted. Going forward, we will put proper procedures in place (e.g. reviews and reconciliations) to ensure a timely, accurate, and complete schedule. The Controller will prepare the schedule after proper review of the internally-generated schedule.

Person responsible for corrective actions:

David Creswell, Controller
City of Shreveport
505 Travis Street, Suite 600
Shreveport, LA 71101
Telephone: 318-673-5615

2015-007 Inaccurate Data Reported on the Consolidated Annual Performance and Evaluation Report

Program Name and CFDA #

HOME Investment Partnerships Program, CFDA# 14.239
Community Development Block Grants/Entitlement Grants, CFDA# 14.218

Criteria or Specific Requirement:

According to the Code of Federal Regulations 24 CFR 91.520, each jurisdiction that has an approved consolidated plan shall annually review and report, in a form prescribed by HUD, on the progress it has made in carrying out its strategic plan and its action plan. The performance report must include a description of families and persons assisted (including the racial and ethnic status of persons assisted). For HOME participating jurisdictions, the report shall include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations. For CDBG recipients, the report shall include a description of the use of CDBG funds during the program year and the number of persons served by each activity. The report will include a comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives.

Condition:

During review of the 2015 Consolidated Annual Performance and Evaluation Report (CAPER), inaccurate data was noted. It was noted that the table of assistance to racial and ethnic populations by source of funds, the number of persons served, and inspections reported for the Home Investment Partnerships Program were not in agreement with supporting documentation and therefore not accurately reported. It was noted that for the Community Development Block Grant reporting, the actual number of Household Housing Units served by the Emergency Repair Program and the Number of Households Supported through Rehab of Existing Units reported for the Community Development Block Grant were not in agreement with supporting documentation and therefore not accurately reported.

Effect:

The City submitted inaccurate data to HUD. The data provided in the CAPER is justification of federal funding received. Inaccuracy of this information could reduce future entitlements from HUD or require reimbursement, by the City, for failing to accomplish goals and comply with the terms and conditions of federal awards.

Cause:

The cause of the inaccurately reported description of families and persons assisted by the Home Investment Partnerships Program is unknown. The inspection information for the Home Investment Partnerships Program was not updated from the prior year (2014) CAPER. The Emergency Repair Program included a unit which was transferred to a different grant and the project was not paid with Community Development Block Grant funds. The reason the number of households supported through rehab of existing units for the Community Development Block Grant was not reported accurately is unknown. Policies and procedures are not in place to ensure accurate preparation and reporting in the CAPER.

Recommendation:

We recommend the City design and implement policies and procedures for preparation and review of the CAPER to ensure that accurate and complete information is reported to HUD. In addition, we recommend that the policies and procedures include review of the CAPER by an employee independent of the report preparation to verify its accuracy prior to submission to HUD. We recommend that the review include ensuring data reported to HUD, including data obtained from summary schedules used for reporting, agrees to underlying program data and is evaluated for reasonableness, accuracy and completeness.

Views of responsible officials and corrective action plan:

The department assents that information pertaining to number of HQS inspections performed was inadvertently reported. The department acknowledges that it failed to update the report to include 2015 information regarding the inspections. The CAPER is being amended to reflect the correct information.

The Emergency Repair project in question was not funded with Community Development Block Grant or HOME Investment Partnership funds; therefore, it was not required to be reported in the CAPER.

The department utilizes and has adopted policies and procedures developed by HUD for development of its CAPER. The CAPER undergoes two levels of internal review before submission to HUD. However, because HUD utilizes the information reported in the Integrated Disbursement System (IDIS) as their mechanism for evaluating the CAPER, the staff person responsible for IDIS has been included as a part of the review process.

Person responsible for corrective actions:

Bonnie Moore
City of Shreveport
505 Travis Street
Shreveport, LA 71101
Telephone: 318-673-5900

2015-008 Documentation Insufficient for Procurement Testing

Program Name and CFDA #

HOME Investment Partnerships Program, CFDA# 14.239

Criteria or Specific Requirement:

According to the Code of Federal Regulations 2 CFR 200.318 General procurement standards, the non-federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

Condition:

During procurement testing for the grant, the City was unable to provide documentation supporting contractor selection for home reconstruction projects.

Effect:

The City is not in compliance with the General Procurement Standards included in the Office of Management and Budget Uniform Guidance for Federal Award Requirements.

Cause:

Documentation supporting the procurements was not maintained on file.

Recommendation:

We recommend the City design and implement policies and procedures to ensure procurement records including documentation supporting contractor selection are maintained on file.

Views of responsible officials and corrective action plan:

It is the policy of the department to bid out all reconstruction projects in accordance with 24 CFR 85.36 and any applicable law. We concur that files had not been properly merged in the official file of record. However, the appropriate procurement process was conducted.

Bids packets were made available to all interested parties who attended the pre-bid conference on May 5, 2015. To receive consideration for bid, certified contractors must be bondable and have no more than three open contracts with the department. Three certified contractors attended the pre-bid conference. Of the three bidders in attendance, only two met the requirements. Consequently, invitations to bid were sent to the two bidders that qualified under the requirements.

We shall review and update our current procurement procedures to ensure that we have an adequate system in place, including policies, procedures, and purchasing practices that comply with all applicable laws and regulations.

Person responsible for corrective actions:

Bonnie Moore
City of Shreveport
505 Travis Street
Shreveport, LA 71101
Telephone: 318-673-5900

Prior Year Findings and Responses

None

Management Letter

Honorable Ollie S. Tyler, Mayor
Members of the City Council
City of Shreveport
Shreveport, Louisiana

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 of Shreveport, Louisiana (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 31, 2016. 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 and the provisions of the Uniform Guidance.

As a part of our examination, we have issued our report on the financial statements, dated August 31, 2016, and our report on internal control and compliance with laws, regulations, contracts, and grants, dated August 31, 2016.

During the course of our examination, we became aware of the following related matters that could be improved:

ML2015-001 Best Practices Related to the IT Department

Observations:

The City has not performed a formalized risk assessment over the IT department to properly identify risks that may be present.

The City does not have a formalized change management policy in place to ensure conversions and changes made are properly tracked, tested and approved.

The City has a high-level strategic plan that encompasses all departments of the city, including the IT department that includes high-level goals. The City does not have a separate plan to describe the processes and procedures in place that would actually achieve the plan.

The City should improve its IT password policy order to meet the best practices standard. Passwords should be at least six characters if passwords expire every ninety days, at least eight characters if passwords expire every 180 days, and there should be no more than five invalid

attempts before lockout, and at least one hour of lockout time.

Recommendation:

We recommend the City develop and perform a formalized risk assessment over IT in order to properly identify and evaluate steps needed to address any identified risks.

We also recommend the City develop and adopt a formal change management policy.

We also recommend the City develop and adopt a separate IT strategic plan that describes processes and procedures that are in place to actually achieve the high level goals established in the City's strategic plan.

We also recommend the City change their password policy to be in accordance with best practices.

Views of responsible officials and corrective actions:

A security risk assessment would require the services of a third-party consulting group. There is currently no funding for a security risk assessment in the IT budget. The IT Department does have a City of Shreveport Business Resumption Plan. This plan is updated annually.

The City (IT) does have part of this process currently in place - Quality Assurance (to document batch processes move from work to production) and Project Maintenance (to track projects and allow user sign-offs). 2015 was a year-in-transition due to the move off of the Mainframe. The missing portions to get us back into a complete formal change management application include the currently-in-development Library Transfer application and the replication of the RACF security policy to the MicroFocus platform (to match the previous RACF security policy that was on the Mainframe).

Each department needs to create a 5-year IT strategic plan for their department. Once these plans are complete, the IT Department can create a 5-year IT strategic plan. This may require the services of a third-party consultant.

The City's password policy will be changed to the recommended six characters (currently 5), 90 day expiration (currently 60) and 5 invalid attempts before lockout (currently 3) to coincide with the removal of our Novell environment which will be no later than 10/31/16. Our current lockout time of 30 minutes (recommended 60 minutes) will remain as a matter of user productivity after hours.

We recommend management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestion or help implement the recommendation.

This report is intended solely for the information and use of the Mayor and members of the City Council of the City of Shreveport, management, others within the City, the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. 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 31, 2016