

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**



CITY OF SHREVEPORT, LOUISIANA

As of and for the year ended December 31, 2017

Finance Department
Charles J. Madden, III, Director



**CITY OF SHREVEPORT, LOUISIANA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

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2018

CITY OF SHREVEPORT

P.O. BOX 31109 SHREVEPORT, LA 71130 • 505 TRAVIS STREET SHREVEPORT, LA 71101

Website: www.shreveportla.gov

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, and pursuant to Louisiana State Statues I am pleased to submit the Comprehensive Annual Financial Report for the year ended December 31, 2017. 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 2017 that is useful to taxpayers, citizens, and other interested persons.

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

In accordance with Section 4.28 of the City Charter, the City Council is required to provide for an annual independent audit of the accounts and financial transactions of the City by a firm of independent certified public accountants duly licensed to practice in the State of Louisiana. The accounting firm of Carr, Riggs & Ingram, LLC, was selected by the City Council to conduct its annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2017, 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, 2017, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic

financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Shreveport

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

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

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

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

Budgetary Control

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

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

As a recipient of federal and state financial assistance, the City government is responsible for ensuring that adequate internal controls are in effect. All internal control evaluations occur within the framework described. The Finance Department believes that the internal controls of the City adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Local Economy

Sales taxes make up the largest part of local revenues. While collections of sales taxes have fluctuated in recent years, with an increase in gas exploration and the privatization of the state hospital, sales tax collections have rebounded slowed they rebounded to 2015 levels and expected to remain steady through 2018. The five year trend for sales tax has been as follows:

2013	\$114,192,366
2014	119,809,168
2015	117,990,678
2016	115,450,214
2017	118,856,148

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

2013	\$11,003,579
2014	10,241,584
2015	10,035,079
2016	9,615,662
2017	8,916,942

Work continues on the Water & Sewerage projects to improve and upgrade the sewer system throughout the City. With most major arterial routes overlaid in last several years, another \$5.5 million was appropriated from the Streets Special Revenue Fund to start overlaying feeder streets throughout the city.

The Shreveport Aquarium was opened in late 2017 to rave reviews. It transformed the aged Barnwell Center located on the riverfront into a state of the arts aquarium. It has provided an additional attraction for families visiting the riverfront.

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 15% increase in sewer rates went into effect January 1, 2017. The Water & Sewerage department continues to work with the EPA to make sure the project stays on schedule. With most of the Phase 1 projects completed the City has started on Phase 2 projects while laying the ground work for Phase 3. To help fund that work an additional \$120 million of Water & Sewer revenue bonds were sold in 2017.

Relevant Financial Policies

The City continues to pay off General Obligation Bonds; the City will pay off all but the 2011 and 2014 GOB debt in the next 3 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

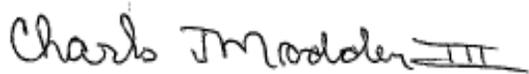
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Shreveport for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the eighth consecutive 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 underlining the name.

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, 2016

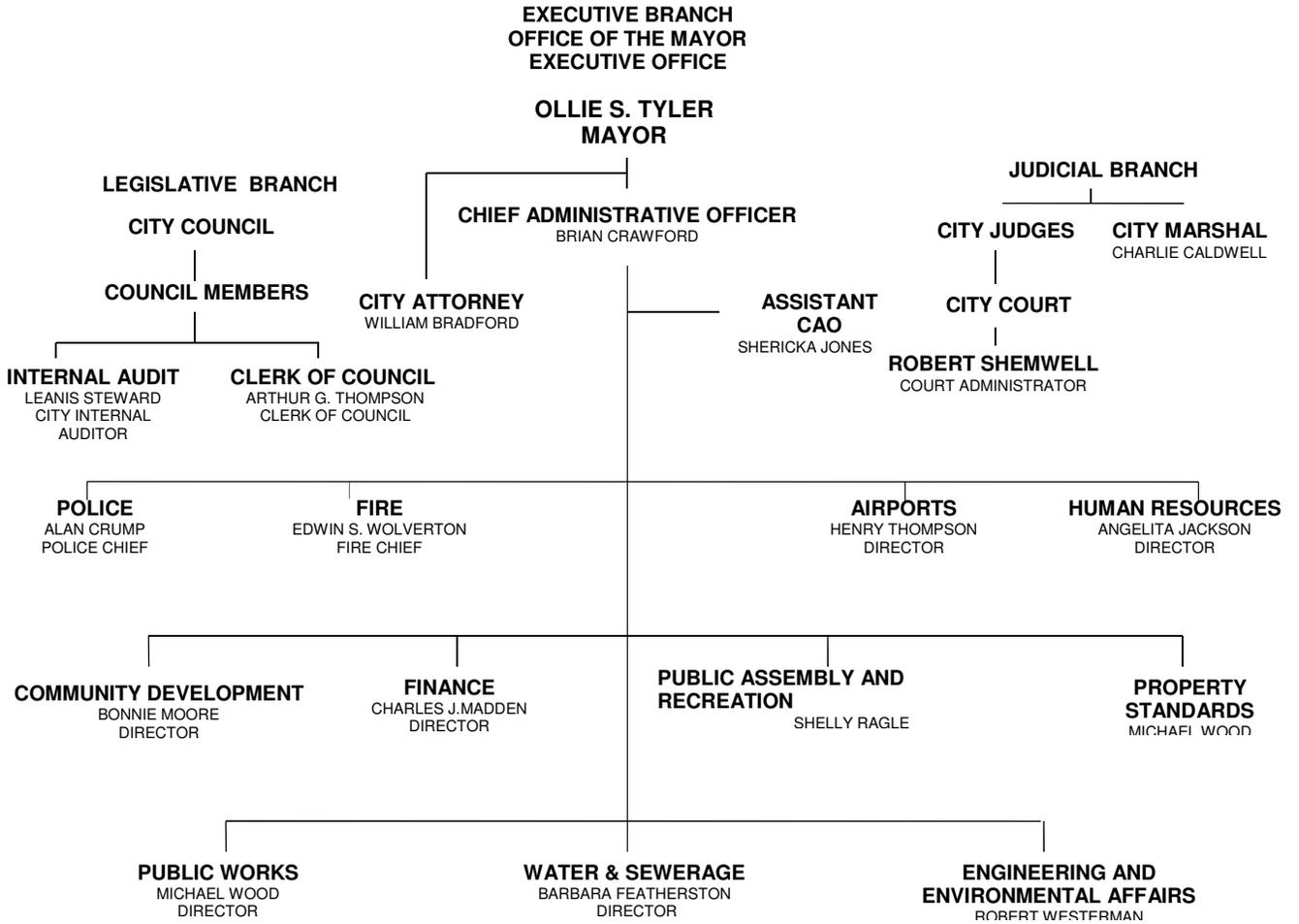
Christopher P. Morill

Executive Director/CEO

CITY OF SHREVEPORT

ORGANIZATION CHART

December 31, 2017



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
Barbara Dunn
Evelyn Jones
Marie LaFontant
Tobi Maiden
Diane Pharr
Linda Smith
Vernell Wiggins

Shiwanda Brown
Dorothy Cole
Ella Francis
Doris LaCour
Linda Long
Abigail Monette
Lashonda Samuels
Sharon Tillman



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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, 2017, and related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Downtown Development Authority, City of Shreveport City Court, and Charlie Caldwell, Jr. City Marshal. These three entities collectively represent 14 percent of the assets, 14 percent of the net position and 19 percent of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Downtown Development Authority, City of Shreveport City Court, and Charlie Caldwell, Jr. City Marshal, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on the audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Shreveport, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (page 13-22), and the budgetary comparison information (page 103-107), the schedule of employer contributions – other postemployment benefits (page 111), schedule of funding progress – other postemployment benefits (page 112), the schedule of changes in the net pension liability (page 113), the schedule of investment returns (page 115), the schedule of pension contributions (page 116), the schedule of employer's proportionate share of net pension liability - state (page 118), and the schedule of employer's contributions to the plans - state (page 119), 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, the nonmajor fund budgetary comparison schedules and the schedule of compensation, benefits and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, the nonmajor fund budgetary comparison schedules and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Shreveport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
June 29, 2018

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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, 2017.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2017 by \$487 million (net position). Unrestricted net position is a deficit of \$870 million.
- The City's total net position increased \$4.19 million. Net position of governmental activities decreased \$55.9 million and net position of business-type activities increased \$60.05 million.
- As of December 31, 2017, the City's governmental funds reported combined fund balances of \$132 million, a decrease of \$37 million from the prior year. Of this amount, \$156 thousand of the General Fund was unassigned and available for spending.
- The unassigned fund balances for the General Fund represented .07% of total General Fund expenditures.
- The City's total debt increased \$90.81 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 sewerage systems, convention center, hotel, transit, golf, and parking operations.

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

Fund financial statements. A fund is a grouping of self-balancing related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate fiscal accountability. The City uses governmental, proprietary, and fiduciary fund financial statements to provide more detailed information about the City's most significant funds rather than the City as a whole.

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

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

	Net Position (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 158.34	\$ 201.69	\$ 311.85	\$ 336.41	\$ 470.19	\$ 538.10
Capital assets	604.85	594.40	999.91	814.70	1,604.76	1,409.10
Total assets	<u>763.20</u>	<u>796.08</u>	<u>1,311.76</u>	<u>1,151.11</u>	<u>2,074.95</u>	<u>1,947.19</u>
Deferred outflows of resources	37.76	60.32	11.48	11.61	49.24	71.92
Long-term liabilities	795.93	828.01	714.18	642.29	1,510.11	1,470.30
Other liabilities	17.28	16.82	45.57	19.78	62.85	36.60
Total liabilities	<u>813.21</u>	<u>844.83</u>	<u>759.75</u>	<u>662.08</u>	<u>1,572.96</u>	<u>1,506.90</u>
Deferred inflows of resources	36.47	32.62	3.43	0.63	39.90	12.62
Net position						
Net investment in capital assets	604.85	594.40	614.52	570.19	1,219.38	1,164.58
Restricted	133.10	168.90	3.96	3.96	137.06	172.86
Unrestricted (Deficit)	(786.67)	(784.34)	(58.42)	(74.14)	(845.10)	(858.48)
Total net position	<u>\$ (48.72)</u>	<u>\$ (21.05)</u>	<u>\$ 560.06</u>	<u>\$ 500.01</u>	<u>\$ 511.34</u>	<u>\$ 478.96</u>

At December 31, 2017, the City as a whole had assets and deferred outflows greater than its liabilities by \$487 million compared to \$479 million at December 31, 2016. 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 36.09% 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 \$811.43 million at the end of the year, an increase in the deficit from a \$784.34 million deficit in the prior year. The deficit does not mean that the City has insufficient resources to pay bills for the next year; however, it does show that on a long-term basis, the City has commitments beyond which it has current resources to fund its obligations. The largest of these commitments, besides the general obligation bonds, are certificates of indebtedness which were issued to fund state pension obligations, notes issued for remodeling of the Independence Stadium and the recognition of net pension liability, and other postemployment benefit obligations.

The net position of the City's business-type activities is \$560 million, an increase of \$60.05 million from 2016. 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 \$58.42 million at December 31, 2017 compared to \$74.14 million in the prior year. The increase in the deficit was mainly due to recording the net pension total OPEB liabilities.

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

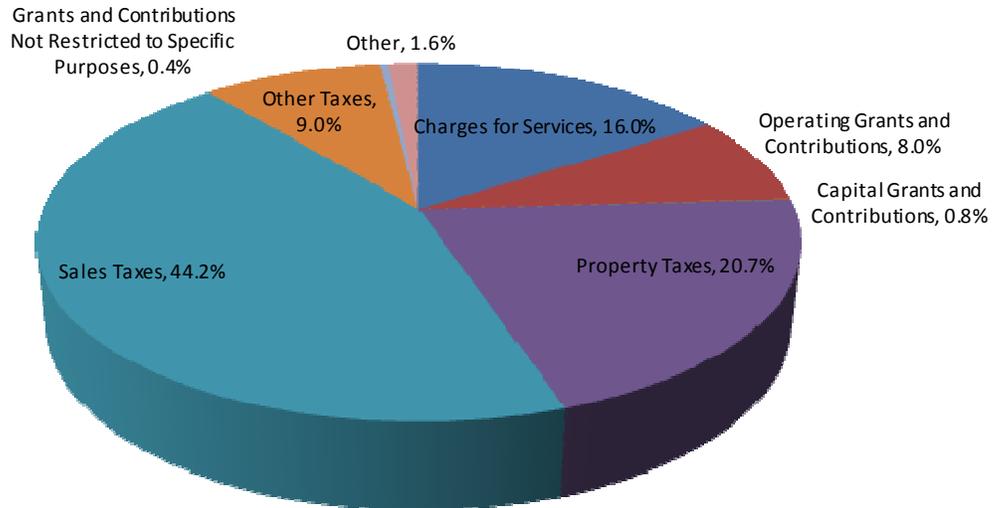
	Changes in Net Position (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 43.14	\$ 36.01	\$ 115.54	\$ 110.84	\$ 158.68	\$ 146.85
Operating Grants and Contributions	21.53	20.51	4.65	6.61	26.18	27.11
Capital grants and contributions	0.14	-	21.59	5.07	21.73	5.07
General Revenues:						
Property taxes	55.63	55.58	-	-	55.63	55.58
Sales taxes	118.86	115.45	-	-	118.86	115.45
Other taxes	24.24	24.95	-	-	24.24	24.95
Grants and contributions not restricted to specific programs	1.15	1.19	-	-	1.15	1.19
Other Revenues	4.18	3.34	3.54	3.58	7.72	6.92
(Rounding)					-	-
Total Revenues	268.87	257.02	145.32	126.10	414.18	383.12
Expenses						
General government	61.78	55.32	-	-	61.78	55.32
Public Safety	116.16	140.96	-	-	116.16	140.96
Public Works	66.26	55.85	-	-	66.26	55.85
Culture and recreation	36.08	25.19	-	-	36.08	25.19
Health and welfare	0.00	-	-	-	0.00	-
Community development	2.89	6.68	-	-	2.89	6.68
Economic development	3.24	0.91	-	-	3.24	0.91
Economic opportunity	2.27	0.01	-	-	2.27	0.01
Interest on long-term debt	9.03	9.66	-	-	9.03	9.66
Municipal and regional airports	-	-	13.71	14.12	13.71	14.12
Water and sewerage	-	-	65.82	76.30	65.82	76.30
Convention Center	-	-	7.15	7.34	7.15	7.34
Convention Center Hotel	-	-	12.28	11.12	12.28	11.12
Shreveport area transit	-	-	16.77	15.30	16.77	15.30
Golf	-	-	(3.77)	4.45	(3.77)	4.45
Downtown parking	-	-	0.37	0.36	0.37	0.36
(Rounding)					-	0.01
Total expenses	297.70	294.56	112.32	128.99	410.02	423.56
Increase (decrease) in net position before transfers	(28.84)	(37.54)	33.00	(2.89)	4.16	(40.44)
Transfers	(27.02)	(37.23)	27.02	37.23	(0.00)	-
Net position-beginning	(21.05)	53.72	500.01	465.28	478.96	519.00
Prior period adjustments	3.43	-	-	0.39	3.43	0.39
Net position-beginning, as restated	(17.62)	53.72	500.01	465.67	482.39	519.39
(Rounding)					-	-
Net position-ending	\$ (73.48)	\$ (21.05)	\$ 560.03	\$ 500.01	\$ 486.55	\$ 478.95

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Governmental Activities. Revenues for the City’s governmental activities for the year ended December 31, 2017 were \$268.87 million compared to \$257.02 million in the prior year.

- Program revenues increased \$8.3 million in 2017 compared to 2016 as a result of 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 (85.51%).
 - Sales taxes represent 58.25% of general revenues at \$118.86 million compared to \$115.45 million for 2016. Collections were up 3.41% for 2017.
 - Property tax revenues represent 27.26% at \$55.63 million.

Revenues by Source - Governmental Activities



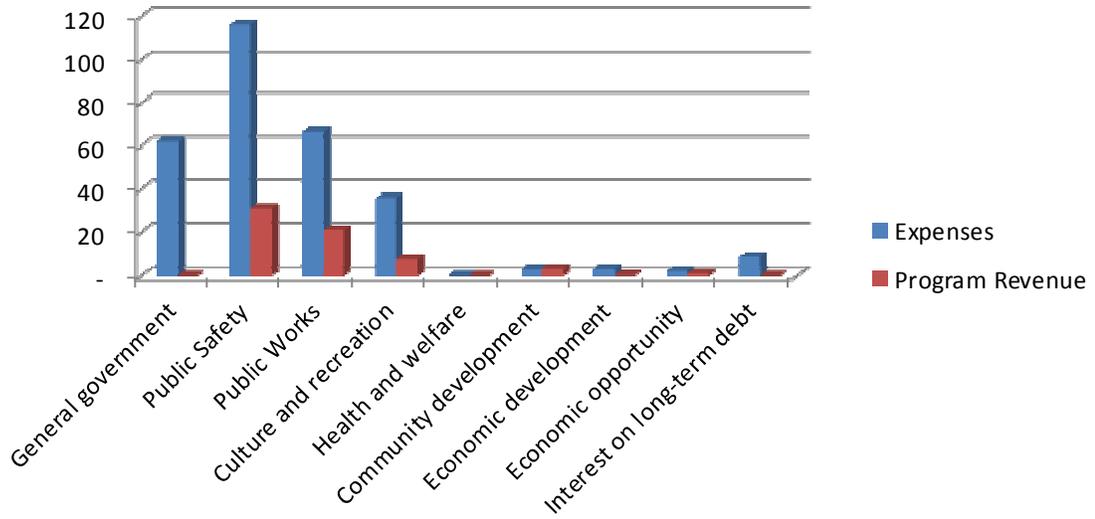
The cost of providing all governmental activities this year was \$297.70 million, an increase of \$3.14 million from the prior year. The key factors for the increase were:

- General government expenses were \$61.78 million compared to \$55.32 million in 2016.
- Public safety expenses were \$116.16 million compared to \$140.96 million in 2016. Public works expenses were \$66.26 million compared to \$55.85 million in 2016. The increase was mainly due to increases in OPEB and pension costs.

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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:

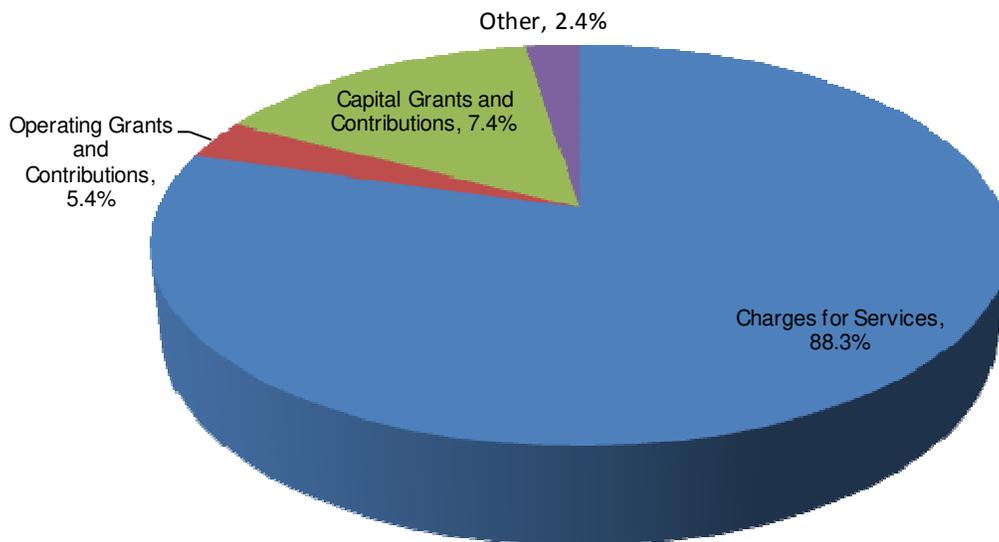
Expenses and Program Revenues - Governmental Activities



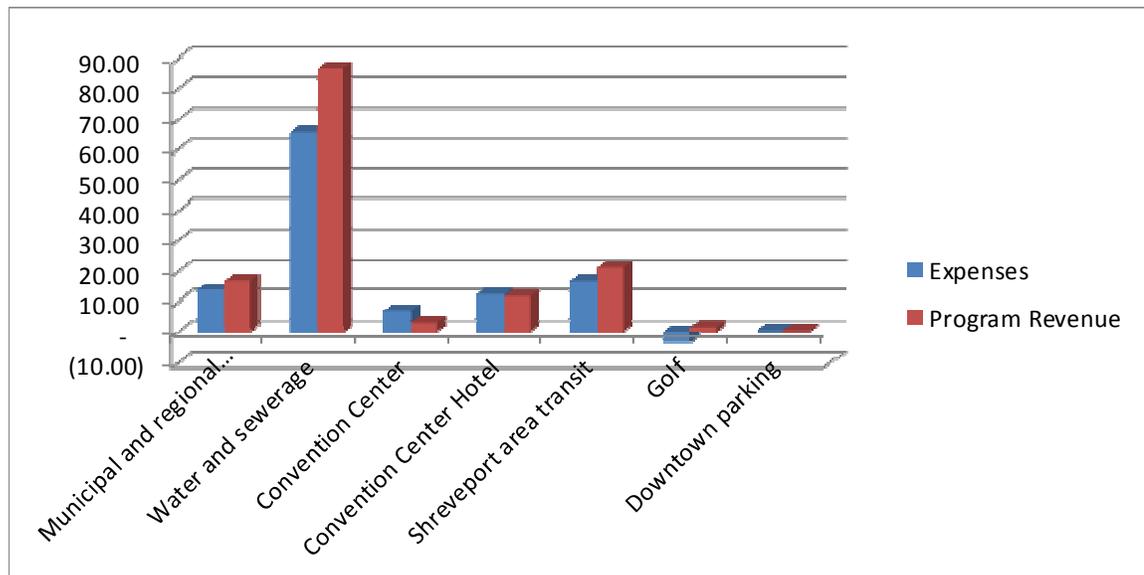
(in millions)

Business-type Activities. Charges for services for the City's business-type activities were \$115.54 million for 2017, an increase of \$4.7 million from 2016.

Revenues by Source - Business-type Activities



Expenses and Program Revenues - Business-type Activities



The costs of these business-type activities were \$112.32 million for 2017, a decrease of \$10.48 million from 2016.

- Decrease was mainly due to a reallocation of OPEB liability for 2017.
- 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, 2017 reflect combined fund balances of \$131 million, a decrease of \$68 million compared to the prior year. The decreases in fund balances were mostly associated with the spending down of the 2014 General Obligation Bonds and increased other postemployment benefit and retirement costs, as well as disciplined pending on the part of City of Departments. There was 85% or \$112 million restricted primarily for debt service and capital projects. Balances assigned to the future years are \$12 million and \$155 thousand 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 \$222 thousand from the prior year. The major revenue sources are property taxes, sales taxes, and charges for services.

- Property tax collections decreased \$0.05 million from 2016.
- Sales tax collections decreased \$3.41 million from 2016.
- Charges for services increased \$7.13 million from 2016.
- Various other revenue increases and expense decreases.

The Debt Service Fund has a total fund balance of \$51 million which is restricted for payment of principal and interest on debt outstanding. The fund balance for 2017 remained about the same as 2016.

Proprietary funds. The proprietary funds had an increased net position of \$560 million. There was an overall increase of \$19 million in revenues due to increased sewer rates. The Municipal and Regional Airport decreased their personnel and operating expenses. The biggest change in net position was the 2015 adoption of GASB 68, thereby not having to modify current year's net position.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets as of December 31, 2017, for its governmental and business-type activities was \$1.1 billion net of depreciation as reflected in the following schedule.

	Capital Assets (net of depreciation in millions)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 112.63	\$ 110.39	\$ 45.14	\$ 46.71	\$ 157.77	\$ 157.10
Construction in progress	26.96	25.66	301.22	80.92	328.18	106.58
Buildings	117.38	121.62	143.04	147.57	260.42	269.19
Improvement other than buildings	45.17	40.40	48.07	45.01	93.24	85.41
Equipment	22.95	19.31	26.31	31.44	49.25	50.75
Distribution and collection systems	-	-	436.13	412.54	436.13	412.54
Infrastructure	279.77	274.89	-	-	279.77	274.89
Total	\$ 604.85	\$ 592.27	\$ 999.91	\$ 764.19	\$ 1,604.76	\$ 1,356.46

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

Asset	Amount
General Aviation Apron-Regional	\$ 1.6
Rehab Taxiway N,D,E-Downtown	0.8
Rehab Taxiway B,C,D,F-SHV	3.0
Extension of Taxiway N-DTN	0.8
Russell Road Water Main Improvements	1.3
South Highland Lift Station Improvements	1.3
Broadmoor Sewer Outfall 48 Sewer Main Rehab	5.2
Cedar Grove Trunk Main Repair	6.3
	\$ 20.4

Construction commitments

The government has one active major construction projects as of December 31, 2017 for improvements to Water and Sewerage facilities. At year end, the government's commitments with contractors are as follows:

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

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

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

Long-term debt. At year end, the City had \$854 million in bonds and other lending agreements, including \$1.3 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)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General obligation bonds	\$ 189.58	\$ 208.24	\$ -	\$ -	\$ 189.58	\$ 208.24
Revenue bonds	-	-	631.14	539.82	631.14	539.82
Other lending agreements	32.11	36.03	1.64	2.42	33.75	38.45
Total	<u>\$ 221.69</u>	<u>\$ 244.26</u>	<u>\$ 632.78</u>	<u>\$ 542.24</u>	<u>\$ 854.47</u>	<u>\$ 786.50</u>

In governmental activities, the City issued \$50 million in Refunding Bonds, Series 2017.

In business-type activities, Water and Sewerage issued \$55.9 million in Water and Sewer Revenue Bonds, Series 2017A, \$35.8 million in Water and Sewer Revenue Bonds, Junior Lien Series 2017B, and \$43.1 million in Water and Sewer Revenue Refunding Bonds, 2017C.

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 \$345 million of additional general obligation bonded debt is available for issuance.

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

Economic Factors and Next Year's Budgets and Rates

Sales and Use taxes for the first half of 2018 are in line with 2017 levels. They are expected to remain stable for the rest of 2018. The increased contributions to the Employee Retirement System approved by the City Council in 2014 continue to put pressure on a tight General Fund budget. Despite a 5% increase in health care premiums, claims cost continue to rise faster. The board will have to make decisions about what changes need to be made in the City's insurance to help control cost.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Primary Government			Component Units
	Governmental	Business-type	Total	
	Activities	Activities		
ASSETS				
Cash and cash equivalents	\$ 91,960,361	\$ 46,278,808	\$ 138,239,169	\$ 18,058,202
Investments	964,229	-	964,229	1,808,994
Interest receivable	3,063	-	3,063	-
Receivable, net	36,388,972	12,128,949	48,517,921	18,675,083
Due from other governments	18,595,940	6,867,393	25,463,333	-
Due from primary government	-	-	-	379,702
Internal balances	2,285,767	(2,285,767)	-	-
Inventories	1,614,238	2,733,027	4,347,265	-
Prepaid items	517,959	367,865	885,824	31,575
Notes receivable	5,827,515	-	5,827,515	7,455
Other assets	184,250	-	184,250	116,706
Restricted assets:				
Cash and cash equivalents	-	240,532,499	240,532,499	-
Investments	-	2,959,890	2,959,890	-
Prepaid items	-	2,267,592	2,267,592	-
Capital assets:				
Land and construction in progress	139,591,495	346,362,618	485,954,113	6,096,195
Other capital assets, net of depreciation	465,262,992	653,544,606	1,118,807,598	30,279,344
Total assets	<u>763,196,781</u>	<u>1,311,757,480</u>	<u>2,074,954,261</u>	<u>75,453,256</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	2,881,589	9,690,536	12,572,125	-
Deferred outflows for pensions	34,877,219	1,788,263	36,665,482	968,334
Total deferred outflows of resources	<u>37,758,808</u>	<u>11,478,799</u>	<u>49,237,607</u>	<u>968,334</u>
LIABILITIES				
Accounts payable	7,162,771	30,338,275	37,501,046	290,978
Accrued liabilities	19,570	11,553,693	11,573,263	247,309
Accrued interest payable	2,228,851	2,647,235	4,876,086	-
Due to other governments	710,537	-	710,537	112,964
Due to component unit	-	-	-	-
Unearned revenue	6,345,111	182,357	6,527,468	-
Deposits and other	812,464	847,147	1,659,611	-
Non-current liabilities:				
Due within one year	38,921,298	21,740,031	60,661,329	673,704
Due in more than one year	226,206,977	612,848,851	839,055,828	5,375,651
Net pension obligation	304,568,058	56,442,690	361,010,748	30,563,413
Other postemployment benefit obligation	250,990,952	23,146,563	274,137,515	14,729,630
Total liabilities	<u>837,966,589</u>	<u>759,746,842</u>	<u>1,597,713,431</u>	<u>51,993,649</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on bond refunding	2,168,610	-	2,168,610	-
Deferred inflows for pensions	34,297,066	3,431,695	37,728,761	2,631,183
Total deferred inflows of resources	<u>36,465,676</u>	<u>3,431,695</u>	<u>39,897,371</u>	<u>2,631,183</u>
NET POSITION				
Net investment in capital assets	604,854,487	614,521,810	1,219,376,297	36,044,166
Restricted for:				
Capital projects	61,101,728	-	61,101,728	-
Debt service	50,716,946	3,960,404	54,677,350	155,006
Community development	943,896	-	943,896	-
Streets	1,519,554	-	1,519,554	-
Enrichment	1,121,370	-	1,121,370	-
Downtown entertainment economic development	557,299	-	557,299	-
Environmental grants	1,366,642	-	1,366,642	-
Other purposes	15,773,407	-	15,773,407	819,561
Unrestricted (deficit)	(811,432,005)	(58,424,472)	(869,856,477)	(15,221,975)
Total net position (deficit)	<u>\$ (73,476,676)</u>	<u>\$ 560,057,742</u>	<u>\$ 486,581,066</u>	<u>\$ 21,796,758</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, 2017

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 61,780,900	\$ -	\$ -	\$ -	\$ (61,780,900)	\$ -	\$ (61,780,900)	\$ -
Public safety	116,156,813	20,908,980	10,350,834	-	(84,896,999)	-	(84,896,999)	-
Public works	66,261,441	20,133,031	697,180	137,421	(45,293,809)	-	(45,293,809)	-
Culture and recreation	36,076,061	2,101,051	5,879,971	-	(28,095,039)	-	(28,095,039)	-
Health and welfare	2,791	-	-	-	(2,791)	-	(2,791)	-
Community development	2,893,364	-	3,390,489	-	497,125	-	497,125	-
Economic development	3,235,826	-	185,442	-	(3,050,384)	-	(3,050,384)	-
Economic opportunity	2,265,807	-	1,023,627	-	(1,242,180)	-	(1,242,180)	-
Interest on long-term debt	9,029,444	-	-	-	(9,029,444)	-	(9,029,444)	-
Total governmental activities	297,702,447	43,143,062	21,527,543	137,421	(232,894,421)	-	(232,894,421)	-
Business-type activities								
Municipal and Regional Airports	13,708,757	10,942,803	-	5,869,539	-	3,103,585	3,103,585	-
Water and Sewerage	65,808,452	85,830,305	38,993	1,098,540	-	21,159,386	21,159,386	-
Convention Center	7,148,971	3,072,879	-	-	-	(4,076,092)	(4,076,092)	-
Convention Center Hotel	12,278,765	11,671,322	-	-	-	(607,443)	(607,443)	-
Shreveport Area Transit System	16,756,528	2,061,377	4,610,179	14,622,531	-	4,537,559	4,537,559	-
Golf	(3,768,584)	1,509,499	-	-	-	5,278,083	5,278,083	-
Downtown Parking	367,630	448,267	-	-	-	80,637	80,637	-
Total business-type activities	112,300,519	115,536,452	4,649,172	21,590,610	-	29,475,715	29,475,715	-
Total primary government	\$ 410,002,966	\$ 158,679,514	\$ 26,176,715	\$ 21,728,031	\$ (232,894,421)	\$ 29,475,715	\$ (203,418,706)	\$ -
Component units:								
Shreveport Home Mortgage Authority	242,581	218,770	-	-	-	-	-	(23,811)
City Court	708,244	507,059	-	-	-	-	-	(201,185)
City Marshal	2,673,760	926,211	2,008,374	-	-	-	-	260,825
Downtown Development Authority	1,295,568	637,459	-	-	-	-	-	(658,109)
Metropolitan Planning Commission	1,574,534	305,162	217,580	-	-	-	-	(1,051,792)
Shreve Memorial Library	19,891,597	330,784	-	-	-	-	-	(19,560,813)
Total component units	\$ 26,386,284	\$ 2,925,445	\$ 2,225,954	\$ -	\$ -	\$ -	\$ -	\$ (21,234,885)
General Revenues:								
Taxes:								
Property taxes levied for general purposes					28,063,849	-	28,063,849	16,078,650
Property taxes levied for debt service					27,563,502	-	27,563,502	-
Sales taxes					118,856,149	-	118,856,149	-
Franchise taxes					8,258,569	-	8,258,569	-
Occupational licenses					7,066,000	-	7,066,000	-
Gaming					8,916,942	-	8,916,942	-
Grants and contributions not restricted to specific programs					1,152,947	-	1,152,947	-
Investment earnings					343,143	1,364,644	1,707,787	(26,099)
Miscellaneous					3,836,263	2,186,864	6,023,127	764,993
Transfers					(27,019,950)	27,019,949	(1)	-
Total general revenues and transfers					177,037,414	30,571,457	207,608,871	17,858,922
Change in Net Position					(55,857,007)	60,047,172	4,190,165	(3,375,963)
Net position - beginning					(21,048,966)	500,010,570	478,961,604	25,172,721
Prior Period Adjustments					3,429,297	-	3,429,297	-
Net position - beginning - as restated, see Note IV.H.					(17,619,669)	500,010,570	482,390,901	25,172,721
Net position - ending					\$ (73,476,676)	\$ 560,057,742	\$ 486,581,066	\$ 21,796,758

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

CITY OF SHREVEPORT, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	<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>
ASSETS						
Cash and cash equivalents	\$ 6,883	\$ 15,201,734	\$ 40,473,148	\$ 1,112,359	\$ 23,864,870	\$ 80,658,994
Property taxes receivable, net	4,106,540	4,232,533	-	-	-	8,339,073
Franchise taxes receivable	1,940,368	-	-	-	-	1,940,368
Accounts receivable, net	2,955,522	-	-	58,395	2,484,078	5,497,995
Due from other governments	16,042,143	503,336	-	1,211,336	839,125	18,595,940
Due from other funds	79,174	31,893,485	-	-	2,251,581	34,224,240
Inventories	1,614,238	-	-	-	-	1,614,238
Notes receivable, net	-	-	-	5,827,515	-	5,827,515
Assets held for resale	-	-	-	-	196,066	196,066
Restricted assets	-	232	-	-	-	232
Total assets	<u>\$ 26,744,868</u>	<u>\$ 51,831,320</u>	<u>\$ 40,473,148</u>	<u>\$ 8,209,605</u>	<u>\$ 29,635,720</u>	<u>\$ 156,894,661</u>
LIABILITIES						
Liabilities:						
Accounts payable	3,431,239	-	160,974	369,378	2,236,820	6,198,411
Accrued liabilities	19,570	-	-	-	-	19,570
Due to other governments	673,867	-	-	-	36,670	710,537
Due to other funds	6,471,566	-	-	-	1,230,703	7,702,269
Unearned revenue	517,596	-	-	5,827,515	-	6,345,111
Deposits and other	812,464	-	-	-	-	812,464
Notes payable	-	-	-	1,057,000	-	1,057,000
Items held in escrow	-	-	-	11,816	-	11,816
Total liabilities	<u>11,926,302</u>	<u>-</u>	<u>160,974</u>	<u>7,265,709</u>	<u>3,504,193</u>	<u>22,857,178</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	1,083,169	1,114,374	-	-	-	2,197,543
Total deferred inflows of resources	<u>1,083,169</u>	<u>1,114,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,197,543</u>
FUND BALANCES						
Nonspendable:						
Inventories	1,614,238	-	-	-	-	1,614,238
Endowments	14,719	-	-	-	-	14,719
Restricted for:						
Debt service	-	50,716,946	-	-	-	50,716,946
Community development	-	-	-	943,896	-	943,896
Streets	-	-	-	-	1,519,554	1,519,554
Capital projects	-	-	40,312,174	-	20,789,554	61,101,728
Other purposes	354,446	-	-	-	3,822,419	4,176,865
Assigned to:						
Purchases on order	7,885,639	-	-	-	-	7,885,639
Landfill	3,710,903	-	-	-	-	3,710,903
Unassigned	155,452	-	-	-	-	155,452
Total fund balance	<u>13,735,397</u>	<u>50,716,946</u>	<u>40,312,174</u>	<u>943,896</u>	<u>26,131,527</u>	<u>131,839,940</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,744,868</u>	<u>\$ 51,831,320</u>	<u>\$ 40,473,148</u>	<u>\$ 8,209,605</u>	<u>\$ 29,635,720</u>	<u>\$ 156,894,661</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, 2017**

Fund balances - total governmental funds \$ 131,839,940

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	1,079,612,768	
Less accumulated depreciation	<u>(474,758,281)</u>	604,854,487

Some of the City's property taxes will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the governmental funds.		2,197,543
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Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities at year-end consist of:

Bonds, notes, and loans payable	(196,712,533)	
Unamortized bond discount	12,417	
Deferred outflow charge on refunding	2,881,589	
Deferred inflow charge on refunding	(2,168,610)	
Unamortized bond premium	(23,932,860)	
Accrued interest payable	(2,228,851)	
Compensated absences	<u>(2,096,313)</u>	(224,245,161)

Net pension liability and deferred inflows and outflows for pensions		(303,987,905)
Landfill postclosure care		(3,710,903)
Net OPEB obligation		(250,990,952)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities.		<u>(29,433,725)</u>
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Net position of governmental activities.		<u><u>\$ (73,476,676)</u></u>
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The accompanying notes are an integral part of the financial statements.

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General	Debt Service	2014 General Obligation Bonds	Community Development	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 27,651,743	\$ 27,563,502	\$ -	\$ -	\$ -	\$ 55,215,245
Sales	118,856,149	-	-	-	-	118,856,149
Franchise	8,258,569	-	-	-	-	8,258,569
Licenses and permits	9,060,734	-	-	-	-	9,060,734
Intergovernmental	9,044,153	1,761,967	-	4,599,558	6,183,453	21,589,131
Charges for services	31,948,695	-	-	-	-	31,948,695
Fines and forfeitures	2,547,015	-	-	-	-	2,547,015
Gaming	-	-	-	-	8,916,942	8,916,942
Investment earnings	11,880	23,387	230,784	2,519	49,054	317,624
Miscellaneous	2,049,774	-	-	457,831	9,720,806	12,228,411
Total revenues	<u>209,428,712</u>	<u>29,348,856</u>	<u>230,784</u>	<u>5,059,908</u>	<u>24,870,255</u>	<u>268,938,515</u>
EXPENDITURES						
Current:						
General government	37,516,274	-	-	-	137,421	37,653,695
Public safety	107,744,040	-	-	-	3,996,733	111,740,773
Public works	39,290,998	-	-	-	-	39,290,998
Culture and recreation	19,111,604	-	-	7,185	149,358	19,268,147
Health and welfare	-	-	-	2,791	-	2,791
Community development	-	-	-	2,678,717	-	2,678,717
Economic development	-	-	-	1,978,131	1,250,882	3,229,013
Economic opportunity	-	-	-	2,262,389	-	2,262,389
Debt service:						
Principal	-	22,195,408	-	-	-	22,195,408
Interest and other charges	-	11,367,611	-	-	-	11,367,611
Bond issuance costs	-	715,873	-	-	-	715,873
Capital outlay	7,068,732	-	915,774	-	20,952,955	28,937,461
Total expenditures	<u>210,731,648</u>	<u>34,278,892</u>	<u>915,774</u>	<u>6,929,213</u>	<u>26,487,349</u>	<u>279,342,876</u>
Excess (deficiency) of revenues over (under) expenditures	(1,302,936)	(4,930,036)	(684,990)	(1,869,305)	(1,617,094)	(10,404,361)
OTHER FINANCING SOURCES (USES)						
Transfers in	13,547,100	3,666,642	-	996,800	12,352,163	30,562,705
Transfers out	(12,465,952)	-	(22,064,054)	-	(23,052,649)	(57,582,655)
Refunding bonds issued	-	50,000,000	-	-	-	50,000,000
Premium on bonds issued	-	7,085,177	-	-	-	7,085,177
Payments to refunded bond escrow agent	-	(56,369,303)	-	-	-	(56,369,303)
Total other financing sources and (uses)	<u>1,081,148</u>	<u>4,382,516</u>	<u>(22,064,054)</u>	<u>996,800</u>	<u>(10,700,486)</u>	<u>(26,304,076)</u>
Net change in fund balances	(221,788)	(547,520)	(22,749,044)	(872,505)	(12,317,580)	(36,708,437)
Fund balances-beginning	13,957,185	51,264,466	63,061,218	1,816,401	38,449,107	168,548,377
Fund balances-ending	<u>\$ 13,735,397</u>	<u>\$ 50,716,946</u>	<u>\$ 40,312,174</u>	<u>\$ 943,896</u>	<u>\$ 26,131,527</u>	<u>\$ 131,839,940</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, 2017

Net change in fund balances - total funds \$ (36,708,437)

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	28,937,461	
Disposals	(210,029)	
Depreciation expense	<u>(21,699,049)</u>	7,028,383

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		412,106
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows

Principal payments	22,195,408	
Refunding bonds issued	(50,000,000)	
Premium on refunding bonds issued	(7,085,177)	
Payments to refunding bonds escrow agent	<u>56,369,303</u>	21,479,534

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	(461,632)	
Net OPEB obligation	<u>(42,843,959)</u>	(43,305,591)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These expenses consist of:

Amortization of deferred outflow charge on refunding	(274,823)	
Amortization of deferred inflow charge on refunding	213,306	
Amortization of certificate of indebtedness discount	(3,219)	
Amount of certificate of indebtedness premium	218,518	
Amortization of bond premiums	1,931,645	
Decrease in accrued interest	968,613	
Decrease in other bond items	960,721	
Decrease in compensated absences	328,640	
Increase in landfill closure and postclosure care	<u>(300,721)</u>	4,042,680

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.

		<u>(8,805,682)</u>
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Change in net position of governmental activities. \$ (55,857,007)

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Business-type Activities					Total	Activities Internal Service Funds
	Enterprise Funds						
	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds		
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ 8,455,360	\$ 36,623,156	\$ 86,393	\$ -	\$ 1,113,899	\$ 46,278,808	\$ 11,301,367
Investments	-	-	-	-	-	-	963,997
Receivables, net	498,893	10,666,933	195,191	512,654	255,278	12,128,949	4,358,014
Interest Receivable	-	-	-	-	-	-	3,063
Due from other funds	-	-	-	-	53,007	53,007	-
Due from other governments	3,564,363	-	-	-	3,303,030	6,867,393	-
Inventories	90,748	1,799,708	69,651	24,540	748,380	2,733,027	-
Prepaid items	-	-	4,618	164,686	198,561	367,865	517,959
Total current assets	<u>12,609,364</u>	<u>49,089,797</u>	<u>355,853</u>	<u>701,880</u>	<u>5,672,155</u>	<u>68,429,049</u>	<u>17,144,400</u>
Noncurrent Assets:							
Restricted:							
Cash and cash equivalents	6,585,677	232,606,632	-	1,340,190	-	240,532,499	-
Investments	-	2,959,890	-	-	-	2,959,890	-
Prepaid items	216,579	2,051,013	-	-	-	2,267,592	-
Total restricted assets	<u>6,802,256</u>	<u>237,617,535</u>	<u>-</u>	<u>1,340,190</u>	<u>-</u>	<u>245,759,981</u>	<u>-</u>
Capital Assets:							
Land	37,627,729	996,201	6,147,743	-	368,877	45,140,550	-
Buildings	72,679,136	-	88,822,703	43,855,094	13,791,166	219,148,099	-
Improvements other than buildings	115,502,246	-	3,553,819	210,011	1,164,965	120,431,041	-
Equipment	6,859,025	24,355,596	8,137,094	6,791,455	24,337,331	70,480,501	-
Distribution and collection systems	-	718,525,251	-	-	-	718,525,251	-
Construction in progress	9,070,045	291,681,687	-	-	470,336	301,222,068	-
Less accumulated depreciation	<u>(115,942,456)</u>	<u>(299,983,010)</u>	<u>(30,836,158)</u>	<u>(14,330,439)</u>	<u>(13,948,223)</u>	<u>(475,040,286)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>125,795,725</u>	<u>735,575,725</u>	<u>75,825,201</u>	<u>36,526,121</u>	<u>26,184,452</u>	<u>999,907,224</u>	<u>-</u>
Total noncurrent assets	<u>132,597,981</u>	<u>973,193,260</u>	<u>75,825,201</u>	<u>37,866,311</u>	<u>26,184,452</u>	<u>1,245,667,205</u>	<u>-</u>
Total assets	<u>145,207,345</u>	<u>1,022,283,057</u>	<u>76,181,054</u>	<u>38,568,191</u>	<u>31,856,607</u>	<u>1,314,096,254</u>	<u>17,144,400</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred amount on refunding	4,295,767	3,027,633	-	2,367,136	-	9,690,536	-
Deferred pension	312,556	1,418,945	-	-	56,762	1,788,263	-
Total deferred outflows of resources	<u>4,608,323</u>	<u>4,446,578</u>	<u>-</u>	<u>2,367,136</u>	<u>56,762</u>	<u>11,478,799</u>	<u>-</u>

(continued)

(continued)

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	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	2,085,170	27,178,014	584,017	433,291	57,783	30,338,275	964,360
Accrued liabilities	1,009,690	9,807,022	117,542	335,109	284,330	11,553,693	-
Accrued interest payable	649,931	1,937,908	-	59,396	-	2,647,235	-
Due to other funds	-	-	-	874,169	1,464,608	2,338,777	7,982,682
Unearned revenue	58,120	-	-	-	124,237	182,357	-
Customer deposits	76,992	524,770	213,729	31,656	-	847,147	-
Compensated absences	6,477	5,492	-	-	198,461	210,430	-
Claims and judgments	-	-	-	-	-	-	12,859,104
Leases payable	-	408,976	-	-	-	408,976	-
Revenue bonds and notes payable, net	2,400,000	17,751,933	-	962,100	-	21,114,033	-
Total current liabilities	<u>6,286,380</u>	<u>57,614,115</u>	<u>915,288</u>	<u>2,695,721</u>	<u>2,129,419</u>	<u>69,640,923</u>	<u>21,806,146</u>
Noncurrent Liabilities:							
Accrued liabilities	-	848,907	-	-	-	848,907	-
Claims and judgments	-	-	-	-	-	-	24,757,801
Compensated absences	138,956	572,160	-	-	40,390	751,506	14,178
Leases payable	-	-	-	-	-	-	-
Net OPEB obligation	4,404,209	16,833,864	-	-	1,908,490	23,146,563	-
Net pension liability	9,865,162	44,785,949	-	-	1,791,579	56,442,690	-
Revenue bonds and notes payable, net	30,589,525	543,595,002	-	37,070,500	-	611,255,027	-
Total noncurrent liabilities	<u>44,997,852</u>	<u>606,635,882</u>	<u>-</u>	<u>37,070,500</u>	<u>3,740,459</u>	<u>692,444,693</u>	<u>24,771,979</u>
Total liabilities	<u>51,284,232</u>	<u>664,249,997</u>	<u>915,288</u>	<u>39,766,221</u>	<u>5,869,878</u>	<u>762,085,616</u>	<u>46,578,125</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred pensions	599,798	2,722,970	-	-	108,927	3,431,695	-
NET POSITION (DEFICIT)							
Net investment in capital assets	101,244,956	409,791,811	75,825,201	1,475,390	26,184,452	614,521,810	-
Restricted for debt service	3,960,404	-	-	-	-	3,960,404	-
Unrestricted (deficit)	(7,273,722)	(50,035,143)	(559,435)	(306,284)	(249,888)	(58,424,472)	(29,433,725)
Total net position (deficit)	<u>\$ 97,931,638</u>	<u>\$ 359,756,668</u>	<u>\$ 75,265,766</u>	<u>\$ 1,169,106</u>	<u>\$ 25,934,564</u>	<u>\$ 560,057,742</u>	<u>\$ (29,433,725)</u>

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

(concluded)

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities Enterprise Funds					Total	Governmental Activities
	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds		Internal Service Funds
OPERATING REVENUES							
Charges for services	\$ 10,942,803	\$ 85,830,305	\$ 3,072,879	\$ 11,671,322	\$ 4,019,143	\$ 115,536,452	\$ 44,268,536
Miscellaneous	367,792	1,459,604	198,635	65,895	420,292	2,512,218	1,761,661
Total operating revenues	<u>11,310,595</u>	<u>87,289,909</u>	<u>3,271,514</u>	<u>11,737,217</u>	<u>4,439,435</u>	<u>118,048,670</u>	<u>46,030,197</u>
OPERATING EXPENSES							
Personal services	3,478,611	5,325,507	1,925,435	-	4,723,588	15,453,141	324,547
Contractual services and other expenses	2,367,646	10,387,291	1,899,976	8,601,939	1,913,686	25,170,538	6,001,653
Utilities	943,325	4,264,688	818,641	597,029	314,231	6,937,914	-
Repairs and maintenance	(82,038)	2,566,467	385,710	494,693	156	3,364,988	-
Materials and supplies	255,748	8,982,691	77,748	-	2,257,744	11,573,931	7,995
Claims	-	-	-	-	-	-	48,527,203
Depreciation	4,901,116	15,010,560	2,041,461	1,761,478	4,145,888	27,860,503	-
Total operating expenses	<u>11,864,408</u>	<u>46,537,204</u>	<u>7,148,971</u>	<u>11,455,139</u>	<u>13,355,293</u>	<u>90,361,015</u>	<u>54,861,398</u>
Operating income (loss)	<u>(553,813)</u>	<u>40,752,705</u>	<u>(3,877,457)</u>	<u>282,078</u>	<u>(8,915,858)</u>	<u>27,687,655</u>	<u>(8,831,201)</u>
NONOPERATING REVENUES (EXPENSES)							
Investment earnings (loss)	27,859	1,336,889	(748)	-	643	1,364,643	25,519
Interest expense	(1,844,349)	(18,129,376)	-	(823,626)	(281)	(20,797,632)	-
Intergovernmental	136,320	38,993	-	-	4,473,859	4,649,172	-
Passenger facility charges	1,032,951	-	-	-	-	1,032,951	-
Bond issuance costs	-	(1,141,872)	-	-	-	(1,141,872)	-
Gain / (Loss) on disposal of capital assets	(133)	(40,822)	-	(8,580)	(1,308,770)	(1,358,305)	-
Net nonoperating revenues (expenses)	<u>(647,352)</u>	<u>(17,936,188)</u>	<u>(748)</u>	<u>(832,206)</u>	<u>3,165,451</u>	<u>(16,251,043)</u>	<u>25,519</u>
Income (loss) before contributions and transfers	(1,201,165)	22,816,517	(3,878,205)	(550,128)	(5,750,407)	11,436,612	(8,805,682)
Capital contributions	5,869,539	1,098,540	-	-	14,622,531	21,590,610	-
Transfers in	-	19,327,130	1,691,600	151,500	7,484,719	28,654,949	-
Transfers out	-	(1,635,000)	-	-	-	(1,635,000)	-
Change in net position	4,668,374	41,607,187	(2,186,605)	(398,628)	16,356,843	60,047,171	(8,805,682)
Total net position-beginning of year	<u>93,263,264</u>	<u>318,149,481</u>	<u>77,452,371</u>	<u>1,567,734</u>	<u>9,577,721</u>	<u>500,010,571</u>	<u>(20,628,043)</u>
Total net position-ending	<u>\$ 97,931,638</u>	<u>\$ 359,756,668</u>	<u>\$ 75,265,766</u>	<u>\$ 1,169,106</u>	<u>\$ 25,934,564</u>	<u>\$ 560,057,742</u>	<u>\$ (29,433,725)</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, 2017

	Business-type Activities Enterprise Funds					Total	Governmental Activities Internal Service Funds
	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds		
Cash flows from operating activities:							
Receipts from operations	\$ 10,945,411	\$ 84,569,781	\$ 3,255,740	\$ 11,663,469	\$ 4,096,122	\$ 114,530,523	\$ 45,428,452
Payments to suppliers	(3,117,093)	(20,482,352)	(3,273,148)	(5,193,143)	(21,358,360)	(53,424,096)	(23,122,015)
Payments to employees	(4,647,090)	(16,242,811)	(1,911,166)	(4,291,872)	8,242,181	(18,850,758)	(321,207)
Claims	-	-	-	-	-	-	(27,538,536)
Other receipts	371,685	1,459,604	198,366	136,343	411,917	2,577,915	-
Other payments	(292,200)	(2,908,233)	-	-	(86,993)	(3,287,426)	-
Net cash provided by (used in) operating activities	3,260,713	46,395,989	(1,730,208)	2,314,797	(8,695,133)	41,546,158	(5,553,306)
Cash flows from noncapital financing activities:							
Cash bond	-	20	-	-	-	20	-
Transfers out	-	(1,635,000)	1,691,600	-	-	56,600	-
Intergovernmental	136,320	38,993	-	-	1,436,472	1,611,785	-
Transfers in	-	19,327,130	-	151,500	7,644,598	27,123,228	-
Interest expense on operations	-	-	-	(2,668)	(281)	(2,949)	-
Net cash provided by (used in) noncapital financing activities	136,320	17,731,143	1,691,600	148,832	9,080,789	28,788,684	-
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(5,530,741)	(166,148,194)	(78,333)	(909,702)	(9,929,906)	(182,596,876)	-
Principal paid on debt	(1,930,475)	(10,079,400)	-	(1,005,300)	9,425,423	(3,589,752)	-
Interest paid on debt	(1,324,313)	(11,445,257)	-	(670,795)	-	(13,440,365)	-
Capitalized lease payment	-	(628,941)	-	-	-	(628,941)	-
Proceeds from bond issuance	-	96,114,792	-	-	-	96,114,792	-
Payment of bond issuance cost	-	(1,162,770)	-	-	-	(1,162,770)	-
Payment used in refunded revenue bonds issued	-	-	-	-	-	-	-
Payment of bonds prepaid insurance	-	(513,162)	-	-	-	(513,162)	-
Capital grants	441,060	-	-	-	-	441,060	-
Contributed capital by others	2,817,738	-	-	-	-	2,817,738	-
Passenger facility charges	1,032,951	-	-	-	-	1,032,951	-
Net cash provided by (used in) capital and related financing activities	(4,493,780)	(93,862,932)	(78,333)	(2,585,797)	(504,483)	(101,525,325)	-
Cash flows from investing activities:							
Purchase of investments	-	-	-	-	(20)	(20)	(968,781)
Proceeds from sale and maturity of investments	388	-	-	-	-	388	968,619
Interest on investments	8,517	1,336,889	(748)	-	663	1,345,321	30,102
Net cash provided by (used in) investing activities	8,905	1,336,889	(748)	-	643	1,345,689	29,940
Net increase (decrease) in cash and cash equivalents	(1,087,842)	(28,398,911)	(117,689)	(122,168)	(118,184)	(29,844,794)	(5,523,366)
Cash and cash equivalents, beginning of year	16,128,879	300,588,589	204,082	1,462,358	1,232,083	319,615,991	16,824,733
Cash and cash equivalents, end of year	\$ 15,041,037	\$ 272,189,678	\$ 86,393	\$ 1,340,190	\$ 1,113,899	\$ 289,771,197	\$ 11,301,367

(continued)

(continued)

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	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)	\$ (553,813)	\$ 40,752,705	\$ (3,877,457)	\$ 282,078	\$ (8,915,858)	\$ 27,687,655	\$ (8,831,201)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	4,901,116	15,010,560	2,041,461	1,761,478	4,145,888	27,860,503	-
(Increase) Decrease in assets:							
Receivables	-	(1,219,968)	182,077	(31,898)	19,190	(1,050,599)	(654,752)
Due from other funds	-	-	-	-	(53,007)	(53,007)	249,997
Due from other governments	-	-	-	-	-	-	-
Inventories	(604)	138,185	13,893	(1,542)	25,401	175,333	-
Deferred outflows for pensions	(45,352)	-	-	-	2,666	(42,686)	-
Prepaid items	-	-	10,879	(54,430)	(39,040)	(82,591)	12,606
Increase (Decrease) in liabilities:							
Accounts payable	98,965	1,598,524	(115,845)	(43,857)	(122,237)	1,415,550	60,637
Accrued liabilities	(23,803)	1,131,509	12,723	16,260	3,195	1,139,884	913,971
Net OPEB obligation	(1,717,761)	(11,646,607)	-	-	(4,958,764)	(18,323,132)	-
Net pension liability	36,222	722,424	-	-	(394,461)	364,185	-
Deferred inflows for pensions	491,090	-	-	-	84,750	575,840	-
Due to other funds	-	-	-	292,215	1,420,533	1,712,748	2,692,096
Unearned revenue	(4,362)	-	-	-	92,677	88,315	-
Customers' deposits	7,800	(40,556)	514	24,045	-	(8,197)	-
Compensated absences	12,837	(50,787)	1,546	-	3,927	(32,477)	3,340
Other increases (decreases)	58,377	-	1	70,448	(9,993)	118,833	-
Total adjustments	3,814,526	5,643,284	2,147,249	2,032,719	220,725	13,858,503	3,277,895
Net cash provided by (used in) operating activities	\$ 3,260,713	\$ 46,395,989	\$ (1,730,208)	\$ 2,314,797	\$ (8,695,133)	\$ 41,546,158	\$ (5,553,306)

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

(concluded)

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

	Employee Retirement Funds
ASSETS	
Cash and cash equivalents	\$ 1,143,806
Receivables:	
Interest and dividends receivable	78,568
Accounts receivable	458,067
Prepaid items	223,497
Investments, at fair value:	
U.S. government obligations	3,671,531
Investment pool	-
Mutual Bond Funds	74,279,186
Mutual funds	137,610,187
Domestic corporate bonds	7,334,936
Domestic equities	12,926,960
International equities	8,991,114
Total investments	244,813,914
Other assets:	
Cash surrender value of life insurance policies	4,497,599
Total assets	251,215,451
 LIABILITIES	
Due to other funds	16,253,520
Accrued liabilities	16,021
Employees' deposits held in escrow	1,935,171
Total liabilities	18,204,712
 Net position restricted for pensions	\$ 233,010,739

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, 2017

	<u>Employee Retirement Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 9,831,599
Plan members	5,123,652
Total contributions	<u>14,955,251</u>
Investment earnings:	
Net appreciation	
in fair value of investments	29,389,253
Interest	131,690
Dividends	457,650
Total investment earnings	<u>29,978,593</u>
Less investment expense	1,233,421
Net investment earnings	<u>28,745,172</u>
Life insurance proceeds	1,210,061
Miscellaneous	14,547
Total additions	<u>44,925,031</u>
DEDUCTIONS	
Benefits	29,657,196
Refund of member contribution	1,414,611
Administrative expenses	137,125
Life insurance premiums	1,658,899
Total deductions	<u>32,867,831</u>
Change in net position	12,057,200
Net position restricted for pensions	
Beginning of year	220,953,539
End of year	<u>\$ 233,010,739</u>

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2017

	<u>Shreveport Home Mortgage Authority</u>	<u>City Court</u>	<u>City Marshal</u>	<u>Downtown Development Authority</u>	<u>Metropolitan Planning Commission</u>	<u>Shreve Memorial Library</u>	<u>Total</u>
ASSETS							
Cash and cash equivalents	\$ 2,380,726	\$ 5,046,869	\$ 1,454,512	\$ 1,316,834	\$ 88,075	\$ 7,771,186	\$ 18,058,202
Investments	1,808,994	-	-	-	-	-	1,808,994
Receivables, net	3,288,333	18,396	-	780,128	-	14,588,226	18,675,083
Due from primary governments	-	-	6,883	-	-	372,819	379,702
Prepaid items	-	7,235	-	24,340	-	-	31,575
Notes receivable	7,455	-	-	-	-	-	7,455
Other assets	-	-	-	-	-	116,706	116,706
Capital assets:							
Land	-	-	-	130,237	704,514	5,261,444	6,096,195
Other capital assets, net of depreciation	-	81,743	694,027	1,118,816	102,034	28,282,724	30,279,344
Total assets	<u>7,485,508</u>	<u>5,154,243</u>	<u>2,155,422</u>	<u>3,370,355</u>	<u>894,623</u>	<u>56,393,105</u>	<u>75,453,256</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred out flows	-	-	176,027	-	-	792,307	968,334
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>176,027</u>	<u>-</u>	<u>-</u>	<u>792,307</u>	<u>968,334</u>
LIABILITIES							
Accounts payable	-	22,126	33,671	13,369	12,440	209,372	290,978
Accrued liabilities	12,709	-	-	18,207	-	216,393	247,309
Due to other governments	-	-	-	37,329	75,635	-	112,964
Noncurrent liabilities:							
Due within one year	174,421	-	-	157,130	-	342,153	673,704
Due in more than one year	4,526,508	-	-	849,143	-	-	5,375,651
Net Pension Obligation	-	-	5,555,922	-	-	25,007,491	30,563,413
Other postemployment benefit obligation	-	-	-	-	-	14,729,630	14,729,630
Total liabilities	<u>4,713,638</u>	<u>22,126</u>	<u>5,589,593</u>	<u>1,075,178</u>	<u>88,075</u>	<u>40,505,039</u>	<u>51,993,649</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows	-	-	337,798	772,938	-	1,520,447	2,631,183
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>337,798</u>	<u>772,938</u>	<u>-</u>	<u>1,520,447</u>	<u>2,631,183</u>
NET POSITION							
Net investments in capital assets	-	81,743	694,027	917,680	806,548	33,544,168	36,044,166
Restricted for:							
Debt service	155,006	-	-	-	-	-	155,006
Other purposes	-	782,034	-	37,527	-	-	819,561
Unrestricted	2,616,864	4,268,340	(4,289,969)	567,032	-	(18,384,242)	(15,221,975)
Total net position	<u>\$ 2,771,870</u>	<u>\$ 5,132,117</u>	<u>\$ (3,595,942)</u>	<u>\$ 1,522,239</u>	<u>\$ 806,548</u>	<u>\$ 15,159,926</u>	<u>\$ 21,796,758</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, 2017

	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	\$ 242,581	\$ 218,770	\$ -	\$ (23,811)	-	\$ -	\$ -	\$ -	\$ -	\$ (23,811)
City Court										
Judicial	708,244	507,059	-	-	(201,185)	-	-	-	-	(201,185)
City Marshal										
Judicial	2,673,760	926,211	2,008,374	-	-	260,825	-	-	-	260,825
Downtown Development Authority										
Downtown development	568,157	-	-	-	-	-	(568,157)	-	-	(568,157)
Streetscape program	274,340	274,419	-	-	-	-	79	-	-	79
Parking program	414,229	363,040	-	-	-	-	(51,189)	-	-	(51,189)
Interest on long-term debt	38,842	-	-	-	-	-	(38,842)	-	-	(38,842)
Total Downtown Development Authority	<u>1,295,568</u>	<u>637,459</u>	<u>-</u>	<u>(23,811)</u>	<u>(201,185)</u>	<u>260,825</u>	<u>(658,109)</u>	<u>-</u>	<u>-</u>	<u>(658,109)</u>
Metropolitan Planning Commission										
Planning and zoning	1,574,534	305,162	217,580	-	-	-	-	(1,051,792)	-	(1,051,792)
Shreve Memorial Library										
Culture and recreation	19,891,597	330,784	-	-	-	-	-	-	(19,560,813)	(19,560,813)
	<u>\$ 26,386,284</u>	<u>\$ 2,925,445</u>	<u>\$ 2,225,954</u>	<u>(23,811)</u>	<u>(201,185)</u>	<u>260,825</u>	<u>(658,109)</u>	<u>(1,051,792)</u>	<u>(19,560,813)</u>	<u>(21,234,885)</u>
General Revenues:										
Property taxes levied for general purposes				-	-	-	772,442	-	15,306,208	16,078,650
Investment earnings (loss)				(53,498)	9,053	2,623	6,228	-	9,495	(26,099)
Payment from City of Shreveport				-	-	-	-	1,041,378	-	1,041,378
Miscellaneous				2,629	15,114	-	71,159	1	676,090	764,993
Total general revenues (expenses)				<u>(50,869)</u>	<u>24,167</u>	<u>2,623</u>	<u>849,829</u>	<u>1,041,379</u>	<u>15,991,793</u>	<u>17,858,922</u>
Change in Net Position				(74,680)	(177,018)	263,448	191,720	(10,413)	(3,569,020)	(3,375,963)
Net position - beginning				<u>2,846,550</u>	<u>5,309,135</u>	<u>(3,859,390)</u>	<u>1,330,519</u>	<u>816,961</u>	<u>18,728,946</u>	<u>25,172,721</u>
Net position - ending				<u>\$ 2,771,870</u>	<u>\$ 5,132,117</u>	<u>\$ (3,595,942)</u>	<u>\$ 1,522,239</u>	<u>\$ 806,548</u>	<u>\$ 15,159,926</u>	<u>\$ 21,796,758</u>

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

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**CITY OF SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

I. Summary of Significant Accounting Policies

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

A. The Financial Reporting Entity

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

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

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

Discretely Presented Component Units

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

City Court

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

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.

Metropolitan Planning Commission

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. 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 acquisition 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.

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

	Municipal and Regional Airports	Water and Sewerage	Total
Interest expense before capitalized portion	\$ 1,861,858	\$ 19,556,942	\$ 21,418,800
Capitalized interest portion	<u>(17,509)</u>	<u>(1,427,566)</u>	<u>(1,445,075)</u>
Total interest expense	<u>\$ 1,844,349</u>	<u>\$ 18,129,376</u>	<u>\$ 19,973,725</u>

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

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

6. Compensated Absences

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

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. At the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred pension related items are reported in the government wide statement of net position. Deferred OPEB items are reported in the government-wide statement of net position.

9. Fund Balance

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

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

10. Net Position

The government-wide statement of net position reports of \$ \$137,061,246 restricted assets, of which \$ 61,101,728 is restricted by enabling legislation.

E. Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements that will become effective for fiscal years ending December 31, 2018 – 2020.

- Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions
- Statement 85, Omnibus 2017
- Statement 86, Certain Debt Extinguishment Issues
- Statement 83, Certain Asset Retirement Obligations
- Statement 84, Fiduciary Activities
- Statement 87, Leases
- Statement 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

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

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 are as follows:

General fund	\$ 7,885,639
Debt Service fund	-
2014 General Obligation Bond fund	7,308
Community Development	3,780,108
Nonmajor governmental funds	858,552
Total encumbrances	<u><u>\$ 12,531,607</u></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>\$ 214,770,800</u>	<u>\$ 15,891,206</u>	<u>\$ 230,662,006</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	\$ 203,085,200
Adjustment for state supplemental pay	6,343,512
GAAP basis	<u><u>\$ 209,428,712</u></u>
<u>Expenditures (Including transfers out)</u>	
Actual on the budgetary basis	\$ 216,854,088
Adjustment for state supplemental pay	6,343,512
GAAP basis	<u><u>\$ 223,197,600</u></u>

B. Excess of Expenditures over Appropriations

During the year, the City Council revised the City's general fund budget several times. After the first quarter, amendments and supplemental appropriations were approved to reflect the actual beginning fund balances estimated during the budget process which must be submitted by October 1st for the next year. Additional changes were made as new information indicated a need. The major differences between the original budget and the final budget were overall revenues increased by \$7,578,525 and transfers in remain unchanged, while expenditures including transfers out were increased by \$15,891,206. During the year, revenues including transfers in were \$2,742,725 less than the revised budget, while expenditures including transfers out were \$13,807,918 less than the revised budget.

During 2017, based on the legally adopted level of control for budgetary purposes, the General Fund had excess expenditures over appropriations as follows:

	Final Budget	Actual on a budgetary basis	Variance
General government:			
<u>Office of the Mayor:</u>			
Materials and supplies	\$ 15,418	\$ 17,292	\$ (1,874)
Contractual services	33,200	35,423	(2,223)
Other charges	600	805	(205)
<u>City Attorney:</u>			
Materials and supplies	26,274	30,044	(3,770)
Contractual services	157,528	168,203	(10,675)
Other charges	2,700	3,099	(399)
<u>Personnel:</u>			
Materials and supplies	5,913	7,977	(2,064)
Other charges	2,000	2,473	(473)
Improvements and equipment	17,330	18,952	(1,622)
<u>Finance:</u>			
Materials and supplies	86,863	142,843	(55,980)
Contractual services	1,004,975	1,305,297	(300,322)
<u>Other - unclassified</u>			
Contractual services	655,200	768,153	(112,953)
Payments to component units	6,380,852	6,482,656	(101,804)
Public Safety			
<u>Police:</u>			
Contractual services	1,276,449	1,452,051	(175,602)
<u>Fire:</u>			
Contractual services	7,130,196	7,554,316	(424,120)
Culture and recreation:			
Salaries, wages and employee benefits	9,818,741	10,477,425	(658,684)
Other charges	306,074	309,724	(3,650)

C. Deficit Net Position

The following funds had a deficit net position at December 31, 2017.

<u>Golf</u>	<u>Employees Health Care</u>	<u>Retained Risk</u>
\$ (3,035,645)	\$ (4,964,403)	\$ (24,469,322)

The Golf Fund, a nonmajor enterprise fund, had a deficit net position balance of \$(3,035,645). The deficit was due to the accrual of Other Postemployment Benefits (OPEB) and the net pension liability as described in Note IV. A.

The Employee's Healthcare Fund, an internal service fund, had a deficit net position balance of \$(4,964,403), which will be recovered through future charges to other funds.

The Retained Risk Fund, an internal service fund, had a deficit net position balance of \$(24,469,322), which will be recovered through future charges to other funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Investments – Primary Government excluding Fiduciary Funds

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

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

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

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

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

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

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

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

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

Information about the fair value level and exposure of the City's investments to this risk, using the segmented time distribution model is as follows:

<u>Investment Type by Fair Value Level</u>	<u>Amount</u>	<u>Level</u>
U.S. Treasuries	\$ 15,345,090	1
U.S. Instrumentalities	52,714,366	1
Money Market	255,785,202	1
LAMP	40,347,292	1
Capital One Investment Account	1,583,627	1
Certificates of Deposit	199,773	1
Pooled Cash	16,720,437	1
Total	<u>\$ 382,695,787</u>	

Investment Maturities (in years)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-3</u>
U.S. Treasuries	\$ 15,345,090	\$ 7,200,533	\$ 8,144,558
U.S. Instrumentalities	52,714,366	6,864,314	45,850,052
Certificates of Deposit	199,773	-	199,773
Money Market	255,785,202	255,785,201	-
LAMP	40,347,292	40,347,292	-
Capital One Investment Account	1,583,627	1,583,627	-
Pooled Cash	16,720,437	16,720,435	-
Total	<u>\$ 382,695,787</u>	<u>\$328,501,403</u>	<u>\$ 54,194,383</u>

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

Unrestricted Assets	
Cash	\$138,239,169.00
Investments	\$964,229.00
Restricted assets	
Cash	\$240,532,499.00
Investments	\$2,959,890.00
Less: Pooled Cash	
Total per above	<u>\$ 382,695,787</u>

2. Investments – Fiduciary Funds

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

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

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

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

Information about the fair value level and exposure of the City’s investments risk, using the segmented time distribution model is as follows:

Investment Type by Fair Value Level	Amount	Level
U.S. Instrumentalities	1,638,817	1
Asset-backed Securities	2,032,714	1
Corporate Bonds	7,334,935	1
Money Market	1,143,806	1
Mutual Bond Funds	74,279,186	1
Mutual Funds	137,610,187	1
Domestic Equities	12,926,959	1
International Equities	8,991,116	1
Total	<u>\$ 245,957,720</u>	

\$245,957,720 of the fair value above is classified as on the Statement of Fiduciary Net Position as "Investments". The money market amount of \$1,143,806 is classified as "Cash and cash equivalents."

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

Unrestricted Assets	
Cash	\$ 1,143,806
Investments	244,813,914
Total per above	<u>\$ 245,957,720</u>

Investment Maturities (in years)

Investment Type	Fair Value	Less Than 1	1-5	5-10	>10
U.S. Instrumentalities	\$ 1,638,817	\$ -	\$ 416,825	\$ 486,565	\$ 735,427
Asset-backed Securities	2,032,714	-	635	175,849	1,856,230
Corporate Bonds	7,334,935	110,400	3,763,193	2,005,372	1,455,969
Money Market	1,143,806	1,170,003	-	-	-
Total	<u>\$ 12,150,272</u>	<u>\$ 1,280,403</u>	<u>\$ 4,180,654</u>	<u>\$ 2,667,786</u>	<u>\$ 4,047,626</u>

<u>S&P/Moody's Rating</u>	<u>Fair Value</u>
Government	\$ -
AAA	\$ 6,241,527
AA	967,102
A	1,902,347
BBB	1,869,293
BB	-
B	-
Money Market	1,170,003
Total	<u>\$ 12,150,272</u>

3. Discretely Presented Component Units

Deposits

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

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

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

	<u>Shreveport Home Mortgage Authority</u>	<u>City Court</u>	<u>City Marshal</u>	<u>Downtown Development Authority</u>	<u>Shreve Memorial Library</u>
Total on deposit	\$ 2,380,726	\$ 7,876,684	\$ 1,939,942	\$ 1,324,827	\$ 7,771,186
Amount exposed to custodial risk	-	7,376,684	1,252,160	1,074,827	-

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

Investments

Shreveport Home Mortgage Authority – The \$1,808,994 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, 2017
Levy date	Not later than June 1, 2017
Tax bills mailed	On or about November 15, 2017
Total taxes are due	December 31, 2017
Penalties and interest are added	January 1, 2018
Lien date	January 1, 2018
Tax sale - 2016 delinquent property	July 1, 2018

Property taxes levied for the current year are recognized as revenues, even though a portion is collectible in the period subsequent to the levy. The City's property tax collection records show that 96.8% of the property taxes due

were collected within 60 days after the due date. Assessed values are established by the Bossier Parish and Caddo Parish Tax Assessors each year on a uniform basis at the following ratios to fair market value.

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

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

Tax Abatements

As of December 31, 2017, the City has entered into property and sales tax abatement agreements with individuals and businesses through four programs — the Restoration Tax Abatement (RTA), Industrial Tax Exemption (ITEP), Tax Rebate Incentive Pay (TRIP), and the Film Industry Incentive Program, (FIIP). Each agreement was negotiated under a particular authority allowing localities to abate property taxes for a variety of economic development purposes, including job creation, as well as, business relocation, retention, and expansion.

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

Restoration Tax Abatement (RTA):

The Restoration Tax Abatement (RTA) program is a program, which provides an up to-year abatement of the City-portion of ad valorem property taxes on the renovations and improvements of existing commercial structures and owner-occupied residences. It is a five-year award with an option for a five-year renewal with local governing authority approval. The legal authority is Louisiana Revised Statute 47:4311, et seq.

Eligibility Criteria:

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

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

Mechanism By Which the Taxes are Abated:

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

Provisions for Recapturing Abated Taxes:

Per LA R.S. 47:1313, any remaining portion of the exemption provided may be terminated for a violation of the contract.

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

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

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

The City estimates property tax revenues have been reduced by \$103,562 for the year.

Industrial Tax Exemption (ITEP):

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers an attractive tax incentive for manufacturers within the state. The program abates, up to ten years, City property taxes (Ad Valorem) on a manufacturer's new investment and annual capitalized additions related

to the manufacturing site. The legal authority is Article 7, Section 21(F) of the Louisiana Constitution and Executive Order JBE 2016-73.

Eligibility Criteria:

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

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

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

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

Mechanism By Which the Taxes are Abated:

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

Provisions for Recapturing Abated Taxes:

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

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

The property owner agrees to file annually with the assessor of the parish in which the structure is located. Within six months of the beginning of operations, completion of construction, or receipt of the executed contract, whichever occurs last, the owner of a manufacturing establishment or addition must file an affidavit of final cost showing complete cost of the exempted project.

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

The City estimates property tax revenues have been reduced by \$2,133,167 for the year.

Tax Rebate Incentive Pay (TRIP):

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

Eligibility Criteria:

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

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

Mechanism By Which the Taxes are Abated:

The property taxes are then refunded to officers through payroll.

Provisions for Recapturing Abated Taxes:

There is no provision to recapture refunded taxes.

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

Police officers must park the vehicles at their residence.

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

The City estimates property tax revenues have been reduced by \$22,471 for the year.

Film Industry Incentive Program:

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

Eligibility Criteria:

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

Mechanism By Which the Taxes are Abated:

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

Provisions for Recapturing Abated Taxes:

There is no provision to recapture refunded taxes.

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

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

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

The City estimates sales tax revenues have been reduced by \$23,942 for the year.

C. Receivables

Receivables as of December 31, 2017 consisted of the following:

Interest receivable	\$	3,063
Receivable, net		48,517,921
Due from other governments		25,463,333
	\$	<u>73,984,317</u>

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

	General	Debt Service	Community Development	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Nonmajor and Other Funds	Total
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,063	3,063
Taxes	22,908,152	4,849,158	-	-	-	-	-	-	27,757,310
Accounts	6,925,409	-	58,395	499,723	18,194,768	195,191	512,654	7,098,302	33,484,442
Intergovernmental	16,042,143	503,336	1,211,336	3,564,363	-	-	-	4,142,155	25,463,333
Gross receivables	45,875,704	5,352,494	1,269,731	4,064,086	18,194,768	195,191	512,654	11,243,520	86,708,148
Less: Allowance for uncollecti	(4,577,609)	(616,625)	-	(830)	(7,527,835)	-	-	(932)	(12,723,831)
Net total receivables	<u>\$41,298,095</u>	<u>\$4,735,869</u>	<u>\$ 1,269,731</u>	<u>\$ 4,063,256</u>	<u>\$10,666,933</u>	<u>\$ 195,191</u>	<u>\$ 512,654</u>	<u>\$11,242,588</u>	<u>\$73,984,317</u>

D. Federal and State Financial Assistance

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

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

General Fund	\$	9,044,153
Debt Service Fund		1,761,967
Special Revenue Funds:		
Community Development		4,599,558
Police Grants		3,156,808
Environmental Grants		137,421
Capital Projects Funds		2,889,224
Enterprise Funds:		
Municipal and Regional Airports		6,005,859
Water and Sewerage		1,137,533
Shreveport Area Transit System		19,096,390
Totals	\$	<u>47,828,913</u>

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

Fire Department	\$	3,133,045
Police Department		3,210,467
Total	\$	<u>6,343,512</u>

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

E. Capital Assets

Capital asset activity for the year ended December 31, 2017, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 110,753,162	\$ 1,875,755	\$ -	\$ 112,628,917
Construction in progress	35,499,960	21,779,002	(30,316,384)	26,962,578
Total capital assets not being depreciated	<u>146,253,122</u>	<u>23,654,757</u>	<u>(30,316,384)</u>	<u>139,591,495</u>
Capital assets, being depreciated:				
Buildings	192,313,851	3,322,527	-	195,636,378
Improvements other than buildings	86,289,408	3,638,280	-	89,927,688
Equipment	92,719,923	3,663,025	(5,058,079)	91,324,869
Infrastructure	538,170,262	24,975,257	(13,182)	563,132,337
Total capital assets being depreciated	<u>909,493,444</u>	<u>35,599,089</u>	<u>(5,071,261)</u>	<u>940,021,273</u>
Less accumulated depreciation for:				
Buildings	(74,336,312)	(3,919,937)	-	(78,256,249)
Improvements other than buildings	(42,364,594)	(2,392,099)	-	(44,756,693)
Equipment	(68,998,057)	(4,230,356)	4,849,638	(68,378,775)
Infrastructure	(272,221,500)	(11,156,657)	11,592	(283,366,564)
Total accumulated depreciation	<u>(457,920,462)</u>	<u>(21,699,049)</u>	<u>4,861,230</u>	<u>(474,758,281)</u>
Total capital assets, being depreciated, net	<u>451,572,982</u>	<u>13,900,040</u>	<u>(210,031)</u>	<u>465,262,992</u>
Governmental activities capital assets, net	<u>\$ 597,826,104</u>	<u>\$ 37,554,797</u>	<u>\$ (30,526,415)</u>	<u>\$ 604,854,487</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Municipal and Regional Airports				
Capital assets, not being depreciated:				
Land	\$ 37,627,729	\$ -	\$ -	\$ 37,627,729
Construction in progress	9,929,379	6,679,097	(7,538,430)	9,070,045
Total capital assets not being depreciated	<u>47,557,108</u>	<u>6,679,097</u>	<u>(7,538,430)</u>	<u>46,697,774</u>
Capital assets, being depreciated:				
Buildings	72,668,130	11,006	-	72,679,136
Improvements other than buildings	108,544,845	6,957,401	-	115,502,247
Equipment	7,902,723	628,136	(1,671,833)	6,859,026
Total capital assets being depreciated	<u>189,115,699</u>	<u>7,596,543</u>	<u>(1,671,833)</u>	<u>195,040,409</u>
Less accumulated depreciation for:				
Buildings	(39,550,973)	(1,375,088)	-	(40,926,061)
Improvements other than buildings	(66,770,078)	(3,247,396)	-	(70,017,473)
Equipment	(6,231,992)	(278,632)	1,511,702	(4,998,922)
Total accumulated depreciation	<u>(112,553,043)</u>	<u>(4,901,116)</u>	<u>1,511,702</u>	<u>(115,942,456)</u>
Total capital assets, being depreciated, net	<u>76,562,656</u>	<u>2,695,427</u>	<u>(160,131)</u>	<u>79,097,953</u>
Municipal and Regional Airports capital assets, net	<u>\$ 124,119,764</u>	<u>\$ 9,374,524</u>	<u>\$ (7,698,560)</u>	<u>\$ 125,795,725</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Water and Sewerage:				
Capital assets, not being depreciated:				
Land	\$ 996,201	\$ -	\$ -	\$ 996,201
Construction in progress	116,342,606	190,088,849	(14,749,768)	291,681,687
Total capital assets not being depreciated	<u>117,338,807</u>	<u>190,088,849</u>	<u>(14,749,768)</u>	<u>292,677,888</u>
Capital assets, being depreciated:				
Equipment	24,463,572	926,835	(1,034,810)	24,355,596
Distribution and collection systems	702,676,944	15,888,546	(40,238)	718,525,252
Total capital assets being depreciated	<u>727,140,516</u>	<u>16,815,380</u>	<u>(1,075,048)</u>	<u>742,880,848</u>
Less accumulated depreciation for:				
Equipment	(4,131,378)	(14,055,188)	595,660	(17,590,906)
Distribution and collection systems	(281,436,732)	(955,373)	-	(282,392,104)
Total accumulated depreciation	<u>(285,568,110)</u>	<u>(15,010,560)</u>	<u>595,660</u>	<u>(299,983,010)</u>
Total capital assets, being depreciated, net	<u>441,572,407</u>	<u>1,804,820</u>	<u>(479,388)</u>	<u>442,897,838</u>
Water and Sewerage capital assets, net	<u>\$ 558,911,214</u>	<u>\$ 191,893,669</u>	<u>\$ (15,229,156)</u>	<u>\$ 735,575,725</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Convention Center:				
Capital assets, not being depreciated:				
Land	\$ 6,147,743	\$ -	\$ -	\$ 6,147,743
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>6,147,743</u>	<u>-</u>	<u>-</u>	<u>6,147,743</u>
Capital assets, being depreciated:				
Buildings	88,791,627	31,076	-	88,822,703
Improvements other than buildings	3,553,819	-	-	3,553,819
Equipment	8,089,837	47,258	-	8,137,095
Total capital assets being depreciated	<u>100,435,283</u>	<u>78,334</u>	<u>-</u>	<u>100,513,617</u>
Less accumulated depreciation for:				
Buildings	(19,350,418)	(1,865,850)	-	(21,216,268)
Improvements other than buildings	(1,494,088)	(146,728)	-	(1,640,816)
Equipment	(7,950,190)	(28,883)	-	(7,979,073)
Total accumulated depreciation	<u>(28,794,696)</u>	<u>(2,041,461)</u>	<u>-</u>	<u>(30,836,157)</u>
Total capital assets, being depreciated, net	<u>71,640,587</u>	<u>(1,963,128)</u>	<u>-</u>	<u>69,677,459</u>
Convention Center capital assets, net	<u>\$ 77,788,330</u>	<u>\$ (1,963,128)</u>	<u>\$ -</u>	<u>\$ 75,825,202</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Convention Center Hotel:				
Capital assets, being depreciated:				
Buildings	\$ 43,627,612	\$ 236,277	\$ (8,795)	\$ 43,855,094
Improvements other than buildings	202,195	7,816	-	210,011
Equipment	6,132,313	3,198,896	(2,539,753)	6,791,456
Total capital assets being depreciated	<u>49,962,120</u>	<u>3,442,989</u>	<u>(2,548,548)</u>	<u>50,856,561</u>
Less accumulated depreciation for:				
Buildings	(9,166,763)	(1,002,127)	1,627	(10,167,263)
Improvements other than buildings	(85,250)	(9,675)	-	(94,925)
Equipment	(3,322,361)	(749,676)	3,785	(4,068,252)
Total accumulated depreciation	<u>(12,574,374)</u>	<u>(1,761,478)</u>	<u>5,412</u>	<u>(14,330,440)</u>
Total capital assets, being depreciated, net	<u>37,387,746</u>	<u>1,681,511</u>	<u>(2,543,136)</u>	<u>36,526,121</u>
Convention Center Hotel capital assets, net	<u>\$ 37,387,746</u>	<u>\$ 1,681,511</u>	<u>\$ (2,543,136)</u>	<u>\$ 36,526,121</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Other business-type activity programs:				
Capital assets, not being depreciated:				
Land	\$ 1,940,407	\$ 190,000	\$ (1,761,531)	\$ 368,876
Construction in progress	132,717	337,619	-	470,336
Total capital assets not being depreciated	<u>2,073,124</u>	<u>527,619</u>	<u>(1,761,531)</u>	<u>839,212</u>
Capital assets, being depreciated:				
Buildings	11,780,498	5,574,876	(3,564,207)	13,791,167
Improvements other than buildings	1,164,965	-	-	1,164,965
Equipment	21,484,845	9,496,889	(6,644,403)	24,337,331
Total capital assets being depreciated	<u>34,430,308</u>	<u>15,071,765</u>	<u>(10,208,610)</u>	<u>39,293,463</u>
Less accumulated depreciation for:				
Buildings	(5,597,900)	(1,645,467)	3,441,547	(3,801,820)
Improvements other than buildings	(567,678)	(42,337)	-	(610,015)
Equipment	(13,845,368)	(2,458,084)	6,767,063	(9,536,389)
Total accumulated depreciation	<u>(20,010,946)</u>	<u>(4,145,888)</u>	<u>10,208,610</u>	<u>(13,948,224)</u>
Total capital assets, being depreciated, net	<u>14,419,362</u>	<u>10,925,877</u>	<u>-</u>	<u>25,345,239</u>
Other enterprise funds capital assets, net	<u>\$ 16,492,486</u>	<u>\$ 11,453,496</u>	<u>\$ (1,761,531)</u>	<u>\$ 26,184,452</u>
Business-type activities capital assets, net	<u>\$ 814,699,539</u>	<u>\$ 212,440,072</u>	<u>\$ (27,232,384)</u>	<u>\$ 999,907,225</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	\$ 1,997,293
Public safety	2,685,260
Public works, including depreciation of general infrastructure assets	11,232,558
Community development	171,110
Culture and recreation	5,602,597
Economic Development	6,813
Economic Opportunity	3,418
Total depreciation expense-governmental activities	<u>\$ 21,699,049</u>
Business-type activities:	
Municipal and Regional Airports	\$ 4,901,116
Convention Center Hilton Hotel	1,761,478
Convention Center	2,041,461
Water and Sewerage	15,010,560
Shreveport Area Transit System	4,089,200
Golf	56,688
Total depreciation expense-business-type activities	<u>\$ 27,860,503</u>

Construction commitments

The government has active major construction projects as of December 31, 2017. 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
F14006	Sanitary Sewer Assessment - Phase I	\$ 12,931,411	2014B&C W&S Rev Bonds
		<u>\$ 12,931,411</u>	

Discretely presented component unit

Activity for the Metropolitan Planning Commission (MPC) for the year ended December 31, 2017, 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	93,135	-	-	93,135
Total capital assets being depreciated	<u>1,092,369</u>	<u>-</u>	<u>-</u>	<u>1,092,369</u>
Less accumulated depreciation for:				
Improvements other than buildings	(916,692)	(10,414)	-	(927,106)
Equipment	<u>(63,230)</u>	<u>-</u>	<u>-</u>	<u>(63,230)</u>
Total accumulated depreciation	<u>(979,922)</u>	<u>(10,414)</u>	<u>-</u>	<u>(990,336)</u>
Total capital assets, being depreciated, net	<u>112,447</u>	<u>(10,414)</u>	<u>-</u>	<u>102,033</u>
MPC capital assets, net	<u>\$ 816,961</u>	<u>\$ (10,414)</u>	<u>\$ -</u>	<u>\$ 806,548</u>

All depreciation expense was charged to planning and zoning.

Activity for the Downtown Development Authority for the year ended December 31, 2017, was as 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	<u>130,237</u>	<u>-</u>	<u>-</u>	<u>130,237</u>
Capital assets, being depreciated:				
Leasehold improvements	-	-	-	-
Buildings	1,511,123	-	-	1,511,123
Equipment	7,097	-	-	7,097
Streetscape equipment	90,917	63,165	(15,665)	138,417
Parking program equipment	112,003	19,900	(16,200)	115,703
Total capital assets being depreciated	<u>1,721,140</u>	<u>83,065</u>	<u>(31,865)</u>	<u>1,772,340</u>
Less accumulated depreciation for:				
Leasehold improvements	-	-	-	-
Buildings	(425,581)	(62,531)	-	(488,112)
Equipment	(888)	-	-	(888)
Streetscape equipment	(62,800)	(11,461)	15,665	(58,596)
Parking program equipment	(117,900)	(4,228)	16,200	(105,928)
Total accumulated depreciation	<u>(607,169)</u>	<u>(78,220)</u>	<u>31,865</u>	<u>(653,524)</u>
Total capital assets, being depreciated, net	<u>1,113,971</u>	<u>4,845</u>	<u>-</u>	<u>1,118,816</u>
Downtown Development Authority capital assets, net	<u>\$ 1,244,208</u>	<u>\$ 4,845</u>	<u>\$ -</u>	<u>\$ 1,249,053</u>
Depreciation expense was charged to functions/programs as follows:				
Downtown development		\$ 62,531		
Streetscape program		11,461		
Parking program		4,228		
Total		<u>\$ 78,220</u>		

Activity for the Shreve Memorial Library for the year ended December 31, 2017, was as 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	-	-	-	-
Total capital assets, not being depreciated	<u>5,261,444</u>	<u>-</u>	<u>-</u>	<u>5,261,444</u>
Capital assets, being depreciated:				
Buildings and structures	33,875,750	-	-	33,875,750
Improvements	284,995	-	-	284,995
Equipment and books	22,439,362	1,146,971	(269,508)	23,316,825
Total capital assets being depreciated	<u>56,600,107</u>	<u>1,146,971</u>	<u>(269,508)</u>	<u>57,477,570</u>
Less accumulated depreciation for:				
Buildings and structures	(9,333,058)	(673,780)	-	(10,006,838)
Improvements	(222,049)	(5,319)	-	(227,368)
Equipment and books	(18,154,044)	(1,076,104)	269,508	(18,960,639)
Total accumulated depreciation	<u>(27,709,151)</u>	<u>(1,755,203)</u>	<u>269,508</u>	<u>(29,194,846)</u>
Total capital assets, being depreciated, net	<u>28,890,956</u>	<u>(608,232)</u>	<u>0</u>	<u>28,282,724</u>
Shreve Memorial Library capital assets, net	<u>\$ 34,152,399</u>	<u>\$ (608,232)</u>	<u>\$ 0</u>	<u>\$ 33,544,168</u>

All depreciation expense was charged to culture and recreation.

	Beginning Balance	Increases	Decreases	Ending Balance
City Court:				
Capital assets, being depreciated:				
Computer equipment	\$ 234,281	\$ -	\$ (1,980)	\$ 232,301
Office equipment	291,072	14,079	-	305,151
Office furniture and improvements	510,135	-	-	510,135
Vehicles	38,160	-	-	38,160
Total capital assets being depreciated	<u>1,073,648</u>	<u>14,079</u>	<u>(1,980)</u>	<u>1,085,747</u>
Less accumulated depreciation for:				
Computer equipment	(184,055)	(24,065)	1,980	(206,140)
Office equipment	(258,021)	(14,965)	-	(272,986)
Office furniture and improvements	(479,199)	(7,519)	-	(486,718)
Vehicles	(38,160)	-	-	(38,160)
Total accumulated depreciation	<u>(959,435)</u>	<u>(46,549)</u>	<u>1,980</u>	<u>(1,004,004)</u>
Total capital assets, being depreciated, net	<u>114,213</u>	<u>(32,470)</u>	<u>-</u>	<u>81,743</u>
City Court capital assets, net	<u>\$ 114,213</u>	<u>\$ (32,470)</u>	<u>\$ -</u>	<u>\$ 81,743</u>

Judicial expenses	\$ 46,263
Probation	286
	<u>\$ 46,549</u>

	Beginning Balance	Increases	Decreases	Ending Balance
City Marshal:				
Capital assets, being depreciated:				
Buildings	\$ 45,730	\$ 17,413	\$ -	\$ 63,143
Vehicles	1,151,609	301,039	(55,421)	1,397,227
Communication	157,350	-	-	157,350
Computers	73,692	-	-	73,692
Other Equipment	366,293	-	-	366,293
Weapons	48,047	-	-	48,047
Total capital assets being depreciated	<u>1,842,721</u>	<u>318,452</u>	<u>(55,421)</u>	<u>2,105,752</u>
Less accumulated depreciation for:				
Buildings	(23,926)	(3,043)	-	(26,969)
Vehicles	(750,406)	(115,430)	51,640	(814,196)
Communication	(136,772)	(7,535)	-	(144,307)
Computers	(52,563)	(8,382)	-	(60,945)
Other Equipment	(305,498)	(23,034)	-	(328,532)
Weapons	(34,028)	(2,748)	-	(36,776)
Total accumulated depreciation	<u>(1,303,193)</u>	<u>(160,172)</u>	<u>51,640</u>	<u>(1,411,725)</u>
Total capital assets, being depreciated, net	<u>539,528</u>	<u>158,280</u>	<u>(3,781)</u>	<u>694,027</u>
City Marshal capital assets, net	<u>\$ 539,528</u>	<u>\$ 158,280</u>	<u>\$ (3,781)</u>	<u>\$ 694,027</u>

Judicial expenses	\$ 160,172
	<u>\$ 160,172</u>

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2017, is as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
General Fund	\$ 79,174	\$ 6,471,566
Debt Service	31,893,485	-
Nonmajor governmental funds	2,251,582	1,230,703
Convention Center Hotel	-	874,169
Nonmajor enterprise funds	53,007	1,464,608
Internal Service	-	7,982,682
Fiduciary	-	16,253,520
Total	\$ 34,277,248	\$ 34,277,248

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

The composition of interfund transfers as of December 31, 2017, is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 13,547,100	\$ 12,465,952
Debt Service	3,666,642	-
Nonmajor governmental funds	13,348,963	45,116,703
Water & Sewerage	19,327,130	1,635,000
Convention Center	1,691,600	-
Convention Center Hotel	151,500	-
Major enterprise funds	-	-
Nonmajor enterprise funds	7,484,720	-
Internal Service	-	-
Fiduciary	-	-
Total	\$ 59,217,655	\$ 59,217,655

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 \$55,527,924 . The lease agreements qualify as capital leases for accounting purposes, and have been recorded at the present value of their future minimum lease payments as of the inception date. The payment schedule below includes all of the current leases in effect at year end.

	Governmental Activities	Business-type Activities
Equipment	\$ 50,413,602	\$ 5,114,322
Less: accumulated depreciation	(31,466,261)	(2,914,640)
	<u>\$ 18,947,341</u>	<u>\$ 2,199,682</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2017 were as follows:

Ending December 31,	Governmental Activities	Business-type Activities
2018	\$ 1,721,367	\$ 413,275
2019	1,721,367	-
2020	1,721,367	-
2021	1,564,967	-
2022	-	-
Total minimum lease payments	6,729,068	413,275
Less: amount representing interest	(261,333)	(4,299)
Present value of minimum lease payments	<u>\$ 6,467,735</u>	<u>\$ 408,976</u>

H. Long-term Liabilities

Long-term liability activity (in thousands of dollars) for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 188,035	\$ 50,000	\$ (70,170)	\$ 167,865	\$ 17,580
Plus unamortized premium	20,202	7,085	(5,576)	21,711	2,412
Total bonds payable	<u>208,237</u>	<u>57,085</u>	<u>(75,746)</u>	<u>189,576</u>	<u>19,992</u>
Certificate of indebtedness	1,940	-	(360)	1,580	370
Less unamortized discount	(16)	-	3	(13)	(3)
Total certificates of indebtedness	<u>1,924</u>	<u>-</u>	<u>(357)</u>	<u>1,567</u>	<u>367</u>
Capital lease	<u>9,543</u>	<u>-</u>	<u>(3,075)</u>	<u>6,468</u>	<u>1,612</u>
Notes	20,800	-	-	20,800	1,535
Plus unamortized premium	2,440	-	(219)	2,221	219
Total notes	<u>23,240</u>	<u>-</u>	<u>(219)</u>	<u>23,021</u>	<u>1,754</u>
Net pension liability	333,049	-	(28,481)	304,568	-
Net OPEB obligation	208,147	42,844	-	250,991	-
Landfill postclosure care	3,410	301	-	3,711	-
Claims and judgments	36,703	914	-	37,617	12,858
Compensated absences	<u>2,437</u>	<u>-</u>	<u>(327)</u>	<u>2,110</u>	<u>2,077</u>
Governmental activities (Excluding: Community Development notes)	826,690	101,144	(108,205)	819,629	38,660
Community Development notes	1,320	-	(263)	1,057	261
Total long-term liabilities	<u>\$ 828,010</u>	<u>\$ 101,144</u>	<u>\$ (108,468)</u>	<u>\$ 820,686</u>	<u>\$ 38,921</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activity					
Municipal and Regional Airports:					
Revenue bonds and notes	\$ 34,920	\$ -	\$ (1,970)	32,950	\$ 2,400
Plus unamortized premium	40	-	-	40	-
Total bonds payable	<u>34,960</u>	<u>-</u>	<u>(1,970)</u>	<u>32,990</u>	<u>2,400</u>
Net pension liability	9,829	36	-	9,865	-
Net OPEB obligation	6,122	-	(1,718)	4,404	-
Compensated absences	133	12	-	145	6
Total	<u>51,044</u>	<u>49</u>	<u>(3,688)</u>	<u>47,404</u>	<u>2,407</u>
Water and Sewerage:					
Revenue bonds and notes	432,736	139,305	(53,084)	518,957	15,618
Plus unamortized premium	34,451	9,879	(1,940)	42,390	2,140
Total bonds payable	<u>467,187</u>	<u>149,184</u>	<u>(55,024)</u>	<u>561,347</u>	<u>17,758</u>
Capital lease	1,038	-	(629)	409	409
Net pension liability	44,792	-	(6)	44,786	-
Net OPEB obligation	28,480	-	(11,646)	16,834	-
Compensated absences	628	-	(50)	578	5
Accrued liability	782	40	-	848	-
Total	<u>542,907</u>	<u>149,224</u>	<u>(67,355)</u>	<u>624,802</u>	<u>18,172</u>
Convention Center Hotel					
Notes	1,363	-	(135)	1,228	142
Revenue bonds	37,675	-	(870)	36,805	820
Total	<u>39,038</u>	<u>-</u>	<u>(1,005)</u>	<u>38,033</u>	<u>962</u>
Other business-type activities:					
Net pension liability	2,186	-	(394)	1,792	-
Net OPEB obligation	6,867	-	(4,959)	1,908	-
Capital lease	17	-	(17)	-	-
Compensated absences	235	13	(9)	239	199
Total	<u>9,305</u>	<u>13</u>	<u>(5,378)</u>	<u>3,939</u>	<u>199</u>
Business-type activity long-term liabilities	<u>\$ 642,294</u>	<u>\$ 149,286</u>	<u>\$ (77,426)</u>	<u>\$ 714,179</u>	<u>\$ 21,740</u>

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 \$369,947,259 of additional general obligation bonded debt is available for issuance on a total assessed valuation of \$1,536,606,456 pursuant to the 35% limitation. Included in the total assessed valuation of property within the City is \$8,266,379 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, 2017.

	Debt limit-10% of assessed value for any one purpose	Deduct-amount of debt applicable to debt limit	Legal Debt margin
Street Improvements	\$ 153,660,646	\$ 36,913,818	\$ 116,746,828
Police and Fire	153,660,646	533,835	153,126,811
Water and Sewer Improvement	153,660,646	78,664,618	74,996,028
Parks and Recreation	153,660,646	26,880,033	126,780,613
Public Buildings	153,660,646	17,847,350	135,813,296
Drainage	153,660,646	6,584,664	147,075,982
Sanitation and Incinerator	153,660,646	-	153,660,646
Industrial Bond	153,660,646	-	153,660,646
Airports	153,660,646	-	153,660,646
Sportran	153,660,646	51,480	153,609,166
Riverfront Park	153,660,646	389,202	153,271,444

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Maturities (in thousands of dollars)										
	Total	2018	2019	2020	2021	2022	2023-2027	2028-2032	2033-2037	2038-2042
Principal Requirements:										
General Obligation Debt:										
2005B Refunding Issue - 4.50 - 5.25%	5,790	2,820	2,970	-	-	-	-	-	-	-
Plus: Unamortized Premium	209	179	30	-	-	-	-	-	-	-
	<u>5,999</u>	<u>2,999</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2008 Refunding Issue - 4.00%	1,980	1,980	-	-	-	-	-	-	-	-
Plus: Unamortized Premium	12	12	-	-	-	-	-	-	-	-
	<u>1,992</u>	<u>1,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2011 Issue - 2.00-5.00%	13,995	3,225	3,400	3,585	3,785	-	-	-	-	-
Plus: Unamortized Premium	1,520	380	380	380	380	-	-	-	-	-
	<u>15,515</u>	<u>3,605</u>	<u>3,780</u>	<u>3,965</u>	<u>4,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2014 Issue - 2.00-5.00%	83,425	3,365	3,465	3,585	3,730	3,915	22,710	28,950	13,705	-
Plus: Unamortized Premium	12,094	726	726	726	726	726	3,630	3,630	1,204	-
	<u>95,519</u>	<u>4,091</u>	<u>4,191</u>	<u>4,311</u>	<u>4,456</u>	<u>4,641</u>	<u>26,340</u>	<u>32,580</u>	<u>14,909</u>	<u>-</u>
2015 Refunding Issue - 2.00-5.00%	12,675	6,190	6,485	-	-	-	-	-	-	-
Plus: Unamortized Premium	791	593	198	-	-	-	-	-	-	-
	<u>13,466</u>	<u>6,783</u>	<u>6,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2017 Refunding Issue 3.00-5.00%	50,000	-	-	-	-	4,005	23,140	22,855	-	-
Plus: Unamortized Premium	7,085	522	522	522	522	522	2,610	1,865	-	-
	<u>57,085</u>	<u>522</u>	<u>522</u>	<u>522</u>	<u>522</u>	<u>4,527</u>	<u>25,750</u>	<u>24,720</u>	<u>-</u>	<u>-</u>
Total General Obligation Bonds	<u>189,576</u>	<u>19,992</u>	<u>18,176</u>	<u>8,798</u>	<u>9,143</u>	<u>9,168</u>	<u>52,090</u>	<u>57,300</u>	<u>14,909</u>	<u>-</u>

Maturities (in thousands of dollars)										
	Total	2018	2019	2020	2021	2022	2023-2027	2028-2032	2033-2037	2038-2042
General Obligation Notes										
2000A LCDA Convention Center Hotel - Variable	1,228	142	152	160	170	179	425	-	-	-
2004 Certificate of Indebtedness - 2.00-4.20%	1,580	370	385	405	420	-	-	-	-	-
Less: Unamortized Discount	(12)	(3)	(3)	(3)	(3)	-	-	-	-	-
	<u>1,568</u>	<u>367</u>	<u>382</u>	<u>402</u>	<u>417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2008A Refunding LCDA Convention Center Hotel -	36,805	820	1,025	1,180	1,385	1,360	9,320	12,470	9,245	-
2016 COI Independence Stadium Project	20,800	1,535	1,580	1,660	1,710	1,760	10,200	2,355	-	-
Plus: Unamortized premium	2,222	219	219	219	219	219	1,093	36	-	-
	<u>23,022</u>	<u>1,754</u>	<u>1,799</u>	<u>1,879</u>	<u>1,929</u>	<u>1,979</u>	<u>11,293</u>	<u>2,391</u>	<u>-</u>	<u>-</u>
2013 Capital Lease - W&S	409	409	-	-	-	-	-	-	-	-
2016A Capital Lease -1.7%	1,059	296	301	306	156	-	-	-	-	-
2016B Capital Lease - 1.830%	5,409	1,316	1,340	1,364	1,389	-	-	-	-	-
	<u>6,468</u>	<u>1,612</u>	<u>1,641</u>	<u>1,670</u>	<u>1,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Obligation Debt	<u>259,075</u>	<u>25,096</u>	<u>23,174</u>	<u>14,088</u>	<u>14,588</u>	<u>12,685</u>	<u>73,127</u>	<u>72,162</u>	<u>24,154</u>	<u>-</u>

Maturities (in thousands of dollars)

	Total	2018	2019	2020	2021
Municipal and Regional Airports					
2015A Revenue Refunding	23,620	-	-	-	315
Plus: Unamortized premium	40	-	-	-	10
	<u>23,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325</u>
2015B Taxable PFC Revenue	9,330	2,400	2,645	2,810	1,475
Total Municipal and Regional Airports - Notes	<u>32,990</u>	<u>2,400</u>	<u>2,645</u>	<u>2,810</u>	<u>1,800</u>
Water and Sewerage					
2009A Revenue Bonds RLF - 3.45%	703	47	48	49	50
2009B Revenue Bonds RLF - 3.45%	6,179	410	420	430	440
2010D Revenue Bonds RLF - .95%	8,340	570	575	575	575
2013 Revenue Bonds RLF - .95%	1,842	368	368	368	368
2013 Revenue Bonds	4,386	235	237	239	241
2014A Refunding Revenue Bonds	59,595	7,185	7,490	7,870	8,285
Plus: Unamortized Reoffer Call Premium	7,823	656	656	656	656
	<u>67,418</u>	<u>7,841</u>	<u>8,146</u>	<u>8,526</u>	<u>8,941</u>
2014B Revenue Bonds	67,045	-	-	-	-
Plus: Unamortized Reoffer Call Premium	1,466	70	70	70	70
	<u>68,511</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>70</u>
2014C Revenue Bonds	7,955	-	-	-	-
Plus: Unamortized Reoffer Call Premium	614	28	28	28	28
	<u>8,569</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>28</u>
2015 Revenue Refunding	119,095	485	515	545	570
Plus: Unamortized premium	15,663	683	683	683	683
	<u>134,758</u>	<u>1,168</u>	<u>1,198</u>	<u>1,228</u>	<u>1,253</u>
2016A RLF Revenue Bonds	1,520	913	607	-	-
2016B Revenue Bonds	100,000	-	-	-	-
Plus: Unamortized premium	7,148	299	299	299	299
	<u>107,148</u>	<u>299</u>	<u>299</u>	<u>299</u>	<u>299</u>
2016C Revenue Bonds	7,290	1,145	1,165	1,195	1,225
2017A Revenue Bonds	55,975	1,500	-	-	-
Plus: Unamortized premium	6,862	286	286	286	286
	<u>62,837</u>	<u>1,786</u>	<u>286</u>	<u>286</u>	<u>286</u>
2017B Revenue Bonds	35,840	700	-	-	-
Plus: Unamortized premium	2,814	117	117	117	117
	<u>38,654</u>	<u>817</u>	<u>117</u>	<u>117</u>	<u>117</u>
2017C Revenue Bonds	43,190	2,060	2,130	2,205	2,285
Total Revenue Bonds - Water and Sewerage	<u>561,347</u>	<u>17,759</u>	<u>15,696</u>	<u>15,617</u>	<u>16,180</u>
Community Development Notes					
Fairmont Towers Note	260	130	130	-	-
Shreveport ICEDI	797	131	131	131	131
Total Community Development Notes	<u>1,057</u>	<u>261</u>	<u>261</u>	<u>131</u>	<u>131</u>
Total Principal	<u>\$ 854,468</u>	<u>\$ 45,516</u>	<u>\$ 41,776</u>	<u>\$ 32,646</u>	<u>\$ 32,699</u>
Interest Requirements:					
General Obligation Debt	99,682	10,595	10,657	10,006	9,578
Revenue Bonds and Notes					
Convention Center Hotel	-	-	-	-	-
Water and Sewerage	371,386	23,460	22,984	22,443	21,866
Municipal and Regional Airports	13,945	1,276	1,220	1,146	1,077
Total Interest Requirements	<u>485,012</u>	<u>35,331</u>	<u>34,860</u>	<u>33,595</u>	<u>32,521</u>
Total Future Debt Requirements	<u>\$ 1,339,480</u>	<u>\$ 80,846</u>	<u>\$ 76,636</u>	<u>\$ 66,241</u>	<u>\$ 65,220</u>

Maturities (in thousands of dollars)

2022	2023-2027	2028-2032	2033-2037	2038-2042
1,950	6,290	5,100	-	9,965
10	20	-	-	-
1,960	6,310	5,100	-	9,965
-	-	-	-	-
1,960	6,310	5,100	-	9,965
51	276	182	-	-
451	2,427	1,601	-	-
580	2,968	2,497	-	-
368	-	-	-	-
244	1,262	1,309	619	-
8,710	18,450	1,605	-	-
656	3,282	1,258	-	-
9,366	21,732	2,863	-	-
-	1,400	23,935	34,060	7,650
70	351	351	351	64
70	1,751	24,286	34,411	7,714
-	-	-	7,955	-
28	140	140	140	54
28	140	140	8,095	54
600	7,975	31,125	22,755	54,525
683	3,417	3,417	3,417	1,993
1,283	11,392	34,542	26,172	56,518
-	-	-	-	-
-	9,590	16,880	24,790	48,740
299	1,494	1,494	1,494	1,171
299	11,084	18,374	26,284	49,911
1,260	1,300	-	-	-
-	-	-	19,525	34,950
286	1,430	1,430	1,430	1,144
286	1,430	1,430	20,955	36,094
-	-	-	10,740	24,400
117	586	586	586	469
117	586	586	11,326	24,869
2,365	13,115	15,580	3,450	-
16,770	69,464	103,391	131,312	175,160
-	-	-	-	-
131	142	-	-	-
131	142	-	-	-
\$ 31,546	\$ 149,042	\$ 180,653	\$ 155,466	\$ 185,125
9,087	34,776	13,947	1,036	-
-	-	-	-	-
21,260	98,794	82,491	78,087	-
1,013	3,874	2,565	1,775	-
31,360	137,444	99,003	80,898	-
\$ 62,906	\$ 286,486	\$ 279,656	\$ 236,364	\$ 185,125

General Obligation Bonds

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

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

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

In November 2016, the City issued \$20,800,000 in Refunding Bonds, Series 2016. The bonds were issued to defease and refund the Series 2008 – Stadium Debt Bonds \$24,665,000, and pay the costs of issuance, including the premiums for the municipal bond insurance policy and debt service reserve surety bond. The net proceeds of \$26,241,121 (including a premium of \$2,476,543, issuance costs of \$314,840, insurance premiums \$86,412, underwriter’s discount \$127,982, and surety expense \$66,824) were placed in an irrevocable trust with an escrow agent to provide funds for the advance refunding for the above bonds. As a result, the Series 2008 – Stadium Debt bonds are considered defeased and the liabilities have been removed from the statement of net position. The outstanding amounts of all the bonds will be called on March 1, 2018, and the amounts outstanding at December 31, 2016, were \$20,800,000.

The 2016 Refunding Bonds bear interest rates of 3% to 5% with maturities from 2018 to 2028. The reacquisition price exceeded the carrying amount by \$3,023,654.77 and is amortized over the life of the refunding debt. The refunding was undertaken to reduce future debt service payments by \$6,439,525 and resulted in an economic gain of \$2,434,519.45.

Community Development Notes

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

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 261,000	\$ 49,068
2019	261,000	39,719
2020	131,000	29,914
2021	131,000	22,696
2022-2023	273,000	23,437
Total	<u>\$ 1,057,000</u>	<u>\$ 164,833</u>

Municipal and Regional Airports Revenue Bonds

The resolutions applicable to the Municipal and Regional Airports Revenue Bonds require the establishment of various bond principal and interest sinking funds and the establishment of a debt service reserve fund. For financial statement reporting, these funds have been consolidated within the Municipal and Regional Airport fund. Net position of the Municipal and Regional Airport fund has been restricted in accordance with the provisions of the respective bond indentures in the amount of \$ 101,244,956 at December 31, 2017, 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, 2017, follows:

<u>Fund</u>	
Other Miscellaneous Restricted Funds	\$ 2,009,336
Bond and Interest Sinking Funds	<u>4,576,341</u>
Total restricted assets	<u>\$ 6,585,677</u>

Water and Sewerage Revenue Bonds

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

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

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

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

In December 2016, the City issued \$20,000,000 in Taxable Water and Sewer Revenue Bonds (LDEQ Sewer Project), Series 2016A. The bonds were sold by the City to the Louisiana Department of Environmental Quality. The bonds bear an interest rate of .45% plus an administrative fee of .50%. The bonds were issued to finance a portion of the costs of constructing and acquiring improvements, extensions and replacements to the sewerage portion of the City's combined drinking water and wastewater collection, treatment and disposal system, and paying the costs of issuance. The proceeds of the bonds are received

through drawdowns and interest is payable from the date of the drawdown. The amount drawn down in 2017 was \$1,459,197 for a total of \$1,520,267.

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

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

In November 2014, the City issued \$75,835,000 in Water and Sewer Revenue Refunding Bonds, Series 2014 A. The bonds were issued to currently refund the outstanding 2001A, 2001B, 2001C, 2002A, 2002B, 2003A, 2003B, 2004A and 2010C bonds in the amount of \$65,981,906 and to advance refund \$16,135,000 of the 2007 bonds. The net proceeds of \$85,387,973 (including a premium of \$9,792,379, a contribution from the City of \$947,000 and issuance costs and insurance premiums of \$1,186,406) were used for the current refunding \$66,832,837 and \$18,555,136 was placed in an irrevocable trust with an escrow agent to provide funds for the advance refunded 2007 bonds. As a result, all of the bonds are considered defeased and the liabilities have been removed from the statement of net position. The 2007 bonds will be called on December 1, 2017, and the amount outstanding at December 31, 2017 is \$59,595,000.

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 drawn down in 2017 was \$0 for a total of \$5,000,000.

In June 2010, the City issued \$11,560,000 of Taxable Water and Sewer Revenue Bonds (DEQ Sewer Project), Series 2010D. The bonds were sold by the City to the Louisiana Department of Environmental Quality, Municipal Facilities Revolving Loan Fund. The bonds are Build America Bonds and are entitled to a credit equal to 35% of the interest paid on the bonds. The bonds bear an interest rate of .45% plus an administrative fee of .50%. The proceeds of the bonds are received through drawdowns and interest is payable from the date of the drawdown. The amount drawn down in 2017 was \$2,840,594 for a total of \$11,510,608.

In November 2009, the City entered into a Loan and Pledge Agreement for \$11,000,000 with the Louisiana Department of Health and Hospitals. The Department purchased the City's \$2,000,000 Water and Sewer Revenue Bonds, Series 2009A and the City's \$9,000,000 Water and Sewer Revenue Bonds, Series 2009B. The proceeds of the bonds are received through drawdowns. There were no drawdowns in 2017 for either of the bonds. The total to date is \$2,000,000 for the 2009A bonds and \$8,692,302 for the 2009B bonds (\$1,000,000 of the 2009A bonds has been forgiven through the American Recovery and Investment Act of 2009).

The 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, 2017, follows:

<u>Fund</u>	
Debt Service Reserve Funds	\$ 2,072,175
Bond and Interest Sinking Funds	43,361
2001C Bond Construction Fund	2
2007 LCDA Revenue Bonds	887,790
2014B Bond Project Fund	3,577
2014C Bond Project Fund	1,803
2015 Bond Project Fund	25,951,238
2016B Bond Project Fund	106,202,064
2017A Bond Project Fund	62,249,065
2017B Bond Project Fund	38,155,446
Total restricted assets	<u>\$ 235,566,521</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, 2017 follows:

<u>Fund</u>	
Bond Interest Sinking Fund	\$ 674,129
Miscellaneous Restricted Funds	<u>666,061</u>
Total restricted assets	<u>\$ 1,340,190</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, 2017, the principal outstanding on the 2004 bonds was \$4,700,929. 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, 2017 including interest requirements are as follows:

<u>Year Ending December 31,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 388,614	\$ 174,421	\$ 214,193
2018	383,453	177,416	206,037
2019	398,079	200,577	197,502
2020	392,059	203,911	188,148
2021	392,327	217,429	174,898
2022-2024	4,118,727	3,727,175	391,552
 Total	 <u>\$ 6,073,259</u>	 <u>\$ 4,700,929</u>	 <u>\$ 1,372,330</u>

Note of Future Advance Refundings

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

Arbitrage Rebate

In accordance with the Tax Reform Act of 1986 any interest earnings on borrowed funds since August 31, 1986 in excess of the interest costs are required to be rebated to the federal government. The City has determined that there was no material liability at December 31, 2017. Additional rebate calculations are scheduled to be performed in 2019.

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, 2017:

	<u>FPRF</u>	<u>PPRF</u>	<u>ERS</u>
Retirees and beneficiaries receiving benefits	361	183	1,053
Active plan members:			
Vested	11	-	534
Nonvested	-	-	823
Terminated plan members due a future benefit	-	-	14
Total	<u>372</u>	<u>183</u>	<u>2,424</u>
Number of participating employers	1	1	3

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

Plan Descriptions

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

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

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

Pension Liability:

The Net Pension Liability was measured as of December 31, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net Pension Liability is 100%. The total pension liability was determined by an actuarial valuation as of the valuation date, calculated on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. There have been no significant changes between the valuation date and the fiscal year end.

The following table presents the changes in net pension liability measured as of the year ended December 31, 2017 (Note: The information provided below for ERS was provided by the actuary report and will not reconcile directly to the fiduciary statement due to adjustments to the funds after information was provided to the actuary).

	<u>2017</u>		
	<u>FPRF</u>	<u>PPRF</u>	<u>ERS</u>
Total pension liability			
Service cost	\$ 2,466	\$ -	\$ 6,388,377
Investment Income	1,818,972	1,351,708	27,864,078
Differences between expected and actual experience	(870,520)	(251,420)	1,888,718
Benefit payments, including refunds of member contributions	<u>(1,446,353)</u>	<u>(1,449,066)</u>	<u>(28,176,388)</u>
Net change in total pension liability	(495,435)	(348,778)	7,964,785
Total pension liability - beginning	<u>27,564,134</u>	<u>20,273,816</u>	<u>405,560,408</u>
Total pension liability - ending (a)	<u><u>27,068,699</u></u>	<u><u>19,925,038</u></u>	<u><u>413,525,193</u></u>

2017

	FPRF	PPRF	ERS
Plan fiduciary net position			
Contributions - employer	-	-	9,449,966
Contributions - member	-	-	4,987,403
Net investment income	1,548,013	1,851,689	24,769,925
Benefit payments, including refunds of member contributions	(1,446,353)	(1,449,066)	(28,176,388)
Administrative expense	(26,385)	(26,417)	(1,154,171)
Other	-	-	-
Net change in plan fiduciary net position	75,275	376,206	9,876,735
Plan fiduciary net position - beginning	16,559,920	18,224,417	186,510,062
Plan fiduciary net position - ending (b)	16,635,195	18,600,623	196,386,797
Net pension liability - ending (a) - (b)	\$ 10,433,504	\$ 1,324,415	\$ 217,138,396
Plan fiduciary net position as a percentage of the total pension liability	61.46%	93.35%	47.49%
Covered-employee payroll	\$ -	\$ -	\$ 45,107,805
Net pension liability as a percentage of covered-employee payroll	0.00%	0.00%	481.38%

Eligibility Requirements and Retirement Benefits

FPRF plan:

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

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

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

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

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

PPRF plan:

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

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

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

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

ERS plan:

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

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

Benefits available to members hired before January 1, 1996, consist of an annuity, which is the actuarial equivalent of the employee's accumulated contributions; plus an annual pension, which together with the annuity, provides a total retirement allowance equal to 3% of average compensation times years of creditable service. Beginning January 1, 1996, the retirement

allowance was increased to 3 1/3% of average compensation times years of creditable service for 1996 and future years of service. Effective January 1, 2015, the retirement allowance was reduced to 2.75% of average compensation times years of creditable service for 2015 and future years. An early retirement provision has been implemented for any member who has at least 10 years, prior to January 1, 2015, of service and is within 10 years of a member's normal retirement age. The benefit is reduced by 3% per year for each year within five years of the normal retirement date, by 5% for the next earlier year, and by 8% for each additional earlier year. The plan allows members who have met eligibility requirements to defer receipt of benefits for a period of two years with one percent interest.

Contributions

FPRF plan:

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

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

For the year ended December 31, 2017, the annual money-weighted rate of returns on pensions plan investments, net of pensions plan investment expense, was 9.81%. 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, 2017, the annual money-weighted rate of returns on pension plan investments, net of pensions plan investment expense, was 10.62%. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money weighted rate of return expenses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

ERS plan:

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

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

Management of the ERS is vested in the board which consists of seven members –two elected employees who are members of

the plan, one elected retiree and one retiree alternate, the Mayor, the Chief Administrative Officer, the Finance Director and one Council Member.

For the year ended December 31, 2017, the annual money-weighted rate of returns on pension plan investments, net of pensions plan investment expense, was 13.87%. The money weighted rate of return expenses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

FPRF plan:

For the year ended December 31, 2017, the City recognized pension expense of \$161,888 .

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual earnings	\$ 823,448	\$ (351,594)
Total	<u>\$ 823,448</u>	<u>\$ (351,594)</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>	
2018	\$ 293,105
2019	293,107
2020	(26,461)
2021	(87,897)
Total	<u>\$ 471,854</u>

PPRF plan:

For the year ended December 31, 2017, the City recognized pension expense of \$38,152 .

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual earnings	\$ 566,916	\$ (501,398)
Total	<u>\$ 566,916</u>	<u>\$ (501,398)</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:	
2018	\$ 136,388
2019	136,387
2020	(81,909)
2021	(125,348)
Total	<u>\$ 65,518</u>

ERS plan:

For the year ended December 31, 2017, net pension liability of \$217,138,396 and pension expense of \$ 17,392,730 were allocated as follows:

	Proportionate Share %	Net Pension Liability	Pension Expense
Primary Government			
Governmental activities	57.92%	\$ 125,765,259	\$ 10,073,765
Business-type activities	25.99%	56,442,690	4,521,045
Total primary government	83.91%	182,207,949	14,594,810
Component Units			
Shreve Memorial Library	11.52%	25,007,492	2,003,094
City Marshal	3.07%	6,660,705	533,521
Total component units	14.58%	31,668,196	2,536,614
Jointly Governed Entity			
Sales and Use Tax Commission	1.51%	3,262,251	261,305
Total	100.01%	<u>\$ 217,138,396</u>	<u>\$ 17,392,730</u>

Deferred Outflows of Resources

	Change in Investment Earnings	Changes of assumptions	Change in Prop. And Difference in Contributions	Total Deferred Outflows of Resources
Primary Government				
Governmental activities	\$ 2,997,106	\$ 234,347	\$ 753,145	\$ 3,984,598
Business-type activities	1,345,083	105,174	338,006	1,788,263
Total primary government	4,342,189	339,521	1,091,151	5,772,861
Component Units				
Shreve Memorial Library	595,952	46,599	149,757	792,308
City Marshal	158,731	12,411	39,888	211,030
Total component units	754,683	59,010	189,645	1,003,338
Jointly Governed Entity				
Sales and Use Tax Commission	77,743	6,078	19,536	103,357
Total	<u>5,174,615</u>	<u>404,609</u>	<u>1,300,332</u>	<u>6,879,556</u>

Deferred Inflows of Resources

	Change in experience	Changes in Proportion	Total Deferred Inflows of Resources
Primary Government			
Governmental activities			
Business-type activities	\$ (581,100)	\$ (7,065,385)	\$ (7,646,485)
Total primary government	<u>(260,794)</u>	<u>(3,170,902)</u>	<u>(3,431,696)</u>
Component Units	(841,894)	(10,236,287)	(11,078,181)
Shreve Memorial Library			
City Marshal	(115,547)	(1,404,900)	(1,520,447)
Total component units	<u>(30,776)</u>	<u>(374,193)</u>	<u>(404,969)</u>
Jointly Governed Entity	(146,323)	(1,779,092)	(1,925,415)
Sales and Use Tax Commission			
Total	<u>(15,073)</u>	<u>(183,271)</u>	<u>(198,344)</u>
	<u><u>(1,003,290)</u></u>	<u><u>(12,198,650)</u></u>	<u><u>(13,201,940)</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:

2018	\$ (528,910)
2019	(220,596)
2020	(3,127,544)
2021	(2,445,334)
Total	<u><u>\$ (6,322,384)</u></u>

These amounts were allocated as follows:

Year ended December 31,	2018	2019	2020	2021	Total
Primary Government					
Governmental activities	\$ (306,342)	\$ (127,768)	\$ (1,811,455)	\$ (1,416,323)	\$(3,661,888)
Business-type activities	(137,484)	(57,341)	(812,970)	(635,637)	(1,643,432)
Total primary government	<u>(443,826)</u>	<u>(185,109)</u>	<u>(2,624,425)</u>	<u>(2,051,960)</u>	<u>(5,305,320)</u>
Component Units					
Shreve Memorial Library	(60,914)	(25,406)	(360,194)	(281,625)	(728,139)
City Marshal	(16,224)	(6,767)	(95,937)	(75,011)	(193,940)
Total component units	<u>(77,138)</u>	<u>(32,173)</u>	<u>(456,131)</u>	<u>(356,636)</u>	<u>(922,078)</u>
Jointly Governed Entity					
Sales and Use Tax Commission	(7,946)	(3,314)	(46,988)	(36,738)	(94,986)
Total	<u><u>\$ (528,910)</u></u>	<u><u>\$ (220,596)</u></u>	<u><u>\$ (3,127,544)</u></u>	<u><u>\$ (2,445,334)</u></u>	<u><u>\$ (6,322,384)</u></u>

Actuarial Assumptions:

A summary of the FPRF, PPRF, and ERS actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017, are as follows:

	<u>FPRF</u>	<u>PPRF</u>	<u>ERS</u>
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining amortization period	14 years	1 year	30 years
Asset valuation period	N/A	N/A	N/A
Inflation	2.50%	2.50%	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	n/a	Plan specific
Turnover	Plan specific	n/a	Plan specific
Mortality	Non-annuitants: RP-2000 "Employee" table projected to 2033 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2022 using Scale AA	Non-annuitants: RP-2000 "Employee" table projected to 2033 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2025 using Scale AA	Non-annuitants: RP-2000 "Employee" table projected to 2033 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2025 using Scale AAA
Disability	Plan specific	Plan specific	Plan specific

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, 2017, are summarized in the following table:

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Cash	BAML 3-Mon Tbill	0.00%	0.11%	0.11%
Core Fixed Income	Barclays Aggregate	40.00%	1.75%	1.63%
Core Bonds	Barclays Gvt/Credit	0.00%	1.63%	1.48%
Short-Term Bonds	Barclays 1-3 Yr Gvt/Credit	0.00%	1.18%	1.13%
Intermediate-Term Bonds	Barclays IT Gvt/Credit	0.00%	1.49%	1.40%
Long-Term Bonds	Barclays LT Gvt/Credit	0.00%	2.21%	1.74%
Mortgages	Barclays MBS	0.00%	1.98%	1.89%
High Yield Bonds	BAML High Yield	0.00%	4.26%	3.74%
Non-US Fixed Income	JPM GBI Global xUS	0.00%	-0.01%	-0.53%
Inflation-Indexed Bonds	Barclays US TIPs	0.00%	1.17%	1.05%
Broad US Equities	Russell 3000	60.00%	4.57%	3.32%
Large Cap US Equities	S&P 500	0.00%	4.29%	3.13%
Mid Cap US Equities	Russell Mid Caps	0.00%	4.81%	3.27%
Small Cap US Equities	Russell 2000	0.00%	5.50%	3.62%
Developed Foreign Equities	MSCI EAFE	0.00%	5.50%	3.91%
Emerging Market Equities	MSCI Emerging Markets	0.00%	7.77%	4.59%
Private Equity	Cambridge Associates	0.00%	8.83%	5.08%
Hedge Funds Diversified	HFRI FOF Diversified	0.00%	1.96%	1.66%
Real Estate (Property)	NCREIF Property	0.00%	3.83%	3.13%
Real Estate (REITS)	FTSE NAREIT Equity REIT	0.00%	5.01%	3.27%
Commodities	DJ UBS	0.00%	3.02%	1.42%
Long Credit Bonds	Barclays Long Credit	0.00%	3.00%	2.54%
Assumed Inflation - Mean			2.30%	2.30%
Assumed Inflation - Standard Deviation			1.85%	1.85%
Portfolio Real Mean Return			3.44%	2.95%
Portfolio Nominal Mean Return			5.76%	5.32%
Portfolio Standard Deviation				9.95%
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:

Net pension liability	Current Discount Rate		
	1% Increase 6.00%	7.00%	1% Decrease 8.00%
FPRS	\$ 14,207,748	\$ 10,433,504	\$ 7,315,606
PPRS	3,499,678	1,324,415	(532,860)
ERS	268,414,705	217,138,396	174,726,654

Payables to the FPRF, PPRF, and ERS Pension Plans – At December 31, 2017, the City recorded no payables to the pension plans for employee and employer legally required contributions for FPRS and PPRS, and \$2,195,627 for ERS.

The financial statements for individual pension plans are as follows:

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

	Firemen's Pension and Relief	Policemen's Pension and Relief	Employees' Retirement System	Total Employee Retirement Funds
ASSETS				
Cash and cash equivalents	\$ 629,862	\$ 513,944	\$ -	\$ 1,143,806
Receivables:				
Interest and dividends receivable	36,525	42,004	39	78,568
Accounts receivable	-	3,764	454,303	458,067
Prepaid items	223,497	-	-	223,497
Investments, at fair value:				
U.S. government obligations	1,114,868	2,556,663	-	3,671,531
Mutual bond funds	-	-	74,279,186	74,279,186
Mutual funds	18,721	97,919	137,493,547	137,610,187
Domestic corporate bonds	3,471,182	3,863,754	-	7,334,936
Domestic equities	6,487,403	6,439,557	-	12,926,960
International equities	4,334,083	4,657,031	-	8,991,114
Total investments	<u>15,426,257</u>	<u>17,614,924</u>	<u>211,772,733</u>	<u>244,813,914</u>
Other assets:				
Cash surrender value of life insurance policies	2,620,402	1,877,197	-	4,497,599
Total assets	<u>18,936,543</u>	<u>20,051,833</u>	<u>212,227,075</u>	<u>251,215,451</u>
LIABILITIES				
Due to other funds	2,301,348	1,435,189	12,516,983	16,253,520
Accrued liabilities	-	16,021	-	16,021
Employees' deposits held in escrow	-	-	1,935,171	1,935,171
Total liabilities	<u>2,301,348</u>	<u>1,451,210</u>	<u>14,452,154</u>	<u>18,204,712</u>
NET POSITION				
Net position restricted for pensions	<u>\$ 16,635,195</u>	<u>\$ 18,600,623</u>	<u>\$ 197,774,921</u>	<u>\$ 233,010,739</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, 2017

	Firemen's Pension and Relief	Policemen's Pension and Relief	Employees' Retirement System	Total Employee Retirement Funds
ADDITIONS				
Contributions:				
Employer	\$ -	\$ -	\$ 9,831,599	\$ 9,831,599
Plan members	-	-	5,123,652	5,123,652
Total contributions	-	-	14,955,251	14,955,251
Investment earnings:				
Net appreciation in fair value of investments	1,635,451	1,868,032	25,885,770	29,389,253
Interest	57,140	74,550	-	131,690
Dividends	219,996	237,654	-	457,650
Total investment earnings	1,912,587	2,180,236	25,885,770	29,978,593
Less investment expense	39,710	44,515	1,149,196	1,233,421
Net investment earnings	1,872,877	2,135,721	24,736,574	28,745,172
Life insurance proceeds	550,000	660,061	-	1,210,061
Miscellaneous	-	-	14,546	14,546
Total additions	2,422,877	2,795,782	39,706,371	44,925,030
DEDUCTIONS				
Benefits	1,446,353	1,449,066	26,761,777	29,657,196
Refund of member contribution	-	-	1,414,611	1,414,611
Administrative expenses	106,828	106,032	84,323	297,183
Life insurance premiums	794,421	864,478	-	1,658,899
Total deductions	2,347,602	2,419,576	28,260,711	33,027,889
Change in net position	75,275	376,206	11,445,660	11,897,141
Net position restricted for pensions				
Beginning of year	16,559,920	18,224,417	186,329,261	221,113,598
End of year	<u>\$ 16,635,195</u>	<u>\$ 18,600,623</u>	<u>\$ 197,774,921</u>	<u>\$ 233,010,739</u>

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

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

Municipal Police Employees' Retirement Systems (MPERS)

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

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

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

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

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

Contributions - Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. MPERS employee members hired prior to January 1, 2013, contributed 10.0% of earned compensation of the year ended December 31, 2017. For the same members, employer contributions were 31.75%. All employees hired on or after January 1, 2013, become members of either the Hazardous Duty Sub-plan, or the Nonhazardous Duty Sub-plan. Employee and employer contribution rates for the Hazardous Duty Sub-plan are the same as for those hired prior to January 1, 2013. For employees belonging to the Nonhazardous Duty Sub-plan, the contribution rate was 8.0%, and the employer rate was 33.75%. 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, 2017, was \$9,506,039. Non-employer contributions are recognized as revenue during the year ended December 31, 2017, and were excluded from pension expense. Non-employer contributions

received by the System for the City during the plan year ended June 30, 2017, were \$1,914,589.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Net pension liability at December 31, 2017, 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, 2017. The City’s proportion of the net pension liability for MPERS was based on the City’s required contributions in proportion to total required contributions for all participating employers, actuarially determined. As of the most recent measurement date, the City’s proportion for MPERS and the change in proportion from the prior measurement date are as follows:

Proportion (amount) of net pension liability	\$ 87,558,975
Proportion (%) of net pension liability	10.029179%
Increase/(decrease) from prior measurement date	-0.433710%

	Proportionate Share
Total Pension Liability	\$ 292,657,923
Plan Fiduciary Net Position	205,098,948
Total Collective Net Pension Liability	<u>\$ 87,558,975</u>

For the year ended December 31, 2017, the City recognized pension expense of \$11,427,720 . At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Investment Earnings	\$ 4,406,334	\$ -
Changes of Assumptions	6,230,304	-
Change in Prop. And Difference in Contributions	87,352	(9,717,984)
Change in Experience	-	(672,995)
Employer Contributions	4,782,918	-
Total	<u>\$ 15,506,908</u>	<u>\$ (10,390,979)</u>

City contributions subsequent to the measurement date of \$ 4,782,918 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, 2017. Other amounts totaling reported as outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year ended December 31,</u>	<u>Amount</u>
2018	\$	(379,700)
2019		1,650,545
2020		1,116,616
2021		(2,054,451)
2022		1
Total	\$	<u>333,011</u>

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the assumptions used in the June 30, 2017 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, 2017 are as follows:

Valuation Date	6/30/2017
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	2017 - 4 years 2016 - 4 years 2015 - 4 years 2014 - 4 years
Investment Rate of Return	7.325%, net of investment expense
Inflation Rate	2.70%
Salary Increases	Vary from 9.75% in the first two years of service to 4.25% after 23 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants. RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Rates of Return Long Term Expected Portfolio Real Rate of Return
Fixed Income	53%	3.66%
Equity	21%	0.52%
Alternatives	20%	1.10%
Other	6%	0.16%
System total	100%	5.44%
Inflation		2.75%
Expected Nominal Return		8.19%

The discount rate used to measure the total pension liability was 7.33%. 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 7.33%, 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 6.33% or one percentage point higher 8.33% than the current rate as of December 31, 2017.

	1% Decrease 6.33%	Current Discount Rate 7.33%	1% Increase 8.33%
Net pension liability	\$ 120,971,167	\$ 87,558,975	\$ 59,528,554

Payables to the Pension Plan – At December 31, 2017, the City recorded a payable to the pension plan for employee and employer legally required contributions of \$96,524.

Firefighters’ Retirement System (FRS)

The measurement date for the net pension liability was June 30, 2017 and is included in the City’s financial statements for the year ended December 31, 2017. Detailed information about the plan’s stand-alone report can be attained at <http://ffret.com>.

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

Plan Description - The Firefighters’ Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters’ Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

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

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

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

Eligibility Requirements and Retirement Benefits - Members of the FRS are eligible to retire at the age of 50 with at least 20 years of service, at the age of 55 with at least 12 years of service, or at any age with at least 25 years of service. Members are

entitle 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, 2017, employer and employee contributions for members were as follows:

<u>Contributor</u>	<u>Above Poverty Line</u>	<u>Below Poverty Line</u>
Employer	25%	25%
Employee	10%	8%

The system also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended December 31, 2017, and were excluded from pension expense. Non-employer contributions received by the System for the City during the plan year ended June 30, 2017, were \$3,365,877.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Net pension liability at December 31, 2017, 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, 2017. 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	\$ 76,223,654
Proportion (%) of net pension liability	13.298266%
Increase/(decrease) from prior measurement date	-0.362536%

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, 2017:

	Proportionate Share
Total Pension Liability	\$ 288,157,673
Plan Fiduciary Net Position	211,934,019
Total Collective Net Pension Liability	<u>\$ 76,223,654</u>

For the year ended December 31, 2017, the City recognized pension expense of \$11,772,653 . At December 31, 2017, 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>
Changes of Assumptions	\$ 3,188,084	\$ (18,179)
Changes in Investment Earnings	6,557,432	-
Change in Prop. And Difference in Contributions	-	(10,939,327)
Change in Experience	-	(4,250,761)
Employer Contributions	4,146,476	-
Total	<u>\$ 13,891,992</u>	<u>\$ (15,208,267)</u>

City contributions subsequent to the measurement date of \$ 4,146,476 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, 2018. These 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>	<u>Amount</u>
2018	\$ (1,232,216)
2019	1,308,267
2020	(1,340,544)
2021	(3,470,213)
2022	(638,254)
2023	(89,791)
Total	<u>\$ (5,462,751)</u>

Actuarial Methods and Assumptions - The actuarial assumptions used in the June 30, 2017, valuation were based on the assumptions used in the June 30, 2017, 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, 2017, are as follows:

Valuation Date	6/30/2017
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	2016 - 7 years
Investment Rate of Return	7.40% per annum
Inflation Rate	2.775% per annum
Salary Increases	Vary from 15.0% in the first two years of service to 4.75% after 25 years
Cost of Living Adjustments	Only those previously granted
Mortality Rates	The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-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 2.75% as of June 30, 2017. Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Long-Term Target Asset Allocaton	Rates of Return	
		Long Term Expected Portfolio Real Rate of	Nominal
Fixed Income	23%	2.04%	
Equity	57%	6.82%	
Alternatives	10%	6.68%	
Other	10%	4.60%	
System total	100%	20.13%	11.04%
Inflation			2.75%

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

Sensitivity to Changes in Discount Rate - The following presents the net pension liability of the participating employers calculated using the discount rate of 7.40%, 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 6.40% or one percentage point higher 8.40% than the current rate as of December 31, 2017.

	<u>1% Decrease</u> <u>6.40%</u>	<u>Current</u> <u>Discount Rate</u> <u>7.40%</u>	<u>1% Increase</u> <u>8.40%</u>
Net pension liability	\$ 109,530,446	\$ 76,223,654	\$ 48,224,507

Payables to the Pension Plan – At December 31, 2017, the City recorded a payable of \$2,461,099 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a separate report. The activity of the plan is reported in the City's Employees Health Care Fund, an internal service fund.

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, 2017, consisted of:

	<u>Medical</u>	<u>Dental</u>	<u>Life Insurance</u>
Retirees and beneficiaries	1,819	1,497	1,078
Active Employees	2,141	2,493	2,038
Total	3,960	3,990	3,116
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 2017 and the preceding two years were as follows:

<u>Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Contributions</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost</u> <u>Contributed</u>	<u>Net</u> <u>Obligation</u>
12/31/2015	\$ 37,476,810	\$ 9,856,573	26.30%	\$ 236,973,520
12/31/2016	37,097,089	10,719,413	28.90%	263,351,196
12/31/2017	37,476,810	12,954,964	34.57%	288,867,145

The Net OPEB Liability as of December 31, 2017, was allocated based on participant count as follows:

	<u>Primary Government</u>			Shreve Memorial Library (Component Unit)	Total (Including Component Unit)
	Governmental Activities	Business-type Activities	Total Primary Government		
Net OPEB obligation beginning of year	\$ 208,146,993	\$ 41,469,695	\$249,616,688	\$13,734,507	\$263,351,195
Annual required contribution (ARC)	36,572,417	3,372,734	39,945,151	2,146,285	42,091,437
Interest on net OPEB obligation	10,296,929	949,590	11,246,519	604,285	11,850,804
Adjustment to ARC	7,230,925	(21,607,391)	(14,376,466)	(1,094,860)	(15,471,326)
Annual OPEB cost	54,100,271	(17,285,067)	36,815,204	1,655,710	38,470,915
Less: Contributions made	(11,256,312)	(1,038,065)	(12,294,377)	(660,587)	(12,954,964)
Change in net OPEB obligation	42,843,959	(18,323,132)	24,520,827	995,123	25,515,950
Net OPEB obligation end of year	<u>\$ 250,990,952</u>	<u>\$ 23,146,563</u>	<u>\$274,137,515</u>	<u>\$14,729,630</u>	<u>\$288,867,145</u>

The funded status of the plan as of December 31, 2017, the most recent actuarial valuation date, is as follows:

	(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)
12/31/2017	-	445,504,760	445,504,760	0%	118,270,583	376.7%

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, 2017, 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 7.75% for 2016 declining gradually to 4.0% by 2058. 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, 2017 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, 2021. Based on terms of the agreement, management fees included in operating expenses were \$306,349. 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 \$5,984,313. Bossier City reimbursed the Transit System \$851,012.

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 \$3,710,903 has been reported at December 31, 2017, for closure and post-closure care cost and represents the cumulative costs reported based on 47.54% of the capacity of the landfill having been used to date. The landfill has an estimated remaining life of approximately 38 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 \$4,095,538. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The estimated closure of the sludge facility is \$14,546. 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 \$37,616,905 reported in the fund at December 31, 2017, 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 2016 and 2017 were:

Employees' Health Care Fund				
Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Year End
2016	\$ 3,042,117	\$ 36,943,662	\$ 36,823,844	\$ 3,161,935
2017	\$ 3,161,935	\$ 37,340,948	\$ 37,148,978	\$ 3,353,905

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 2016 and 2017 were:

Retained Risk Fund				
Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Year End
2016	\$ 22,010,794	\$ 12,581,846	\$ 1,051,641	\$ 33,540,999
2017	\$ 33,540,999	\$ 10,332,443	\$ 9,610,442	\$ 34,263,000

F. Compensation Paid to Council Members

<u>Council Member</u>	<u>District</u>	<u>Compensation</u>
James Flurry	E	\$ 17,652
Willie Bradford	A	15,198
Jeff Everson	B	15,225
Oliver Jenkins	C	15,225
Michael Corbin	D	15,225
Stephanie Lynch	F	15,225
Jerry Bowman	G	15,225
Total		<u>\$ 108,975</u>

G. Subsequent Events

In March 2018, the City entered into a \$20,000,000 Loan Agreement with the Louisiana Department of Environmental Quality.

In May 2018, the City issued 1) \$34,840,000 in refunding bonds in a private placement for the refunding of the Convention Center Bonds, and 2) \$100,000,000 in Water and Sewer Revenue Bonds, Junior Lien Series 2018C.

H. Restatement of Net Position

<u>Primary Government</u>	<u>Governmental Activities</u>
Net Position, December 31, 2016, as reported	\$ (21,048,966)
Fixed assets not included in Net Position at December 31, 2016	<u>3,429,297</u>
Net Position, December 31, 2016, as restated	<u>\$ (17,619,669)</u>

The adjustment of the governmental activities was comprised of an adjustment to the following fund:

General	<u>3,429,297</u>
	<u>\$ 3,429,297</u>

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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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, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 156,364,500	\$ 156,364,500	\$ 154,766,461	\$ (1,598,039)
Licenses and Permits	9,360,900	9,360,900	9,060,734	(300,166)
Intergovernmental	2,706,000	2,706,000	2,700,641	(5,359)
Charges for services	26,021,400	33,588,700	31,948,695	(1,640,005)
Fines and forfeitures	3,276,000	2,711,000	2,547,015	(163,985)
Investment earnings	-	-	11,880	11,880
Miscellaneous	520,600	1,096,825	2,049,774	952,949
Total revenues	<u>198,249,400</u>	<u>205,827,925</u>	<u>203,085,200</u>	<u>(2,742,725)</u>
EXPENDITURES				
General government:				
Office of the Mayor:				
Salaries, wages and employee benefits	920,500	920,500	915,054	5,446
Materials and supplies	14,600	15,418	17,292	(1,874)
Contractual services	33,200	33,200	35,423	(2,223)
Other charges	600	600	805	(205)
Improvements and equipment	1,000	1,000	158	842
Total Office of the Mayor	<u>969,900</u>	<u>970,718</u>	<u>968,732</u>	<u>1,986</u>
City Attorney:				
Salaries, wages and employee benefits	1,038,300	998,300	953,059	45,241
Materials and supplies	25,800	26,274	30,044	(3,770)
Contractual services	115,600	157,528	168,203	(10,675)
Other charges	2,700	2,700	3,099	(399)
Improvements and equipment	3,800	3,800	2,423	1,377
Total City Attorney	<u>1,186,200</u>	<u>1,188,602</u>	<u>1,156,828</u>	<u>31,774</u>
Property Standards:				
Salaries, wages and employee benefits	1,391,700	1,392,063	1,265,088	126,975
Materials and supplies	145,700	163,040	120,552	42,488
Contractual services	1,416,200	1,678,129	1,337,589	340,540
Other charges	540,000	564,850	488,494	76,356
Improvements and equipment	79,700	84,842	72,845	11,997
Total Property Standards	<u>3,573,300</u>	<u>3,882,924</u>	<u>3,284,568</u>	<u>598,356</u>
Personnel:				
Salaries, wages and employee benefits	718,500	719,474	605,399	114,075
Materials and supplies	5,800	5,913	7,977	(2,064)
Contractual services	23,200	23,617	20,082	3,535
Other charges	2,000	2,000	2,473	(473)
Improvements and equipment	2,000	17,330	18,952	(1,622)
Total Personnel	<u>751,500</u>	<u>768,334</u>	<u>654,883</u>	<u>113,451</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Information Technology:				
Salaries, wages and employee benefits	2,146,700	1,905,032	1,789,129	115,903
Materials and supplies	79,500	90,620	87,550	3,070
Contractual services	1,157,400	1,411,999	1,103,385	308,614
Improvements and equipment	265,600	744,160	443,671	300,489
Total Information technology	<u>3,649,200</u>	<u>4,151,811</u>	<u>3,423,735</u>	<u>728,076</u>
City Council:				
Salaries, wages and employee benefits	1,258,300	1,258,300	1,162,134	96,166
Materials and supplies	66,600	49,791	10,527	39,264
Contractual services	167,500	285,201	152,206	132,995
Improvements and equipment	16,500	16,616	3,744	12,872
Total City Council	<u>1,508,900</u>	<u>1,609,908</u>	<u>1,328,611</u>	<u>281,297</u>
Finance:				
Salaries, wages and employee benefits	2,519,800	2,577,100	2,299,094	278,006
Materials and supplies	80,500	86,863	142,843	(55,980)
Contractual services	994,200	1,004,975	1,305,297	(300,322)
Improvements and equipment	8,200	10,489	8,350	2,139
Total Finance	<u>3,602,700</u>	<u>3,679,427</u>	<u>3,755,584</u>	<u>(76,157)</u>
Other - unclassified				
Salaries, wages and employee benefits	7,427,700	7,427,700	7,017,380	410,320
Contractual services	1,415,200	655,200	768,153	(112,953)
Interest and civic appropriations	2,964,400	3,039,400	2,892,885	146,515
Payments to component units	6,150,400	6,380,852	6,482,656	(101,804)
Claims	6,913,200	6,913,200	5,782,259	1,130,941
Total other - unclassified	<u>24,870,900</u>	<u>24,416,352</u>	<u>22,943,333</u>	<u>1,473,019</u>
Total general government	<u>40,112,600</u>	<u>40,668,076</u>	<u>37,516,274</u>	<u>3,151,802</u>
Public Safety				
Police:				
Salaries, wages and employee benefits	51,401,600	51,554,288	49,991,803	1,562,485
Materials and supplies	1,916,400	2,598,738	1,655,569	943,169
Contractual services	1,245,800	1,276,449	1,452,051	(175,602)
Other charges	198,600	198,600	125,289	73,311
Improvements and equipment	1,004,000	1,073,515	1,063,100	10,415
Total Police	<u>55,766,400</u>	<u>56,701,590</u>	<u>54,287,812</u>	<u>2,413,778</u>
Fire:				
Salaries, wages and employee benefits	46,790,700	46,888,825	44,336,508	2,552,317
Materials and supplies	1,772,300	2,043,365	1,591,861	451,504
Contractual services	2,215,500	7,130,196	7,554,316	(424,120)
Improvements and equipment	225,700	1,740,897	698,763	1,042,134
Total Fire	<u>51,004,200</u>	<u>57,803,283</u>	<u>54,181,448</u>	<u>3,621,835</u>
Total public safety	<u>106,770,600</u>	<u>114,504,873</u>	<u>108,469,260</u>	<u>6,035,613</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Engineering:				
Salaries, wages and employee benefits	3,520,600	3,370,795	3,020,719	350,076
Materials and supplies	140,100	161,511	101,204	60,307
Contractual services	411,000	839,438	428,821	410,617
Improvements and equipment	57,400	121,822	88,142	33,680
Total engineering	<u>4,129,100</u>	<u>4,493,566</u>	<u>3,638,886</u>	<u>854,680</u>
Public Works:				
Salaries, wages and employee benefits	13,401,600	13,481,948	11,694,840	1,787,108
Materials and supplies	4,471,200	5,738,674	3,496,615	2,242,059
Contractual services	16,409,400	17,597,529	15,890,654	1,706,875
Improvements and equipment	995,600	5,038,138	4,570,003	468,135
Total public works	<u>35,277,800</u>	<u>41,856,289</u>	<u>35,652,112</u>	<u>6,204,177</u>
Culture and recreation:				
Salaries, wages and employee benefits	9,818,600	9,818,741	10,477,425	(658,684)
Materials and supplies	858,800	1,016,945	854,710	162,235
Contractual services	5,021,300	5,704,254	5,699,183	5,071
Other charges	264,500	306,074	309,724	(3,650)
Improvements and equipment	639,400	2,192,688	1,770,562	422,126
Total culture and recreation	<u>16,602,600</u>	<u>19,038,702</u>	<u>19,111,604</u>	<u>(72,902)</u>
Total expenditures	<u>202,892,700</u>	<u>220,561,506</u>	<u>204,388,136</u>	<u>16,173,370</u>
Excess (deficiency) of revenues over (under) expenditures	(4,643,300)	(14,733,581)	(1,302,936)	13,430,645
OTHER FINANCING SOURCES (USES)				
Capital lease	2,100,000	3,600,000	-	(3,600,000)
Transfers in	13,547,100	13,547,100	13,547,100	-
Transfers out	(11,878,100)	(10,100,500)	(12,465,952)	(2,365,452)
Total other financing sources (uses)	<u>3,769,000</u>	<u>7,046,600</u>	<u>1,081,148</u>	<u>(5,965,452)</u>
Net change in fund balance	(874,300)	(7,686,981)	(221,788)	7,465,193
Fund balances -beginning	13,957,185	13,957,185	13,957,185	-
Fund balances -ending	<u>\$ 13,082,885</u>	<u>\$ 6,270,204</u>	<u>\$ 13,735,397</u>	<u>\$ 7,465,193</u>

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

**CITY OF SHREVEPORT, LOUISIANA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 6,557,500	\$ 6,935,500	\$ 4,599,558	\$ (2,335,942)
Investment earnings	-	-	2,519	2,519
Miscellaneous	764,300	224,300	457,831	233,531
Total revenues	<u>7,321,800</u>	<u>7,159,800</u>	<u>5,059,908</u>	<u>(2,099,892)</u>
EXPENDITURES				
Administration:				
Salaries, wages and employee benefits	661,350	661,610	668,902	(7,292)
Materials and supplies	24,086	24,086	18,799	5,287
Contractual services	354,179	354,179	221,826	132,353
Other charges	102,511	102,511	122,348	(19,837)
Improvements and equipment	-	-	5,469	(5,469)
Total administration	<u>1,142,126</u>	<u>1,142,386</u>	<u>1,037,344</u>	<u>105,042</u>
Community services:				
Contractual services	522,417	-	7,400	(7,400)
Other charges	577,204	577,204	320,593	256,611
Total community development projects	<u>1,099,621</u>	<u>577,204</u>	<u>327,993</u>	<u>249,211</u>
Workforce development:				
Salaries, wages and employee benefits	1,310,100	1,310,100	1,256,051	54,049
Materials and supplies	66,492	66,492	53,134	13,358
Contractual services	1,430,802	1,430,802	1,250,214	180,588
Other charges	19,800	19,800	736	19,064
Improvements and equipment	22,570	22,570	27,164	(4,594)
Total workforce development	<u>2,849,764</u>	<u>2,849,764</u>	<u>2,587,299</u>	<u>262,465</u>
Housing and business development administration:				
Salaries, wages and employee benefits	458,100	458,100	447,873	10,227
Materials and supplies	42,973	42,973	28,991	13,982
Contractual services	355,900	213,500	160,983	52,517
Other charges	4,868,316	3,532,873	2,320,883	1,211,990
Improvements and equipment	-	-	17,847	(17,847)
Total housing and business development administration	<u>5,725,289</u>	<u>4,247,446</u>	<u>2,976,577</u>	<u>1,270,869</u>

(continued)

(continued)

**CITY OF SHREVEPORT, LOUISIANA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total expenditures	10,816,800	8,816,800	6,929,213	1,887,587
Excess (deficiency) of revenues over (under) expenditures	(3,495,000)	(1,657,000)	(1,869,305)	(212,305)
OTHER FINANCING SOURCES				
Transfers in	996,800	996,800	996,800	-
Total other financing sources	996,800	996,800	996,800	-
Net change in fund balances	(2,498,200)	(660,200)	(872,505)	(212,305)
Fund balances - beginning	1,816,401	1,816,401	1,816,401	-
Fund balances - ending	<u>\$ (681,799)</u>	<u>\$ 1,156,201</u>	<u>\$ 943,896</u>	<u>\$ (212,305)</u>

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

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City of Shreveport, Louisiana
Required Supplementary Information
Notes to Budgetary Comparison Schedules
December 31, 2017

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

	Final Budget	Actual on a budgetary basis	Variance
General government:			
<u>Office of the Mayor:</u>			
			\$
Materials and supplies	\$ 15,418	\$ 17,292	(1,874)
Contractual services	33,200	35,423	(2,223)
Other charges	600	805	(205)
<u>City Attorney:</u>			
Materials and supplies	26,274	30,044	(3,770)
Contractual services	157,528	168,203	(10,675)
Other charges	2,700	3,099	(399)
<u>Personnel:</u>			
Materials and supplies	5,913	7,977	(2,064)
Other charges	2,000	2,473	(473)
Improvements and equipment	17,330	18,952	(1,622)
<u>Finance:</u>			
Materials and supplies	86,863	142,843	(55,981)

	<u>Final Budget</u>	<u>Actual on a budgetary basis</u>	<u>Variance</u>
Contractual services	1,004,975	1,305,297	(300,322)
<u>Other - unclassified</u>			
Contractual services	655,200	768,153	(112,953)
Payments to component units	6,380,852	6,482,656	(101,804)
Public Safety			
<u>Police:</u>			
Contractual services	1,276,449	1,452,051	(175,602)
<u>Fire:</u>			
Contractual services	7,130,196	7,554,316	(424,120)
Culture and recreation:			
Salaries, wages and employee benefits	9,818,741	10,477,425	(658,684)
Other charges	306,074	309,724	(3,650)

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**SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS
(UNAUDITED)**

<u>Year Ended December 31,</u>	<u>Annual Required Contribution</u>	<u>Percentage 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%
2016	40,354,975	26.6%
2017	42,091,437	30.8%

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, LOUISIANA
SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS
(UNAUDITED)

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)
12/31/2010	-	\$ 343,176,409	\$ 343,176,409	0%	\$ 117,034,000	293.2%
12/31/2011	-	383,067,995	383,067,995	0%	124,078,623	308.7%
12/31/2012	-	383,067,995	383,067,995	0%	124,078,623	308.7%
12/31/2013	-	401,053,357	401,053,357	0%	122,318,089	327.9%
12/31/2014	-	401,053,357	401,053,357	0%	122,318,089	327.9%
12/31/2015	-	430,118,753	430,118,753	0%	122,372,693	351.5%
12/31/2016	-	430,118,753	430,118,753	0%	122,372,693	351.5%
12/31/2017	-	445,504,760	445,504,760	0%	118,270,583	376.7%

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.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS (1)
(UNAUDITED)**

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

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

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

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

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

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

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

Annual money-weighted rate of return net of investment expense

Year	FPRF	PPRF	ERS
2013	12.03%	11.85%	18.92%
2014	3.72%	4.35%	6.09%
2015	-2.54%	0.74%	0.20%
2016	5.08%	5.75%	9.31%
2017	9.81%	10.62%	13.87%

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

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

Fireman Pension and Relief Fund

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially determined contribution	\$2,044,285	\$ 2,719,001	\$ 2,847,389	\$ 2,310,932	\$ 3,726,529	\$ 4,477,402	\$ 4,171,194	\$ 2,696,250	\$ 1,255,047	\$ 1,232,690
Contributions in relation to the actuarially determined contribution	1,406,904	1,406,904	1,407,204	1,462,207	1,465,203	964,526	1,048,879	971,454	1,045,758	0
Contribution deficiency (excess)	637,381	1,312,097	1,440,185	848,725	2,261,326	3,512,876	3,122,315	1,724,796	209,289	1,232,690
Covered-employee payroll	2,974,729	2,034,266	2,135,980	1,197,330	1,140,314	858,951	1,016,908	955,637	862,288	n/a
Contributions as a percentage of covered-employee payroll	47.30%	69.16%	65.88%	122.12%	128.49%	112.29%	103.14%	101.66%	121.28%	n/a

Policeman Pension and Relief Fund

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially determined contribution	\$1,353,760	\$ 1,835,113	\$ 1,616,818	\$ 1,373,266	\$ 2,215,304	\$ 2,437,506	\$ 1,371,743	\$ 1,854,426	\$ 1,861,297	\$ 2,214,685
Contributions in relation to the actuarially determined contribution	1,353,760	1,407,096	1,407,296	1,373,266	1,445,914	954,585	1,036,775	959,232	1,034,990	-
Contribution deficiency (excess)	-	428,017	209,522	-	769,390	1,482,921	334,968	895,194	826,307	2,214,685
Covered-employee payroll	275,070	n/a								
Contributions as a percentage of covered-employee payroll	492.15%	n/a								

Employee Retirement System

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially determined contribution	\$4,898,103	\$12,040,692	\$11,238,882	\$12,202,624	\$16,380,807	\$16,764,758	\$16,351,357	\$18,083,506	\$19,842,219	\$19,267,744
Contributions in relation to the actuarially determined contribution	6,685,911	6,634,421	6,261,604	6,003,545	5,970,988	5,951,946	5,944,981	7,364,386	9,006,403	9,449,966
Contribution deficiency (excess)	(1,787,808)	5,406,271	4,977,278	6,199,079	10,409,819	10,812,812	10,406,376	10,719,120	10,835,816	9,817,778
Covered-employee payroll	51,761,000	49,021,000	45,226,000	45,538,000	45,247,171	44,749,039	49,120,412	43,859,241	43,752,144	45,107,805
Contributions as a percentage of covered-employee payroll	12.92%	13.53%	13.85%	13.18%	13.20%	13.30%	12.10%	16.79%	20.59%	20.95%

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

**Notes to Required Supplementary Pension Information
For the Year Ended December 31, 2017**

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, 2017. 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	14 years	1 year	30 years
Asset valuation period	N/A	N/A	N/A
Inflation	2.50%	2.50%	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	n/a	Plan specific
Turnover	Plan specific	n/a	Plan specific
Mortality	Non-annuitants: RP-2000 "Employee" table projected to 2033 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2022 using Scale AA	Non-annuitants: RP-2000 "Employee" table projected to 2033 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2025 using Scale AA	Non-annuitants: RP-2000 "Employee" table projected to 2033 using Scale AA; Annuitants: RP-2000 "Healthy Annuitants" projected to 2025 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 TEN FISCAL YEARS (1)
(UNAUDITED)

<u>Plan</u>	<u>Year</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered 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%
MPERS	2016	10.462889%	\$ 98,066,748	\$ 28,897,057	339.37%	66.04%
FRS	2016	13.660802%	\$ 89,353,995	\$ 29,861,960	299.22%	68.16%
MPERS	2017	10.029179%	\$ 87,558,975	\$ 29,521,311	296.60%	70.08%
FRS	2017	13.298266%	\$ 76,223,654	\$ 28,916,765	263.60%	73.55%

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

The amounts presented have a measurement date of June 30.

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

Plan	Year	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	\$ 9,190,723	\$ 9,190,723	\$ -	\$ 18,469,499	49.76%
FRS	2015	8,860,375	8,860,375	-	14,132,726	62.69%
MPERS	2016	8,646,089	9,102,573	(456,484)	28,897,057	31.50%
FRS	2016	8,393,570	8,137,384	256,186	29,861,960	27.25%
MPERS	2017	9,506,039	9,299,213	206,826	29,521,311	31.50%
FRS	2017	7,843,256	7,879,819	(36,563)	28,916,765	27.25%

(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.

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CITY OF SHREVEPORT, LOUISIANA
STREETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	<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			\$ 3,596	\$ 3,596
Franchise Fees	6,800,000	6,800,000	6,819,206	19,206
Total revenues	<u>6,800,000</u>	<u>6,800,000</u>	<u>6,822,802</u>	<u>22,802</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	(8,005,200)	(8,005,200)	(8,005,200)	-
Total other financing sources (uses)	<u>(8,005,200)</u>	<u>(8,005,200)</u>	<u>(8,005,200)</u>	<u>-</u>
Net change in fund balances	(1,205,200)	(1,205,200)	(1,182,398)	22,802
Fund balances - beginning	<u>2,701,952</u>	<u>2,701,952</u>	<u>2,701,952</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,496,752</u>	<u>\$ 1,496,752</u>	<u>\$ 1,519,554</u>	<u>\$ 22,802</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Gaming	\$ 11,501,300	\$ 9,288,600	\$ 8,916,942	\$ (371,658)
Investment Earnings	-	-	3,983	3,983
Miscellaneous	1,062,200	1,062,200	1,062,192	(8)
Total revenues	<u>12,563,500</u>	<u>10,350,800</u>	<u>9,983,117</u>	<u>(367,683)</u>
EXPENDITURES				
Current:				
Economic development:				
Salaries, wages and employee benefits	184,000	134,000	108,934	25,066
Materials and supplies	17,500	7,500	30	7,470
Contractual services	178,000	118,000	23,287	94,713
Other charges	974,700	944,700	872,231	72,469
Total expenditures	<u>1,354,200</u>	<u>1,204,200</u>	<u>1,004,482</u>	<u>199,718</u>
Excess (deficiency) of revenues over under expenditures	<u>11,209,300</u>	<u>9,146,600</u>	<u>8,978,635</u>	<u>(167,965)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(11,209,300)	(11,209,300)	(11,209,300)	-
Total other financing uses	<u>(11,209,300)</u>	<u>(11,209,300)</u>	<u>(11,209,300)</u>	<u>-</u>
Net change in fund balance	-	(2,062,700)	(2,230,665)	(167,965)
Fund balance -beginning	<u>2,233,709</u>	<u>2,233,709</u>	<u>2,233,709</u>	<u>-</u>
Fund balance-ending	<u>\$ 2,233,709</u>	<u>\$ 171,009</u>	<u>\$ 3,044</u>	<u>\$ (167,965)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,974,404	\$ 4,702,913	\$ 3,156,808	\$ (1,546,105)
Investment earnings	-	1,900	-	(1,900)
Miscellaneous	-	176,900	188,025	11,125
Total revenues	<u>2,974,404</u>	<u>4,881,713</u>	<u>3,344,833</u>	<u>(1,536,880)</u>
EXPENDITURES				
Current:				
Public Safety:				
Salaries, wages and employee benefits	1,658,330	2,489,730	1,674,069	815,661
Materials and supplies	77,000	1,442,000	32,102	1,409,898
Contractual services	873,140	873,140	133,548	739,592
Other charges	127,702	127,702	117,358	10,344
Improvements and equipment	238,232	244,021	1,487,355	(1,243,334)
Total expenditures	<u>2,974,404</u>	<u>5,176,593</u>	<u>3,444,432</u>	<u>1,732,161</u>
Excess (deficiency) of revenues over under expenditures	<u>-</u>	<u>(294,880)</u>	<u>(99,599)</u>	<u>195,281</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>124,091</u>	<u>124,091</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>124,091</u>	<u>124,091</u>	<u>-</u>
Net change in fund balance	-	(170,789)	24,492	195,281
Fund balance - beginning	<u>549,470</u>	<u>549,470</u>	<u>549,470</u>	<u>-</u>
Fund balance - ending	<u>\$ 549,470</u>	<u>\$ 378,681</u>	<u>\$ 573,962</u>	<u>\$ 195,281</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, 2017

	<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	\$ 6,500	\$ 6,500	\$ 538	\$ (5,962)
Land rent	25,000	-	-	-
Sales tax	160,000	45,000	56,952	11,952
Miscellaneous	815,600	-	-	-
Total revenues	<u>1,007,100</u>	<u>51,500</u>	<u>57,490</u>	<u>5,990</u>
EXPENDITURES				
Current:				
Economic development:				
Salaries, wages and employee benefits	91,600	90,600	88,322	2,278
Materials and supplies	5,000	5,459	3,452	2,007
Contractual services	72,000	128,649	107,921	20,728
Other charges	47,000	33,295	33,627	(332)
Operating Reserves	786,500	594,000	-	594,000
Improvements and equipment	5,000	21,500	13,078	8,422
Total expenditures	<u>1,007,100</u>	<u>873,503</u>	<u>246,400</u>	<u>627,103</u>
Excess (deficiency) of revenues over under expenditures	<u>-</u>	<u>(822,003)</u>	<u>(188,910)</u>	<u>633,093</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing uses	-	-	-	-
Net change in fund balance	<u>-</u>	<u>(822,003)</u>	<u>(188,910)</u>	<u>\$ 633,093</u>
Fund balance -beginning	<u>746,209</u>	<u>746,209</u>	<u>746,209</u>	<u>\$ -</u>
Fund balance-ending	<u>\$ 746,209</u>	<u>\$ (75,794)</u>	<u>\$ 557,299</u>	<u>\$ 633,093</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, 2017

	<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	\$ -	\$ -	\$ 3	\$ 3
Miscellaneous	4,023	-	-	-
Total revenues	<u>4,023</u>	<u>-</u>	<u>3</u>	<u>3</u>
EXPENDITURES				
Current:				
Economic development:				
Other charges	4,023	4,023	-	4,023
Total expenditures	<u>4,023</u>	<u>4,023</u>	<u>-</u>	<u>4,023</u>
Excess (deficiency) of revenues over (under) expenditures	-	(4,023)	3	4,026
Fund balance -beginning	<u>200,099</u>	<u>200,099</u>	<u>200,099</u>	<u>-</u>
Fund balance-ending	<u>\$ 200,099</u>	<u>\$ 196,076</u>	<u>\$ 200,102</u>	<u>\$ 4,026</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,339,428	\$ 358,000	\$ 120,987	\$ (237,013)
Investment earnings	-	-	1,204	1,204
Miscellaneous	-	86,191	28,729	(57,462)
Total revenues	<u>1,339,428</u>	<u>444,191</u>	<u>150,920</u>	<u>(293,271)</u>
EXPENDITURES				
Current:				
General government:				
Salaries, wages and employee benefits	13,500	7,500	-	7,500
Materials and supplies	299	299	-	299
Contractual services	377,612	775,744	120,987	654,757
Other charges	948,017	948,017	-	948,017
Total expenditures	<u>1,339,428</u>	<u>1,731,560</u>	<u>120,987</u>	<u>1,610,573</u>
Excess (deficiency) of revenues over under expenditures	-	(1,287,369)	29,933	1,317,302
Fund balance -beginning	<u>1,336,709</u>	<u>1,336,709</u>	<u>1,336,709</u>	<u>-</u>
Fund balance-ending	<u>\$ 1,336,709</u>	<u>\$ 49,340</u>	<u>\$ 1,366,642</u>	<u>\$ 1,317,302</u>

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

CITY OF SHREVEPORT, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2017

Mayor Ollie S. Tyler

Salary	\$ 96,210
Benefits-insurance	1,718
Deferred compensation	7,576
Cell phone	627
Travel	1,957
Total	<u>\$ 108,088</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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Nonmajor Governmental Funds Special Revenue Funds

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

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

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

**CITY OF SHREVEPORT, LOUISIANA
COMBINING BALANCESHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Special Revenue Funds							Total
	Downtown							
	Streets	Enrichment	Riverfront Development	Police Grants	Entertainment Economic Development	Redevelopment	Environmental Grants	
ASSETS								
Cash and cash equivalents	\$ -	\$ 1,138,247	\$ -	\$ 57,760	\$ 566,409	\$ 4,036	\$ 1,365,089	\$ 3,131,541
Accounts receivable, net	1,636,163	-	847,915	-	-	-	-	2,484,078
Due from other governments	-	-	-	595,144	-	-	17,987	613,131
Due from other funds	-	-	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	196,066	-	196,066
Total assets	<u>\$ 1,636,163</u>	<u>\$ 1,138,247</u>	<u>\$ 847,915</u>	<u>\$ 652,904</u>	<u>\$ 566,409</u>	<u>\$ 200,102</u>	<u>\$ 1,383,076</u>	<u>\$ 6,424,816</u>
LIABILITIES AND FUND BALANCES (DEFICIT)								
Liabilities:								
Accounts payable	\$ -	\$ 16,877	\$ 5,076	\$ 42,272	\$ 9,110	\$ -	\$ 16,434	\$ 89,769
Due to other funds	116,609	-	839,795	-	-	-	-	956,404
Due to other governments	-	-	-	36,670	-	-	-	36,670
Total liabilities	<u>116,609</u>	<u>16,877</u>	<u>844,871</u>	<u>78,942</u>	<u>9,110</u>	<u>-</u>	<u>16,434</u>	<u>1,082,843</u>
Fund balance (deficit):								
Restricted	1,519,554	1,121,370	3,044	573,962	557,299	200,102	1,366,642	5,341,973
Total fund balance (deficit)	<u>1,519,554</u>	<u>1,121,370</u>	<u>3,044</u>	<u>573,962</u>	<u>557,299</u>	<u>200,102</u>	<u>1,366,642</u>	<u>5,341,973</u>
Total liabilities and fund balance (deficit)	<u>\$ 1,636,163</u>	<u>\$ 1,138,247</u>	<u>\$ 847,915</u>	<u>\$ 652,904</u>	<u>\$ 566,409</u>	<u>\$ 200,102</u>	<u>\$ 1,383,076</u>	<u>\$ 6,424,816</u>

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

Capital Project Funds

Miscellaneous General Obligation Bond Funds	Miscellaneous Capital Projects Fund	2003A General Obligation Bond Fund	\$2,011.00 General Obligation Bond Fund	Total	Total Nonmajor Governmental Funds
\$ 6,305,486	\$ 6,620,681	\$ 4,055,350	\$ 3,751,812	\$ 20,733,329	\$ 23,864,870
-	-	-	-	-	2,484,078
-	225,994	-	-	225,994	839,125
1,659,733	591,848	-	-	2,251,581	2,251,581
-	-	-	-	-	196,066
<u>\$ 7,965,219</u>	<u>\$ 7,438,523</u>	<u>\$ 4,055,350</u>	<u>\$ 3,751,812</u>	<u>\$ 23,210,904</u>	<u>\$ 29,635,720</u>
\$ 69,552	\$ 1,553,389	\$ 450	\$ 523,660	\$ 2,147,051	\$ 2,236,820
274,299	-	-	-	274,299	1,230,703
-	-	-	-	-	36,670
<u>343,851</u>	<u>1,553,389</u>	<u>450</u>	<u>523,660</u>	<u>2,421,350</u>	<u>3,504,193</u>
<u>7,621,368</u>	<u>5,885,134</u>	<u>4,054,900</u>	<u>3,228,152</u>	<u>20,789,554</u>	<u>26,131,527</u>
<u>7,621,368</u>	<u>5,885,134</u>	<u>4,054,900</u>	<u>3,228,152</u>	<u>20,789,554</u>	<u>26,131,527</u>
<u>\$ 7,965,219</u>	<u>\$ 7,438,523</u>	<u>\$ 4,055,350</u>	<u>\$ 3,751,812</u>	<u>\$ 23,210,904</u>	<u>\$ 29,635,720</u>

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Special Revenue Funds

	Streets	Enrichment	Riverfront Development	Police Grants	Downtown Entertainment Economic Development	Redevelopment	Environmental Grants	Total
REVENUES								
Intergovernmental	\$ -		\$ -	\$ 3,156,808	\$ -	\$ -	\$ 137,421	\$ 3,294,229
Gaming	-		8,916,942	-	-	-	-	8,916,942
Investment earnings	3,596	1,124	3,983	-	538	3	1,204	10,448
Miscellaneous	6,819,206	360,838	1,062,192	188,025	56,952	-	28,729	8,515,942
Total revenues	<u>6,822,802</u>	<u>361,962</u>	<u>9,983,117</u>	<u>3,344,833</u>	<u>57,490</u>	<u>3</u>	<u>167,354</u>	<u>20,737,561</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	137,421	137,421
Public safety	-	552,301	-	3,444,432	-	-	-	3,996,733
Culture and recreation	-	149,358	-	-	-	-	-	149,358
Economic development	-	-	1,004,482	-	246,400	-	-	1,250,882
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>701,659</u>	<u>1,004,482</u>	<u>3,444,432</u>	<u>246,400</u>	<u>-</u>	<u>137,421</u>	<u>5,534,394</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,822,802</u>	<u>(339,697)</u>	<u>8,978,635</u>	<u>(99,599)</u>	<u>(188,910)</u>	<u>3</u>	<u>29,933</u>	<u>15,203,167</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	124,091	-	-	-	124,091
Transfers out	(8,005,200)	-	(11,209,300)	-	-	-	-	(19,214,500)
Total other financing sources and uses	<u>(8,005,200)</u>	<u>-</u>	<u>(11,209,300)</u>	<u>124,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,090,409)</u>
Net change in fund balances	<u>(1,182,398)</u>	<u>(339,697)</u>	<u>(2,230,665)</u>	<u>24,492</u>	<u>(188,910)</u>	<u>3</u>	<u>29,933</u>	<u>(3,887,242)</u>
Fund balances (deficit)-beginning	2,701,952	1,461,067	2,233,709	549,470	746,209	200,099	1,336,709	9,229,215
Fund balances (deficit)-ending	<u>\$ 1,519,554</u>	<u>\$ 1,121,370</u>	<u>\$ 3,044</u>	<u>\$ 573,962</u>	<u>\$ 557,299</u>	<u>\$ 200,102</u>	<u>\$ 1,366,642</u>	<u>\$ 5,341,973</u>

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

Capital Project Funds

Miscellaneous General Obligation Bond Funds	Miscellaneous Capital Projects Fund	2003A General Obligation Bond Fund	\$2,011.00 General Obligation Bond Fund	Total	Total Nonmajor Governmental Funds
\$ -	\$ 2,889,224	\$ -	\$ -	\$ 2,889,224	\$ 6,183,453
-	-	-	-	-	8,916,942
381	-	2,832	35,393	38,606	49,054
1,204,864	-	-	-	1,204,864	9,720,806
<u>1,205,245</u>	<u>2,889,224</u>	<u>2,832</u>	<u>35,393</u>	<u>4,132,694</u>	<u>24,870,255</u>
-	-	-	-	-	137,421
-	-	-	-	-	3,996,733
-	-	-	-	-	149,358
-	-	-	-	-	1,250,882
-	-	-	-	-	-
1,618,342	9,948,585	-	9,386,028	20,952,955	20,952,955
<u>1,618,342</u>	<u>9,948,585</u>	<u>-</u>	<u>9,386,028</u>	<u>20,952,955</u>	<u>26,487,349</u>
<u>(413,097)</u>	<u>(7,059,361)</u>	<u>2,832</u>	<u>(9,350,635)</u>	<u>(16,820,261)</u>	<u>(1,617,094)</u>
176,506	5,353,000	-	6,698,566	12,228,072	12,352,163
-	-	-	(3,838,149)	(3,838,149)	(23,052,649)
<u>176,506</u>	<u>5,353,000</u>	<u>-</u>	<u>2,860,417</u>	<u>8,389,923</u>	<u>(10,700,486)</u>
(236,591)	(1,706,361)	2,832	(6,490,218)	(8,430,338)	(12,317,580)
7,857,959	7,591,495	4,052,068	9,718,370	29,219,892	38,449,107
<u>\$ 7,621,368</u>	<u>\$ 5,885,134</u>	<u>\$ 4,054,900</u>	<u>\$ 3,228,152</u>	<u>\$ 20,789,554</u>	<u>\$ 26,131,527</u>

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Nonmajor Enterprise Funds

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

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

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

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2017

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 89,249	\$ 234,536	\$ 790,114	\$ 1,113,899
Receivables, net	211,458	6,491	37,329	255,278
Due from other funds	53,007	-	-	53,007
Due from other governments	3,303,030	-	-	3,303,030
Inventories	733,472	14,908	-	748,380
Prepaid items	198,561	-	-	198,561
Total current assets	<u>4,588,777</u>	<u>255,935</u>	<u>827,443</u>	<u>5,672,155</u>
Noncurrent Assets:				
Capital Assets:				
Land	368,877	-	-	368,877
Buildings	13,527,793	263,373	-	13,791,166
Improvements other than buildings	-	1,164,965	-	1,164,965
Equipment	23,777,353	559,978	-	24,337,331
Construction in progress	470,336	-	-	470,336
Less accumulated depreciation	(12,588,856)	(1,359,367)	-	(13,948,223)
Total noncurrent assets	<u>25,555,503</u>	<u>628,949</u>	<u>-</u>	<u>26,184,452</u>
Total assets	<u>30,144,280</u>	<u>884,884</u>	<u>827,443</u>	<u>31,856,607</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	-	56,762	-	56,762
Total deferred outflows of resources	<u>-</u>	<u>56,762</u>	<u>-</u>	<u>56,762</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	55,513	2,270	-	57,783
Accrued liabilities	283,077	1,253	-	284,330
Due to other funds	1,464,608	-	-	1,464,608
Unearned revenue	-	124,237	-	124,237
Compensated absences	198,316	145	-	198,461
Total current liabilities	<u>2,001,514</u>	<u>127,905</u>	<u>-</u>	<u>2,129,419</u>
Noncurrent Liabilities:				
Compensated absences	-	40,390	-	40,390
Net OPEB obligation	-	1,908,490	-	1,908,490
Net Pension Liability	-	1,791,579	-	1,791,579
Total noncurrent liabilities	<u>-</u>	<u>3,740,459</u>	<u>-</u>	<u>3,740,459</u>
Total liabilities	<u>2,001,514</u>	<u>3,868,364</u>	<u>-</u>	<u>5,869,878</u>
DEFERRED INFLOWS OR RESOURCES				
Deferred pensions	-	108,927	-	108,927
NET POSITION (DEFICIT)				
Net investment in capital assets	25,555,503	628,949	-	26,184,452
Unrestricted (deficit)	2,587,263	(3,664,594)	827,443	(249,888)
Total Net Position (deficit)	<u>\$ 28,142,766</u>	<u>\$ (3,035,645)</u>	<u>\$ 827,443</u>	<u>\$ 25,934,564</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, 2017

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 2,061,377	\$ 1,509,499	\$ 448,267	\$ 4,019,143
Miscellaneous	411,915	8,377	-	420,292
Total operating revenues	<u>2,473,292</u>	<u>1,517,876</u>	<u>448,267</u>	<u>4,439,435</u>
OPERATING EXPENSES				
Personal services	8,918,658	(4,562,700)	367,630	4,723,588
Contractual services and other expenses	1,485,704	427,982	-	1,913,686
Utilities	225,069	89,162	-	314,231
Repairs and maintenance	-	156	-	156
Materials and supplies	2,037,897	219,847	-	2,257,744
Depreciation	4,089,200	56,688	-	4,145,888
Total operating expenses	<u>16,756,528</u>	<u>(3,768,865)</u>	<u>367,630</u>	<u>13,355,293</u>
Operating income (loss)	<u>(14,283,236)</u>	<u>5,286,741</u>	<u>80,637</u>	<u>(8,915,858)</u>
NON OPERATING REVENUES (EXPENSES)				
Investment earnings	-	(20)	663	643
Interest expense	-	(281)	-	(281)
Intergovernmental	4,473,859	-	-	4,473,859
Loss on disposal of capital assets	(1,308,770)	-	-	(1,308,770)
Net nonoperating revenues (expenses)	<u>3,165,089</u>	<u>(301)</u>	<u>663</u>	<u>3,165,451</u>
Income (loss) before contributions and transfers	(11,118,147)	5,286,440	81,300	(5,750,407)
Capital contributions	14,622,531	-	-	14,622,531
Transfers in	7,397,519	87,200	-	7,484,719
Change in net position	<u>10,901,903</u>	<u>5,373,640</u>	<u>81,300</u>	<u>16,356,843</u>
Total net position (deficit)-beginning	17,240,863	(8,409,285)	746,143	9,577,721
Total net position (deficit)-ending	<u>\$ 28,142,766</u>	<u>\$ (3,035,645)</u>	<u>\$ 827,443</u>	<u>\$ 25,934,564</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, 2017

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from operations	\$ 2,030,178	\$ 1,621,340	\$ 444,604	\$ 4,096,122
Payments to suppliers	(20,278,726)	(712,004)	(367,630)	(21,358,360)
Payments to employees	8,932,722	(690,541)	-	8,242,181
Other receipts	411,915	2	-	411,917
Other payments	(29,993)	(57,000)	-	(86,993)
Net cash provided by (used in) operating activities	<u>(8,933,904)</u>	<u>161,797</u>	<u>76,974</u>	<u>(8,695,133)</u>
Cash flows from noncapital financing activities:				
Intergovernmental	1,436,472	-	-	1,436,472
Transfers in	7,557,398	87,200	-	7,644,598
Interest expense on operations	-	(281)	-	(281)
Net cash provided by (used in) noncapital financing activities	<u>8,993,870</u>	<u>86,919</u>	<u>-</u>	<u>9,080,789</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(9,929,906)	-	-	(9,929,906)
Principal paid on debt	9,443,407	(17,984)	-	9,425,423
Net cash provided by (used in) capital and related financing activities	<u>(486,499)</u>	<u>(17,984)</u>	<u>-</u>	<u>(504,483)</u>
Cash flows from investing activities:				
Purchase of investments	-	(20)	-	(20)
Interest on investments	-	-	663	663
Net cash provided by (used in) investing activities	<u>-</u>	<u>(20)</u>	<u>663</u>	<u>643</u>
Net increase (decrease) in cash and cash equivalents	(426,533)	230,712	77,637	(118,184)
Cash and cash equivalents - beginning of year	515,782	3,824	712,477	1,232,083
Cash and cash equivalents - end of year	<u>\$ 89,249</u>	<u>\$ 234,536</u>	<u>\$ 790,114</u>	<u>\$ 1,113,899</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (14,283,236)	\$ 5,286,741	\$ 80,637	\$ (8,915,858)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	4,089,200	56,688	-	4,145,888
(Increase)Decrease in assets:				
Receivables	21,808	1,045	(3,663)	19,190
Due from other funds	(53,007)	-	-	(53,007)
Inventories	29,034	(3,633)	-	25,401
Deferred outflows for pensions	-	2,666	-	2,666
Prepaid items	(39,040)	-	-	(39,040)
Increase(Decrease) in liabilities:				
Accounts payable	(122,163)	(74)	-	(122,237)
Accrued liabilities	2,228	967	-	3,195
Deferred inflows for pensions	-	84,750	-	84,750
Due to other funds	1,439,429	(18,896)	-	1,420,533
Unearned revenue	-	92,677	-	92,677
Compensated absences	(8,164)	12,091	-	3,927
Net OPEB obligation	-	(4,958,764)	-	(4,958,764)
Net Pension Liability	-	(394,461)	-	(394,461)
Other increases (decreases)	(9,993)	-	-	(9,993)
Total adjustments	<u>5,349,332</u>	<u>(5,124,944)</u>	<u>(3,663)</u>	<u>220,725</u>
Net cash provided by (used in) operating activities	<u>\$ (8,933,904)</u>	<u>\$ 161,797</u>	<u>\$ 76,974</u>	<u>\$ (8,695,133)</u>

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

Internal Service Funds

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

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

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2017

	Employees Health Care	Retained Risk	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,482,962	\$ 9,818,405	\$ 11,301,367
Investments	963,997	-	963,997
Receivables, net	4,358,014	-	4,358,014
Interest Receivable	3,063	-	3,063
Prepaid items	-	517,959	517,959
Total current assets	<u>6,808,036</u>	<u>10,336,364</u>	<u>17,144,400</u>
LIABILITIES			
Current liabilities:			
Accounts payable	488,859	475,501	964,360
Due to other funds	7,929,675	53,007	7,982,682
Claims and judgments	3,353,905	9,505,199	12,859,104
Total current liabilities	<u>11,772,439</u>	<u>10,033,707</u>	<u>21,806,146</u>
Noncurrent liabilities:			
Claims and judgments	-	24,757,801	24,757,801
Compensated absences	-	14,178	14,178
Total noncurrent liabilities	<u>-</u>	<u>24,771,979</u>	<u>24,771,979</u>
Total liabilities	<u>11,772,439</u>	<u>34,805,686</u>	<u>46,578,125</u>
NET POSITION (DEFICIT)			
Unrestricted (deficit)	(4,964,403)	(24,469,322)	(29,433,725)
Total net position (deficit)	<u>\$ (4,964,403)</u>	<u>\$ (24,469,322)</u>	<u>\$ (29,433,725)</u>

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Employees Health Care	Retained Risk	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 36,757,575	\$ 7,510,961	\$ 44,268,536
Miscellaneous	997,889	763,772	1,761,661
Total operating revenues	<u>37,755,464</u>	<u>8,274,733</u>	<u>46,030,197</u>
OPERATING EXPENSES			
Personal services	93,592	230,955	324,547
Contractual services and other expenses	2,846,834	3,154,819	6,001,653
Materials and supplies	4,352	3,643	7,995
Claims	37,340,948	11,186,255	48,527,203
Total operating expenses	<u>40,285,726</u>	<u>14,575,672</u>	<u>54,861,398</u>
Operating income (loss)	<u>(2,530,262)</u>	<u>(6,300,939)</u>	<u>(8,831,201)</u>
NONOPERATING REVENUES			
Investment earnings (loss)	<u>13,709</u>	<u>11,810</u>	<u>25,519</u>
Net nonoperating revenues (loss)	<u>13,709</u>	<u>11,810</u>	<u>25,519</u>
Change in net position	(2,516,553)	(6,289,129)	(8,805,682)
Total net position (deficit)-beginning	(2,447,850)	(18,180,193)	(20,628,043)
Total net position (deficit)-ending	<u>\$ (4,964,403)</u>	<u>(24,469,322)</u>	<u>\$ (29,433,725)</u>

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Employees Health Care</u>	<u>Retained Risk</u>	<u>Total Internal Service Funds</u>
Cash flows from operating activities:			
Receipts from operations	\$ 37,100,712	\$ 8,327,740	\$ 45,428,452
Payments to suppliers	(89,417)	(23,032,598)	(23,122,015)
Payments to employees	(93,592)	(227,615)	(321,207)
Claims	(37,148,978)	9,610,442	(27,538,536)
Other receipts /payments	-	-	-
Net cash provided by (used in) operating activities	<u>(231,275)</u>	<u>(5,322,031)</u>	<u>(5,553,306)</u>
Cash flows from noncapital financing activities:			
Transfers in/(out)	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Purchase of investments	(968,781)	-	(968,781)
Proceeds from sale and maturity of investments	968,619	-	968,619
Interest on investments	18,292	11,810	30,102
Net cash provided by (used in) investing activities	<u>18,130</u>	<u>11,810</u>	<u>29,940</u>
Net increase (decrease) in cash and cash equivalents	<u>(213,145)</u>	<u>(5,310,221)</u>	<u>(5,523,366)</u>
Cash and cash equivalents - beginning of year	1,696,107	15,128,626	16,824,733
Cash and cash equivalents - end of year	<u>\$ 1,482,962</u>	<u>\$ 9,818,405</u>	<u>\$ 11,301,367</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (2,530,262)	\$ (6,300,939)	\$ (8,831,201)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase)Decrease in assets:			
Receivables	(654,752)	-	(654,752)
Due from other funds	-	249,997	249,997
Prepaid items	-	12,606	12,606
Increase(Decrease) in liabilities:			
Accounts payable	122,680	(62,043)	60,637
Accrued liabilities	191,970	722,001	913,971
Due to other funds	2,639,089	53,007	2,692,096
Compensated absences	-	3,340	3,340
Total adjustments	<u>2,298,987</u>	<u>978,908</u>	<u>3,277,895</u>
Net cash provided by (used in) operating activities	<u>\$ (231,275)</u>	<u>\$ (5,322,031)</u>	<u>\$ (5,553,306)</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, 2017**

ASSETS

Cash and cash equivalents	88,075
Due from primary government	-
	-
Total assets	88,075

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	12,440
Due to other governments	75,635
	88,075
Total liabilities	88,075
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.	806,548
	806,548
Net position	\$ 806,548

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, 2017**

REVENUES	
Intergovernmental	\$ 217,580
Miscellaneous	305,162
Total revenues	<u>522,742</u>
 EXPENDITURES	
General government	<u>1,564,120</u>
Total expenditures	<u>1,564,120</u>
Deficiency of revenues under expenditures	(1,041,378)
 OTHER FINANCING SOURCES	
Transfers In	<u>1,041,378</u>
Net change in fund balance	-
Fund balance - beginning	-
Fund balance - ending	<u>\$ -</u>

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	<u>(10,414)</u>
Change in net position	<u>\$ (10,414)</u>

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

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	Page
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.	157
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.	156
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.	163
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.	169
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.	172

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities										
Net investment in capital assets	\$ 507,132,856	\$ 518,394,035	\$ 540,238,387	\$ 507,856,245	\$ 525,050,532	\$ 527,404,356	\$ 498,281,721	\$ 447,755,978	\$ 594,396,807	\$ 604,854,487
Restricted	61,409,857	66,374,435	52,008,888	66,131,354	15,571,752	134,588,349	227,239,617	207,407,523	168,897,674	133,100,842
Unrestricted(Deficit)	(46,402,145)	(66,220,992)	(87,144,658)	(174,840,905)	(312,357,344)	(346,760,306)	(450,501,025)	(584,381,854)	(784,343,447)	(811,432,005)
Total governmental activities net position	<u>\$ 522,140,568</u>	<u>\$ 518,547,478</u>	<u>\$ 505,102,617</u>	<u>\$ 399,146,694</u>	<u>\$ 364,264,940</u>	<u>\$ 315,232,399</u>	<u>\$ 275,020,313</u>	<u>\$ 70,781,647</u>	<u>\$ (2,104,966)</u>	<u>\$ (73,476,676)</u>
Business-type activities										
Net investment in capital assets	\$ 361,928,742	\$ 368,705,299	\$ 372,834,742	\$ 485,342,461	\$ 492,313,051	\$ 510,326,673	\$ 523,710,809	\$ 518,261,289	\$ 570,187,946	\$ 614,521,810
Restricted	3,751,501	2,769,016	3,958,325	3,958,848	4,041,954	3,959,892	3,960,404	-	3,960,404	3,960,404
Unrestricted(Deficit)	(8,587,822)	(3,750,025)	(5,874,101)	(16,495,186)	(20,035,941)	(24,028,572)	(15,504,876)	435,800,986	(74,137,780)	(58,424,472)
Total business-type activities net position	<u>\$ 357,092,421</u>	<u>\$ 367,724,290</u>	<u>\$ 370,918,966</u>	<u>\$ 472,806,123</u>	<u>\$ 476,319,064</u>	<u>\$ 490,257,993</u>	<u>\$ 512,166,337</u>	<u>\$ 954,062,275</u>	<u>\$ 500,010,570</u>	<u>\$ 560,057,742</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 1,164,584,753	\$ 1,219,376,297
Restricted	65,161,358	69,143,451	55,967,213	70,090,202	155,613,706	138,548,241	231,200,021	207,407,523	172,858,078	137,061,246
Unrestricted(Deficit)	(54,989,967)	(69,971,017)	(93,018,759)	(191,336,091)	(332,393,285)	(370,788,878)	(466,005,901)	(148,580,868)	(858,481,227)	(869,856,477)
Total primary government net position	<u>\$ 879,232,989</u>	<u>\$ 886,271,768</u>	<u>\$ 876,021,583</u>	<u>\$ 871,952,817</u>	<u>\$ 840,584,004</u>	<u>\$ 805,490,392</u>	<u>\$ 787,186,650</u>	<u>\$ 1,024,843,922</u>	<u>\$ 478,961,604</u>	<u>\$ 486,581,066</u>

Unaudited - see accompanying independent auditors' report.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses										
Governmental activities:										
General government	\$ 32,327,417	\$ 36,368,232	\$ 45,631,827	\$ 50,522,532	\$ 52,871,070	\$ 59,180,755	\$ 55,486,934	\$ 29,837,534	\$ 55,317,669	\$ 61,780,900
Public safety	112,101,951	114,755,487	120,370,342	128,009,588	132,296,947	129,986,772	130,048,046	128,387,069	140,960,844	116,156,813
Public works	54,436,508	49,697,351	54,493,585	55,707,874	54,861,069	55,054,294	54,417,093	53,377,050	55,847,544	66,261,441
Culture and recreation	24,552,571	24,444,194	24,340,798	22,601,155	22,298,863	23,634,459	23,249,858	23,951,836	25,188,570	36,076,061
Health and welfare	352,321	224,472	364,424	334,526	25,854	14,760	13,602	108,878	-	2,791
Community development	4,945,019	4,409,060	5,136,142	5,866,418	4,517,472	4,663,450	5,495,408	3,880,501	6,678,055	2,893,364
Economic development	7,752,605	6,585,469	5,763,806	3,441,846	4,462,780	4,576,357	3,657,075	3,505,893	910,774	3,235,826
Economic opportunity	3,501,904	6,850,646	3,689,216	2,714,400	2,609,908	2,558,968	2,558,816	2,143,306	5,241	2,265,807
Interest on long-term debt	12,803,169	13,421,295	10,923,435	9,910,030	11,331,384	9,509,948	9,321,094	11,030,882	9,655,942	9,029,444
Total governmental activities expenses	<u>252,773,465</u>	<u>256,756,206</u>	<u>270,713,575</u>	<u>279,108,369</u>	<u>285,275,347</u>	<u>289,179,763</u>	<u>284,247,926</u>	<u>256,222,948</u>	<u>294,564,639</u>	<u>297,702,447</u>
Business-type activities										
Municipal and Regional Airports	13,838,731	15,011,292	15,175,747	15,922,093	15,414,301	15,490,057	15,615,759	14,596,911	14,118,982	13,708,757
Water and Sewerage	56,098,592	54,476,538	53,055,547	54,096,547	58,346,912	59,722,975	63,354,907	63,817,718	76,285,816	65,808,452
Convention Center	-	-	-	6,694,097 (1)	6,969,925	6,811,134	7,102,290	7,863,035	7,336,641	7,148,971
Convention Center Hotel	13,085,201	12,931,427	13,535,949	13,424,358	12,867,218	12,510,097	12,149,036	10,716,085	11,119,464	12,278,765
Shreveport Area Transit System	14,155,118	13,993,824	13,843,465	15,240,703	15,804,741	16,439,796	16,644,288	15,628,664	15,293,243	16,756,528
Golf	1,885,373	1,727,208	1,489,766	1,373,739	1,310,004	1,029,810	1,316,897	4,292,902	4,448,415	(3,768,584)
Downtown Parking	451,000	466,000	419,280	417,809	423,433	419,280	419,280	349,566	363,000	367,630
Total business-type activities expenses	<u>99,514,015</u>	<u>98,606,289</u>	<u>97,519,754</u>	<u>107,169,346</u>	<u>111,136,534</u>	<u>112,423,149</u>	<u>116,602,457</u>	<u>117,264,881</u>	<u>128,965,561</u>	<u>112,300,519</u>
Total primary government expenses	<u>\$ 352,287,480</u>	<u>\$ 355,362,495</u>	<u>\$ 368,233,329</u>	<u>\$ 386,277,715</u>	<u>\$ 396,411,881</u>	<u>\$ 401,602,912</u>	<u>\$ 400,850,383</u>	<u>\$ 373,487,829</u>	<u>\$ 423,530,200</u>	<u>\$ 410,002,966</u>

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

(continued)

(continued)

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Program Revenues										
Governmental Activities										
Charges for services:										
Public safety	\$ 8,473,486	\$ 9,220,566	\$ 10,053,128	\$ 10,026,553	\$ 10,115,288	\$ 12,868,050	\$ 11,196,830	\$ 10,767,228	\$ 12,941,736	\$ 20,908,980
Public works	11,371,166	13,832,164	15,737,329	17,439,141	16,940,167	15,817,405	14,925,161	22,351,362	21,395,782	20,133,031
Other activities	677,024	309,938	480,671	308,550	438,991	305,041	281,880	1,604,519	1,673,500	2,101,051
Operating grants and contributions	19,503,074	23,733,763	19,440,207	20,941,429	18,342,548	17,205,002	15,912,520	17,478,683	20,505,899	21,527,543
Capital grants and contributions	4,403,430	3,022,403	2,079,020	6,727,297	3,591,188	2,392,234	1,993,674	49,982	-	137,421
Total governmental activities program revenue	<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>	<u>56,516,917</u>	<u>64,808,026</u>
Business-type activities										
Charges for services:										
Municipal and Regional Airports	9,833,275	8,564,049	9,533,588	10,117,819	10,159,922	10,658,288	10,961,308	10,102,240	10,505,926	10,942,803
Water and Sewerage	58,517,927	58,177,800	63,361,068	66,775,465	58,634,935	61,742,737	75,259,282	75,961,390	82,453,869	85,830,305
Convention Center	-	-	-	2,262,319 (2)	2,437,396	2,013,793	2,552,784	2,873,802	3,005,319	3,072,879
Convention Center Hotel	11,018,851	11,141,947	11,934,328	11,631,259	11,012,614	11,109,856	11,283,028	11,666,633	10,853,180	11,671,322
Shreveport Area Transit System	2,545,666	2,583,705	2,601,316	2,695,670	2,723,380	2,842,739	3,076,104	2,344,315	2,243,846	2,061,377
Golf	1,374,572	1,196,859	1,148,443	1,010,625	957,807	785,516	1,084,133	1,106,515	1,282,163	1,509,499
Downtown Parking	630,648	623,988	613,876	613,524	653,945	581,154	562,091	460,687	499,394	448,267
Operating grants and contributions	5,068,237	5,490,761	6,077,306	5,169,564	5,898,980	6,174,220	6,362,042	5,742,865	6,606,819	4,649,172
Capital grants and contributions	8,477,153	13,796,684	9,771,827	14,080,038	8,558,562	6,644,821	8,811,969	5,769,680	5,068,766	21,590,610
Total business-type activities program revenues	<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>	<u>122,519,282</u>	<u>141,776,234</u>
Total primary government program revenues	<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>	<u>\$ 179,036,199</u>	<u>\$ 206,584,260</u>
Net(Expense) Revenue										
Governmental activities	\$ (208,345,285)	\$ (206,637,372)	\$ (222,923,220)	\$ (223,665,399)	\$ (235,847,165)	\$ (240,592,031)	\$ (239,937,861)	\$ (203,971,174)	\$ (238,047,723)	\$ (228,265,470)
Business-type activities	(2,533,242)	2,969,504	7,521,998	7,186,937	(10,098,993)	(9,870,025)	3,350,284	(1,236,754)	(6,446,279)	29,475,715
Total primary government net expense	<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>	<u>\$ (244,494,002)</u>	<u>\$ (198,789,755)</u>

(1) Opened in 2007

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

(continued)

(continued)

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 57,452,405	\$ 58,542,857	\$ 60,397,983	\$ 61,892,794	\$ 58,031,369	\$ 59,428,155	\$ 59,842,135	\$ 56,414,985	\$ 56,414,985	\$ 55,627,351
Sales taxes	109,226,148	105,947,678	113,990,284	117,161,088	113,068,390	114,192,366	119,809,168	117,900,678	117,900,678	118,856,149
Franchise taxes	7,914,581	7,290,551	7,780,000	7,822,649	7,512,211	7,750,603	7,661,160	7,911,173	7,911,173	8,258,569
Occupational licenses	6,549,432	6,659,033	6,760,523	7,005,960	7,175,204	7,306,835	7,289,383	7,433,349	7,433,349	7,066,000
Gaming	12,931,726	12,931,910	12,457,759	12,326,597	11,925,489	11,003,579	10,241,584	10,035,079	10,035,079	8,916,942
Unrestricted grants and contributions	3,368,399	3,961,292	3,641,977	3,510,589	3,398,492	1,886,334	2,762,622	1,233,863	1,233,863	1,152,947
Investment earnings	4,115,495	1,163,022	435,482	550,198	861,704	534,354	420,727	598,673	598,673	343,143
Miscellaneous	3,653,651	10,833,738	7,578,232	8,252,475	12,558,552	12,232,148	11,571,074	10,351,367	10,351,367	3,836,263
Transfers	(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)	(19,144,109)	(27,019,950)
Total governmental activities	<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>	<u>192,735,058</u>	<u>177,037,414</u>
Business-type activities:										
Investment earnings (loss)	101,819	2,580,624	(2,528,522)	(6,115,654)	45,934	5,846,715	(1,314,018)	1,081,568	1,081,568	1,364,644
Miscellaneous	-	795,942	2,170	-	-	-	-	(14,401,995)	(14,401,995)	2,186,864
Transfers	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	19,144,109	27,019,949
Total business-type activities	<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>	<u>5,823,682</u>	<u>30,571,457</u>
Total primary government	<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>	<u>\$ 198,558,740</u>	<u>\$ 207,608,871</u>
Change in Net Position										
Governmental activities	\$ (8,186,017)	\$ (3,593,090)	\$ (13,444,861)	\$ (105,955,923)	\$ (34,881,754)	\$ (46,961,578)	\$ (40,212,086)	\$ (11,236,116)	\$ (11,236,116)	\$ (55,857,007)
Business-type activities	2,621,146	10,631,869	8,559,527	101,887,157	3,512,941	16,680,611	21,908,344	4,586,928	4,586,928	60,047,172
Total primary government	<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>	<u>\$ (6,649,188)</u>	<u>\$ 4,190,165</u>

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

Unaudited - see accompanying independent auditors' report.

(concluded)

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Nonspendable	\$ 1,267,226	\$ 1,529,818	\$ 1,302,722	\$ 1,521,316	\$ 1,582,251	\$ 1,457,442	\$ 1,622,361	\$ 1,601,762	\$ 1,617,488	\$ 1,628,957
Restricted	-	-	-	-	-	43,187	122,404	206,168	283,492	354,446
Assigned	6,242,982	5,192,490	9,001,311	6,672,603	8,235,732	7,353,477	10,210,582	9,907,967	10,441,503	11,596,542
Unassigned	3,009,981	13,930,927	11,458,224	9,805,320	6,429,096	4,137,247	4,036,252	1,257,328	1,614,702	155,452
Total General Fund	<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>	<u>\$ 13,957,185</u>	<u>\$ 13,735,397</u>
All Other Governmental Funds										
Restricted	\$ 99,830,365	\$ 97,498,999	\$ 76,580,843	\$ 177,217,086	\$ 154,952,867	\$ 135,712,949	\$ 229,202,191	\$ 204,022,094	\$ 154,628,693	\$ 118,104,543
Unassigned	-	-	-	(460,762)	(1,729,116)	(918,267)	(1,578,868)	-	-	-
Total all other governmental funds	<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>	<u>\$ 154,628,693</u>	<u>\$ 118,104,543</u>

Unaudited - see accompanying independent auditors' report.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues										
Taxes	\$ 173,109,183	\$ 171,405,070	\$ 182,891,465	\$ 187,282,626	\$ 179,323,323	\$ 180,915,510	\$ 187,814,734	\$ 183,390,846	\$ 178,722,267	\$ 182,329,963
Licenses and permits	8,379,559	8,591,789	8,945,467	9,126,196	9,159,315	9,333,071	9,554,623	9,578,009	9,128,991	9,060,734
Intergovernmental	24,240,070	27,747,701	24,073,617	25,510,000	23,012,567	19,327,161	18,754,217	17,477,915	20,502,974	21,589,131
Charges for services	18,681,539	21,992,151	24,381,786	25,562,367	25,786,275	27,764,494	24,519,238	23,381,449	25,134,234	31,948,695
Fines and forfeitures	3,319,902	3,460,862	3,553,996	3,832,276	3,377,228	3,002,987	3,210,062	2,510,504	2,528,965	2,547,015
Gaming	12,931,726	12,931,910	12,457,759	12,326,597	11,925,489	11,003,579	10,241,584	10,035,079	9,615,662	8,916,942
Investment earnings	3,257,053	949,243	324,785	395,837	664,659	444,336	351,591	539,595	237,948	317,624
Miscellaneous	3,653,651	10,833,738	7,578,232	8,252,475	12,558,552	12,232,148	11,571,074	12,752,087	11,054,440	12,228,411
Total revenues	247,572,683	257,912,464	264,207,107	272,288,374	265,807,408	264,023,286	266,017,123	259,665,484	256,925,481	268,938,515
Expenditures										
General government	34,638,892	30,099,483	40,898,671	33,670,983	33,754,118	36,770,691	36,118,397	39,708,557	38,650,918	37,653,695
Public safety	96,639,536	94,952,030	104,102,246	109,360,999	114,152,950	110,841,564	108,919,662	110,000,160	115,618,481	111,740,773
Public works	37,036,813	35,257,799	40,134,184	43,626,714	40,188,370	38,571,558	39,577,765	37,354,544	40,695,630	39,290,998
Culture and recreation	15,840,773	14,609,505	15,214,547	15,576,293	16,419,548	16,433,993	16,135,262	17,621,679	17,570,028	19,268,147
Health and welfare	339,700	209,710	350,176	319,316	11,841	-	-	108,878	-	2,791
Community development	4,138,744	3,881,994	4,593,147	5,375,401	3,957,114	4,043,129	4,844,285	3,402,083	6,459,958	2,678,717
Economic development	7,670,569	6,504,277	5,678,318	3,358,194	4,385,707	4,502,555	3,589,063	3,505,893	903,974	3,229,013
Economic opportunity	3,281,038	6,592,309	3,439,875	2,448,233	2,364,677	2,367,082	2,402,389	2,143,306	-	2,262,389
Capital outlay	14,117,197	7,210,328	6,645,730	7,188,534	7,609,546	17,563,135	16,550,444	16,638,321	19,178,491	28,937,461
Debt service										
Principal	28,764,098	32,309,943	50,311,347	26,645,341	51,542,365	23,738,712	20,068,059	24,671,368	24,206,740	22,195,408
Interest	12,187,938	13,765,069	11,421,559	8,848,980	12,004,912	10,059,930	9,142,698	11,595,965	11,539,939	11,367,611
Bond issuance cost	833,170	-	358,682	701,646	-	-	860,175	471,440	468,073	715,873
Total expenditures	255,488,468	245,392,447	283,148,482	257,120,634	286,391,148	264,892,349	258,208,199	267,222,194	275,292,232	279,342,876
Excess (deficiency) of revenues over (under) expenditures	(7,915,785)	12,520,017	(18,941,375)	15,167,740	(20,583,740)	(869,063)	7,808,924	(7,556,710)	(18,366,751)	(10,404,361)
Other Financing Sources (Uses)										
Bonds issued	-	-	-	815,000,000	-	-	93,500,000	-	-	-
Refunding bonds issued	52,850,000	-	-	-	-	-	-	24,205,000	22,477,312	50,000,000
Premium on debt issued	534,977	-	379,132	7,603,061	-	-	14,392,041	2,521,090	2,476,543	7,085,177
Certificate of indebtedness issued	-	-	14,995,000	-	-	-	-	-	8,194,901	-
Capital leases	6,187,239	-	2,337,440	-	8,865,007	-	-	-	-	-
Payments to refunded bond escrow agent	(49,170,198)	-	(15,015,450)	-	-	-	-	(26,644,875)	(26,369,104)	(56,369,303)
Swap termination payment	(1,300,000)	-	-	-	-	-	-	-	-	-
Transfers in	31,923,157	27,020,204	28,100,857	27,056,191	28,141,986	28,891,695	18,511,141	17,897,431	35,262,981	30,562,705
Transfers out	(36,975,726)	(31,738,541)	(31,664,738)	(34,914,529)	(41,707,986)	(49,707,427)	(38,383,219)	(37,041,539)	(72,085,323)	(57,582,655)
Total other financing sources (uses)	4,049,449	(4,718,337)	(867,759)	812,444,723	(4,700,993)	(20,815,732)	88,019,963	(19,062,893)	(30,042,690)	(26,304,076)
Net change in fund balances	\$ (3,866,336)	\$ 7,801,680	\$ (19,809,134)	\$ 96,412,463	\$ (25,284,733)	\$ (21,684,795)	\$ 95,828,887	\$ (26,619,603)	\$ (48,409,441)	\$ (36,708,437)
Debt service as a percentage of noncapital expenditures	17.3%	19.3%	22.5%	14.5%	22.8%	13.7%	12.4%	14.7%	14.1%	13.4%

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)

<u>Year Ended December 31</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
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	39.70	13,375,262	11.24%
2015	737,351	790,153	1,527,154	36.65	13,591,787	11.24%
2016	746,197	777,863	1,524,061	36.29	13,602,121	11.20%
2017	752,551	784,056	1,536,607 (1)	35.81	13,721,633	11.20%

Note:

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

(1) Included in the total assessed value of property within the City is \$8,266 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			Total
	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		
2008	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	82.81	35.14	207.03	
2009	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	78.20	35.14	202.42	
2010	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	78.20	35.14	202.42	
2011	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	78.20	35.14	202.42	
2012	22.05	10.30	1.47	1.12	1.12	1.12	1.69	0.83	39.70	78.20	35.14	192.74	
2013	22.05	10.30	1.47	1.12	1.12	1.12	1.69	0.83	39.70	78.20	35.14	192.74	
2014	22.05	10.30	1.47	1.12	1.12	1.12	1.69	0.83	39.70	78.20	35.14	192.74	
2015	19.00	10.30	1.47	1.12	1.12	1.12	1.69	0.83	36.65	74.66	34.94	182.90	
2016	19.00	10.09	1.44	1.10	1.10	1.10	1.65	0.81	36.29	73.30	31.79	177.67	
2017	18.16	10.30	1.47	1.12	1.12	1.12	1.69	0.83	35.81	73.82	31.80	141.43	

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

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

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

Unaudited - see accompanying independent auditors' report.

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

<u>Taxpayer</u>	<u>2017</u>			<u>2008</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
AEP Southwestern Electric Power Company	\$ 57,366,680	1	3.73%	\$ 44,322,660	1	3.40%
Calumet Lubricants	16,482,100	2	1.07%	11,059,420	6	0.80%
JP Morgan Chase Bank	10,009,997	3	0.65%	5,890,680	10	0.50%
Wal-Mart	9,915,148	4	0.65%	-	-	0.00%
Bell South	9,270,910	5	0.60%	23,978,920	2	1.80%
Capital One	9,243,660	6	0.60%	9,298,140	7	0.70%
Regions Bank	8,415,310	7	0.55%	12,353,800	4	0.90%
Centerpoint Energy	8,178,940	8	0.53%	6,071,350	9	0.50%
Kansas City Southern	5,005,010	9	0.33%	-	-	0.00%
Union Pacific Railroad Co.	4,817,940	10	0.31%	-	-	0.00%
Wal-Mart	-	-	0.00%	11,237,480	5	0.90%
Sam's Town	-	-	0.00%	15,557,700	3	1.20%
Libby Glass	-	-	0.00%	6,968,780	8	0.50%
	<u>\$ 138,705,695</u>		<u>9.03%</u>	<u>\$ 146,738,930</u>		<u>11.20%</u>

Unaudited - see accompanying independent auditors' report.

Source: Caddo Parish Assessor's Office

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

Year Ended December 31,	Taxes Levied for the Year	Collections					
		Collected within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date		
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2008	58,421,540	41,480,921	71.00%	15,338,615	56,819,536	97.26%	
2009	59,236,967	41,889,578	70.72%	15,875,672	57,765,250	97.52%	
2010	60,974,524	43,965,388	72.10%	15,211,490	59,176,878	97.05%	
2011	61,875,991	48,969,445	79.14%	11,317,501	60,286,946	97.43%	
2012	58,285,191	46,570,605	79.90%	10,438,058	57,008,663	97.81%	
2013	59,167,413	44,608,285	75.39%	13,400,321	58,008,606	98.04%	
2014	59,673,655	42,808,850	71.74%	15,519,037	58,327,887	97.74%	
2015	55,983,017	47,419,429	84.70%	8,454,596	55,874,025	99.81%	
2016	55,308,166	38,969,359	70.46%	15,599,859	54,569,218	98.66%	
2017	55,025,879	45,466,930	82.63%	-	45,466,930	82.63%	

Unaudited - see accompanying independent auditors' report.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Wholesale - professional and commercial equipment	\$ 119,797	\$ 124,317	\$ 120,942	\$ 127,079	\$ 126,233	\$ 127,280	\$ 150,374	\$ 161,885	\$ 167,471	\$ 165,329
Wholesale - machinery, equipment and supplies	141,943	135,353	163,050	162,277	138,198	131,008	146,945	120,782	174,275	194,793
Restaurant, food services and drinking places	350,012	349,599	368,846	387,584	398,130	399,637	422,097	436,275	431,620	433,079
Motor vehicle dealers	352,186	296,797	338,048	355,903	383,516	399,335	416,102	409,966	391,831	382,033
Miscellaneous general merchandise stores	132,498	134,135	141,453	145,860	153,232	157,961	155,202	142,565	139,606	139,683
Lumber and other building materials dealers	122,095	116,038	122,498	124,232	126,412	130,991	126,160	127,344	221,617	224,377
Grocery stores	311,557	313,897	339,339	347,203	358,057	358,774	359,222	364,369	343,521	369,845
Drug stores	122,707	121,495	123,124	122,653	128,210	129,714	131,297	139,293	143,149	139,021
Discount stores	344,308	344,958	337,130	329,741	321,133	320,610	313,209	317,414	434,240	419,912
Department stores	129,234	125,391	130,370	133,183	129,848	124,666	120,540	122,590	165,539	94,514
All others	1,793,876	1,830,375	1,938,100	2,062,456	1,870,476	1,872,615	2,012,783	1,990,503	1,613,523	1,778,718
Total	<u><u>\$ 3,920,213</u></u>	<u><u>\$ 3,892,355</u></u>	<u><u>\$ 4,122,900</u></u>	<u><u>\$ 4,298,171</u></u>	<u><u>\$ 4,133,445</u></u>	<u><u>\$ 4,152,591</u></u>	<u><u>\$ 4,353,931</u></u>	<u><u>\$ 4,332,986</u></u>	<u><u>\$ 4,226,392</u></u>	<u><u>\$ 4,341,304</u></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**

Year	City of Shreveport	Caddo Parish School Board	Caddo Law Enforcement District	State of Louisiana	Total Rate
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%
2016	2.75%	1.50%	0.35%	5.00%	9.60%
2017	2.75%	1.50%	0.35%	5.00%	9.60%

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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	Tax									
	Liability									
Retail trade	\$ 69,134,367	\$ 67,052,000	\$ 70,424,851	\$ 72,388,451	\$ 73,575,215	\$ 74,537,809	\$ 75,233,688	\$ 75,300,541	\$ 72,683,366	\$ 73,104,925
Services	16,295,689	16,273,181	17,554,911	18,370,738	17,706,280	16,830,868	18,742,751	20,132,251	20,631,495	21,246,848
Wholesale Trade	17,444,320	16,311,724	18,516,602	19,624,037	16,685,163	16,874,399	18,833,822	17,908,432	17,506,165	18,117,127
Transportation, communications, electric, and gas	1,435,385	1,412,211	1,540,652	1,742,285	1,309,172	1,504,851	1,973,396	1,903,462	2,161,957	2,129,681
Manufacturing	1,705,805	1,548,868	1,452,756	1,491,183	1,316,033	1,125,528	925,950	807,423	1,061,578	1,017,228
Other	1,015,865	2,438,234	998,816	907,987	1,150,457	807,415	794,909	819,597	769,331	615,528
Construction	1,064,320	1,111,438	1,434,632	1,146,763	1,121,224	1,024,641	883,028	1,071,438	976,543	892,378
Mining	901,043	555,957	1,124,557	2,189,999	564,954	1,317,105	2,165,834	1,055,407	257,835	2,049,149
Finance, insurance, and real estate	192,309	184,351	167,256	180,255	180,264	117,435	109,475	94,506	102,659	127,923
Agricultural	104,004	100,890	113,984	113,060	20,505	23,713	24,720	19,944	25,059	27,902
Government	50,545	50,907	50,712	44,963	40,549	32,498	45,547	44,158	49,818	58,977
Total	\$ 109,343,652	\$ 107,039,761	\$ 113,379,729	\$ 118,199,721	\$ 113,669,818	\$ 114,196,262	\$ 119,733,120	\$ 119,157,159	\$ 116,225,807	\$ 119,387,666

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

Unaudited - see accompanying independent auditors' report.

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

Year	Governmental Activities				Business-type Activities						Total Primary Government	Percentage of Personal Income	City Per Capita
	General Obligation Bonds	Certificates of Indebtedness	Loans and Notes	Capital Leases	Municipal and Regional Airports Loan	Water and Sewerage Revenue Bonds	Water and Sewerage Loan	Convention Center Hotel Loan	Capital Leases				
2008	205,408	26,794	33,580	17,447	38,194	166,283	75,000	39,591	1,564	603,861	6.4	3,029	
2009	183,830	22,722	31,852	12,692	37,176	152,641	50,000	39,543	1,153	531,609	5.1	2,667	
2010	143,481	18,698	30,132	11,201	37,259	156,000	50,000	39,282	696	486,749	5.0	2,442	
2011	216,372	13,955	28,334	7,191	36,182	143,259	50,000	39,118	472	534,883	4.9	2,684	
2012	173,986	9,072	27,429	12,313	35,029	130,924	50,000	38,714	1,427	478,894	4.2	2,403	
2013	159,524	7,534	28,170	8,155	34,750	119,312	48,855	41,350	2,945	450,595	4.0	2,232	
2014	251,448	5,718	27,072	5,747	33,370	192,117	48,185	40,696	2,324	606,677	5.5	3,028	
2015	229,365	3,848	25,918	3,296	34,920	315,994	46,671	39,985	1,694	701,691	5.7	3,521	
2016	208,237	1,924	23,240	9,543	34,920	467,187	-	39,038	1,055	785,144	6.6	3,981	
2017	189,576	1,567	23,021	6,468	32,990	561,347	-	38,033	409	853,411	N/A	4,328	

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

N/A Statistical information is not available.

Unaudited - see accompanying independent auditors' report.

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

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>City Per Capita</u>
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
2016	208,237	51,264	156,973	1.15	796
2017	189,576	50,717	138,859	1.01	704

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, 2017
(DOLLARS IN THOUSANDS)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Caddo Parish Commission	\$ 316,600	70.8%	\$ 224,153
Caddo Parish School Board	100,825	70.8%	<u>71,384</u>
Subtotal, Overlapping Debt			295,537
City direct debt			<u>242,944</u>
Total direct and overlapping debt			<u><u>\$ 538,481</u></u>

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

Debt outstanding data is provided by each governmental unit.

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 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

Unaudited - see accompanying independent auditors' report.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 459,083	\$ 465,514	\$ 479,144	\$ 486,228	\$ 513,849	\$ 521,627	\$ 526,090	\$ 534,626	\$ 533,421	\$ 537,812
Total debt applicable to limit	<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>	<u>188,035</u>	<u>167,865</u>
Legal debt margin	<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>	<u>\$ 345,386</u>	<u>\$ 369,947</u>
Total debt applicable to the limit as a percentage of debt limit	44.03%	39.34%	29.81%	42.84%	32.38%	28.67%	43.39%	38.76%	35.25%	31.21%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 1,536,607
Debt limit (35% of total assessed value)	537,812
Debt applicable to limit:	
General obligation bonds	<u>167,865</u>
Legal debt margin	<u>\$ 369,947</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**

<u>Year</u>	<u>Gross Revenues(1)</u>	<u>Less: Operating Expenses(2)(3)</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Total</u>	<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>		
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	7,822,370	2,027,947	9,850,317	3.76
2015	77,688,814	50,706,720	26,982,094	9,410,400	10,080,793	19,491,193	1.38
2016	84,380,817	43,857,841	40,522,976	17,983,427	11,618,895	29,602,322	1.37
2017	88,626,798	44,808,251	43,818,547	10,079,400	20,732,091	30,811,491	1.42

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

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

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

Unaudited - see accompanying independent auditor's report.

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

Year	Gross Revenues(1)	Less: Operating Expenses(2)(7)	Net Available Revenue	Unrestricted Operating Reserve (6)	Net Resources Available For Debt Service	Debt Service (3 & 4)			Coverage
						Principal	Interest	Total	
2008	10,180,016	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
2016	10,823,691	5,625,389	5,198,302	3,609,626	8,807,928	-	1,865,556	1,865,556	4.72
2017	11,474,774	6,836,855	4,637,919	8,455,360	13,093,279	1,970,000	1,314,765	3,284,765	3.99

- (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
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	251,460	12,341,720	49,080	5.5
2016	197,204	248,851	11,941,648	47,987	5.7
2017	194,920	N/A	N/A	N/A	4.3

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

N/A Statistical information is not available.

Unaudited - see accompanying independent auditors' report.

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

Employer	2017			2008		
	Employees	Rank	% of Area Employment	Employees	Rank	% of Area Employment
State of Louisiana	12,226	1	6.82%	11,700	1	6.74%
Barksdale Air Force Base	11,205	2	6.25%	9,018	2	5.19%
Caddo Parish School Board	6,101	3	3.40%	6,743	3	3.88%
University Health Shreveport *	6,200	4	3.46%	5,941	4	3.42%
Willis Knighton Health System	6,145	5	3.43%	5,061	5	2.91%
Bossier Parish School Board	2,926	6	1.63%	2,638	8	1.52%
City of Shreveport	2,718	7	1.52%	2,790	7	1.61%
Wal-Mart/Sam's Stores	2,000	8	1.11%	-	-	0.00%
Harrah's/Horseshoe	1,800	9	1.00%	2,018	10	1.16%
Christus Schumpert Health System	1,600	10	0.89%	2,093	9	1.21%
General Motors	-	-	0.00%	3,002	6	1.73%
Total	52,921		29.50%	51,004		29.37%

Source: City of Shreveport Annual Budget Book

Unaudited - see accompanying independent auditors' report.

* Previously LSU Health Sciences Center - Shreveport

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

Function/Program	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government	272	276	269	278	274	275	274	281	278	276
Public safety	1,348	1,356	1,378	1,398	1,404	1,377	1,385	1,408	1,415	1,412
Public works	426	401	383	383	389	398	397	403	403	403
Culture and recreation	252	244	235	258	253	259	255	256	263	229
Health and welfare	2	2	2	2	2	2	2	2	2	1
Community development	10	9	9	9	9	9	9	9	11	11
Economic development	13	11	12	11	11	10	10	7	7	8
Economic opportunity	35	35	35	35	35	26	23	23	23	23
Municipal and Regional Airports	82	82	82	70	68	75	76	81	66	77
Water and Sewerage	320	317	289	265	284	284	323	326	327	327
Convention Center (1)	-	-	-	-	-	-	-	-	-	-
Convention Center Hotel (1)	-	-	-	-	-	-	-	-	-	-
Shreveport Area Transit System (1)	-	-	-	-	-	-	-	-	-	-
Golf	30	25	23	23	23	14	18	18	19	22
Downtown Parking (1)	-	-	-	-	-	-	-	-	-	-
Total	<u><u>2,790</u></u>	<u><u>2,758</u></u>	<u><u>2,717</u></u>	<u><u>2,732</u></u>	<u><u>2,752</u></u>	<u><u>2,729</u></u>	<u><u>2,772</u></u>	<u><u>2,814</u></u>	<u><u>2,814</u></u>	<u><u>2,789</u></u>

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

Unaudited - see accompanying independent auditors' report.

Source: City of Shreveport 2018 Annual Operating Budget

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

Function/Program	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government										
Property standards inspections made	30,800	28,172	30,810	30,000	32,000	50,000	50,000	65,600	40,000	48,000
Lots cut	9,700	9,223	9,220	8,019	10,000	15,000	14,500	18,500	14,000	14,500
Public safety										
Prisoners booked in City jail	13,500	13,628	13,160	16,461	16,856	15,000	13,419	13,858	10,802	10,000
Offense reports processed	30,000	32,189	29,340	29,340	30,310	35,500	27,822	28,315	28,000	30,000
Traffic citations issued	40,000	42,692	50,286	55,912	58,934	59,044	50,926	37,087	32,652	30,708
Fires reported	1,473	1,403	1,337	1,538	1,330	1,050	1,200	1,210	1,258	1,200
Fire responses	35,500	36,701	36,802	37,822	38,000	37,000	38,500	39,000	42,000	42,000
Fire inspections	9,700	17,000	9,811	9,237	9,960	18,398	16,054	16,430	14,280	7,959
EMS responses	25,506	26,308	29,167	30,117	30,250	30,300	30,300	31,600	32,800	34,000
Public works										
Refuse collected (tons)	137,400	137,400	137,400	137,400	135,600	119,450 (1)	92,000	92,000	92,000	92,000
Building permits issued	3,200	2,682	1,777	1,161	2,764	1,950	2,796	2,140	2,548	2,548
Asphalt repairs	1,564	2,000	2,000	3,000	2,453	2,300	2,400	2,500	2,500	2,500
Street resurfacing (miles)	40	52	52	15	10	10	15	15	17	17
Culture and recreation										
Events at all facilities	267	227	244	293	240	531	579	967	966	986
Acres of City parks maintained	2,345	2,345	2,345	2,345	\$2,900.00	\$2,900.00	\$2,900.00	\$2,900.00	\$2,900.00	\$2,565.00
Participants in team sports	8,935	8,935	8,935	9,830	9,400	9,400	9,400	9,090	9,000	9,000
Program participants	37,900	37,900	37,900	37,900	40,250	40,500	40,500	44,400	42,555	45,974
Community development										
Programs funded	66	54	54	56	41	43	39	43	34	33
Economic development										
Housing units assisted	176	209	209	88	95	103	151	111	110	145
Small business loans	-	-	1	1	3	2	1	-	-	-
Economic opportunity										
Participants served	12,098	14,180	19,987	29,035	32,000	28,778	28,600	19,950	20,200	20,400
Municipal and Regional Airports										
Capital projects managed	19	15	16	16	16	26	11	20	18	18
Contracts/leases monitored	280	300	300	389	395	395	395	395	395	395
Water and Sewerage										
Water treated and pumped per day (MGD)	37	37	37	37	37	37	37	37	37	33
Waste water treated per day (MGD)	37	37	37	37	37	37	37	37	36	24
Water mains (miles)	1,144	1,104	1,104	1,135	1,144	1,150	1,152	1,152	1,153	1,162
Sewer mains (miles)	1,196	1,077	1,077	1,088	1,093	1,105	1,106	1,106	1,107	1,113
Fire hydrants	7,400	7,310	7,064	7,074	7,084	7,084	7,100	7,111	7,115	7,885
Shreveport Area Transit System										
Passenger trips (thousands)	3,400	3,400	3,400	3,400	3,400	3,400	3,100	3,163	2,758	2,666
Golf										
Golf rounds played	62,343	51,466	51,466	38,310	36,109	28,811	47,170	37,700	28,790	29,800
Downtown Parking										
Citations issued	42,000	43,000	25,000	20,338	22,000	26,600	20,000	16,839	18,000	18,000

Source: City of Shreveport Annual Budget Book

(1) The city's collection contract with Bossier City ended during 2013.

(2) Huntington Course reopened in 2014.

Note - No indicators are available for Health and Welfare or the Convention Center Hotel.

Unaudited - see accompanying independent auditors' report.

**CITY OF SHREVEPORT, LOUISIANA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN YEARS**

	2008	2009	2010	2011	2012
Functions:					
Public Safety					
Police:					
Station	1	1	1	1	1
Patrol Units	302	304	305	307	321
Fire Stations	22	22	22	22	22
Police and fire academy facility	1	1	1	1	1
City courts facility	1	1	1	1	1
Public Works:					
Collection Trucks	52	54	64	66	68
Streets (miles)	2,500	2,700	2,959	3,326	3,326
Street lights	30,085	30,100	30,100	30,100	30,100
Traffic signals	351	351	351	351	351
Culture and recreation					
Parks acreage	1,783	1,783	1,783	1,808	1,773
Number of playgrounds	46	46	46	53	45
Number of picnic areas	42	42	42	42	44
Swimming pools	10	10	10	9	8
Tennis courts	29	29	29	29	29
Community centers	21	21	21	16	17
Baseball park	1	1	1	1	1
Multipurpose stadium	1	1	1	1	1
Auditorium	1	1	1	1	1
Theater	1	1	1	1	1
Coliseum	1	1	1	1	1
Convention center	1	1	1	1	1
Softball and soccer complex	1	1	1	1	1
Stage works movie facility	1	1	1	1	1
Planetariums	2	2	1	1	1
Hotel					
Number of Hotels	1	1	1	1	1
Municipal and Regional Airports:					
Number of airports	2	2	2	2	2
Water and Sewerage:					
Number of water accounts	68,000	68,435	68,989	69,300	69,500
Water mains (miles)	1,144	1,104	1,104	1,135	1,144
Fire Hydrants	7,400	7,310	7,350	7,074	7,084
Maximum daily capacity (thousands of gallons)	90,000	90,000	90,000	90,000	90,000
Number of water storage tanks	10	10	10	10	10
Capacity of water storage tanks	35,500,000	35,500,000	35,500,000	35,500,000	35,500,000
Number of sewerage accounts	64,000	64,300	64,854	65,165	65,365
Sanitary sewers (miles)	1,196	1,077	1,077	1,088	1,092
Storm sewers (miles)	233	233	233	233	233
Maximum daily treatment capacity (thousands of gallons)	100,000	100,000	100,000	100,000	100,000
Golf:					
Number of municipal golf courses	3	3	3	3	3
Shreveport Area Transit System:					
Number of transit buses	47	46	52	54	55
Number of transit liftline vehicles	13	12	14	15	15

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) Amis Water Treatment Plant improvements

N/A - Statistical information is not available.

Unaudited - see accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN YEARS

	2013	2014	2015	2016	2017
Functions:					
Public Safety					
Police:					
Station	1	1	1	1	1
Patrol Units	296	297	302	309	301
Fire Stations	22	22	22	22	22
Police and fire academy facility	1	1	1	1	1
City courts facility	1	1	1	1	1
Public Works:					
Collection Trucks	68	68	67	82	82
Streets (miles)	3,326	3,326	2,700	2,730	2,732
Street lights	30,100	30,100	30,102	30,102	30,324
Traffic signals	353	353	347	347	348
Culture and recreation					
Parks acreage	1,773	1,773	1,773	1,773	1,777
Number of playgrounds	45	45	45	45	46
Number of picnic areas	44	44	44	44	46
Swimming pools	8	8	8	5	5
Tennis courts	29	29	29	29	31
Community centers	17	17	17	17	17
Baseball park	2	2	2	2	2
Multipurpose stadium	1	1	1	1	1
Auditorium	1	1	1	1	1
Theater	1	1	1	1	1
Coliseum	1	1	1	1	1
Convention center	1	1	1	1	1
Softball and soccer complex	1	1	1	1	1
Stage works movie facility	1	1	1	1	1
Planetariums	1	1	1	1	1
Hotel					
Number of Hotels	1	1	1	1	1
Municipal and Regional Airports:					
Number of airports	2	2	2	\$2.00	\$2.00
Water and Sewerage:					
Number of water accounts	69,500	69,500	65,543	65,965	65,638
Water mains (miles)	1,150	1,150	1,170	1,163	1,202
Fire Hydrants	7,084	7,100	7,120	7,885	8,228
Maximum daily capacity (thousands of gallons)	90,000	90,000	90,000	90,000	90,000
Number of water storage tanks	11	11	11	11	11
Capacity of water storage tanks	35,500,000	35,500,000	35,500,000	37,000,000	37,000,000
Number of sewerage accounts	65,786	66,000	64,700	64,730	64,386
Sanitary sewers (miles)	1,105	1,103	1,130	1,114	1,005
Storm sewers (miles)	233	233	233	269	270
Maximum daily treatment capacity (thousands of gallons)	100,000	100,000	100,000	90,000	90,000
Golf:					
Number of municipal golf courses	3	3	3	3	3
Shreveport Area Transit System:					
Number of transit buses	52	47	49	53	51
Number of transit lifeline vehicles	18	21	20	20	19