

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**



CITY OF SHREVEPORT, LOUISIANA

For the Year Ended December 31, 2012

Finance Department
Charles J. Madden III, Director



**CITY OF SHREVEPORT, LOUISIANA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

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CITY OF SHREVEPORT

P.O. BOX 31109 SHREVEPORT, LA 71130 • 505 TRAVIS STREET SHREVEPORT, LA 71101
Website: www.shreveportla.gov

July 24, 2013

Mayor Cedric B. Glover
Members of the City Council
City of Shreveport, Louisiana

Mayor and Members of the City Council:

In accordance with Section 10.02, paragraph (j), of the City Charter, I am pleased to submit the Comprehensive Annual Financial Report for the year ended December 31, 2012. 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 2012 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 BKD, LLP was selected by the City to conduct its annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2012, 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 unqualified opinion that the City's financial statements for the year ended December 31, 2012, are fairly presented in conformity with GAAP. The independent auditor's 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 accountants.

Profile of the City of Shreveport

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

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

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

These financial statements present the City of Shreveport (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Included as discretely presented component units is the financial data for the Shreveport Home Mortgage Authority, City Courts, City Marshal, Downtown Development Authority and the Metropolitan Planning Commission. 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, object level. The exception is the Community Development Department where the budget is at the fund, department, division, object level. Budgetary transfers across department lines or between classes of lump sum appropriations require the approval of the City Council.

Local Economy

Sales taxes make up the largest part of local revenues. Gains made in tax revenues in 2010 and 2011 were mainly due to increased natural gas drilling. With the decrease in natural gas prices, drilling activity in 2012 has decreased. Sales tax revenue fell to pre-drilling level and is expected to hold steady. The five year trend for sales tax has been as follows:

2008	109,226,148
2009	105,947,678
2010	113,990,284
2011	117,164,088
2012	113,068,390

With the opening of a new casino across the river and continued pressure from Indian casinos in Oklahoma, gaming revenues are not expected to rise. The five-year history of gaming revenues is as follows:

2008	12,931,726
2009	12,931,910
2010	12,457,759
2011	12,326,597
2012	11,925,489

Continued expansion at the port has brought in additional jobs to the area. Unemployment has remained below the national average and fell to 6.0% as of December 31, 2012 compared to 6.4% in 2011 and 6.6% in 2010.

The local economy continues to diversify with the announcement of a new steel mill being built at the local port and the planned opening of a micro car manufacturer at the GM plant closed in 2012. With several large regional hospitals and a medical school, the service section should continue to grow.

Long-term Financial Planning

A 3% increase in franchise fees on electric power usage that should increase to \$6,000,000 annually will be put to use in 2013 on a long list of street maintenance projects.

Work continues on the projects funded by the 2011 bond issues with several large projects entering the construction phase.

Through a proactive approach of policing and community involvement, the City once again reported low crime figures, including the lowest homicide rate since 1971.

Relevant Financial Policies

The outstanding 2003A General Obligation Bonds were called and debt service millage was reduced in 2012. In five years, 58% of all current outstanding General Obligation Debt will be extinguished. With revenues staying flat, it will be a balancing act maintaining fund balance and continuing to offer city services without additional fees. Voters approved a ¼ sales tax for another 5 years and will vote in 2013 on renewing property tax millages.

Major Initiatives

Through a concerted effort of local leaders, funding for all portions of I-49 North have been secured. Although completion is still several years away, the I-49 North interstate is no longer just a dream.

Rehabilitation of parts of Amiss Water Treatment will assure the City of adequate water supply into future. Bond issue projects also include repairs to several major sewer trunk lines to continue addressing SSO issues.

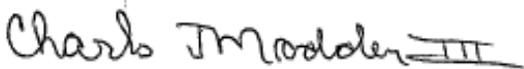
Awards and Acknowledgements

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, 2011. This was the third 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. Thanks to the Mayor and City Council for your support of excellence in financial reporting and fiscal integrity.

Sincerely,



Charles J. Madden III
Director of Finance

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moivell

President

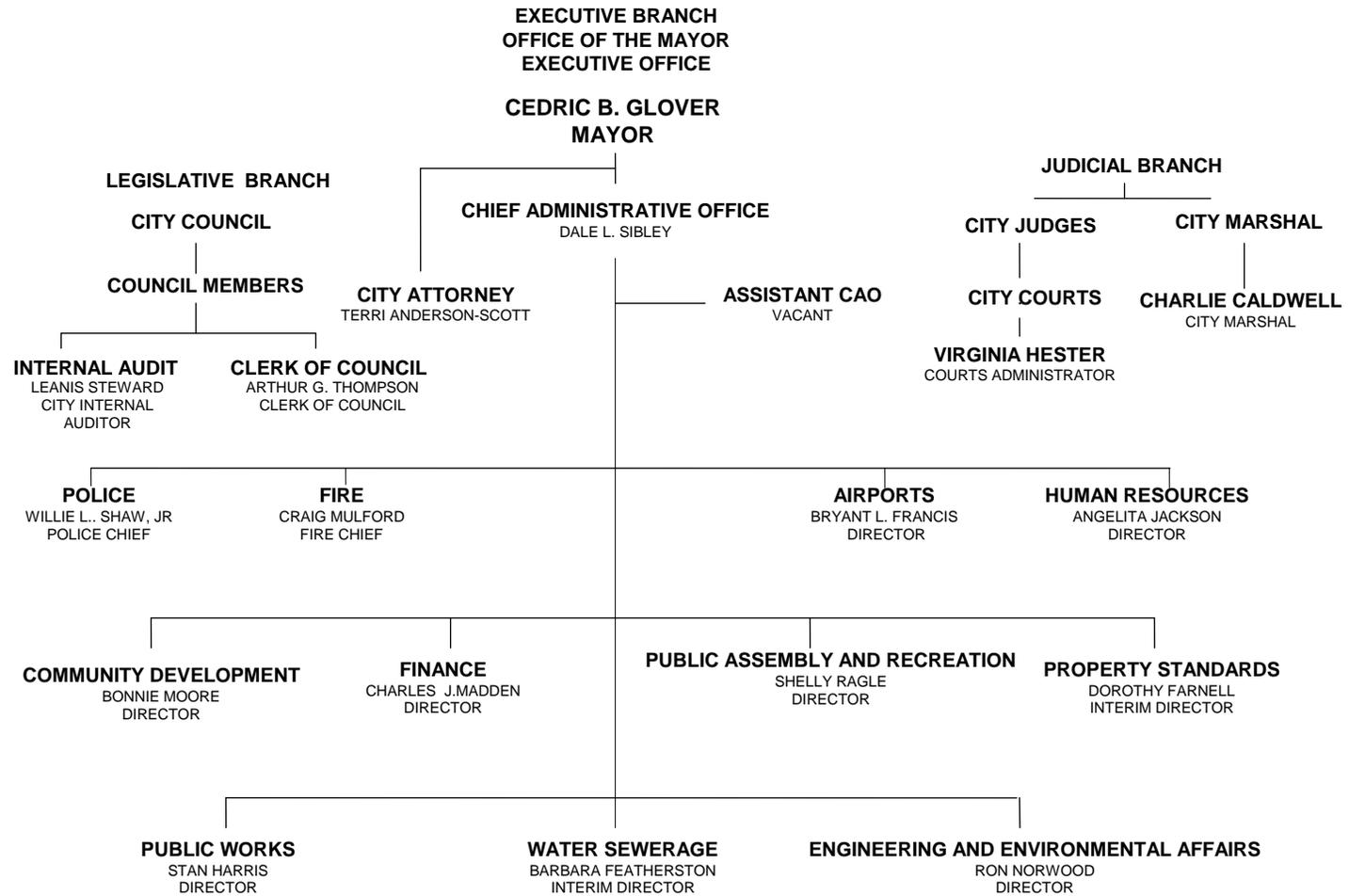
Jeffrey R. Emer

Executive Director

CITY OF SHREVEPORT

ORGANIZATION CHART

December 31, 2012



CITY OF SHREVEPORT, LOUISIANA

PRINCIPAL OFFICIALS

Cedric B. Glover
Mayor

Dale Sibley
Chief Administrative Officer

Members of City Council

Rose McCulloch
Jeff Everson
Oliver Jenkins
Michael Corbin
Ron Webb
Joe Shyne
Sam Jenkins

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

John Pistorius
Angela Duncan
Tom Mattox

Accounting
Revenue Collection
Purchasing

Accounting Staff

Rosalyn Atkins
Shiwanda Brown
Dorothy Cole
Ashley Hyson
Doris LaCour
Linda Long
Diane Pharr
Lashonda Samuels
Brenda Stills

Louise Broom
Rosemary Clark
G-Ray Evans, Sr.
Evelyn Jones
Marie Lafontant
Abigail Monette
Larry Phelps
Linda Smith

Independent Auditor's Report on Financial Statements and Supplementary Information

Members of the City Council and
Honorable Cedric B. Glover, 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 City of Shreveport, Louisiana (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements in the table of contents as of and for the year ended December 31, 2012, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the component unit financial statements of the City Courts, City Marshal and Downtown Development Authority which represent 50% and 81% of the assets and revenues, respectively, of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as they relate to the amounts included for the City Courts, Marshal and Downtown Development Authority is based on the reports of 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of December 31, 2012, and statement of revenues, expenditures and changes in fund balance budget and actual for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America (GAAP). In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds of the City as of December 31, 2012, and the respective change in financial position and cash flows, where applicable, thereof for the year then ended in conformity with GAAP.

Required Supplementary Information

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

Supplementary 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 supplementary information listed in the table of contents as the schedules of revenues, expenditures and changes in fund balance budget and actual for the debt service fund and certain nonmajor funds and financial information on Metropolitan Planning Commission, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and

relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Other Matter

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

BKD, LLP

Dallas, Texas
July 24, 2013

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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, 2012. This information presented here should be considered in conjunction with additional information provided in the letter of transmittal which is found on pages 1-4 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at December 31, 2012 by \$840.6 million (net position). Unrestricted net position is a deficit of \$332.4 million.
- The City's total net position decreased \$31.4 million. Net position of governmental activities decreased \$34.9 million and net position of business-type activities increased \$3.5 million.
- As of December 31, 2012, the City's governmental funds reported combined fund balances of \$169.5 million, a decrease of \$25.3 million from the prior year. Of this amount, \$6.4 million for the General Fund was unassigned and available for spending.
- The unassigned fund balances for the General Fund represented 3.2% of total General Fund expenditures.
- The City's total debt decreased \$56.7 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 less liabilities which results in net position. The statement is designed to display the financial position of the City. Over time, increases or decreases in net position help determine whether the City's financial position is improving or deteriorating.

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

Not only do the government-wide financial statements include the City itself which is the primary government, but also its component units, Shreveport Home Mortgage Authority, City Courts, City Marshal, Downtown Development Authority and Metropolitan Planning Commission. Although these component units are legally separate, their operational or financial relationship with the City makes the City financially accountable. The government-wide financial statements can be found on pages 25-27 of this report.

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

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

Fifteen governmental funds are used by the City. There are three 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 and the 2011 General Obligation Bond Fund. The twelve nonmajor funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

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

The basic governmental fund financial statements can be found on pages 28-35 of this report.

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

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

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

The basic proprietary fund financial statements can be found on pages 36-40 of this report.

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the City cannot use these assets for its operations. The accounting for fiduciary funds is much like that used in proprietary funds. The basic fiduciary aggregated fund financial statements can be found on pages 41-42 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-94 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and post employment benefits to its employees. Required supplementary information can be found on pages 95-96 of this report.

The combining statements for nonmajor governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information on pensions and post employment benefits. Combining and individual fund statements and schedules can be found on pages 98-110 for governmental funds, pages 113-116 for enterprise funds, pages 119-122 for internal service funds and pages 125-126 for fiduciary funds.

Government-wide Financial Analysis

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

	Net Position (in millions)					
	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	232.8	\$ 265.2	\$ 50.6	\$ 52.7	283.4	\$ 317.9
Capital assets	<u>596.7</u>	<u>605.0</u>	<u>728.8</u>	<u>730.6</u>	<u>1,325.5</u>	<u>1,335.6</u>
Total assets	<u>829.5</u>	<u>870.2</u>	<u>779.4</u>	<u>783.3</u>	<u>1,608.9</u>	<u>1,653.5</u>
Long-term liabilities	445.0	451.3	290.8	301.2	735.8	752.5
Other liabilities	<u>20.2</u>	<u>19.7</u>	<u>12.3</u>	<u>9.3</u>	<u>32.5</u>	<u>29.0</u>
Total liabilities	<u>465.2</u>	<u>471.0</u>	<u>303.1</u>	<u>310.5</u>	<u>768.3</u>	<u>781.5</u>
Net position						
Invested in capital assets, net of related debt	525.1	507.9	492.3	485.3	1,017.4	993.2
Restricted	151.6	66.1	4.0	4.0	155.6	70.1
Unrestricted (Deficit)	<u>(312.4)</u>	<u>(174.8)</u>	<u>(20.0)</u>	<u>(16.5)</u>	<u>(332.4)</u>	<u>(191.3)</u>
Total net position	<u>\$364.3</u>	<u>\$ 399.2</u>	<u>\$476.3</u>	<u>\$472.8</u>	<u>\$840.6</u>	<u>\$872.0</u>

At December 31, 2012, the City as a whole had assets greater than its liabilities by \$840.6 million compared to \$872.0 million at December 31, 2011. 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 41.6% of the governmental activities net position. Therefore, 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 \$312.4 million at the end of the year, an increase in the deficit from a \$174.8 million deficit in 2011. 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 benefit and other postemployment benefit obligations.

The net position of the City's business-type activities is \$476.3 million, an increase of \$3.5 million from 2011. The increase is primarily the result of capital contributions and transfers in. 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 \$20.0 million at December 31, 2012 compared to \$16.5 million in the prior year. The increase in the deficit was mainly due to the Water and Sewerage Fund which had an increase in their deficit of \$4.7 million due to a decrease in operating revenues from the prior year. 2011 was an extremely dry year which resulted in an increase in water sales.

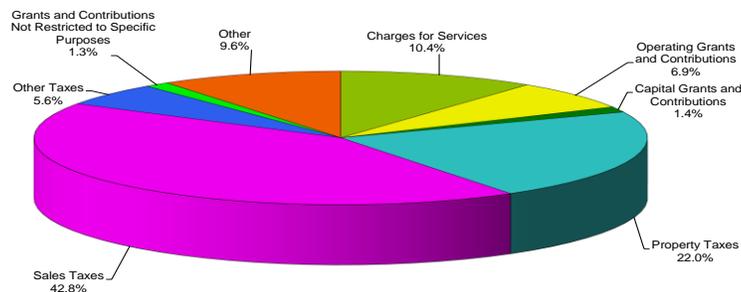
Changes in net position. The City's total revenues and expenses for governmental and business-type activities are reflected in the following chart:

	Changes in Net Position (in millions)					
	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program revenues:						
Charges for services	\$ 27.5	\$ 27.8	\$ 86.5	\$ 95.1	\$ 114.0	\$ 122.9
Operating grants and contributions	18.3	20.9	5.9	5.2	24.2	26.1
Capital grants and contributions	3.6	6.7	8.6	14.0	12.2	20.7
General revenues:						
Property taxes	58.0	61.9	-	-	58.0	61.9
Sales taxes	113.1	117.2	-	-	113.1	117.2
Other taxes	14.7	14.8	-	-	14.7	14.8
Grants and contributions not restricted to specific programs	3.4	3.5	-	-	3.4	3.5
Other revenues (losses)	<u>25.4</u>	<u>21.2</u>	<u>-</u>	<u>(6.1)</u>	<u>25.4</u>	<u>15.1</u>
Total revenues	<u>264.0</u>	<u>274.0</u>	<u>101.0</u>	<u>108.2</u>	<u>365.0</u>	<u>382.2</u>
Expenses:						
General government	52.9	50.6	-	-	52.9	50.6
Public safety	132.3	128.0	-	-	132.3	128.0
Public works	54.9	55.7	-	-	54.9	55.7
Culture and recreation	22.3	22.6	-	-	22.3	22.6
Health and welfare	0.0	.3	-	-	0.0	.3
Community development	4.5	5.9	-	-	4.5	5.9
Economic development	4.5	3.4	-	-	4.5	3.4
Economic opportunity	2.6	2.7	-	-	2.6	2.7
Interest on long-term debt	11.3	9.9	-	-	11.3	9.9
Municipal and regional airports	-	-	15.4	15.9	15.4	15.9
Water and sewerage	-	-	58.3	54.1	58.3	54.1
Convention Center	-	-	7.0	6.7	7.0	6.7
Convention Center Hotel	-	-	12.9	13.4	12.9	13.4
Shreveport area transit	-	-	15.8	15.2	15.8	15.2
Golf	-	-	1.3	1.4	1.3	1.4
Downtown parking	-	-	.4	.4	.4	.4
Total expenses	<u>285.3</u>	<u>279.1</u>	<u>111.1</u>	<u>107.1</u>	<u>396.4</u>	<u>386.2</u>
Increase (decrease) in net position before transfers	(21.3)	(5.1)	(10.1)	1.1	(31.4)	(4.0)
Transfers	(13.6)	(100.8)	13.6	100.8	-	-
Increase (decrease) in net position	(34.9)	(105.9)	3.5	101.9	(31.4)	(4.0)
Net position January 1, 2012	<u>399.2</u>	<u>505.1</u>	<u>472.8</u>	<u>370.9</u>	<u>872.0</u>	<u>876.0</u>
Net position December 31, 2012	<u>\$364.3</u>	<u>\$399.2</u>	<u>\$476.3</u>	<u>\$472.8</u>	<u>\$840.6</u>	<u>\$872.0</u>

Revenues for the City's governmental activities for the year ended December 31, 2012 were \$264.0 million compared to \$274.0 million in 2011.

- Program revenues decreased \$6.0 million in 2012 compared to 2011 primarily as a result of a decrease in operating grants and contributions and capital grants and contributions.
- General revenues are, for the most part, comprised of sales and property taxes (79.7%).
 - Sales taxes represent 52.7% of revenues at \$113.1 million compared to \$117.2 million for 2011. Collections were down 3.5% for 2012.
 - Property tax revenues represent 27.0% at \$58.0 million. Revenue was down 6.3% as a result of a decrease in property tax millage.

Revenues by Source - Governmental Activities

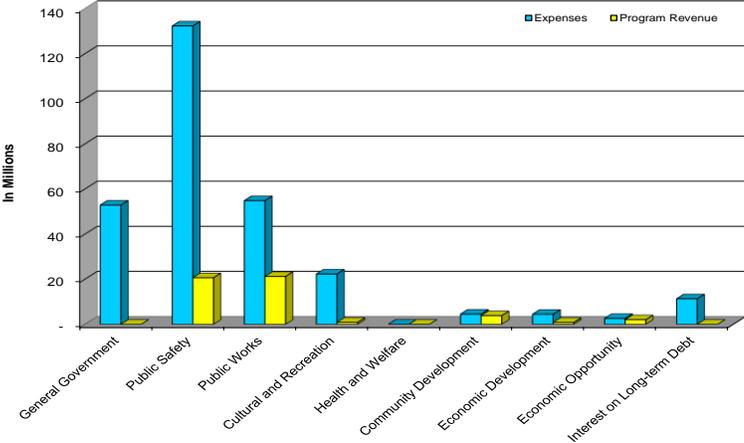


The cost of providing all governmental activities this year was \$285.3 million, an increase of \$6.2 million from the prior year. The key factors for the increase were:

- General government expenses were \$52.9 million compared to \$50.6 million in 2011. The increase was primarily due to an increase in pension net obligation expense compared to 2011.
- Public safety expenses were \$132.3 million compared to \$128.0 million in 2011. The increase of \$4.3 million was primarily due to an increase in salaries, wages and benefits.
- Interest on long-term debt increased \$1.4 million from 2011.

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:

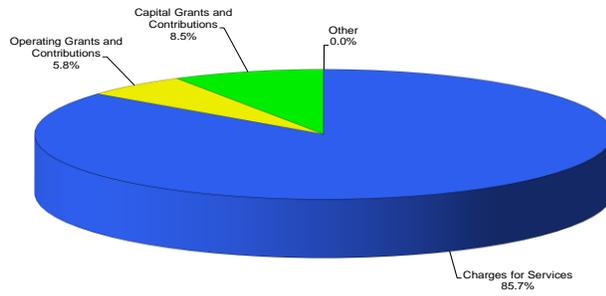
Expenses and Program Revenues - Governmental Activities



Business-type Activities. Charges for services for the City’s business-type activities were \$86.5 million for 2012, a decrease of \$8.6 million from 2011.

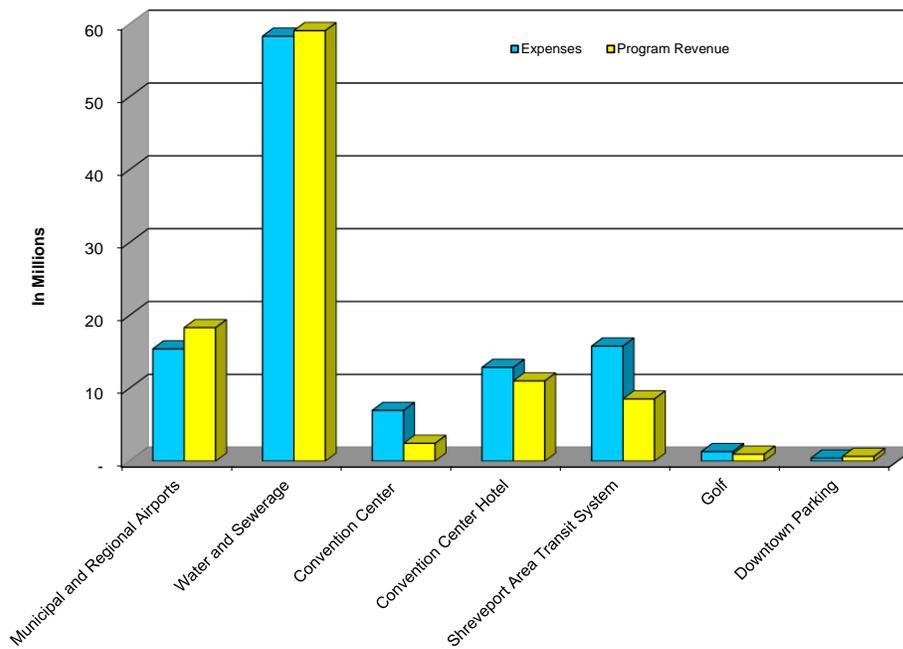
- Water and Sewerage revenues decreased \$8.1 million in 2012 due to a decrease in water sales. 2011 water sales were unusually high due to dry weather conditions.
- The Convention Center Hotel saw a decrease in revenues of \$0.6 million due to a decrease in occupancy associated with the convention center.

Revenues by Source - Business-type Activities



The costs of these business-type activities were \$111.1 million for 2012, an increase of \$4.0 million from 2011.

Expenses and Program Revenues - Business-type Activities



Municipal and Regional Airport expenses decreased \$0.5 million due to a decrease in personal services and contractual services and other expenses. Water and Sewerage expenses increased \$4.2 million in general operations and interest expense. Other propriety funds saw small increases and decreases overall.

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, 2012 reflect combined fund balances of \$169.5 million, a decrease of \$25.3 million compared to the prior year. The decrease in fund balances were mostly associated with the early redemption of \$24.2 million of general obligation bonds. Ninety one percent or \$155.0 million is restricted primarily for debt service and capital projects. Balances assigned to the future years are \$8.2 million and \$4.7 million is unassigned and available spending.

The General Fund is the City's operating fund which provides most basic services. Its fund balance had a decrease of \$1.8 million from the prior year. Revenues were down for the year, decreasing by \$5.1 million. The major revenue sources are property taxes, sales taxes, and charges for services.

- Sales tax collections decreased \$4.1 million from 2011 due to a decrease in drilling activity.
- Total expenditures of the General Fund were up \$3.1 million due to increased state pension contributions and equipment purchases.

The Debt Service Fund has a total fund balance of \$40.6 million which is restricted for payment of principal and interest on debt outstanding. The fund balance for 2012 decreased by \$19.6 million during the year compared to an increase of \$13.9 million in 2011. The decrease in 2012 was due to the redemption of the General Obligation Bonds, Series 2003A in the amount of \$24.2 million.

The 2011 General Obligation Bond fund has a total fund balance of \$82.6 million which is restricted for capital projects. The fund balance decreased by \$5.8 million in 2012 due to expenditures for ongoing capital projects and transfer to other funds for capital projects.

Proprietary funds. The proprietary funds had increased net position of \$3.5 million. The Municipal and Regional Airports fund increased \$3.0 million due to capital contributions and the Water and Sewerage Fund increased \$2.9 million due to transfers in. Other funds had small decreases in net position.

General Fund Budgetary Highlights

During the year, the City Council revised the City's budget several times. After the first quarter, amendments and supplemental appropriations were approved to reflect the actual beginning fund balances estimated during the budget process which must be submitted by October 1 for the next year. Additional changes were made as new information indicated a need. The major differences between the original budget and the final budget were overall revenues decreased by \$0.3 million while expenditures including transfers out were increased by \$1.5 million. During the year, revenues were \$9.3 million less than the revised budget while expenditures including transfers out were less than the revised budget by \$9.0 million. Capital lease transactions were under budget by \$3.2 million.

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

- Personnel
 - Other charges exceeded the budget by \$180.
- Other unclassified
 - Salaries, wages and employee benefits exceeded the budget by \$429,400 due to an increase in group insurance charges.
 - Contractual services exceeded the budget by \$44,838.
- Engineering
 - Materials and supplies exceeded the budget by \$2,232.
- Public works
 - Contractual services exceeded the budget by \$2,032,609 due to increased services in the operation of the landfill, waste collection and traffic engineering.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets as of December 31, 2012 for its governmental and business-type activities was \$1.3 billion net of depreciation as reflected in the following schedule.

Capital Assets
(net of depreciation in millions)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	Activities		Activities			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 107.6	\$ 106.6	\$ 46.3	\$ 44.9	\$ 153.9	\$ 151.5
Construction in progress	13.0	8.4	50.6	39.1	63.6	47.5
Buildings	113.1	115.8	159.6	163.2	272.7	279.0
Improvement other than buildings	36.0	36.1	41.8	43.6	77.8	79.7
Equipment	25.7	26.3	30.9	31.6	56.6	57.9
Distribution and collection systems	-	-	399.6	408.2	399.6	408.2
Infrastructure	<u>301.3</u>	<u>311.8</u>	<u>-</u>	<u>-</u>	<u>301.3</u>	<u>311.8</u>
Total	<u>\$ 596.7</u>	<u>\$ 605.0</u>	<u>\$ 728.8</u>	<u>\$ 730.6</u>	<u>\$ 1,325.5</u>	<u>\$ 1,335.6</u>

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

Airport Land Acquisition – Part 150 Noise Abatement funded with Federal Aviation Authority and State Grants.	\$ 1.4
Overlay Runway 5/23 – Downtown Airport funded with Federal Aviation Authority and State Grants.	1.1
Constructed Compressed Natural Gas Fill Station – Solid Waste funded with State Grants and General Fund.	1.6
	\$ <u>4.1</u>

Construction Commitments:

<u>Project</u>	<u>Remaining Commitment</u>	<u>Financing Sources</u>
Security Upgrade at Regional Airport	\$1,503,984	Federal FAA Grants and State Grants
Rehabilitate Runway 5/23 at Regional Airport	2,580,646	Federal FAA Grants and State Grants
Huntington Park Golf Course Renovation	1,803,400	General Obligations
Lucas Sludge Field Improvements	1,057,282	Water and Sewerage Revenue Bonds
Amiss WTP-Plant 2E Rehabilitation	6,761,844	2011 GOB-Prop I
Amiss WTP-Raw Water Piping Modification	1,869,970	2010C W&S Rev Bonds & 2011 GOB-Prop I
Sewer Survey & Wastewater Master Plan	1,926,706	2005 W&S Rev Bonds & 2011 GOB
Agurs Lift Station Improvements	1,456,451	2005 W&S Rev Bonds & 2010D W&S Rev Notes
Lucas Lift Station Improvements	3,269,274	2005 W&S Rev Bonds & 2010D W&S Rev Notes
Querbes Lift Station Improvements	1,253,565	2005 W&S Rev Bonds & 2011 GOB
Lucas & North Regional WWTP Improvements	1,493,850	2011 GOB-Prop I
City Wide Sewer Rehabilitation	<u>1,467,522</u>	2011 GOB-Prop I
Total	<u>\$26,444,494</u>	

Detailed information on the City's capital assets can be found in Note III E on pages 64-69 of the report.

Long-term debt. At year end, the City had \$482.7 million in bonds and other lending agreements, including \$3.8 million in Section 108 Housing and Urban Development guaranteed loans as shown in the following table.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General obligation bonds	\$174.0	\$216.4	\$ -	\$ -	\$174.0	\$216.4
Revenue bonds	-	-	216.0	229.4	216.0	229.4
Other lending agreements	<u>52.6</u>	<u>54.0</u>	<u>40.1</u>	<u>39.6</u>	<u>92.7</u>	<u>93.6</u>
Total	<u>\$226.6</u>	<u>\$270.4</u>	<u>\$256.1</u>	<u>\$269.0</u>	<u>\$ 482.7</u>	<u>\$539.4</u>

In the governmental activities, the city redeemed the balance of the General Obligation Bonds, Series 2003A in the amount of \$24.2 million in order to reduce future interest expense.

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 \$347 million of additional general obligation bonded debt is available for issuance.

Detailed information on the City's long-term debt can be found in Note III H on pages 71-83 of the report.

Economic Factors and Next Year's Budgets and Rates

The local economy continues to remain stable with little growth in revenues expected. The administration will emphasize increasing fund balance. With that in mind, there were no raises for City employees included in 2013 budget.

The City still has \$93,500,000 of authorized but yet unissued General Obligation Bonds. These bonds will be used to build projects being designed with funds from the first sale. The outstanding 2003A General Obligation Bonds were called and the City was able to reduce debt service millage starting in 2012.

Requests for Information

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 131,329,027	\$ 7,404,297	\$ 138,733,324	\$ 8,150,743
Investments	32,346,988	4,287,467	36,634,455	5,781,372
Receivable, net	34,311,446	7,490,098	41,801,544	1,049,550
Due from other governments	17,008,981	4,065,978	21,074,959	-
Internal balances	(13,293)	13,293	-	-
Inventories	1,567,532	2,883,981	4,451,513	-
Prepaid items	501,283	140,138	641,421	23,726
Notes receivable	9,854,795	-	9,854,795	3,781,667
Other assets	3,359,185	3,774,914	7,134,099	212,505
Restricted assets:				
Cash and cash equivalents	-	13,050,232	13,050,232	-
Investments	2,510,298	7,509,971	10,020,269	-
Capital assets:				
Land and construction in progress	120,648,981	96,964,299	217,613,280	784,514
Other capital assets, net of depreciation	476,036,403	631,870,694	1,107,907,097	1,769,055
Total assets	<u>829,461,626</u>	<u>779,455,362</u>	<u>1,608,916,988</u>	<u>21,553,132</u>
LIABILITIES				
Accounts payable	7,448,764	7,709,419	15,158,183	141,343
Accrued liabilities	45,566	2,054,151	2,099,717	41,658
Accrued interest payable	3,188,684	1,582,883	4,771,567	-
Due to other governments	962,200	-	962,200	70,510
Unearned revenue	8,157,899	289,407	8,447,306	-
Deposits and deferred charges	359,745	710,282	1,070,027	-
Non-current liabilities:				
Due within one year	58,867,537	23,581,224	82,448,761	489,120
Due in more than one year	386,166,291	267,208,932	653,375,223	6,855,854
Total liabilities	<u>465,196,686</u>	<u>303,136,298</u>	<u>768,332,984</u>	<u>7,598,485</u>
NET POSITION				
Invested in capital assets, net of related debt	525,050,532	492,313,051	1,017,363,583	2,553,569
Restricted for:				
Capital projects	100,268,605	-	100,268,605	-
Debt service	39,031,276	4,041,954	43,073,230	609,482
Community development	1,849,735	-	1,849,735	-
Streets	8,201,107	-	8,201,107	-
Enrichment	1,152,425	-	1,152,425	-
Downtown entertainment economic development	1,052,298	-	1,052,298	-
Environmental grants	1,039,148	-	1,039,148	-
Other purposes (deficit)	(1,022,842)	-	(1,022,842)	2,388,120
Unrestricted (deficit)	<u>(312,357,344)</u>	<u>(20,035,941)</u>	<u>(332,393,285)</u>	<u>8,403,476</u>
Total net position	<u>\$ 364,264,940</u>	<u>\$ 476,319,064</u>	<u>\$ 840,584,004</u>	<u>\$ 13,954,647</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, 2012

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 52,871,070	\$ -	\$ -	-
Public safety	132,296,947	10,115,288	10,534,428	-
Public works	54,861,069	16,940,167	690,513	3,591,188
Culture and recreation	22,298,863	438,991	416,093	-
Health and welfare	25,854	-	11,841	-
Community development	4,517,472	-	3,836,181	-
Economic development	4,462,780	-	809,176	-
Economic opportunity	2,609,908	-	2,044,316	-
Interest on long-term debt	11,331,384	-	-	-
Total governmental activities	285,275,347	27,494,446	18,342,548	3,591,188
Business-type activities				
Municipal and Regional Airports	15,414,301	10,159,922	1,307,567	6,859,489
Water and Sewerage	58,346,912	58,634,935	-	464,895
Convention Center	6,969,925	2,437,396	-	-
Convention Center Hotel	12,867,218	11,012,614	-	-
Shreveport Area Transit System	15,804,741	2,723,380	4,591,413	1,234,178
Golf	1,310,004	957,807	-	-
Downtown Parking	423,433	653,945	-	-
Total business-type activities	111,136,534	86,579,999	5,898,980	8,558,562
Total primary government	\$ 396,411,881	\$ 114,074,445	\$ 24,241,528	\$ 12,149,750
Component units:				
Shreveport Home Mortgage Authority	430,600	422,333	-	-
City Courts	3,529,684	954,658	-	-
City Marshal	2,225,475	784,436	-	-
Downtown Development Authority	1,490,380	658,147	200,000	-
Metropolitan Planning Commission	1,448,668	260,702	180,000	-
Total component units	\$ 9,124,807	\$ 3,080,276	\$ 380,000	\$ -
General Revenues:				
Taxes:				
Property taxes levied for general purposes				
Property taxes levied for debt service				
Sales taxes				
Franchise taxes				
Occupational licenses				
Gaming				
Grants and contributions not restricted to specific programs				
Loss on early extinguishment of debt				
Investment earnings (loss)				
Payment from City of Shreveport				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in Net Position				
Net position - beginning				
Net position - ending				

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

Net (Expenses) Revenue and Changes in Net Position				
Primary Government				
Governmental Activities	Business-type Activities	Total	Component Units	
\$ (52,871,070)	\$ -	\$ (52,871,070)	\$ -	-
(111,647,231)	-	(111,647,231)	-	-
(33,639,201)	-	(33,639,201)	-	-
(21,443,779)	-	(21,443,779)	-	-
(14,013)	-	(14,013)	-	-
(681,291)	-	(681,291)	-	-
(3,653,604)	-	(3,653,604)	-	-
(565,592)	-	(565,592)	-	-
(11,331,384)	-	(11,331,384)	-	-
<u>(235,847,165)</u>	<u>-</u>	<u>(235,847,165)</u>	<u>-</u>	<u>-</u>
-	2,912,677	2,912,677	-	-
-	752,918	752,918	-	-
-	(4,532,529)	(4,532,529)	-	-
-	(1,854,604)	(1,854,604)	-	-
-	(7,255,770)	(7,255,770)	-	-
-	(352,197)	(352,197)	-	-
-	230,512	230,512	-	-
-	<u>(10,098,993)</u>	<u>(10,098,993)</u>	-	-
\$ (235,847,165)	\$ (10,098,993)	\$ (245,946,158)	\$ -	-
-	-	-	-	(8,267)
-	-	-	-	(2,575,026)
-	-	-	-	(1,441,039)
-	-	-	-	(632,233)
-	-	-	-	<u>(1,007,966)</u>
\$ -	\$ -	\$ -	\$ -	<u>(5,664,531)</u>
26,320,649	-	26,320,649	852,144	-
31,710,720	-	31,710,720	-	-
113,068,390	-	113,068,390	-	-
7,512,211	-	7,512,211	-	-
7,175,204	-	7,175,204	-	-
11,925,489	-	11,925,489	-	-
3,398,492	-	3,398,492	-	-
-	-	-	(204,436)	-
861,704	45,934	907,638	(64,452)	-
-	-	-	5,450,314	-
12,558,552	-	12,558,552	95,409	-
<u>(13,566,000)</u>	<u>13,566,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>200,965,411</u>	<u>13,611,934</u>	<u>214,577,345</u>	<u>6,128,979</u>	<u>-</u>
(34,881,754)	3,512,941	(31,368,813)	464,448	-
<u>399,146,694</u>	<u>472,806,123</u>	<u>871,952,817</u>	<u>13,490,199</u>	<u>-</u>
\$ <u>364,264,940</u>	\$ <u>476,319,064</u>	\$ <u>840,584,004</u>	\$ <u>13,954,647</u>	<u>-</u>

**CITY OF SHREVEPORT, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012**

	General	Debt Service	2011 General Obligation Bonds	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,658,197	\$ 6,323,013	84,422,359	\$ 14,642,057	\$ 111,045,626
Investments	-	5,106,918	-	11,564,347	16,671,265
Property taxes receivable, net	4,479,705	5,685,684	-	-	10,165,389
Franchise taxes receivable	1,685,826	-	-	-	1,685,826
Accounts receivable, net	2,652,539	-	-	2,920,908	5,573,447
Due from other governments	13,461,780	63,370	-	3,483,831	17,008,981
Due from other funds	286,480	22,530,677	-	2,842,122	25,659,279
Inventories	1,567,532	-	-	-	1,567,532
Notes receivable, net	-	-	-	9,854,795	9,854,795
Assets held for resale	-	-	-	957,728	957,728
Restricted assets	-	2,510,298	-	-	2,510,298
Total assets	<u>\$ 29,792,059</u>	<u>\$ 42,219,960</u>	<u>\$ 84,422,359</u>	<u>\$ 46,265,788</u>	<u>\$ 202,700,166</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 5,730,004	\$ -	\$ 477,873	\$ 1,162,562	\$ 7,370,439
Accrued liabilities	45,566	-	-	-	45,566
Due to other governments	793,640	-	-	168,560	962,200
Due to other funds	4,720,969	-	1,319,340	3,487,074	9,527,383
Deferred revenue	1,900,882	1,664,036	-	7,589,085	11,154,003
Deposits and deferred charges	353,919	-	-	-	353,919
Notes payable	-	-	-	3,810,000	3,810,000
Items held in escrow	-	-	-	5,826	5,826
Total liabilities	<u>13,544,980</u>	<u>1,664,036</u>	<u>1,797,213</u>	<u>16,223,107</u>	<u>33,229,336</u>
Fund balance:					
Nonspendable:					
Inventories	1,567,532	-	-	-	1,567,532
Endowments	14,719	-	-	-	14,719
Restricted for:					
Debt service	-	40,555,924	-	-	40,555,924
Community development	-	-	-	1,991,805	1,991,805
Streets	-	-	-	8,201,107	8,201,107
Capital projects	-	-	82,625,146	17,643,459	100,268,605
Other purposes	-	-	-	3,935,426	3,935,426
Assigned to:					
Purchases on order	5,205,747	-	-	-	5,205,747
Landfill	3,029,985	-	-	-	3,029,985
Unassigned	6,429,096	-	-	(1,729,116)	4,699,980
Total fund balance	<u>16,247,079</u>	<u>40,555,924</u>	<u>82,625,146</u>	<u>30,042,681</u>	<u>169,470,830</u>
Total liabilities and fund balance	<u>\$ 29,792,059</u>	<u>\$ 42,219,960</u>	<u>\$ 84,422,359</u>	<u>\$ 46,265,788</u>	<u>\$ 202,700,166</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
DECEMBER 31, 2012

Fund balances - total governmental funds		\$ 169,470,830
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	968,003,601	
Less accumulated depreciation	<u>(371,318,217)</u>	596,685,384
Other assets used in governmental activities that are not financial resources and therefore are not reported in the governmental funds		
Bond issuance costs - Less refundings	4,477,936	
Less amortization	<u>(2,076,479)</u>	2,401,457
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.		
		2,996,104
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, loans payable and capital leases	(216,963,608)	
Unamortized certificate of indebtedness discount	28,073	
Deferred charge on refunding	5,441,320	
Unamortized bond premium	(11,305,893)	
Accrued interest payable	(3,188,684)	
Net pension obligations	(36,974,532)	
Net OPEB obligation	(142,209,122)	
Landfill closure and postclosure care	(3,029,985)	
Compensated absences	<u>(2,446,114)</u>	(410,648,545)
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>3,359,710</u>
Net position of governmental activities.		<u>\$ 364,264,940</u>

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, 2012

	General	Debt Service	2011 General Obligation Bonds	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 26,522,387	\$ 32,220,335	\$ -	\$ -	\$ 58,742,722
Sales	113,068,390	-	-	-	113,068,390
Franchise	7,512,211	-	-	-	7,512,211
Licenses and permits	9,159,315	-	-	-	9,159,315
Intergovernmental	9,612,815	2,046,925	-	11,352,827	23,012,567
Charges for services	25,786,275	-	-	-	25,786,275
Fines and forfeitures	3,377,228	-	-	-	3,377,228
Gaming	-	-	-	11,925,489	11,925,489
Investment earnings	839	346,550	126,932	190,338	664,659
Miscellaneous	2,081,398	-	3,250	10,473,904	12,558,552
Total revenues	<u>197,120,858</u>	<u>34,613,810</u>	<u>130,182</u>	<u>33,942,558</u>	<u>265,807,408</u>
EXPENDITURES					
Current:					
General government	33,053,051	-	-	701,067	33,754,118
Public safety	110,727,813	-	-	3,425,137	114,152,950
Public works	40,188,370	-	-	-	40,188,370
Culture and recreation	15,948,768	-	-	470,780	16,419,548
Health and welfare	-	-	-	11,841	11,841
Community development	-	-	-	3,957,114	3,957,114
Economic development	-	-	-	4,385,707	4,385,707
Economic opportunity	-	-	-	2,364,677	2,364,677
Debt service:					
Principal	-	51,542,365	-	-	51,542,365
Interest and other charges	-	12,000,544	4,368	-	12,004,912
Capital outlay	-	-	2,413,573	5,195,973	7,609,546
Total expenditures	<u>199,918,002</u>	<u>63,542,909</u>	<u>2,417,941</u>	<u>20,512,296</u>	<u>286,391,148</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,797,144)</u>	<u>(28,929,099)</u>	<u>(2,287,759)</u>	<u>13,430,262</u>	<u>(20,583,740)</u>
OTHER FINANCING SOURCES (USES)					
Capital Lease	8,865,007				8,865,007
Transfers in	12,128,506	9,315,153	222,500	6,475,827	28,141,986
Transfers out	<u>(19,948,529)</u>	<u>-</u>	<u>(3,688,851)</u>	<u>(18,070,606)</u>	<u>(41,707,986)</u>
Total other financing sources and (uses)	<u>1,044,984</u>	<u>9,315,153</u>	<u>(3,466,351)</u>	<u>(11,594,779)</u>	<u>(4,700,993)</u>
Net change in fund balances	(1,752,160)	(19,613,946)	(5,754,110)	1,835,483	(25,284,733)
Fund balances-beginning	<u>17,999,239</u>	<u>60,169,870</u>	<u>88,379,256</u>	<u>28,207,198</u>	<u>194,755,563</u>
Fund balances-ending	<u>\$ 16,247,079</u>	<u>\$ 40,555,924</u>	<u>\$ 82,625,146</u>	<u>\$ 30,042,681</u>	<u>\$ 169,470,830</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 STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Net change in fund balances - total governmental funds		\$ (25,284,733)
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	14,498,177	
Depreciation expense	<u>(25,078,227)</u>	(10,580,050)
Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial revenues.		
		2,302,745
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		(711,353)
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 issuance costs, 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	51,542,365	
Capital lease	<u>(8,865,007)</u>	42,677,358
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:		
Employees' retirement system net obligation	(10,289,540)	
Policemen's pension and relief fund net obligation	(712,498)	
Firemen's pension and relief fund net obligation	(1,208,869)	
Net OPEB obligation	<u>(24,669,886)</u>	(36,880,793)

(continued)

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CITY OF SHREVEPORT, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

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

These expenses consist of:

Amortization of deferred charge on refunding	(809,741)	
Amortization of certificate of indebtedness discount	(3,218)	
Amortization of bond premiums	1,187,453	
Decrease in accrued interest	299,034	
Amortization of issuance costs	(370,045)	
Increase in compensated absences	(35,423)	
Increase in landfill closure and postclosure care	<u>(344,694)</u>	(76,634)

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

(6,328,294)

Change in net position of governmental activities.

\$ 34,881,754

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

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 156,551,000	\$ 156,671,000	\$ 147,102,988	\$ (9,568,012)
Licenses and Permits	9,216,400	9,216,400	9,159,315	(57,085)
Intergovernmental	2,490,500	2,493,700	2,780,372	286,672
Charges for services	24,022,100	24,617,100	25,786,275	1,169,175
Fines and forfeitures	4,880,900	4,230,900	3,377,228	(853,672)
Investment earnings	40,000	40,000	839	(39,161)
Miscellaneous	2,615,600	2,277,400	2,081,398	(196,002)
Total revenues	<u>199,816,500</u>	<u>199,546,500</u>	<u>190,288,415</u>	<u>(9,258,085)</u>
EXPENDITURES				
General government:				
Office of the mayor:				
Salaries, wages and employee benefits	813,962	813,963	794,231	19,732
Materials and supplies	29,142	29,141	20,832	8,309
Contractual services	67,702	67,702	46,263	21,439
Other charges	1,300	1,300	1,263	37
Improvements and equipment	5,700	5,700	5,242	458
Total Office of the mayor	<u>917,806</u>	<u>917,806</u>	<u>867,831</u>	<u>49,975</u>
City Attorney:				
Salaries, wages and employee benefits	1,023,800	1,023,800	965,447	58,353
Materials and supplies	18,000	18,000	16,511	1,489
Contractual services	72,365	72,365	65,375	6,990
Other charges	2,700	2,700	2,145	555
Improvements and equipment	1,600	1,600	779	821
Total City Attorney	<u>1,118,465</u>	<u>1,118,465</u>	<u>1,050,257</u>	<u>68,208</u>
Property Standards:				
Salaries, wages and employee benefits	1,330,993	1,330,993	1,164,297	166,696
Materials and supplies	132,781	132,781	117,741	15,040
Contractual services	1,746,847	2,046,847	1,882,566	164,281
Other charges	1,319,613	1,019,613	539,615	479,998
Improvements and equipment	58,020	58,020	53,826	4,194
Total Property Standards	<u>4,588,254</u>	<u>4,588,254</u>	<u>3,758,045</u>	<u>830,209</u>
Personnel:				
Salaries, wages and employee benefits	512,896	512,896	469,912	42,984
Materials and supplies	8,335	8,335	6,813	1,522
Contractual services	30,155	30,155	19,698	10,457
Other charges	2,000	2,000	2,180	(180)
Improvements and equipment	17,244	17,244	14,257	2,987
Total Personnel	<u>570,630</u>	<u>570,630</u>	<u>512,860</u>	<u>57,770</u>

(continued)

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CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Information Technology:				
Salaries, wages and employee benefits	2,178,587	2,178,587	2,008,021	170,566
Materials and supplies	127,860	127,860	69,666	58,194
Contractual services	1,204,355	1,204,355	1,102,130	102,225
Improvements and equipment	482,040	482,040	378,977	103,063
Total Information technology	<u>3,992,842</u>	<u>3,992,842</u>	<u>3,558,794</u>	<u>434,048</u>
City Council:				
Salaries, wages and employee benefits	1,116,210	1,094,710	1,003,161	91,549
Materials and supplies	15,271	15,270	11,337	3,933
Contractual services	375,403	471,905	323,151	148,754
Improvements and equipment	31,851	31,851	19,332	12,519
Total City Council	<u>1,538,735</u>	<u>1,613,736</u>	<u>1,356,981</u>	<u>256,755</u>
Finance:				
Salaries, wages and employee benefits	2,458,200	2,458,200	2,236,058	222,142
Materials and supplies	157,472	157,470	101,472	55,998
Contractual services	999,596	1,119,596	1,083,713	35,883
Improvements and equipment	36,382	36,382	31,663	4,719
Total Finance	<u>3,651,650</u>	<u>3,771,648</u>	<u>3,452,906</u>	<u>318,742</u>
Other - unclassified				
Salaries, wages and employee benefits	4,558,172	4,558,172	4,987,572	(429,400)
Contractual services	454,583	504,384	549,222	(44,838)
Interest and civic appropriations	2,681,831	2,991,830	2,902,862	88,968
Payments to component units	5,368,065	5,575,600	5,400,313	175,287
Claims	6,752,100	6,752,100	4,655,408	2,096,692
Total other - unclassified	<u>19,814,751</u>	<u>20,382,086</u>	<u>18,495,377</u>	<u>1,886,709</u>
Total general government	<u>36,193,133</u>	<u>36,955,467</u>	<u>33,053,051</u>	<u>3,902,416</u>
Public Safety				
Police:				
Salaries, wages and employee benefits	49,756,983	49,756,983	48,857,923	899,060
Materials and supplies	2,790,054	2,790,054	2,716,598	73,456
Contractual services	1,529,765	1,529,765	1,299,208	230,557
Other charges	179,800	179,800	173,198	6,602
Improvements and equipment	2,949,565	2,949,565	2,910,531	39,034
Total Police	<u>57,206,167</u>	<u>57,206,167</u>	<u>55,957,458</u>	<u>1,248,709</u>
Fire:				
Salaries, wages and employee benefits	46,950,926	46,950,926	46,520,040	430,886
Materials and supplies	1,897,422	1,897,422	1,721,188	176,234
Contractual services	1,671,726	1,671,726	1,489,533	182,193
Improvements and equipment	3,474,004	3,474,004	3,096,029	377,975
Total Fire	<u>53,994,078</u>	<u>53,994,078</u>	<u>52,826,790</u>	<u>1,167,288</u>
Total public safety	<u>111,200,245</u>	<u>111,200,245</u>	<u>108,784,248</u>	<u>2,415,997</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Engineering:				
Salaries, wages and employee benefits	3,099,100	3,099,100	2,732,046	367,054
Materials and supplies	80,094	80,094	82,326	(2,232)
Contractual services	396,169	396,169	386,551	9,618
Improvements and equipment	81,600	81,600	60,596	21,004
Total engineering	<u>3,656,963</u>	<u>3,656,963</u>	<u>3,261,519</u>	<u>395,444</u>
Public Works:				
Salaries, wages and employee benefits	14,057,754	14,057,754	12,475,930	1,581,824
Materials and supplies	4,954,624	4,854,624	3,961,401	893,223
Contractual services	16,309,706	16,409,706	18,442,315	(2,032,609)
Improvements and equipment	2,833,787	2,833,787	2,047,205	786,582
Total public works	<u>38,155,871</u>	<u>38,155,871</u>	<u>36,926,851</u>	<u>1,229,020</u>
Total public works	<u>41,812,834</u>	<u>41,812,834</u>	<u>40,188,370</u>	<u>1,624,464</u>
Culture and recreation:				
Salaries, wages and employee benefits	9,511,382	9,131,982	9,006,884	125,098
Materials and supplies	901,802	961,902	941,350	20,552
Contractual services	5,082,282	5,170,581	4,414,523	756,058
Other charges	358,925	489,024	352,728	136,296
Improvements and equipment	972,465	1,662,066	1,233,283	428,783
Total culture and recreation	<u>16,826,856</u>	<u>17,415,555</u>	<u>15,948,768</u>	<u>1,466,787</u>
Total expenditures	<u>206,033,068</u>	<u>207,384,101</u>	<u>197,974,437</u>	<u>9,409,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,216,568)</u>	<u>(7,837,601)</u>	<u>(7,686,022)</u>	<u>151,579</u>
OTHER FINANCING SOURCES (USES)				
Capital lease	5,669,200	5,669,200	8,865,007	3,195,807
Transfers in	9,035,000	12,405,000	12,128,506	(276,494)
Transfers out	(14,520,300)	(14,655,300)	(15,059,651)	(404,351)
Total other financing sources (uses)	<u>183,900</u>	<u>3,418,900</u>	<u>5,933,862</u>	<u>2,514,962</u>
Net change in fund balance	(6,032,668)	(4,418,701)	(1,752,160)	2,666,541
Fund balances -beginning	<u>17,999,239</u>	<u>17,999,239</u>	<u>17,999,239</u>	<u>-</u>
Fund balances -ending	<u>\$ 11,966,571</u>	<u>\$ 13,580,538</u>	<u>\$ 16,247,079</u>	<u>\$ 2,666,541</u>

The accompanying notes are an integral part of the financial statements

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

	Business-type Activities Enterprise Funds					Total	Governmental Activities Internal Service Funds
	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds		
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ 3,130,542	\$ 1,099,767	\$ 1,231,149	\$ 1,006,023	\$ 936,816	\$ 7,404,297	\$ 20,283,401
Investments	2,528,146	-	679,973	812,537	266,811	4,287,467	15,675,723
Receivables, net	792,559	5,829,264	275,658	348,379	244,238	7,490,098	2,659,874
Due from other funds	-	-	-	-	122,844	122,844	-
Due from other governments	3,204,383	-	-	-	861,595	4,065,978	-
Inventories	97,747	1,726,101	102,323	36,304	921,506	2,883,981	-
Prepaid items	-	-	5,506	53,745	80,887	140,138	501,283
Total current assets	<u>9,753,377</u>	<u>8,655,132</u>	<u>2,294,609</u>	<u>2,256,988</u>	<u>3,434,697</u>	<u>26,394,803</u>	<u>39,120,281</u>
Noncurrent Assets:							
Restricted:							
Cash and cash equivalents	5,693,825	6,340,256	-	1,016,151	-	13,050,232	-
Investments	<u>3,848,482</u>	<u>3,661,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,509,971</u>	<u>-</u>
Total restricted assets	<u>9,542,307</u>	<u>10,001,745</u>	<u>-</u>	<u>1,016,151</u>	<u>-</u>	<u>20,560,203</u>	<u>-</u>
Unamortized bonds costs	<u>1,640,631</u>	<u>1,629,116</u>	<u>-</u>	<u>505,167</u>	<u>-</u>	<u>3,774,914</u>	<u>-</u>
Capital Assets:							
Land	37,229,289	996,201	6,147,743	-	1,940,407	46,313,640	-
Construction in progress	5,246,355	45,201,632	25,921	-	176,751	50,650,659	-
Buildings	71,921,002	-	88,411,374	44,015,097	11,725,379	216,072,852	-
Improvements other than buildings	93,018,842	-	3,521,288	113,371	868,530	97,522,031	-
Equipment	6,529,448	17,999,025	7,953,547	4,895,151	21,298,453	58,675,624	-
Distribution and collection systems	-	627,848,601	-	-	-	627,848,601	-
Less accumulated depreciation	<u>(93,445,025)</u>	<u>(231,322,671)</u>	<u>(18,543,063)</u>	<u>(9,340,516)</u>	<u>(15,597,139)</u>	<u>(368,248,414)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>120,499,911</u>	<u>460,722,788</u>	<u>87,516,810</u>	<u>39,683,103</u>	<u>20,412,381</u>	<u>728,834,993</u>	<u>-</u>
Total noncurrent assets	<u>131,682,849</u>	<u>472,353,649</u>	<u>87,516,810</u>	<u>41,204,421</u>	<u>20,412,381</u>	<u>753,170,110</u>	<u>-</u>
Total assets	<u>141,436,226</u>	<u>481,008,781</u>	<u>89,811,419</u>	<u>43,461,409</u>	<u>23,847,078</u>	<u>779,564,913</u>	<u>39,120,281</u>

	Business-type Activities					Total	Governmental Activities Internal Service Funds
	Enterprise Funds						
	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds		
LIABILITIES							
Current Liabilities:							
Accounts payable	2,307,905	3,915,985	506,800	323,367	655,362	7,709,419	78,325
Accrued liabilities	585,516	893,589	150,403	242,530	182,113	2,054,151	-
Accrued interest payable	1,090,279	372,799	-	119,805	-	1,582,883	-
Due to other funds	-	11,594	-	-	97,957	109,551	1,918,279
Deferred revenue	231,825	-	-	-	57,582	289,407	-
Customer deposits	60,584	580,290	54,451	14,957	-	710,282	-
Compensated absences	20,444	98,641	-	-	305,595	424,680	954
Claims and judgments	-	-	-	-	-	-	33,756,848
Leases payable	-	453,733	-	-	17,086	470,819	-
Revenue bonds and notes payable, net	1,212,421	21,171,870	-	301,434	-	22,685,725	-
Total current liabilities	5,508,974	27,498,501	711,654	1,002,093	1,315,695	36,036,917	35,754,406
Noncurrent Liabilities:							
Accrued liabilities	-	1,902,848	-	-	-	1,902,848	-
Compensated absences	134,907	513,590	-	-	22,881	671,378	6,165
Leases payable	-	885,419	-	-	70,575	955,994	-
Net OPEB obligation	3,207,368	12,328,509	-	-	1,058,147	16,594,024	-
Derivative instrument liability	-	14,804,374	-	-	-	14,804,374	-
Revenue bonds and notes payable, net	33,816,665	160,051,648	-	38,412,001	-	232,280,314	-
Total noncurrent liabilities	37,158,940	190,486,388	-	38,412,001	1,151,603	267,208,932	6,165
Total liabilities	42,667,914	217,984,889	711,654	39,414,094	2,467,298	303,245,849	35,760,571
NET POSITION							
Invested in capital assets, net of related debt	92,365,832	290,459,614	87,516,810	1,558,414	20,412,381	492,313,051	-
Restricted for debt service	4,041,954	-	-	-	-	4,041,954	-
Unrestricted (deficit)	2,360,526	(27,435,722)	1,582,955	2,488,901	967,399	(20,035,941)	3,359,710
Total net position	\$ 98,768,312	\$ 263,023,892	\$ 89,099,765	\$ 4,047,315	\$ 21,379,780	\$ 476,319,064	\$ 3,359,710

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities					Governmental Activities Internal Service Funds	
	Enterprise Funds						
	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds		Total
OPERATING REVENUES							
Charges for services	\$ 10,080,570	\$ 57,582,004	\$ 2,418,627	\$ 10,917,047	\$ 4,290,169	\$ 85,288,417	\$ 33,644,022
Miscellaneous	79,352	1,052,931	18,769	95,567	44,963	1,291,582	2,179,219
Total operating revenues	<u>10,159,922</u>	<u>58,634,935</u>	<u>2,437,396</u>	<u>11,012,614</u>	<u>4,335,132</u>	<u>86,579,999</u>	<u>35,823,241</u>
OPERATING EXPENSES							
Personal services	5,025,241	14,448,307	1,716,368	-	9,271,405	30,461,321	283,095
Contractual services and other expenses	1,584,469	5,836,383	1,382,856	8,249,733	2,250,145	19,303,586	5,159,033
Utilities	909,550	4,944,689	601,007	601,398	279,870	7,336,514	-
Repairs and maintenance	353,768	1,366,513	331,290	456,007	145,054	2,652,632	-
Materials and supplies	330,520	7,856,245	165,257	-	3,502,306	11,854,328	7,238
Claims	-	-	-	-	-	-	36,916,130
Depreciation	4,806,929	13,301,790	2,773,147	1,634,261	2,086,484	24,602,611	-
Total operating expenses	<u>13,010,477</u>	<u>47,753,927</u>	<u>6,969,925</u>	<u>10,941,399</u>	<u>17,535,264</u>	<u>96,210,992</u>	<u>42,365,496</u>
Operating income (loss)	<u>(2,850,555)</u>	<u>10,881,008</u>	<u>(4,532,529)</u>	<u>71,215</u>	<u>(13,200,132)</u>	<u>(9,630,993)</u>	<u>(6,542,255)</u>
NONOPERATING REVENUES							
(EXPENSES)							
Investment earnings (loss)	65,790	(29,579)	7,974	-	1,749	45,934	213,961
Interest expense	(2,275,184)	(10,263,675)	-	(1,871,752)	(486)	(14,411,097)	-
Intergovernmental	186,091	-	-	-	4,591,413	4,777,504	-
Passenger facility charges	1,121,476	-	-	-	-	1,121,476	-
Bond issuance costs	(128,637)	(261,739)	-	(23,176)	-	(413,552)	-
Loss on disposal of capital assets	(3)	(67,571)	-	(30,891)	(2,428)	(100,893)	-
Net nonoperating revenues (expenses)	<u>(1,030,467)</u>	<u>(10,622,564)</u>	<u>7,974</u>	<u>(1,925,819)</u>	<u>4,590,248</u>	<u>(8,980,628)</u>	<u>213,961</u>
Income (loss) before contributions and transfers	(3,881,022)	258,444	(4,524,555)	(1,854,604)	(8,609,884)	(18,611,621)	(6,328,294)
Capital contributions	6,859,489	464,895	-	-	1,234,178	8,558,562	-
Transfers in	-	3,625,811	3,250,082	1,587,500	6,537,607	15,001,000	-
Transfers out	-	(1,435,000)	-	-	-	(1,435,000)	-
Change in net position	2,978,467	2,914,150	(1,274,473)	(267,104)	(838,099)	3,512,941	(6,328,294)
Total net position-beginning	<u>95,789,845</u>	<u>260,109,742</u>	<u>90,374,238</u>	<u>4,314,419</u>	<u>22,217,879</u>	<u>472,806,123</u>	<u>9,688,004</u>
Total net position-ending	<u>\$ 98,768,312</u>	<u>\$ 263,023,892</u>	<u>\$ 89,099,765</u>	<u>\$ 4,047,315</u>	<u>\$ 21,379,780</u>	<u>\$ 476,319,064</u>	<u>\$ 3,359,710</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, 2012

	Business-type Activities					Total	Governmental Activities Internal Service Funds
	Enterprise Funds						
	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds		
Cash flows from operating activities:							
Receipts from operations	\$ 10,499,109	\$ 58,753,872	\$ 2,258,437	\$ 11,118,961	\$ 4,265,747	\$ 86,896,126	\$ 37,551,514
Payments to suppliers	(2,768,574)	(18,644,438)	(2,404,428)	(9,326,407)	(6,255,966)	(39,399,813)	(4,932,235)
Payments to employees	(4,571,083)	(12,589,189)	(1,689,786)	-	(9,042,706)	(27,892,764)	(279,059)
Claims	-	-	-	-	-	-	(36,674,048)
Other receipts	79,352	1,052,931	18,769	95,567	26,939	1,273,558	-
Other payments	(292,200)	(2,821,200)	-	-	(57,000)	(3,170,400)	-
Net cash provided by (used in) operating activities	<u>2,946,604</u>	<u>25,751,976</u>	<u>(1,817,008)</u>	<u>1,888,121</u>	<u>(11,062,986)</u>	<u>17,706,707</u>	<u>(4,333,828)</u>
Cash flows from noncapital financing activities:							
Cash bond	-	(254)	-	-	-	(254)	-
Transfers out	-	(1,435,000)	-	-	-	(1,435,000)	-
Intergovernmental	186,091	-	-	-	4,607,808	4,793,899	-
Transfers in	-	3,625,811	3,250,082	1,587,500	6,743,151	15,206,544	-
Due to other funds	-	(1,605,425)	-	-	-	(1,605,425)	-
Interest expense on operations	-	-	-	(4,489)	(486)	(4,975)	-
Net cash provided by (used in) noncapital financing activities	<u>186,091</u>	<u>585,132</u>	<u>3,250,082</u>	<u>1,583,011</u>	<u>11,350,473</u>	<u>16,954,789</u>	<u>-</u>
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(5,047,576)	(10,700,696)	(25,921)	(1,030,816)	(1,258,144)	(18,063,153)	-
Proceeds from capital lease	-	1,099,767	-	-	87,661	1,187,428	-
Principal paid on debt	(1,235,000)	(13,725,364)	-	(541,000)	-	(15,501,364)	-
Interest paid on debt	(2,228,393)	(10,409,375)	-	(1,755,800)	-	(14,393,568)	-
Capitalized lease payment	-	(232,619)	-	-	-	(232,619)	-
Proceeds from loan	-	1,155,357	-	-	-	1,155,357	-
Capital grants	3,883,011	-	-	-	1,166,157	5,049,168	-
Contributed capital by others	-	-	-	-	646	646	-
Passenger facility charges	1,121,698	-	-	-	-	1,121,698	-
Net cash provided by (used in) capital and related financing activities	<u>(3,506,260)</u>	<u>(32,812,930)</u>	<u>(25,921)</u>	<u>(3,327,616)</u>	<u>(3,680)</u>	<u>(39,676,407)</u>	<u>-</u>

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Business-type Activities
Enterprise Funds

	Municipal and Regional Airports	Water and Sewerage	Convention Center	Convention Center Hotel	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Cash flows from investing activities:							
Purchase of investments	-	-	(678,397)	(812,537)	(187,554)	(1,678,488)	(5,062,982)
Proceeds from sale and maturity of investments	33,527	4,380,703	-	-	24,799	4,439,029	5,380,536
Interest on investments	65,738	55,366	7,974	-	1,749	130,827	283,691
Net cash provided by (used in) investing activities	99,265	4,436,069	(670,423)	(812,537)	(161,006)	2,891,368	601,245
Net increase (decrease) in cash and cash equivalents	(274,300)	(2,039,753)	736,730	(669,021)	122,801	(2,123,543)	(3,732,583)
Cash and cash equivalents, beginning of year	9,098,667	9,479,776	494,419	2,691,195	814,015	22,578,072	24,015,984
Cash and cash equivalents, end of year	<u>\$ 8,824,367</u>	<u>\$ 7,440,023</u>	<u>\$ 1,231,149</u>	<u>\$ 2,022,174</u>	<u>\$ 936,816</u>	<u>\$ 20,454,529</u>	<u>\$ 20,283,401</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	<u>\$ (2,850,555)</u>	<u>\$ 10,881,008</u>	<u>\$ (4,532,529)</u>	<u>\$ 71,215</u>	<u>\$ (13,200,132)</u>	<u>\$ (9,630,993)</u>	<u>\$ (6,542,255)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	4,806,929	13,301,790	2,773,147	1,634,261	2,086,484	24,602,611	-
(Increase)Decrease in assets:							
Receivables	357,729	1,200,446	(133,940)	198,546	(10,650)	1,612,131	557,254
Due from other funds	-	-	-	-	(41,807)	(41,807)	1,171,019
Inventories	7,509	(200,440)	(12,776)	(5,285)	(124,946)	(335,938)	-
Prepaid items	-	-	(189)	12,843	205,162	217,816	(77,319)
Increase(Decrease) in liabilities:							
Accounts payable	124,691	196,400	88,947	(7,816)	(315,850)	86,372	(59,540)
Accrued liabilities	3,480	(415,682)	24,332	(19,011)	54,042	(352,839)	242,082
Accrued OPEB	476,448	1,989,872	-	-	161,152	2,627,472	-
Due to other funds	-	(1,159,425)	-	-	97,957	(1,061,468)	370,895
Deferred revenue	48,803	-	-	-	9,701	58,504	-
Customers' deposits	(6,140)	(26,448)	(26,250)	3,368	-	(55,470)	-
Compensated absences	(22,290)	(15,545)	2,250	-	15,901	(19,684)	4,036
Total adjustments	<u>5,797,159</u>	<u>14,870,968</u>	<u>2,715,521</u>	<u>1,816,906</u>	<u>2,137,146</u>	<u>27,337,700</u>	<u>2,208,427</u>
Net cash provided by (used in) operating activities	<u>\$ 2,946,604</u>	<u>\$ 25,751,976</u>	<u>\$ (1,817,008)</u>	<u>\$ 1,888,121</u>	<u>\$ (11,062,986)</u>	<u>\$ 17,706,707</u>	<u>\$ (4,333,828)</u>

Non-cash investing, capital and financing activities:

The Municipal and Regional Airports had noncash capital assets contributions in the amount of \$343,489.

The Municipal and Regional Airports had a loss on disposal of capital assets of \$3.

The Water and Sewerage Fund had \$464,895 in capital contributions, \$3,645 increase in fair value of investments, \$67,571 in loss on disposal of capital assets, and an investment loss of \$88,591 due to the change in fair value of the derivative instrument.

The Convention Center Hotel had a loss on disposal of capital assets of \$30,891.

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012

ASSETS	Employee Retirement Funds
Cash and cash equivalents	\$ 9,704,015
Receivables:	
Interest and dividends receivable	300,301
Accounts receivable	122,787
Prepaid items	509,175
Investments, at fair value:	
U.S. government obligations	10,273,312
Investment pool	574,615
Mutual funds	28,566,332
Domestic corporate bonds	10,654,326
Domestic equities	149,030,661
International equities	1,819,674
Municipal Bonds	6,196,540
Total investments	207,115,460
Other assets:	
Cash surrender value of life insurance policies	7,867,468
Total assets	225,619,206
 LIABILITIES	
Due to other funds	14,226,910
Employees' deposits held in escrow	1,955,938
Total liabilities	16,182,848
 NET POSITION	
Held in trust for pension benefits	\$ 209,436,358

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, 2012

	<u>Employee Retirement Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 8,882,105
Plan members	<u>4,327,302</u>
Total contributions	<u>13,209,407</u>
Investment earnings:	
Net appreciation in fair value of investments	18,715,233
Interest	1,675,928
Dividends	<u>2,767,187</u>
Total investment earnings	23,158,348
Less investment expense	<u>1,183,037</u>
Net investment earnings	<u>21,975,311</u>
Life insurance proceeds	<u>1,300,000</u>
Miscellaneous	<u>25,919</u>
Total additions	<u>36,510,637</u>
DEDUCTIONS	
Benefits	22,882,971
Refund of member contribution	1,108,656
Administrative expenses	246,810
Life insurance premiums	<u>893,522</u>
Total deductions	<u>25,131,959</u>
Change in net position	11,378,678
Net position - beginning	<u>198,057,680</u>
Net position - ending	<u>\$ 209,436,358</u>

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2012

	Shreveport Home Mortgage Authority	City Courts	City Marshal	Downtown Development Authority	Metropolitan Planning Commission	Total
ASSETS						
Cash and cash equivalents	\$ 192,569	\$ 5,525,717	\$ 1,531,287	\$ 826,719	\$ 74,451	\$ 8,150,743
Investments	5,681,372	100,000	-	-	-	5,781,372
Receivables, net	11,344	47,311	-	990,895	-	1,049,550
Prepaid items	-	4,110	-	19,616	-	23,726
Notes receivable	3,781,667	-	-	-	-	3,781,667
Other assets	197,780	-	-	14,725	-	212,505
Capital assets:						
Land	-	-	-	80,000	704,514	784,514
Other capital assets, net of depreciation	-	244,473	515,593	853,571	155,418	1,769,055
Total assets	<u>9,864,732</u>	<u>5,921,611</u>	<u>2,046,880</u>	<u>2,785,526</u>	<u>934,383</u>	<u>21,553,132</u>
LIABILITIES						
Accounts payable	-	25,111	11,958	100,333	3,941	141,343
Accrued liabilities	22,388	-	-	19,270	-	41,658
Due to other governments	-	-	-	-	70,510	70,510
Noncurrent liabilities:						
Due within one year	424,064	-	-	65,056	-	489,120
Due in more than one year	6,176,678	-	-	679,176	-	6,855,854
Total liabilities	<u>6,623,130</u>	<u>25,111</u>	<u>11,958</u>	<u>863,835</u>	<u>74,451</u>	<u>7,598,485</u>
NET POSITION						
Invested in capital assets, net of related debt	-	244,473	515,593	933,571	859,932	2,553,569
Restricted for:						
Debt service	609,482	-	-	-	-	609,482
Other purposes	-	1,981,106	-	407,014	-	2,388,120
Unrestricted	<u>2,632,120</u>	<u>3,670,921</u>	<u>1,519,329</u>	<u>581,106</u>	<u>-</u>	<u>8,403,476</u>
Total net position	<u>\$ 3,241,602</u>	<u>\$ 5,896,500</u>	<u>\$ 2,034,922</u>	<u>\$ 1,921,691</u>	<u>\$ 859,932</u>	<u>\$ 13,954,647</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, 2012

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Shreveport Home Mortgage Authority			
Mortgage Operations	\$ 430,600	\$ 422,333	\$ -
City Courts			
Judicial	3,529,684	954,658	-
City Marshal			
Judicial	2,225,475	784,436	-
Downtown Development Authority			
Downtown development	677,985	-	200,000
Streetscape program	303,882	289,595	-
Parking program	383,801	368,552	-
Interest on long-term debt	124,712	-	-
Total Downtown Development Authority	1,490,380	658,147	200,000
Metropolitan Planning Commission			
Planning and zoning	1,448,668	260,702	180,000
	<u>\$ 9,124,807</u>	<u>\$ 3,080,276</u>	<u>\$ 380,000</u>

General Revenues:
Property taxes levied for general purposes
Loss on early extinguishment of debt
Investment earnings (loss)
Payment from City of Shreveport
Miscellaneous
 Total general revenues (expense)
Change in Net Position
Net position - beginning
Net position - ending

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

**Net(Expenses) Revenues and
Changes in Net Position**

<u>Shreveport Home Mortgage Authority</u>	<u>City Courts</u>	<u>City Marshal</u>	<u>Downtown Development Authority</u>	<u>Metropolitan Planning Commission</u>	<u>Total</u>
\$ (8,267)					\$ (8,267)
	(2,575,026)				(2,575,026)
		(1,441,039)			(1,441,039)
			(477,985)		(477,985)
			(14,287)		(14,287)
			(15,249)		(15,249)
			(124,712)		(124,712)
			-		-
				(1,007,966)	(1,007,966)
(8,267)	(2,575,026)	(1,441,039)	(632,233)	(1,007,966)	(5,664,531)
-	-	-	852,144	-	852,144
(204,436)	-	-	-	-	(204,436)
(82,503)	10,385	4,284	3,382	-	(64,452)
-	2,867,097	1,588,689	-	994,528	5,450,314
-	14,924	-	80,485	-	95,409
(286,939)	2,892,406	1,592,973	936,011	994,528	6,128,979
(295,206)	317,380	151,934	303,778	(13,438)	464,448
3,536,808	5,579,120	1,882,988	1,617,913	873,370	13,490,199
<u>\$ 3,241,602</u>	<u>\$ 5,896,500</u>	<u>\$ 2,034,922</u>	<u>\$ 1,921,691</u>	<u>\$ 859,932</u>	<u>\$ 13,954,647</u>



**CITY OF SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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 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 Courts

The City Courts have jurisdiction over all violations of City ordinances and state misdemeanor cases. The Courts were 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 Courts are fiscally dependent on the City of Shreveport. The City has the ability to modify or approve their budget which comes from the General Fund. There are certain funds collected by the City Courts, pursuant to state statute, which are under the control of the courts. The City Courts serve 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 Courts. The Marshal has the power of a sheriff in the execution of the courts' 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. 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. 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.

Shreveport Convention Center Hotel Authority

The Shreveport Convention Center Hotel Authority is a public trust, created by state statute, with the City of Shreveport as beneficiary. The Authority is authorized to oversee the development and operation of the Shreveport Convention Center Hotel for the purpose of furthering economic development. There are five appointed trustees. The trustees are the Mayor, Chief Administrative Officer, City Council President, City Council Vice-President, and a citizen chosen at the discretion of the Mayor and approved by the City Council. The term of the Trustees shall be for as long as they hold the office enumerated, and the term of the citizen shall run concurrently with the mayoral term. 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 cannot access the Authority's resources but is the beneficiary of the residual assets of the termination of the trust. The City may provide financial support in the form of interim financing or guarantor of the Authority's debt. The boards are not substantively the same as the City. The Authority serves the citizenry of the City of Shreveport. The trust was created in 2002 but has had no reportable transactions through the year ended December 31, 2012.

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 Courts
1244 Texas Avenue
Shreveport, Louisiana 71101

Shreveport Home Mortgage Authority
1400 Youree Drive
Shreveport, Louisiana 71101

City Marshal
1244 Texas Avenue
Shreveport, Louisiana 71101

Downtown Development Authority
400 Edwards Street
Shreveport, Louisiana 71101

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 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 2011 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 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 Information Technology Fund which was operational through 2010 was transferred to the General Fund in 2011. Final closeout of the fund will occur in 2013.

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.

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

1. Deposits 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 assets. Negative equity balances have been reclassified and are reflected as due to/from other funds. Interest income and expense are allocated to the various funds based upon their average daily equity balances.

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

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

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

The State authorized investments are as follows:

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

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

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

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 50% equity and 50% fixed.

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 and Internal Service 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 in Enterprise Funds

Certain proceeds of 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 revenue bond issuances that are restricted for use in construction. The bond and interest sinking funds are used to segregate resources accumulated for debt service payments over the next twelve months. The debt service reserve funds are used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account.

5. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

The total interest expense incurred by the Water and Sewerage Fund was \$10,596,937. Of this amount \$333,262 was included as the cost of capital assets in construction in progress.

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

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

6. Compensated Absences

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

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

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

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

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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. 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 or designee 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.

9. Net Position

The government-wide statement of net position reports \$155,613,706 of restricted assets, of which \$39,031,276 is restricted by enabling legislation.

E. Implementation of New Accounting Standard

The City implemented the following financial accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB):

- Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

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 reappropriated and honored during the subsequent year.

Encumbrances outstanding at year end by fund.

General fund	\$ 5,205,747
Debt Service fund	-
2011 General Obligation Bond fund	5,001,949
Nonmajor governmental funds	<u>6,748,852</u>
Total encumbrances	\$ <u>16,956,548</u>

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

	Original Budget Including <u>Carry Forwards</u>	<u>Revisions</u>	Final Revised <u>Budget</u>
General Fund	\$ 220,553,368	\$ 1,486,033	\$ 222,039,401

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>General Fund</u>
<u>Revenues</u>	
Actual on the budgetary basis	\$ 190,288,415
Adjustment for state supplemental pay	<u>6,832,443</u>
GAAP basis	\$ <u>197,120,858</u>

Expenditures (Including transfers out)

Actual on the budgetary basis	\$ 213,034,088
Adjustment for state supplemental pay	<u>6,832,443</u>
GAAP basis	\$ <u>219,866,531</u>

B. Excess of Expenditures over Appropriations

During 2012, based on the legally adopted level of control for budgetary purposes, the General Fund had excess expenditures over appropriations as follows:

Personnel		
Other charges	\$	180
Other unclassified		
Salaries, wages and employee benefits	429,400	
Contractual services	44,838	
Engineering		
Material and supplies	2,232	
Public works		
Contractual services	2,032,609	

C. Deficit Net Position

The Golf Fund, a nonmajor enterprise fund, had a deficit net position balance of \$637,023. The deficit was due to the accrual of Other Postemployment Benefits (OPEB) as described in Note IV.A.

The Retained Risk Fund, an internal service fund, had a deficit net position balance of \$4,296,349 which will be recovered through future charges to other funds.

D. Deficit Fund Balance

The Riverfront Development Fund, a nonmajor governmental fund, had a deficit fund balance of \$1,729,116. The deficit was due to less than anticipated revenues and will be funded through 2013 budget amendments within the fund.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Investments – Primary Government excluding Fiduciary Funds

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasuries	\$ 14,245,562
U.S. Instrumentalities	32,409,162
Money Market	103,171,193
LAMP	5,902,558
Capital One Investment Account	<u>26,074,810</u>
Total	\$ <u>181,803,285</u>

The fair value of \$46,654,724 for U.S. Treasuries and Instrumentalities, is classified on the Statement of Net Position as “Investments”. The money market amounts of \$103,171,193, LAMP \$5,902,558, and Capital One Investment Account \$26,074,810 are classified as “Cash and cash equivalents”.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
		Less Than 1	1-3
U.S. Treasuries	\$ 14,245,562	\$ 12,905,418	\$ 1,340,144
U.S. Instrumentalities	32,409,162	22,270,614	10,138,548
Money Market	103,171,193	103,171,193	-
LAMP	5,902,558	5,902,558	-
Capital One Investment Account	<u>26,074,810</u>	<u>26,074,810</u>	-
Total	\$ <u>181,803,285</u>	\$ <u>170,324,593</u>	\$ <u>11,478,692</u>

Interest rate risk. The City investment policy limits its exposure to declines in fair value by limiting investment maturities to 3 years from the date of settlement unless matched to a specific cash flow requirement. The City is exposed to interest rate risk on its pay fixed, receive variable rate swap. The City pays 3.56% and receives 70% of USD-LIBOR-BBA. A decrease in the variable rate increases the City’s interest expense. The swap had a negative fair value of \$14,804,374 at December 31, 2012 and is classified under noncurrent liabilities within the Water and Sewerage Fund as derivative instrument liability. The increase in the negative fair value for 2012 was \$88,591 and is classified as investment loss. The swap has a notional amount of \$75,000,000 and matures on October 1, 2026.

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

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

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

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

2. Investments – Fiduciary Funds

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasuries	\$ 8,443,297
U.S. Instrumentalities	316,301
Asset-backed Securities	1,513,714
Corporate Bonds	10,654,326
Mutual Funds	3,971,356
Mutual Bond Funds	24,594,976
Investment Pool	574,615
Domestic Equities	149,030,661
International Equities	1,819,674
Municipal Bonds	6,196,540
Money Market	<u>9,451,291</u>
Total	<u>\$216,566,751</u>

The fair value of \$207,115,460 is classified on the Statement of Fiduciary Net Position as “Investments”. The money market amounts of \$9,451,291 are classified as “Cash and Cash Equivalents”.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>5-10</u>	<u>>10</u>
U.S. Treasuries	\$ 8,443,297	\$ 3,862,159	\$ 3,747,399	\$ 499,863	\$ 333,876
U.S. Instrumentalities	316,301	101,683	115,578	99,039	-
Asset-backed Securities	1,513,714	-	537,492	458,654	517,568
Corporate Bonds	10,654,326	3,171,901	7,092,998	167,283	222,144
Municipal Bonds	6,196,540	36,498	6,160,042	-	-
Money Market	<u>9,451,291</u>	<u>9,451,291</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$36,575,469</u>	<u>\$16,623,532</u>	<u>\$17,653,509</u>	<u>\$1,224,839</u>	<u>\$1,073,588</u>

<u>S&P/Moody’s Rating</u>	<u>Fair Value</u>
Government	\$ 8,443,297
AAA	4,049,120
AA	5,591,833
A	6,297,373
BBB	1,352,999
Money Market	9,451,291
Unrated	<u>1,389,556</u>
Total	<u>\$36,575,469</u>

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

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

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

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

3. Discretely Presented Component Units

Deposits

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

City Courts – The City Court does not have a policy for custodial credit risk. As of December 31, 2012, \$4,635,994 of the City Courts' bank balance of \$5,568,564 was exposed to custodial credit risk due to being uninsured and collateral held by the pledging bank's trust department not in the City Courts' name.

City Marshal – The City Marshal does not have a policy for custodial credit risk. As of December 31, 2012, \$1,534,502 of the City Marshal's bank balance of \$2,101,531 was exposed to custodial credit risks due to being uninsured and collateral held by the pledging banks' trust department not in the City Marshal's name.

Downtown Development Authority – The Authority does not have a policy for custodial credit risk. As of December 31, 2012, \$584,409 of the Authority's bank balance of \$834,409 was uninsured but collateralized with pledged securities held by the custodial bank's trust department in the Authority's name.

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

Investments

Shreveport Home Mortgage Authority – The \$5,681,372 consists of \$1,700,000 in certificates of deposit and \$3,981,372 in guaranteed mortgage-backed securities.

City Courts – The \$100,000 consists of certificates of deposit with initial maturities greater than 90 days.

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, 2012
Levy date	Not later than June 1, 2012
Tax bills mailed	On or about November 15, 2012
Total taxes are due	December 31, 2012
Penalties and interest are added	January 1, 2013
Lien date	January 1, 2013
Tax sale - 2012 delinquent property	July 1, 2013

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 94.9% of the property taxes due were collected within 60 days after the due date. Assessed values are established by the Bossier Parish and Caddo Parish Tax Assessors each year on a uniform basis at the following ratios to fair market value.

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

A re-evaluation of all property is required to be completed no less than every 4 years. A re-evaluation was completed for the tax roll of January 1, 2012.

C. Receivables

Receivables (excluding due from other funds and component units) as of year end for the City's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are outlined below.

	<u>General</u>	<u>Debt Service</u>	<u>Water and Sewerage</u>	<u>Municipal and Regional Airports</u>	<u>Convention Center</u>	<u>Convention Center Hotel</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:								
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,301	\$ 300,301
Taxes	6,836,926	6,553,268	-	-	-	-	-	13,390,194
Accounts	6,021,354	-	7,303,950	1,700,644	275,658	348,379	5,947,807	21,597,792
Intergovernmental	13,461,780	63,370	-	3,204,383	-	-	4,345,426	21,074,959
Notes receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,545,205</u>	<u>15,545,205</u>
Gross receivables	26,320,060	6,616,638	7,303,950	4,905,027	275,658	348,379	26,138,739	71,908,451
Less: Allowance for uncollectibles	<u>4,040,210</u>	<u>867,584</u>	<u>1,474,686</u>	<u>908,085</u>	<u>-</u>	<u>-</u>	<u>5,690,410</u>	<u>12,980,975</u>
Net total receivables	<u>\$ 22,279,850</u>	<u>\$ 5,749,054</u>	<u>\$ 5,829,264</u>	<u>\$ 3,996,942</u>	<u>\$ 275,658</u>	<u>\$ 348,379</u>	<u>\$ 20,448,329</u>	<u>\$ 58,927,476</u>

The total of notes receivable is not expected to be collected within one year. Approximately \$385,362 will be collected in the next year and the balance in future years in accordance with the payment schedules.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Delinquent property taxes receivable (General Fund)	\$ 1,332,068
Delinquent property taxes receivable (Debt Service Fund)	1,664,036
Other deferrals including program notes receivable	<u>8,157,899</u>
 Total deferred revenue for governmental funds	 <u>\$11,154,003</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 Single Audit Act as mandated by OMB Circular A-133.

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	\$ 9,612,815
Debt Service Fund	2,046,925
Special Revenue Funds:	
Community Development	6,302,947
Police Grants	2,959,073
Environmental Grants	802,364
Capital Projects Funds	1,288,443
Enterprise Funds:	
Municipal and Regional Airports	8,167,056
Shreveport Area Transit System	<u>5,825,591</u>
 Totals	 <u>\$37,005,214</u>

Supplementary salary payments are made by the State to certain groups of employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution from the State. The State paid supplemental salaries to the following groups of employees: Fire Department \$3,399,841 Police Department \$3,211,234 and City Marshal (a component unit) \$221,368. 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, 2012 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 106,571,228	\$ 1,052,103	\$ -	\$ 107,623,331
Construction in progress	8,438,514	7,609,546	(3,022,410)	13,025,650
Total capital assets not being depreciated	<u>115,009,742</u>	<u>8,661,649</u>	<u>(3,022,410)</u>	<u>120,648,981</u>
Capital assets, being depreciated:				
Buildings	171,927,781	676,901	-	172,604,682
Improvements other than buildings	68,378,061	1,896,989	(525,733)	69,749,317
Equipment	78,045,312	6,469,355	(5,627,793)	78,886,874
Infrastructure	<u>524,223,632</u>	<u>2,118,438</u>	<u>(228,323)</u>	<u>526,113,747</u>
Total capital assets being depreciated	<u>842,574,786</u>	<u>11,161,683</u>	<u>(6,381,849)</u>	<u>847,354,620</u>
Less accumulated depreciation for:				
Buildings	(56,121,904)	(3,426,849)	-	(59,548,753)
Improvements other than buildings	(32,231,044)	(2,011,752)	525,733	(33,717,063)
Equipment	(51,781,367)	(7,081,451)	5,627,793	(53,235,025)
Infrastructure	<u>(212,487,524)</u>	<u>(12,558,175)</u>	<u>228,323</u>	<u>(224,817,376)</u>
Total accumulated depreciation	<u>(352,621,839)</u>	<u>(25,078,227)</u>	<u>6,381,849</u>	<u>(371,318,217)</u>
Total capital assets, being depreciated, net	<u>489,952,947</u>	<u>(13,916,544)</u>	<u>-</u>	<u>476,036,403</u>
Governmental activities capital assets, net	<u>\$ 604,962,689</u>	<u>\$ (5,254,895)</u>	<u>\$ (3,022,410)</u>	<u>\$ 596,685,384</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Municipal and Regional Airports				
Capital assets, not being depreciated:				
Land	\$ 35,782,863	\$ 1,446,426	\$ -	\$ 37,229,289
Construction in progress	1,524,950	6,518,345	(2,796,940)	5,246,355
Total capital assets not being depreciated	<u>37,307,813</u>	<u>7,964,771</u>	<u>(2,796,940)</u>	<u>42,475,644</u>
Capital assets, being depreciated:				
Buildings	71,507,622	413,380	-	71,921,002
Improvements other than buildings	91,641,711	1,377,131	-	93,018,842
Equipment	6,534,235	37,911	(42,698)	6,529,448
Total capital assets being depreciated	<u>169,683,568</u>	<u>1,828,422</u>	<u>(42,698)</u>	<u>171,469,292</u>
Less accumulated depreciation for:				
Buildings	(32,232,206)	(1,531,685)	-	(33,763,891)
Improvements other than buildings	(51,272,320)	(3,065,300)	-	(54,337,620)
Equipment	(5,176,265)	(209,944)	42,695	(5,343,514)
Total accumulated depreciation	<u>(88,680,791)</u>	<u>(4,806,929)</u>	<u>42,695</u>	<u>(93,445,025)</u>
Total capital assets, being depreciated, net	<u>81,002,777</u>	<u>(2,978,507)</u>	<u>(3)</u>	<u>78,024,267</u>
Municipal and Regional Airports capital assets, net	<u>\$ 118,310,590</u>	<u>\$ 4,986,264</u>	<u>\$ (2,796,943)</u>	<u>\$ 120,499,911</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Water and Sewerage:				
Capital assets, not being depreciated:				
Land	\$ 1,032,277	\$ -	\$ (36,076)	\$ 996,201
Construction in progress	37,553,489	10,905,541	(3,257,398)	45,201,632
Total capital assets not being depreciated	<u>38,585,766</u>	<u>10,905,541</u>	<u>(3,293,474)</u>	<u>46,197,833</u>
Capital assets, being depreciated:				
Equipment	17,073,766	1,403,219	(477,960)	17,999,025
Distribution and collection systems	623,636,799	4,345,362	(133,560)	627,848,601
Total capital assets being depreciated	<u>640,710,565</u>	<u>5,748,581</u>	<u>(611,520)</u>	<u>645,847,626</u>
Less accumulated depreciation for:				
Equipment	(3,119,699)	(386,418)	469,742	(3,036,375)
Distribution and collection systems	(215,481,209)	(12,915,372)	110,285	(228,286,296)
Total accumulated depreciation	<u>(218,600,908)</u>	<u>(13,301,790)</u>	<u>580,027</u>	<u>(231,322,671)</u>
Total capital assets, being depreciated, net	<u>422,109,657</u>	<u>(7,553,209)</u>	<u>(31,493)</u>	<u>414,524,955</u>
Water and Sewerage capital assets, net	<u>\$ 460,695,423</u>	<u>\$ 3,352,332</u>	<u>\$ (3,324,967)</u>	<u>\$ 460,722,788</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Convention Center:				
Capital assets, not being depreciated:				
Land	\$ 6,147,743	\$ -	\$ -	\$ 6,147,743
Construction in progress	-	25,921	-	25,921
Total capital assets not being depreciated	<u>6,147,743</u>	<u>25,921</u>	<u>-</u>	<u>6,173,664</u>
Capital assets, being depreciated:				
Buildings	88,411,374	-	-	88,411,374
Improvements other than buildings	3,521,288	-	-	3,521,288
Equipment	7,953,547	-	-	7,953,547
Total capital assets being depreciated	<u>99,886,209</u>	<u>-</u>	<u>-</u>	<u>99,886,209</u>
Less accumulated depreciation for:				
Buildings	(10,496,359)	(1,817,786)	-	(12,314,145)
Improvements other than buildings	(766,965)	(144,275)	-	(911,240)
Equipment	(4,506,592)	(811,086)	-	(5,317,678)
Total accumulated depreciation	<u>(15,769,916)</u>	<u>(2,773,147)</u>	<u>-</u>	<u>(18,543,063)</u>
Total capital assets, being depreciated, net	<u>84,116,293</u>	<u>(2,773,147)</u>	<u>-</u>	<u>81,343,146</u>
Convention Center capital assets, net	<u>\$ 90,264,036</u>	<u>\$ (2,747,226)</u>	<u>\$ -</u>	<u>\$ 87,516,810</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Convention Center Hotel:				
Capital assets, being depreciated:				
Buildings	\$ 43,602,852	\$ 412,245	\$ -	\$ 44,015,097
Improvements other than buildings	113,371	-	-	113,371
Equipment	4,455,206	618,570	(178,625)	4,895,151
Total capital assets being depreciated	<u>48,171,429</u>	<u>1,030,815</u>	<u>(178,625)</u>	<u>49,023,619</u>
Less accumulated depreciation for:				
Buildings	(5,054,712)	(985,156)	-	(6,039,868)
Improvements other than buildings	(50,884)	(7,312)	-	(58,196)
Equipment	(2,748,392)	(641,793)	147,733	(3,242,452)
Total accumulated depreciation	<u>(7,853,988)</u>	<u>(1,634,261)</u>	<u>147,733</u>	<u>(9,340,516)</u>
Total capital assets, being depreciated, net	<u>40,317,441</u>	<u>(603,446)</u>	<u>(30,892)</u>	<u>39,683,103</u>
Convention Center Hotel capital assets, net	<u>\$ 40,317,441</u>	<u>\$ (603,446)</u>	<u>\$ (30,892)</u>	<u>\$ 39,683,103</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Other business-type activity programs:				
Capital assets, not being depreciated:				
Land	\$ 1,940,408	\$ -	\$ (1)	\$ 1,940,407
Construction in progress	54,265	4,913,712	(4,791,226)	176,751
Total capital assets not being depreciated	<u>1,994,673</u>	<u>4,913,712</u>	<u>(4,791,227)</u>	<u>2,117,158</u>
Capital assets, being depreciated:				
Buildings	11,363,651	361,728	-	11,725,379
Improvements other than buildings	868,530	-	-	868,530
Equipment	21,543,838	996,658	(1,242,043)	21,298,453
Total capital assets being depreciated	<u>33,776,019</u>	<u>1,358,386</u>	<u>(1,242,043)</u>	<u>33,892,362</u>
Less accumulated depreciation for:				
Buildings	(3,919,197)	(368,597)	-	(4,287,794)
Improvements other than buildings	(423,434)	(27,451)	-	(450,885)
Equipment	(10,407,636)	(1,690,436)	1,239,612	(10,858,460)
Total accumulated depreciation	<u>(14,750,267)</u>	<u>(2,086,484)</u>	<u>1,239,612</u>	<u>(15,597,139)</u>
Total capital assets, being depreciated, net	<u>19,025,752</u>	<u>(728,098)</u>	<u>(2,431)</u>	<u>18,295,223</u>
Other enterprise funds capital assets, net	\$ 21,020,425	\$ 4,185,614	\$ (4,793,658)	\$ 20,412,381
Business-type activities capital assets, net	<u>\$ 730,607,915</u>	<u>\$ 9,173,538</u>	<u>\$ (10,946,460)</u>	<u>\$ 728,834,993</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	\$ 487,704
Public safety	3,785,017
Public works, including depreciation of general infrastructure assets	14,931,040
Community development	521,281
Culture and recreation	<u>5,353,185</u>
Total depreciation expense-governmental activities	\$ <u>25,078,227</u>

Business-type activities:

Municipal and Regional Airports	\$ 4,806,929
Convention Center	2,773,147
Convention Center Hilton Hotel	1,634,261
Water and Sewerage	13,301,790
Shreveport Area Transit System	2,030,579
Golf	<u>55,905</u>
Total depreciation expense-business-type activities	\$ <u>24,602,611</u>

Construction commitments

The government has active major construction projects as of December 31, 2012. The projects include public works projects, Airport additions, Shreveport Area Transit System additions and improvements to Water and Sewerage facilities. At year end, the government’s commitments with contractors are as follows:

<u>Project</u>	<u>Remaining Commitment</u>	<u>Financing Sources</u>
Security Upgrade at Regional Airport	\$1,503,984	Federal FAA Grants and State Grants
Rehabilitate Runway 5/23 at Regional Airport	2,580,646	Federal FAA Grants and State Grants
Huntington Park Golf Course Renovation	1,803,400	General Obligations
Lucas Sludge Field Improvements	1,057,282	Water and Sewerage Revenue Bonds
Amiss WTP-Plant 2E Rehabilitation	6,761,844	2011 GOB-Prop I
Amiss WTP-Raw Water Piping Modification	1,869,970	2010C W&S Rev Bonds & 2011 GOB-Prop I
Sewer Survey & Wastewater Master Plan	1,926,706	2005 W&S Rev Bonds & 2011 GOB
Agurs Lift Station Improvements	1,456,451	2005 W&S Rev Bonds & 2010D W&S Rev Notes
Lucas Lift Station Improvements	3,269,274	2005 W&S Rev Bonds & 2010D W&S Rev Notes
Querbes Lift Station Improvements	1,253,565	2005 W&S Rev Bonds & 2011 GOB
Lucas & North Regional WWTP Improvements	1,493,850	2011 GOB-Prop I
City Wide Sewer Rehabilitation	<u>1,467,522</u>	2011 GOB-Prop I
Total	<u>\$26,444,494</u>	

Discretely presented component unit

Activity for the Metropolitan Planning Commission (MPC) for the year ended December 31, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 704,514	\$ -	\$ -	\$ 704,514
Capital assets, being depreciated:				
Improvements other than buildings	999,234	-	-	999,234
Equipment	<u>126,476</u>	<u>-</u>	<u>(15,004)</u>	<u>111,472</u>
Total capital assets being depreciated	<u>1,125,710</u>	<u>-</u>	<u>(15,004)</u>	<u>1,110,706</u>
Less accumulated depreciation for:				
Improvements other than buildings	(891,664)	(5,150)	-	(896,814)
Equipment	<u>(65,190)</u>	<u>(8,288)</u>	<u>15,004</u>	<u>(58,474)</u>
Total accumulated depreciation	<u>(956,854)</u>	<u>(13,438)</u>	<u>15,004</u>	<u>(955,288)</u>
Total capital assets, being depreciated, net	<u>168,856</u>	<u>(13,438)</u>	<u>-</u>	<u>155,418</u>
MPC capital assets, net	<u>\$ 873,370</u>	<u>\$ (13,438)</u>	<u>\$ -</u>	<u>\$ 859,932</u>

All depreciation was charged to planning and zoning.

Activity for the Downtown Development Authority for the year ended December 31, 2012 was of follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 80,000	\$ -	\$ -	\$ 80,000
Construction in progress	-	149,881	-	149,881
Total capital assets, not being depreciated	<u>80,000</u>	<u>149,881</u>	<u>-</u>	<u>229,881</u>
Capital assets, being depreciated:				
Leasehold improvements	52,369	-	-	52,369
Buildings	798,261	-	-	798,261
Equipment	371,780	-	(44,162)	327,618
Total capital assets being depreciated	<u>1,222,410</u>	<u>-</u>	<u>(44,162)</u>	<u>1,178,248</u>
Less accumulated depreciation for:				
Leasehold improvements	(22,841)	(1,746)	-	(24,587)
Buildings	(207,674)	(26,486)	-	(234,160)
Equipment	(223,053)	(32,407)	39,649	(215,811)
Total accumulated depreciation	<u>(453,568)</u>	<u>(60,639)</u>	<u>39,649</u>	<u>(474,558)</u>
Total capital assets, being depreciated, net	<u>768,842</u>	<u>(60,639)</u>	<u>(4,513)</u>	<u>703,690</u>
Downtown Development Authority capital assets, net	<u>\$ 848,842</u>	<u>\$ 89,242</u>	<u>\$ (4,513)</u>	<u>\$ 933,571</u>

Depreciation expense was charged to functions/programs as follows:

Downtown development	\$37,455
Streetscape program	8,206
Parking program	<u>14,978</u>
Total	<u>\$60,639</u>

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2012 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor governmental funds	Nonmajor governmental funds	\$ 1,507,380
	General Fund	15,402
	2011 General Obligation Bonds	1,319,340
Nonmajor enterprise fund	General Fund	122,844
	Nonmajor governmental funds	286,480
Debt service fund	Fiduciary Funds	14,226,910
	Water and Sewerage Fund	11,594
	Nonmajor governmental funds	1,693,214
	Internal Service Fund	1,918,279
	General Fund	<u>4,582,723</u>
Total		<u>\$ 25,782,123</u>

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

Interfund transfers:

	Transfer out:					Total
	General Fund	2011 General Obligation Bonds	Nonmajor Governmental Fund	Water and Sewer	Nonmajor Enterprise Funds	
<u>Transfer in:</u>						
General Fund	\$ -	\$ -	\$ 10,693,506	\$ 1,435,000	\$ -	\$ 12,128,506
2011 General Obligation Bond	49,500	-	173,000	-	-	222,500
Debt Service	9,315,153	-	-	-	-	9,315,153
Nonmajor governmental	4,046,269	63,040	2,366,518	-	-	6,475,827
Convention Center	-	-	3,250,082	-	-	3,250,082
Convention Center Hotel	-	-	1,587,500	-	-	1,587,500
Water & Sewerage	-	3,625,811	-	-	-	3,625,811
Nonmajor enterprise	<u>6,537,607</u>	-	-	-	-	<u>6,537,607</u>
Total transfers	<u>\$ 19,948,529</u>	<u>\$ 3,688,851</u>	<u>\$ 18,070,606</u>	<u>\$ 1,435,000</u>	<u>\$ -</u>	<u>\$ 43,142,986</u>

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

G. Capital Leases

The City entered into two lease agreements in 2012, one in March for \$3,214,540 and one in December for \$6,837,895. In previous years, the City had entered into lease agreements totaling \$35,239,605. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The payment schedule below includes all of the current leases in effect at year end.

The assets acquired through the capital leases follow:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Equipment	\$ 42,219,301	\$ 3,072,739
Less: accumulated depreciation	<u>(16,425,777)</u>	<u>(1,121,185)</u>
Total	<u>\$ 25,793,524</u>	<u>\$ 1,951,554</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2012 were as follows:

<u>Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2013	\$ 4,378,094	\$ 493,424
2014	2,532,266	245,961
2015	2,532,265	245,962
2016	1,842,340	245,964
2017	<u>1,506,391</u>	<u>245,966</u>
Total minimum lease payments	12,791,356	1,477,277
Less: amount representing interest	(477,949)	(50,464)
Present value of minimum lease payments	<u>\$12,313,407</u>	<u>\$1,426,813</u>

H. Long-term Liabilities

Long-term liability activity for the year ended December 31, 2012 was as follows:
(in thousands of dollars)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 208,315	\$ -	\$ (41,915)	\$ 166,400	\$ 16,840
Less deferred amounts on refunding	(4,094)	-	654	(3,440)	(653)
Plus deferred premium	<u>12,151</u>	<u>-</u>	<u>(1,125)</u>	<u>11,026</u>	<u>1,062</u>
Total bonds payable	<u>216,372</u>	<u>-</u>	<u>(42,386)</u>	<u>173,986</u>	<u>17,249</u>
Certificate of indebtedness	13,980	-	(4,885)	9,095	1,700
Less unamortized discount	(31)	-	3	(28)	(3)
Less deferred amounts on refunding	(274)	-	57	(217)	(57)
Plus deferred premium	<u>280</u>	<u>-</u>	<u>(58)</u>	<u>222</u>	<u>58</u>
Total certificates of indebtedness	<u>13,955</u>	<u>-</u>	<u>(4,883)</u>	<u>9,072</u>	<u>1,698</u>
Capital lease	<u>7,191</u>	<u>8,865</u>	<u>(3,743)</u>	<u>12,313</u>	<u>4,158</u>
Notes	30,155	-	(1,000)	29,155	1,040
Less deferred amounts on refunding	(1,883)	-	99	(1,784)	(100)
Plus deferred premium	<u>62</u>	<u>-</u>	<u>(4)</u>	<u>58</u>	<u>3</u>
Total notes	<u>28,334</u>	<u>-</u>	<u>(905)</u>	<u>27,429</u>	<u>943</u>
Net pension obligation	24,764	12,211	-	36,975	-
Net OPEB obligation	117,539	24,670	-	142,209	-
Landfill postclosure care	2,685	345	-	3,030	-
Claims and judgments	33,515	36,916	(36,674)	33,757	33,757
Compensated absences	<u>2,414</u>	<u>350</u>	<u>(311)</u>	<u>2,453</u>	<u>357</u>
Governmental activities (Excluding: Community Development notes)	446,769	83,357	(88,902)	441,224	58,162
Community Development notes	<u>4,510</u>	<u>-</u>	<u>(700)</u>	<u>3,810</u>	<u>705</u>
Total long-term liabilities	<u>\$ 451,279</u>	<u>\$ 83,357</u>	<u>\$ (89,602)</u>	<u>\$ 445,034</u>	<u>\$ 58,867</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activity					
Municipal and Regional Airports:					
Revenue bonds and notes	\$ 37,280	\$ -	\$ (1,235)	\$ 36,045	\$ 1,295
Less deferred amounts on refunding	(1,098)	-	82	(1,016)	(83)
Total revenue bonds and notes	36,182	-	(1,153)	35,029	1,212
Net OPEB obligation	2,731	476	-	3,207	-
Compensated absences	177	-	(22)	155	20
Total	39,090	476	(1,175)	38,391	1,232
Water and Sewerage:					
Revenue bonds and notes	194,029	1,155	(13,725)	181,459	21,159
Unamortized discount	-	-	-	-	-
Less deferred amounts on refunding	(1,734)	-	464	(1,270)	(463)
Plus deferred premium	964	-	(229)	735	176
Total bonds payable	193,259	1,155	(13,490)	180,924	20,872
Capital lease	472	1,100	(233)	1,339	454
Net OPEB obligation	10,339	1,990	-	12,329	-
Compensated absences	627	8	(23)	612	99
Accrued liability	2,382	121	(300)	2,203	300
Derivative instrument liability	14,716	88	-	14,804	-
Total	221,795	4,462	(14,046)	212,211	21,725
Convention Center Hotel					
Revenue bonds and notes	42,304	-	(541)	41,763	438
Less deferred amounts on refunding	(3,186)	-	137	(3,049)	(137)
Total	39,118	-	(404)	38,714	301
Other business-type activities:					
Net OPEB obligation	897	161	-	1,058	-
Capital lease	-	88	-	88	17
Compensated absences	313	284	(268)	329	306
Total	1,210	533	(268)	1,475	323
Business-type activity					
long-term activities	<u>\$ 301,213</u>	<u>\$ 5,471</u>	<u>\$ (15,893)</u>	<u>\$ 290,791</u>	<u>\$ 23,581</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, \$7,119 of internal service funds compensated absences are included in the above amounts. For the governmental activities, the balance of compensated absences is generally liquidated by the General Fund. Net pension obligation, 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 \$347,449,272 of additional general obligation bonded debt is available for issuance on a total assessed valuation of \$1,468,140,780 pursuant to the 35% limitation. Included in the total assessed valuation of property within the City is \$12,397,930 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, 2012.

	<u>Debt limit - 10% of assessed value for any one purpose</u>	<u>Deduct - Amount of debt applicable to debt limit</u>	<u>Legal Debt margin</u>
Street Improvements	\$146,814,078	\$39,568,277	\$ 107,245,801
Police and Fire	146,814,078	6,466,168	140,347,910
Water and Sewer Improvements	146,814,078	36,534,648	110,279,430
Parks and Recreation	146,814,078	30,690,926	116,123,152
Public Buildings	146,814,078	42,315,000	104,499,078
Drainage	146,814,078	8,506,915	138,307,163
Sanitation and Incinerator	146,814,078	-	146,814,078
Industrial Bond	146,814,078	-	146,814,078
Airports	146,814,078	-	146,814,078
Sportran	146,814,078	295,270	146,518,808
Riverfront Park	146,814,078	2,022,797	144,791,281

The annual requirements to amortize all debt outstanding as of December 31, 2012, including interest requirements are as follows:

	Maturities (thousands of dollars)				
	Total	2013	2014	2015	2016
PRINCIPAL REQUIREMENTS:					
GENERAL OBLIGATION DEBT:					
General Obligation Bonds Applicable to:					
All Purposes other than Water and Sewerage:					
1999 Refunding Issue - 4.00-5.00%	\$ 1,300	\$ 1,300	\$ -	\$ -	\$ -
2003A Refunding Issue - 2.375-5.00%	1,445	1,445	-	-	-
Less: Deferred Amount on Refunding	(50)	(50)	-	-	-
Plus Unamortized Premium	19	19	-	-	-
	<u>1,414</u>	<u>1,414</u>	<u>-</u>	<u>-</u>	<u>-</u>
2003B Refunding Issue - 2.00-5.25%	4,600	1,065	1,115	1,175	1,245
Less: Deferred Amount on Refunding	(227)	(70)	(70)	(70)	(17)
Plus: Unamortized Premium	148	46	46	46	10
	<u>4,521</u>	<u>1,041</u>	<u>1,091</u>	<u>1,151</u>	<u>1,238</u>
2004A Refunding Issue - 3.00-4.50%	9,185	1,680	1,750	1,830	1,920
Less: Deferred Amount on Refunding	(407)	(92)	(92)	(92)	(92)
Plus: Unamortized Premium	76	17	17	17	17
	<u>8,854</u>	<u>1,605</u>	<u>1,675</u>	<u>1,755</u>	<u>1,845</u>
2005A Refunding Issue - 2.50 - 5.00%	42,315	5,165	5,430	5,725	6,035
Less: Deferred Amount on Refunding	(2,244)	(354)	(354)	(354)	(354)
Plus: Unamortized Premium	2,369	374	374	374	374
	<u>42,440</u>	<u>5,185</u>	<u>5,450</u>	<u>5,745</u>	<u>6,055</u>
2005B Refunding Issue - 4.50 - 5.25%	17,865	2,175	2,290	2,405	2,535
Less: Deferred Amount on Refunding	(407)	(66)	(66)	(66)	(66)
Plus: Unamortized Premium	1,104	179	179	179	179
	<u>18,562</u>	<u>2,288</u>	<u>2,403</u>	<u>2,518</u>	<u>2,648</u>
2008 Refunding Issue - 4.00%	10,525	1,545	1,620	1,705	1,790
Less: Deferred Amount on Refunding	(105)	(21)	(21)	(21)	(21)
Plus: Unamortized Premium	245	47	47	47	47
	<u>10,665</u>	<u>1,571</u>	<u>1,646</u>	<u>1,731</u>	<u>1,816</u>
2011 Issue - 2.00-5.00%	79,165	2,465	2,600	2,745	2,895
Plus: Unamortized Premium	7,065	380	380	380	380
	<u>86,230</u>	<u>2,845</u>	<u>2,980</u>	<u>3,125</u>	<u>3,275</u>
Total General Obligation Bonds	<u>173,986</u>	<u>17,249</u>	<u>15,245</u>	<u>16,025</u>	<u>16,877</u>

Maturities
(thousands of dollars)

2017	2018- 2022	2023- 2027	2028- 2032	2033- 2037
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,005	-	-	-	-
(39)	-	-	-	-
8	-	-	-	-
1,974	-	-	-	-
6,345	13,615	-	-	-
(354)	(474)	-	-	-
374	499	-	-	-
6,365	13,640	-	-	-
2,670	5,790	-	-	-
(66)	(77)	-	-	-
178	210	-	-	-
2,782	5,923	-	-	-
1,885	1,980	-	-	-
(21)	-	-	-	-
47	10	-	-	-
1,911	1,990	-	-	-
3,055	17,990	23,510	23,905	-
308	1,900	1,900	1,437	-
3,363	19,890	25,410	25,342	-
16,395	41,443	25,410	25,342	-

Maturities
(thousands of dollars)

	Total	2013	2014	2015	2016
General Obligation Notes					
2000A LCDA Convention Center Hotel - Variable	1,833	108	114	121	127
2004 Certificate of Indebtedness - 2.00-4.20%	3,245	310	320	330	345
Less: Unamortized Discount	(28)	(3)	(3)	(3)	(3)
	<u>3,217</u>	<u>307</u>	<u>317</u>	<u>327</u>	<u>342</u>
2008 LCDA Independence Stadium - 4.00-5.25%	29,155	1,040	1,095	1,150	1,205
Less: Deferred Amount on Refunding	(1,784)	(100)	(100)	(100)	(100)
Plus: Unamortized Premium	58	3	3	3	3
	<u>27,429</u>	<u>943</u>	<u>998</u>	<u>1,053</u>	<u>1,108</u>
2008A LCDA Convention Center Hotel - Variable	39,930	330	540	590	820
Less: Deferred Amount on Refunding	(3,049)	(137)	(137)	(137)	(137)
	<u>36,881</u>	<u>193</u>	<u>403</u>	<u>453</u>	<u>683</u>
2010A Refunding Certificate of Indebtedness - 2.00-4.00%	5,395	1,300	1,310	1,355	1,430
Less: Deferred Amount on Refunding	(217)	(57)	(57)	(57)	(46)
Plus: Unamortized Premium	222	58	58	58	48
	<u>5,400</u>	<u>1,301</u>	<u>1,311</u>	<u>1,356</u>	<u>1,432</u>
2010B Refunding Certificate of Indebtedness - 4.58%	455	90	130	130	105
Community Bank Lease/Purchase - 4.373%	532	170	177	185	-
2007 Chase Lease Purchase - 3.370%	456	456	-	-	-
2008 Chase Lease Purchase - 4.230%	1,337	1,337	-	-	-
2008 Capital Lease - Water & Sewer - 4.230%	239	239	-	-	-
2010 Suntrust Lease Purchase - 2.20%	1,433	467	477	489	-
2012 Chase Lease Purchase - 1.620%	2,905	627	638	648	659
2012A Chase Lease Purchase - 1.286%	5,650	1,101	1,116	1,130	1,144
2012A Chase Lease Purchase - Golf - 1.286%	88	17	17	18	18
2012A Capital Lease - Water & Sewer- 1.286%	1,100	215	217	220	223
	<u>13,740</u>	<u>4,629</u>	<u>2,642</u>	<u>2,690</u>	<u>2,044</u>
Total General Obligation Debt	<u>262,941</u>	<u>24,820</u>	<u>21,160</u>	<u>22,155</u>	<u>22,718</u>
Municipal and Regional Airports					
2008A LCDA Refunding Issue - (5.811 - 5.875%)	9,160	-	-	-	-
Less: Deferred Amount on Refunding	(381)	(25)	(25)	(25)	(25)
	<u>8,779</u>	<u>(25)</u>	<u>(25)</u>	<u>(25)</u>	<u>(25)</u>
2008B LCDA Refunding Issue - (5.250 - 5.625%)	14,455	890	940	990	1,040
Less: Deferred Amount on Refunding	(635)	(58)	(58)	(58)	(58)
	<u>13,820</u>	<u>832</u>	<u>882</u>	<u>932</u>	<u>982</u>
2008C LCDA Issue - (6.750 - 7.000%)	9,325	-	-	-	-
2008D LCDA Issue - (7.000%)	3,105	405	440	470	500
Total Municipal and Regional Airports - NOTES	<u>35,029</u>	<u>1,212</u>	<u>1,297</u>	<u>1,377</u>	<u>1,457</u>
Water and Sewerage					
1993B Issue - 4.25-9.00%	860	860	-	-	-
2001A Issue - 3.95%	4,170	350	360	375	390
2001B Issue - 3.95%	4,170	350	360	375	390
2001C Issue - 3.95%	3,300	275	285	300	310
2002A Issue - 3.95%	12,786	-	-	1,390	1,445
2002B Issue - 3.95%	7,924	669	696	723	752
2003A Issue - 3.95%	11,740	708	736	765	796
2003B Issue - 3.95%	3,766	266	276	287	298
2004A Issue - 3.95%	10,601	792	823	856	890
2009A Revenue Bonds RLF - 3.45%	921	41	42	44	45
2009B Revenue Bonds RLF - 3.45%	7,348	331	339	347	355
2010D Revenue Bonds RLF - .95%	334	334	-	-	-

Maturities
(thousands of dollars)

2017	2018- 2022	2023- 2027	2028- 2032	2033- 2037
135	803	425	-	-
360	1,580	-	-	-
(3)	(13)	-	-	-
<u>357</u>	<u>1,567</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,265	7,310	9,290	6,800	-
(100)	(499)	(499)	(286)	-
<u>3</u>	<u>15</u>	<u>15</u>	<u>13</u>	<u>-</u>
<u>1,168</u>	<u>6,826</u>	<u>8,806</u>	<u>6,527</u>	<u>-</u>
870	5,770	9,320	12,470	9,220
(137)	(685)	(685)	(685)	(309)
<u>733</u>	<u>5,085</u>	<u>8,635</u>	<u>11,785</u>	<u>8,911</u>
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
333	-	-	-	-
1,159	-	-	-	-
18	-	-	-	-
<u>225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>20,523</u>	<u>55,724</u>	<u>43,276</u>	<u>43,654</u>	<u>8,911</u>
-	870	6,555	1,735	-
(25)	(125)	(125)	(6)	-
<u>(25)</u>	<u>745</u>	<u>6,430</u>	<u>1,729</u>	<u>-</u>
1,090	6,410	3,095	-	-
(58)	(286)	(59)	-	-
<u>1,032</u>	<u>6,124</u>	<u>3,036</u>	<u>-</u>	<u>-</u>
-	2,030	4,075	3,120	100
<u>530</u>	<u>760</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,537</u>	<u>9,659</u>	<u>13,541</u>	<u>4,849</u>	<u>100</u>
-	-	-	-	-
405	2,290	-	-	-
405	2,290	-	-	-
320	1,810	-	-	-
1,502	8,449	-	-	-
781	4,303	-	-	-
827	4,653	3,255	-	-
310	1,722	607	-	-
925	5,202	1,113	-	-
46	245	276	182	-
364	1,955	2,203	1,454	-
-	-	-	-	-

	<u>Total</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
2003A Refunding Issue - 4.00-5.00%	6,310	3,020	3,290	-	-
Less: Deferred Amount on Refunding	(490)	(245)	(245)	-	-
Plus: Unamortized Reoffer Call Premium	<u>109</u>	<u>72</u>	<u>37</u>	<u>-</u>	<u>-</u>
	<u>5,929</u>	<u>2,847</u>	<u>3,082</u>	<u>-</u>	<u>-</u>
2003B Refunding Issue - 2.00-5.00%	4,260	2,095	2,165	-	-
Less: Deferred Amount on Refunding	(267)	(134)	(133)	-	-
Plus: Unamortized Reoffer Call Premium	<u>41</u>	<u>25</u>	<u>16</u>	<u>-</u>	<u>-</u>
	<u>4,034</u>	<u>1,986</u>	<u>2,048</u>	<u>-</u>	<u>-</u>
2003C Refunding Issue - 4.00%	2,580	1,265	1,315	-	-
Less: Deferred Amount on Refunding	(15)	(7)	(8)	-	-
Plus: Unamortized Reoffer Call Premium	<u>19</u>	<u>14</u>	<u>5</u>	<u>-</u>	<u>-</u>
	<u>2,584</u>	<u>1,272</u>	<u>1,312</u>	<u>-</u>	<u>-</u>
2005 LCDA Note - Variable	<u>50,000</u>	<u>763</u>	<u>670</u>	<u>1,513</u>	<u>3,667</u>
2006A Refunding Issue - 4.00%	7,655	805	845	485	505
Less: Deferred Amount on Refunding	(499)	(77)	(78)	(34)	(34)
Plus: Unamortized Reoffer Call Premium	<u>63</u>	<u>10</u>	<u>9</u>	<u>8</u>	<u>7</u>
	<u>7,219</u>	<u>738</u>	<u>776</u>	<u>459</u>	<u>478</u>
2007 LCDA Revenue Bonds - 4.00%	21,795	1,045	1,085	1,130	1,175
Plus: Unamortized Reoffer Premium	<u>503</u>	<u>55</u>	<u>53</u>	<u>51</u>	<u>48</u>
	<u>22,298</u>	<u>1,100</u>	<u>1,138</u>	<u>1,181</u>	<u>1,223</u>
2008 LCDA Biosolid Disposal Project - 6.125%	6,565	6,565	-	-	-
2010C Revenue Bonds	<u>14,375</u>	<u>625</u>	<u>625</u>	<u>625</u>	<u>625</u>
Total Revenue Bonds -- Water and Sewerage	<u>180,924</u>	<u>20,872</u>	<u>13,568</u>	<u>9,240</u>	<u>11,664</u>
Total Principal	<u>478,894</u>	<u>46,904</u>	<u>36,025</u>	<u>32,772</u>	<u>35,839</u>
INTEREST REQUIREMENTS:					
General Obligation Debt	94,937	11,551	10,620	9,693	8,802
Revenue Bonds and Notes					
Convention Center Hotel	28,829	1,822	1,809	1,786	1,761
Water and Sewerage	53,417	7,295	6,659	5,678	5,321
Municipal and Regional Airports	<u>23,167</u>	<u>2,250</u>	<u>2,173</u>	<u>2,092</u>	<u>2,006</u>
Total Interest Requirements	<u>200,350</u>	<u>22,918</u>	<u>21,261</u>	<u>19,249</u>	<u>17,890</u>
Total Future Debt Requirements	<u>\$ 679,244</u>	<u>\$ 69,822</u>	<u>\$ 57,286</u>	<u>\$ 52,021</u>	<u>\$ 53,729</u>

<u>2017</u>	<u>2018- 2022</u>	<u>2023- 2027</u>	<u>2028- 2032</u>	<u>2033- 2037</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,833	20,267	19,287	-	-
535	3,070	1,410	-	-
(34)	(172)	(70)	-	-
6	21	2	-	-
507	2,919	1,342	-	-
1,225	7,090	9,045	-	-
45	177	74	-	-
1,270	7,267	9,119	-	-
-	-	-	-	-
625	3,125	3,125	3,125	1,875
12,120	66,497	40,327	4,761	1,875
34,180	131,880	97,144	53,264	10,886
12,347	22,210	14,231	5,483	-
1,727	8,025	6,520	4,276	1,103
4,864	16,887	5,563	978	172
1,915	7,944	4,127	654	6
20,853	55,066	30,441	11,391	1,281
<u>\$ 55,033</u>	<u>\$ 186,946</u>	<u>\$ 127,585</u>	<u>\$ 64,655</u>	<u>\$ 12,167</u>

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 2012, the City redeemed the balance of the General Obligation Bonds, Series 2003A in the amount of \$24,220,000. The payment was made from available funds in the Debt Service Fund in order to reduce future interest expense.

The City has authorized but unissued general obligation bonds in the amount of \$93,500,000. This is the balance of the \$175,000,000 that was approved by voters in April 2011.

Community Development Notes

The City has four HUD loans received in prior years. The loans are secured by a note receivable from the developer with a first lien mortgage and a pledge of the City's current and future CDBG funds. The note receivable and loan payable are recorded in the Community Development Fund due to the flow of funds between the developer, the City, and HUD. The developer makes payments to the City and the City services the loan to HUD. An allowance for doubtful accounts has been provided for one note originally made for \$2,200,000 and still outstanding for the full amount. Another note originally made for \$5,000,000 is not collectible. An amount of \$1,073,000 has been recorded as due from HUD at December 31, 2012 in relation to this note as well as \$122,798 for interest paid but not drawn down at this date.

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

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 705,000	\$ 99,257
2014	705,000	90,173
2015	717,000	79,686
2016	363,000	67,568
2017	263,000	58,043
2018-2022	915,000	156,796
2023	<u>142,000</u>	<u>8,037</u>
Total	<u>\$3,810,000</u>	<u>\$559,560</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 \$4,041,954 at December 31, 2012, 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, 2012 follows:

Fund

Debt Service Reserve Funds	\$3,848,482
Other Miscellaneous Restricted Funds	3,197,652
Bond and Interest Sinking Funds	<u>2,496,173</u>
Total restricted assets	<u>\$9,542,307</u>

Water and Sewerage Revenue Bonds

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 estimated debt maturity schedule is for principal payments of \$536,000 to \$622,000 for the years 2012 through 2031. The amount drawn down to date is \$870,261. There were no draw downs in 2012.

In October 2010, the City entered into a Loan Agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority. The Authority issued \$15,000,000 of Utility Revenue Bonds (Shreveport Water Improvement Project), Series 2010C for the purpose of financing the costs of the acquisition and construction of improvements, extensions and replacements to the drinking water portion of the City's combined revenue producing water and sewer utility systems, and pay the costs of issuance. In November 2010, the bonds were purchased by Capital One Public Funding, LLC. The bonds bear an initial rate of 4.59% for five years. At the end of the first five years, the bond purchaser has the right to remarket the bonds or hold them for four additional five year periods subject to a mutually agreeable interest rate and such other terms upon which all parties agree and also the right to remarket the bonds at each five year interval. The bonds have maturity dates of 2012 through 2035 and principal payments of \$625,000 or each maturity date.

In November 2009, the City entered into a Loan and Pledge Agreement for \$11,000,000 with the Louisiana Department of Health and Hospitals. The Department purchased the City's \$2,000,000 Water and Sewer Revenue Bonds, Series 2009A and the City's \$9,000,000 Water and Sewer Revenue Bonds, Series 2009B. The proceeds of the bonds are received through drawdowns. The \$2,000,000 of 2009A bonds were drawn down in prior years and \$1,000,000 has been forgiven through the American Recovery and Investment Act of 2009. Also in 2012, \$860,486 was received on the 2009B bonds for a total to date of \$7,949,668.

In prior years, the City has issued Water and Sewer Revenue Bonds for system upgrades through a series of Loan and Pledge Agreements with the Louisiana Department of Environmental Quality (DEQ). The DEQ, as the initial purchaser of the bonds, purchases the bonds in increments as project costs are incurred, and interest is payable only on the amount purchased from the date of purchase. At December 31, 2012, the bonds authorized and the amount purchased to date are the 2002B \$13,000,000 (\$12,910,405), 2003A \$16,000,000 (\$15,999,906), 2003B \$6,000,000 (\$5,394,333), 2004A \$16,000,000 (\$15,974,788). The amounts drawn down and issued in 2012 were 2003B for \$294,871.

In September 2005, the City entered into a Loan Agreement for \$75,000,000 with the Louisiana Local Governmental Environmental Facilities and Community Development Authority. The Authority issued \$75,000,000 of its Revenue Bonds (Shreveport Utility System Project) Series 2005. In June 2009, the City redeemed \$25,000,000 of the \$75,000,000 Revenue Bonds Series 2005 with funds remaining in the Project Fund. At the same time, the remaining \$50,000,000 of the Revenue Bonds Series 2005 were purchased by Capital One Public Funding, LLC ("COPF") and are being held by COPF as purchased bonds. The Bonds carry a fluctuating interest rate per annum equal to sixty-five (65%) percent of LIBOR for a one month interest period (resetting weekly) plus 3.30%.

The City entered into a Substitute Standby Bond Purchase Agreement with COPF effective June 23, 2009 for a period of five years from June 23, 2009 for the purchased bonds. The commitment is equal to the sum of (a) \$50,000,000 constituting the principal face amount of the Bonds and (b) \$558,904.11 equal to 34 days interest on the Bonds at 12% percent interest. COPF expressly reserves the right to directly sell the purchased bonds on or after the expiration date of the Substitute Standby Bond Purchase Agreement. Upon notice from COPF, the City shall have the right to obtain a substitute standby bond purchase agreement or a standby letter of credit or to obtain a bond purchaser for all of the Purchased Bonds owned by COPF. If the City fails to obtain a substitute bond purchaser and COPF fails to sell or remarket the Bonds, the outstanding principal will be subject to mandatory redemption over a five year period with principal payable in equal semi-annual installments, bearing interest at the highest of (1) the Overnight Federal Funds Rate plus 2.00%; (2) the Prime Rate plus 1.50%; or (3) 8.50%. If the balance of the issue was converted to a five-year semi-annual installment loan, the semi-annual payments would be \$12,415,061 assuming a 8.50% interest rate.

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

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

Restricted assets in the Water and Sewerage Fund primarily represent amounts which are required to be maintained pursuant to ordinances relating to bonded indebtedness (construction, debt service, and bond principal and interest sinking funds). A summary of restricted assets at December 31, 2012 follows:

<u>Fund</u>	
1990A and B Bonds Construction Funds	\$ 496
Debt Service Reserve Funds	2,575,526
Bond and Interest Sinking Funds	670,517
2000A Bond Construction Fund	1,198,417
2001B Bond Construction Fund	243,111
2001C Bond Construction Fund	35,441
2005 LCDA Loan Agreement	81,722
2007 LCDA Revenue Bonds	1,098,323
Miscellaneous Bond Construction Fund	<u>4,098,192</u>
 Total restricted assets	 \$ <u>10,001,745</u>

Convention Center Hotel

In May 2010, the City remarketed the \$40,575,000 remaining principal balance of the \$40,980,000 Revenue Refunding Bonds (Shreveport Convention Center Hotel Project) Series 2008. The bonds were placed with Wells Fargo Bank, N.A. by Loop Capital Markets LLC as Remarketing Agent. The placement is for a four year period from May 27, 2010 to May 31, 2014 and shall bear interest at a variable rate, which shall be applicable for the entire period, equal to the greater of: (1) the Thompson Financial’s Municipal Market Data scale for “AAA” municipal yields with a scale date of May 26, 2010 plus 3.00% per annum or (2) 4.125%. At May 26, 2010 the “AAA” rate was 1.22% which when added to the 3.00%, gave a rate of 4.22%. The City removed Morgan Keegan and Company as remarketing agent and the bonds were remarketed without credit enhancement or rating.

Restricted assets on 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, 2012 follows:

Fund

Bond Interest Sinking Fund	\$ 203,384
Miscellaneous Restricted Funds	<u>812,767</u>
Total restricted assets	\$ <u>1,016,151</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, 2012, the principal outstanding on the 2004 bonds was \$3,810,000.

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 Shreveport Home Mortgage has debt that is significant in proportion to the total debt of all component units.

The annual requirements to amortize all debt outstanding as of December 31, 2012 including interest requirements are as follows:

<u>Year Ending December 31,</u>	<u>Total to be Paid</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 814,235	\$ 424,064	\$ 390,171
2014	819,036	451,268	367,768
2015	822,861	479,331	343,530
2016	816,360	498,297	318,063
2017	809,859	518,212	291,647
2018-2022	2,758,517	1,689,570	1,068,947
2023-2027	<u>2,626,450</u>	<u>2,540,000</u>	<u>86,450</u>
Total	<u>\$ 9,467,318</u>	<u>\$ 6,600,742</u>	<u>\$ 2,866,576</u>

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). 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 single-employer defined benefit plan.

Summary of Significant Accounting Policies

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.

Concentration of Investments

The FPRF, PPRF and ERS had no investments in any one organization representing 5% or more of the fund balance reserved for employees’ pension benefits except for obligations of the federal government. There are no investments in loans to or leases with parties related to the pension plans.

Plan Descriptions and Contribution Information

Membership of each plan consisted of the following at December 31, 2012:

	<u>FPRF</u>	<u>PPRF</u>	<u>ERS</u>
Retirees and beneficiaries receiving benefits	245	152	1,065
Active plan members:			
Vested	3	-	603
Nonvested	<u>-</u>	<u>-</u>	<u>764</u>
Total	<u>248</u>	<u>152</u>	<u>2,432</u>
Number of participating employers	1	1	5

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

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

Firemen’s Pension and Relief Fund

Plan Description - 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.

Until January 1, 1983, the Firemen’s Pension and Relief Fund 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 service and may receive a benefit at age 50 with twenty years service or at age 55 with a minimum of twelve years service. Benefits are established and may be amended by State statutes.

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.

Funding Policy - 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 is currently 128.5% of annual covered payroll.

Annual Pension Cost and Net Pension Obligation - The City's annual pension cost and net pension obligation to FPRF for the current year were as follows:

Annual required contribution	\$ 3,726,529
Interest on net pension obligation	327,100
Adjustment to annual required contribution	<u>(1,379,557)</u>
Annual pension cost	2,674,072
Contributions made	<u>(1,465,203)</u>
Increase in net pension obligation	1,208,869
Net pension obligation beginning of year	<u>4,672,851</u>
Net pension obligation end of year	<u>\$ 5,881,720</u>

The net pension obligation is \$5,881,720 at December 31, 2012, and it is recorded in the governmental activities of the government-wide statement of net position.

The annual required contribution for the current year was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7% investment rate of return and (b) projected salary increases of 5% and cost-of-living adjustments of 3.5%. An inflation factor of 3.5% was used. The actuarial value of assets was determined using market value. The unfunded actuarial liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 2012 was 3 years.

Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 2,347,111	60.0	\$ 4,609,916
12/31/11	1,525,142	95.9	4,672,851
12/31/12	2,674,072	54.8	5,881,720

The funded status of the plan as of December 31, 2012, the most recent actuarial valuation date, is as follows:

(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2-1)	Funded Ratio (1/2)	Covered Payroll	UAAL as a Percentage of Covered Payroll 3/5
\$15,337,956	\$27,027,811	\$11,689,855	56.7%	\$1,140,314	1,025.1%

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.

Policemen's Pension and Relief Fund

Plan Description - 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.

Until July 12, 1977, all police officers hired became participants in the plan 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.

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.

Funding Policy - 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. Annual Pension Cost and Net Pension Obligation - The City's annual pension cost and net pension obligation to PPRF for the current year were as follows:

Annual required contribution	\$ 2,215,304
Interest on net pension obligation	17,682
Adjustment to annual required contribution	<u>(74,574)</u>
Annual pension cost	2,158,412
Contributions made	<u>(1,445,914)</u>
Increase in net pension obligation	712,498
Net pension obligation beginning of year	<u>252,598</u>
Net pension obligation end of year	<u>\$ 965,096</u>

The net pension obligation is \$965,096 at December 31, 2012, and it is recorded in the governmental activities of the government-wide statement of net position.

The annual required contribution for the current year was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7% investment rate of return and (b) projected salary increases of 5% and cost-of-living adjustments of 3.5%. An inflation factor of 3.5% was used. The actuarial value of assets was determined using market value. The unfunded actuarial liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 2012 was 3 years.

Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 1,601,827	87.9	\$ 304,503
12/31/11	1,321,361	100.0	252,598
12/31/12	2,158,412	67.0	965,096

The funded status of the plan as of December 31, 2012, the most recent actuarial valuation date is as follows:

(1)	(2)	(3)	(4)	(5)	(6)
<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL) (2-1)</u>	<u>Funded Ratio (1/2)</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll 3/5</u>
\$15,514,934	\$21,911,719	\$6,396,785	70.8%	-0-	N/A

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.

Employees' Retirement System (ERS)

Plan Description - The ERS is a cost-sharing defined benefit pension plan with a special funding situation that covers all full-time classified employees of the City other than policemen and firemen and is administered by the City.

Non-City employees employed by the following organizations may become members in the system: Caddo Parish Library, Caddo-Shreveport Sales and Use Tax Commission, Caddo-Bossier Civil Defense Agency, Metropolitan Planning 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 10 years of creditable service. Benefit provisions are established and may be amended by City ordinance.

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. An early retirement provision has been implemented for any member who has at least 10 years 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 until termination. At December 31, 2012, there is \$1,955,938 being held for members in the Deferred Retirement Option Plan.

Funding Policy - 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%. Contributions are made from the fund that the employee is paid from or from the organizations noted above. The contribution rate is currently 13.15% of annual covered payroll.

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

Annual Pension Cost and Net Pension Obligation - The City's annual pension cost and net pension obligation to ERS for the current year were as follows:

Annual required contribution	\$ 16,380,807
Interest on net pension obligation	1,537,459
Adjustment to annual required contribution	<u>(1,657,738)</u>
Annual pension cost	16,260,528
Contributions made	<u>(5,970,988)</u>
Increase in net pension obligation	10,289,540
Net pension obligation beginning of year	<u>19,838,176</u>
Net pension obligation end of year	<u>\$ 30,127,716</u>

The net pension obligation is \$30,127,716 at December 31, 2012, and is recorded in the governmental activities of the government-wide statement of net position.

The annual required contribution for the current year was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumption included (a) 7.75% investment rate of return and (b) projected salary increases of 4% for classified employees with less than 12 years of service and 3% for non-classified employees plus age-related merit and seniority increases. An inflation factor of 3% was used. Cost-of-living adjustments are contingent on funding levels and overall rate of return on investments. The actuarial value of investments was determined using market value. The unfunded actuarial liability is being amortized as a level dollar amount on an open 30-year basis.

Three-Year Trend Information			
Year Ended	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 11,200,943	55.9%	\$ 13,698,430
12/31/11	12,143,291	49.4	19,838,176
12/31/12	16,260,528	36.7	30,127,716

The funded status of the plan as of December 31, 2012, the most recent actuarial valuation date is as follows:

(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2-1)	Funded Ratio (1/2)	Covered Payroll	UAAL as a Percentage of Covered Payroll 3/5
\$178,583,468	\$356,337,194	\$177,753,726	50.1%	\$45,247,171	392.9%

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.

Other Postemployment Benefits (OPEB)

Plan Description - In addition to providing pension benefits, the City provides medical, dental and life insurance coverage through a single-employer defined benefit plan that can include non-City employees as described under the Employees' Retirement System for any retiree who receives a monthly retirement check from one of the City's retirement plans and their legal dependents. The benefits, employee contributions, and employer contributions are governed by the Health Care Board and can be amended annually. The plan is not accounted for as a trust fund.

The plan does not issue a separate report. The activity of the plan is reported in the City's Employees Health Care Fund, an internal service fund.

Funding Policy - The City contributes 58% and retirees 42% of the required contribution rate as determined annually by the Health Care Board of the self-insured pay-as-you go plan.

Membership at December 31, 2012 consisted of:

Retirees and beneficiaries currently receiving benefits	1,048
Terminated employees entitled to but not yet receiving benefits	675
Active employees	<u>1,910</u>
Total	3,633

Number of participating employers 5

Annual OPEB costs and Net OPEB Obligation - The City's annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation for 2012 and the prior year are as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB cost Contributed</u>	<u>Net Obligation</u>
12/31/10	\$ 32,361,074	\$ 6,439,697	19.9%	\$ 102,185,642
12/31/11	36,777,052	7,456,906	20.3	131,505,788
12/31/12	36,373,972	9,076,614	25.0	158,803,146

The net OPEB obligation as of December 31, 2012, was calculated as follows:

Annual required contribution	\$ 38,181,849
Interest on net OPEB obligation	5,917,760
Adjustment to annual required contribution	<u>(7,725,637)</u>
Annual OPEB cost	36,373,972
Contributions made	<u>(9,076,614)</u>
Increase in net OPEB obligation	27,297,358
Net OPEB obligation beginning of year	<u>131,505,788</u>
Net OPEB obligation end of year	<u>\$ 158,803,146</u>

The funded status of the plan as of December 31, 2012, the most recent actuarial valuation date is as follows:

(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<u>Assets</u>	<u>(AAL)</u>	<u>(2-1)</u>	<u>(1/2)</u>	<u>Payroll</u>	<u>3/5</u>
-	\$383,067,995	\$383,067,995	0.0%	\$124,078,623	308.7%

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, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included 4.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0% for 2012 declining gradually to 6.8% by 2016. An inflation rate of 3.2% was used. The actuarial value of assets was not determined as the City has not advanced 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, 2012, was 24 years.

Statewide Firefighters' Retirement System (SFRS)

Plan Description - The City of Shreveport contributes to the Statewide Firefighters' Retirement System Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Firefighters' Retirement System. SFRS covers firefighters employed by any municipality, parish, or fire protection district of the State of Louisiana under the provisions of Louisiana Revised Statutes 11:2251 through 2269 effective January 1, 1980. Benefits are established and may be amended by State statutes. The SFRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees, Firefighters' Retirement System, 2051 Silverside Drive, Suite 210, Baton Rouge, Louisiana 70808-4136 or by calling 504-925-4060.

Funding Policy - Plan members are required to contribute 10% of their annual compensation and the City is currently required to contribute 24% of annual compensation, excluding overtime but including State supplemental pay. The contribution requirements of plan members and the City are established and may be amended by the SFRS Board of Trustees. The City's contributions to SFRS for the years ending December 31, 2012, 2011, and 2010, were \$6,900,719, \$6,737,767 and \$5,267,313, respectively, equal to the required contributions for each year.

Municipal Police Employees Retirement System (MPERS)

Plan Description - The City of Shreveport contributes to the Municipal Police Employees Retirement System Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Municipal Police Employees' Retirement System. MPERS covers any full-time police officer, empowered to make arrests, employed by a municipality of the State and engaged in law enforcement, earning at least \$375 per month excluding state supplemental pay, or an elected Chief of Police whose salary is at least \$100 per month, and any employee of this system may participate in the MPERS. Benefits are established and may be amended by State statutes. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Room 305, Baton Rouge, Louisiana 70806 or by calling 1-800-443-4248.

Funding Policy - Plan members are required to contribute 10.0% of their annual compensation and the City is currently required to contribute 31% of annual compensation, excluding overtime but including State supplemental pay. The contribution requirements of plan members and the City are established and may be amended by State statute. The City's contributions to MPERS for the years ended December 31, 2012, 2011 and 2010, were \$8,153,229, \$7,342,111, and \$5,274,918, respectively, equal to the required contributions for each year.

B. Transit System

The Shreveport Area Transit System (Transit System) is managed and operated for the City by a management company pursuant to an agreement which expires September 30, 2016. Based on terms of the agreement, management fees included in operating expenses were \$277,293. The City is required to reimburse the management company for the excess of expenses over revenues derived from the operation of the Transit System.

Pursuant to an agreement between the City of Shreveport and the City of Bossier City, Bossier City will pay the Transit System for the excess of expenses incurred over revenues derived from operations of transit services in Bossier City. The City reimbursed the Transit System \$6,322,877. Bossier City reimbursed the Transit System \$977,397.

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 \$3,029,985 has been reported at December 31, 2012 for closure and post-closure care cost and represents the cumulative costs reported based on 58% of the capacity of the landfill having been used to date. The landfill has an estimated remaining life in excess of 13 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 \$2,194,127. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The estimated closure of the sludge facility is \$11,398. 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, \$1,000,000 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 \$780,544,502 subject to a \$100,000 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 \$28,672,152 reported in the fund at December 31, 2012 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 2011 and 2012 were:

<u>Retained Risk Fund</u>				
	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Year End</u>
2011	\$ 22,628,586	\$ 16,942,951	\$ 11,040,080	\$ 28,531,457
2012	28,531,457	10,277,176	10,136,481	28,672,152

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 2011 and 2012 were:

<u>Employees Health Care Fund</u>				
	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Year End</u>
2011	\$ 4,308,684	\$ 23,767,337	\$ 23,092,712	\$ 4,983,309
2012	4,983,309	26,638,954	26,537,567	5,084,696

F. Compensation Paid to Council Members

<u>Council Member</u>	<u>Compensation</u>
Rose Wilson-McCulloch, District A	\$ 15,225
Jeff Everson, District B	15,225
Oliver Jenkins, District C	15,225
Michael Corbin, District D	15,471
Ron Webb, District E	15,225
Joe Shyne, District F	15,225
Sam Jenkins, District G	<u>17,380</u>
	\$ <u>108,976</u>

G. Subsequent Events

In January 2013, the City issued \$3,684,000 in Taxable Utility Revenue Bonds, Series 2013. The bonds were issued to restructure all or part of the \$8,510,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Shreveport Biosolid Disposal Project), Series 2008.

CITY OF SHREVEPORT, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
YEARS ENDED DECEMBER 31, 2007 THROUGH DECEMBER 31, 2012
(UNAUDITED)

Year Ended December 31,	Employer Contributions							
	FPRF		PPRF		ERS		OPEB	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2007	\$ 2,132,120	66.1 %	\$ 1,506,135	93.5 %	\$ 4,806,416	126.9 %	27,908,334	15.2 %
2008	2,044,285	68.9	1,353,760	100.0	4,898,103	136.5	27,908,334	11.7
2009	2,719,001	51.7	1,835,113	76.7	12,040,692	55.1	35,115,705	17.6
2010	2,847,389	49.4	1,616,818	87.0	11,238,882	55.9	33,409,517	19.3
2011	2,310,932	63.3	1,373,266	100.0	12,202,642	49.2	38,181,849	19.5
2012	3,726,529	39.3	2,215,304	65.3	16,380,807	36.5	38,181,849	23.8

CITY OF SHREVEPORT, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
YEARS ENDED DECEMBER 31, 2007 THROUGH DECEMBER 31, 2012
(UNAUDITED)

(1)	(2)	(3)	(4)	(5)	(6)	
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2-1)	Funded Ratio (1/2)	Covered Payroll	UAAL as a Percentage of Covered Payroll (3/5)
<u>FPRF</u>						
12/31/07	\$ 13,047,969	\$ 24,177,618	\$ 11,129,649	54.0 %	\$ 3,604,757	308.7 %
12/31/08	10,830,169	24,386,054	13,555,885	44.4	2,974,729	455.7
12/31/09	12,648,878	25,592,945	12,944,067	49.4	2,034,266	636.3
12/31/10	13,939,819	23,033,152	9,093,333	60.5	2,135,980	425.7
12/31/11	13,942,436	26,492,284	12,549,848	52.6	1,197,330	1,048.2
12/31/12	15,337,956	27,027,811	11,689,855	56.7	1,140,314	1,025.1
<u>PPRF</u>						
12/31/07	11,765,770	19,530,236	7,764,466	60.2	275,070	2,822.7
12/31/08	10,295,383	19,834,913	9,539,530	51.9	275,070	3,468.0
12/31/09	12,097,018	19,571,373	7,474,355	61.8	-	N/A
12/31/10	13,592,761	19,075,814	5,483,053	71.3	-	N/A
12/31/11	14,035,147	21,538,850	7,503,703	65.2	-	N/A
12/31/12	15,514,934	21,911,719	6,396,785	70.8	-	N/A
<u>ERS</u>						
12/31/07	206,083,000	255,366,000	49,283,000	80.7	46,875,000	105.1
12/31/08	145,808,000	280,691,000	134,883,000	51.9	51,761,000	260.6
12/31/09	165,121,000	286,615,000	121,494,000	57.6	49,021,000	247.8
12/31/10	178,685,000	306,529,000	127,844,000	58.3	45,226,000	282.7
12/31/11	178,080,000	344,769,000	174,689,000	49.3	45,538,000	383.6
12/31/12	178,583,468	356,337,194	177,753,726	50.1	45,247,171	392.9
<u>OPEB</u>						
12/31/07	-	278,620,464	278,620,464	0.0	109,948,000	253.4
12/31/08	-	278,620,464	278,620,464	0.0	116,170,000	239.8
12/31/09	-	360,308,412	360,308,412	0.0	117,498,000	306.7
12/31/10	-	343,176,409	343,176,409	0.0	117,034,000	293.2
12/31/11	-	383,067,995	383,067,995	0.0	124,078,623	308.7
12/31/12	-	383,067,995	383,067,995	0.0	124,078,623	308.7

Nonmajor Governmental Funds Special Revenue Funds

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

Community Development Fund – This fund accounts for programs to increase opportunities, assist in the creation of employment and develop business expansion.

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 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.

1999 General Obligation Bond Fund - This fund is used to account for bonds issued for the purpose of constructing and/or improving public safety, parks and recreation, streets, the Riverfront, and drainage systems.

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.

**CITY OF SHREVEPORT, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012**

	Special Revenue Funds						
	Community Development	Streets	Enrichment	Riverfront Development	Police Grants	Downtown Entertainment Economic Development	Redevelopment
ASSETS							
Cash and cash equivalents	\$ 558,858	\$ 4,108,080	\$ 676,212	\$ -	\$ 14,840	\$ 588,999	\$ 101,360
Investments	451,213	3,317,980	546,158	-	11,986	475,717	81,866
Accounts receivable, net	154,256	1,425,047	-	1,053,345	-	-	-
Due from other governments	2,150,374	-	-	-	572,750	-	-
Due from other funds	-	-	-	-	-	-	-
Notes receivable	9,735,329	-	-	-	-	-	-
Assets held for resale	761,662	-	-	-	-	-	196,066
Total assets	<u>\$ 13,811,692</u>	<u>\$ 8,851,107</u>	<u>\$ 1,222,370</u>	<u>\$ 1,053,345</u>	<u>\$ 599,576</u>	<u>\$ 1,064,716</u>	<u>\$ 379,292</u>
LIABILITIES AND FUND BALANCES (DEFICIT)							
Liabilities:							
Accounts payable	\$ 365,882	\$ -	\$ 69,945	\$ 280,392	\$ 833	\$ 12,418	\$ -
Due to other funds	-	650,000	-	2,502,069	286,480	-	-
Deferred revenue	7,469,619	-	-	-	-	-	-
Due to other governments	168,560	-	-	-	-	-	-
Items held in escrow	5,826	-	-	-	-	-	-
Notes payable	3,810,000	-	-	-	-	-	-
Total liabilities	<u>\$ 11,819,887</u>	<u>\$ 650,000</u>	<u>\$ 69,945</u>	<u>\$ 2,782,461</u>	<u>\$ 287,313</u>	<u>\$ 12,418</u>	<u>\$ -</u>
Fund balance (deficit):							
Restricted	1,991,805	8,201,107	1,152,425	-	312,263	1,052,298	379,292
Unassigned	-	-	-	(1,729,116)	-	-	-
Total fund balance (deficit)	<u>1,991,805</u>	<u>8,201,107</u>	<u>1,152,425</u>	<u>(1,729,116)</u>	<u>312,263</u>	<u>1,052,298</u>	<u>379,292</u>
Total liabilities and fund balance (deficit)	<u>\$ 13,811,692</u>	<u>\$ 8,851,107</u>	<u>\$ 1,222,370</u>	<u>\$ 1,053,345</u>	<u>\$ 599,576</u>	<u>\$ 1,064,716</u>	<u>\$ 379,292</u>

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

		Capital Project Funds					
Environmental Grants	Total	Miscellaneous General Obligation Bond Funds	Miscellaneous Capital Projects Fund	1999 General Obligation Bond Fund	2003A General Obligation Bond Fund	Total	Total Nonmajor Governmental Funds
\$ 693,516	\$ 6,741,865	\$ 1,853,915	\$ 652,113	\$ 2,643,272	\$ 2,750,892	\$ 7,900,192	\$ 14,642,057
298,668	5,183,588	1,497,354	526,693	2,134,895	2,221,817	6,380,759	11,564,347
-	2,632,648	3,265	284,995	-	-	288,260	2,920,908
64,193	2,787,317	222,073	474,441	-	-	696,514	3,483,831
-	-	-	1,474,257	1,367,865	-	2,842,122	2,842,122
119,466	9,854,795	-	-	-	-	-	9,854,795
-	957,728	-	-	-	-	-	957,728
<u>\$ 1,175,843</u>	<u>\$ 28,157,941</u>	<u>\$ 3,576,607</u>	<u>\$ 3,412,499</u>	<u>\$ 6,146,032</u>	<u>\$ 4,972,709</u>	<u>\$ 18,107,847</u>	<u>\$ 46,265,788</u>
\$ 17,229	\$ 746,699	\$ 113,322	\$ 302,091	\$ -	\$ 450	\$ 415,863	\$ 1,162,562
-	3,438,549	48,525	-	-	-	48,525	3,487,074
119,466	7,589,085	-	-	-	-	-	7,589,085
-	168,560	-	-	-	-	-	168,560
-	5,826	-	-	-	-	-	5,826
-	3,810,000	-	-	-	-	-	3,810,000
<u>\$ 136,695</u>	<u>\$ 15,758,719</u>	<u>\$ 161,847</u>	<u>\$ 302,091</u>	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 464,388</u>	<u>\$ 16,223,107</u>
1,039,148	14,128,338	3,414,760	3,110,408	6,146,032	4,972,259	17,643,459	31,771,797
-	(1,729,116)	-	-	-	-	-	(1,729,116)
<u>1,039,148</u>	<u>12,399,222</u>	<u>3,414,760</u>	<u>3,110,408</u>	<u>6,146,032</u>	<u>4,972,259</u>	<u>17,643,459</u>	<u>30,042,681</u>
<u>\$ 1,175,843</u>	<u>\$ 28,157,941</u>	<u>\$ 3,576,607</u>	<u>\$ 3,412,499</u>	<u>\$ 6,146,032</u>	<u>\$ 4,972,709</u>	<u>\$ 18,107,847</u>	<u>\$ 46,265,788</u>

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Special Revenue Funds

	Community Development	Streets	Enrichment	Riverfront Development	Police Grants	Downtown Entertainment Economic Development	Redevelopment
REVENUES							
Intergovernmental	\$ 6,302,947	\$ -	\$ -	\$ -	\$ 2,959,073	\$ -	\$ -
Gaming	-	-	-	11,925,489	-	-	-
Investment earnings	5,484	42,172	6,504	5,163	4,620	7,141	1,422
Miscellaneous	529,402	6,566,738	325,646	912,876	212,198	220,878	-
Total revenues	<u>6,837,833</u>	<u>6,608,910</u>	<u>332,150</u>	<u>12,843,528</u>	<u>3,175,891</u>	<u>228,019</u>	<u>1,422</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	277,425	-	3,147,712	-	-
Culture and recreation	416,093	-	54,687	-	-	-	-
Health and welfare	11,841	-	-	-	-	-	-
Community development	3,957,114	-	-	-	-	-	-
Economic opportunity	2,364,677	-	-	-	-	-	-
Economic development	2,079,739	-	-	2,202,488	-	103,480	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>8,829,464</u>	<u>-</u>	<u>332,112</u>	<u>2,202,488</u>	<u>3,147,712</u>	<u>103,480</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,991,631)</u>	<u>6,608,910</u>	<u>38</u>	<u>10,641,040</u>	<u>28,179</u>	<u>124,539</u>	<u>1,422</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	2,007,900	3,000,000	-	1,006	25,000	-	-
Transfers out	-	(3,650,000)	-	(11,910,400)	-	-	-
Total other financing sources and uses	<u>2,007,900</u>	<u>(650,000)</u>	<u>-</u>	<u>(11,909,394)</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	16,269	5,958,910	38	(1,268,354)	53,179	124,539	1,422
Fund balances (deficit)-beginning	1,975,536	2,242,197	1,152,387	(460,762)	259,084	927,759	377,870
Fund balances (deficit)-ending	<u>\$ 1,991,805</u>	<u>\$ 8,201,107</u>	<u>\$ 1,152,425</u>	<u>\$ (1,729,116)</u>	<u>\$ 312,263</u>	<u>\$ 1,052,298</u>	<u>\$ 379,292</u>

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

Capital Project Funds

Environmental Grants	Total	Miscellaneous General Obligation Bond Funds	Miscellaneous Capital Projects Fund	1999 General Obligation Bond Fund	2003A General Obligation Bond Fund	Total	Total Nonmajor Governmental Funds
\$ 802,364	\$ 10,064,384	\$ 56,566	\$ 1,231,877	\$ -	\$ -	\$ 1,288,443	\$ 11,352,827
-	11,925,489	-	-	-	-	-	11,925,489
6,812	79,318	22,348	-	49,051	39,621	111,020	190,338
99,913	8,867,651	33,265	1,572,988	-	-	1,606,253	10,473,904
<u>909,089</u>	<u>30,936,842</u>	<u>112,179</u>	<u>2,804,865</u>	<u>49,051</u>	<u>39,621</u>	<u>3,005,716</u>	<u>33,942,558</u>
701,067	701,067	-	-	-	-	-	701,067
-	3,425,137	-	-	-	-	-	3,425,137
-	470,780	-	-	-	-	-	470,780
-	11,841	-	-	-	-	-	11,841
-	3,957,114	-	-	-	-	-	3,957,114
-	2,364,677	-	-	-	-	-	2,364,677
-	4,385,707	-	-	-	-	-	4,385,707
-	-	592,268	4,554,543	43,252	5,910	5,195,973	5,195,973
<u>701,067</u>	<u>15,316,323</u>	<u>592,268</u>	<u>4,554,543</u>	<u>43,252</u>	<u>5,910</u>	<u>5,195,973</u>	<u>20,512,296</u>
<u>208,022</u>	<u>15,620,519</u>	<u>(480,089)</u>	<u>(1,749,678)</u>	<u>5,799</u>	<u>33,711</u>	<u>(2,190,257)</u>	<u>13,430,262</u>
-	5,033,906	509,537	926,474	-	5,910	1,441,921	6,475,827
<u>(113,506)</u>	<u>(15,673,906)</u>	<u>(1,689,932)</u>	<u>(174,006)</u>	<u>(288,706)</u>	<u>(244,056)</u>	<u>(2,396,700)</u>	<u>(18,070,606)</u>
<u>(113,506)</u>	<u>(10,640,000)</u>	<u>(1,180,395)</u>	<u>752,468</u>	<u>(288,706)</u>	<u>(238,146)</u>	<u>(954,779)</u>	<u>(11,594,779)</u>
94,516	4,980,519	(1,660,484)	(997,210)	(282,907)	(204,435)	(3,145,036)	1,835,483
944,632	7,418,703	5,075,244	4,107,618	6,428,939	5,176,694	20,788,495	28,207,198
<u>\$ 1,039,148</u>	<u>\$ 12,399,222</u>	<u>\$ 3,414,760</u>	<u>\$ 3,110,408</u>	<u>\$ 6,146,032</u>	<u>\$ 4,972,259</u>	<u>\$ 17,643,459</u>	<u>\$ 30,042,681</u>

CITY OF SHREVEPORT, LOUISIANA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 37,800,000	\$ 37,800,000	\$32,220,335	\$ (5,579,665)
Investment earnings	180,000	180,000	346,550	166,550
Intergovernmental	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,046,925</u>	<u>(153,075)</u>
Total revenues	<u>40,180,000</u>	<u>40,180,000</u>	<u>34,613,810</u>	<u>(5,566,190)</u>
EXPENDITURES				
Principal	27,000,000	27,000,000	51,542,365	(24,542,365)
Interest and other charges	<u>11,700,000</u>	<u>11,700,000</u>	<u>12,000,544</u>	<u>(300,544)</u>
Total expenditures	<u>38,700,000</u>	<u>38,700,000</u>	<u>63,542,909</u>	<u>(24,842,909)</u>
Excess of revenues over (under) expenditures	<u>1,480,000</u>	<u>1,480,000</u>	<u>(28,929,099)</u>	<u>(30,409,099)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>9,000,000</u>	<u>9,000,000</u>	<u>9,315,153</u>	<u>315,153</u>
Total other financing sources	<u>9,000,000</u>	<u>9,000,000</u>	<u>9,315,153</u>	<u>315,153</u>
Net change in fund balances	10,480,000	10,480,000	(19,613,946)	(30,093,946)
Fund balances - beginning	<u>60,169,870</u>	<u>60,169,870</u>	<u>60,169,870</u>	<u>-</u>
Fund balances - ending	<u>\$ 70,649,870</u>	<u>\$ 70,649,870</u>	<u>\$40,555,924</u>	<u>\$ (30,093,946)</u>

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

**CITY OF SHREVEPORT, LOUISIANA
COMMUNITY DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES				
Intergovernmental	\$ 9,183,900	\$ 9,762,200	\$ 6,302,947	\$ (3,459,253)
Miscellaneous	<u>466,000</u>	<u>474,600</u>	<u>534,886</u>	<u>60,286</u>
Total revenues	<u>9,649,900</u>	<u>10,236,800</u>	<u>6,837,833</u>	<u>(3,398,967)</u>
EXPENDITURES				
Administration:				
Salaries, wages and employee benefits	602,800	571,200	556,851	14,349
Materials and supplies	12,599	19,399	18,163	1,236
Contractual services	183,194	233,394	229,985	3,409
Other charges	-	-	65	(65)
Improvements and equipment	<u>1,000</u>	<u>1,000</u>	<u>861</u>	<u>139</u>
Total administration	<u>799,593</u>	<u>824,993</u>	<u>805,925</u>	<u>19,068</u>
Community development projects:				
Grants	<u>1,558,728</u>	<u>1,539,028</u>	<u>889,254</u>	<u>649,774</u>
Total community development projects	<u>1,558,728</u>	<u>1,539,028</u>	<u>889,254</u>	<u>649,774</u>
Housing and business development:				
Salaries, wages, and employee benefits	-	-	282	(282)
Materials and supplies	4,000	4,000	4,000	-
Other charges	9,770,857	10,294,457	3,850,172	6,444,285
Improvements and equipment	<u>-</u>	<u>-</u>	<u>5,759</u>	<u>(5,759)</u>
Total housing and business development	<u>9,774,857</u>	<u>10,298,457</u>	<u>3,860,213</u>	<u>6,438,244</u>
Housing and business development administration:				
Salaries, wages and employee benefits	611,300	463,100	404,386	58,714
Materials and supplies	17,603	17,603	16,986	617
Contractual services	162,400	210,400	184,215	26,185
Improvements and equipment	<u>2,500</u>	<u>2,500</u>	<u>2,383</u>	<u>117</u>
Total housing and business development administration	<u>793,803</u>	<u>693,603</u>	<u>607,970</u>	<u>85,633</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
COMMUNITY DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Workforce development:				
Salaries, wages and employee benefits	1,134,516	1,611,316	1,289,622	321,694
Materials and supplies	53,537	44,337	30,249	14,088
Contractual services	1,419,523	1,657,923	971,984	685,939
Other charges	117,200	3,400	671	2,729
Improvements and equipment	21,731	9,731	17,235	(7,504)
Total workforce development	<u>2,746,507</u>	<u>3,326,707</u>	<u>2,309,761</u>	<u>1,016,946</u>
Workforce development administration:				
Salaries, wages and employee benefits	226,300	226,300	211,027	15,273
Materials and supplies	8,549	8,549	3,643	4,906
Contractual services	153,216	165,816	141,671	24,145
Improvements and equipment	500	500	-	500
Total workforce development administration	<u>388,565</u>	<u>401,165</u>	<u>356,341</u>	<u>44,824</u>
Total Expenditures	<u>16,062,053</u>	<u>17,083,953</u>	<u>8,829,464</u>	<u>8,254,489</u>
Deficiency of revenues under expenditures	<u>(6,412,153)</u>	<u>(6,847,153)</u>	<u>(1,991,631)</u>	<u>4,855,522</u>
OTHER FINANCING SOURCES				
Transfers in	<u>855,900</u>	<u>1,290,900</u>	<u>2,007,900</u>	<u>717,000</u>
Total other financing sources	<u>855,900</u>	<u>1,290,900</u>	<u>2,007,900</u>	<u>717,000</u>
Net change in fund balances	(5,556,253)	(5,556,253)	16,269	5,572,522
Fund balances - beginning	<u>1,975,536</u>	<u>1,975,536</u>	<u>1,975,536</u>	<u>-</u>
Fund balances - ending	<u>\$ (3,580,717)</u>	<u>\$ (3,580,717)</u>	<u>\$ 1,991,805</u>	<u>\$ 5,572,522</u>

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

CITY OF SHREVEPORT, LOUISIANA
STREETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	<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	\$ -	\$ -	\$ 42,172	\$ 42,172
Miscellaneous	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,566,738</u>	<u>566,738</u>
Total revenues	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,608,910</u>	<u>608,910</u>
EXPENDITURES				
Capital projects	<u>3,000,000</u>	-	-	-
Total expenditures	<u>3,000,000</u>	-	-	-
Excess of revenue over expenditures	<u>3,000,000</u>	<u>6,000,000</u>	<u>6,608,910</u>	<u>608,910</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	3,000,000	3,000,000	-
Transfers out	<u>-</u>	<u>(3,650,000)</u>	<u>(3,650,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,000,000</u>	<u>(650,000)</u>	<u>(650,000)</u>	<u>-</u>
Net change in fund balances	6,000,000	5,350,000	5,958,910	608,910
Fund balances - beginning	<u>2,242,197</u>	<u>2,242,197</u>	<u>2,242,197</u>	<u>-</u>
Fund balances - ending	<u>\$ 8,242,197</u>	<u>\$ 7,592,197</u>	<u>\$ 8,201,107</u>	<u>\$ 608,910</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Gaming	\$ 13,234,700	\$ 13,234,700	\$ 11,925,489	\$ (1,309,211)
Investment earnings	6,000	6,000	5,163	(837)
Miscellaneous	912,900	912,900	912,876	(24)
Total revenues	<u>14,153,600</u>	<u>14,153,600</u>	<u>12,843,528</u>	<u>(1,310,072)</u>
EXPENDITURES				
Current:				
Economic development:				
Salaries, wages and employee benefits	135,300	135,300	133,886	1,414
Materials and supplies	5,500	5,500	1,236	4,264
Contractual services	156,700	156,700	143,512	13,188
Other charges	2,005,400	2,125,400	1,923,854	201,546
Total expenditures	<u>2,302,900</u>	<u>2,422,900</u>	<u>2,202,488</u>	<u>220,412</u>
Excess of revenues over expenditures	<u>11,850,700</u>	<u>11,730,700</u>	<u>10,641,040</u>	<u>(1,089,660)</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	1,006	1,006
Transfers out	<u>(11,930,400)</u>	<u>(11,910,400)</u>	<u>(11,910,400)</u>	<u>-</u>
Total other financing uses	<u>(11,930,400)</u>	<u>(11,910,400)</u>	<u>(11,909,394)</u>	<u>1,006</u>
Net change in fund balances	(79,700)	(179,700)	(1,268,354)	(1,088,654)
Fund deficit - beginning	<u>(460,762)</u>	<u>(460,762)</u>	<u>(460,762)</u>	<u>-</u>
Fund deficit - ending	<u>\$ (540,462)</u>	<u>\$ (640,462)</u>	<u>\$ (1,729,116)</u>	<u>\$ (1,088,654)</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 3,299,240	\$ 3,461,100	\$ 2,959,073	\$ (502,027)
Investment earnings	2,000	6,900	4,620	(2,280)
Miscellaneous	<u>150,500</u>	<u>133,000</u>	<u>212,198</u>	<u>79,198</u>
Total revenues	<u>3,451,740</u>	<u>3,601,000</u>	<u>3,175,891</u>	<u>(425,109)</u>
EXPENDITURES				
Current:				
Public Safety				
Salaries, wages and employee benefits	3,931,078	3,929,513	2,706,099	1,223,414
Materials and supplies	136,400	138,532	42,525	96,007
Contractual services	271,603	271,603	69,353	202,250
Other charges	401,155	401,306	156,170	245,136
Improvements and equipments	<u>695,351</u>	<u>695,351</u>	<u>173,565</u>	<u>521,786</u>
Total expenditures	<u>5,435,587</u>	<u>5,436,305</u>	<u>3,147,712</u>	<u>2,288,593</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,983,847)</u>	<u>(1,835,305)</u>	<u>28,179</u>	<u>1,863,484</u>
OTHER FINANCING SOURCES				
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total other financing sources	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance	(1,958,847)	(1,810,305)	53,179	1,863,484
Fund balance - beginning	<u>259,084</u>	<u>259,084</u>	<u>259,084</u>	<u>-</u>
Fund balance - ending	<u>\$ (1,699,763)</u>	<u>\$ (1,551,221)</u>	<u>\$ 312,263</u>	<u>\$ 1,863,484</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Investment earnings	\$ 4,000	\$ 4,000	\$ 7,141	\$ 3,141
Land rent	217,200	217,200	-	(217,200)
Miscellaneous	<u>220,000</u>	<u>220,000</u>	<u>220,878</u>	<u>878</u>
Total revenues	<u>441,200</u>	<u>441,200</u>	<u>228,019</u>	<u>(213,181)</u>
EXPENDITURES				
Current:				
Salaries, wages and employee benefits	33,500	33,500	-	33,500
Materials and supplies	6,000	6,000	-	6,000
Contractual services	162,500	162,500	103,480	59,020
Other charges	<u>1,134,000</u>	<u>1,134,000</u>	<u>-</u>	<u>1,134,000</u>
Total expenditures	<u>1,336,000</u>	<u>1,336,000</u>	<u>103,480</u>	<u>1,232,520</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(894,800)</u>	<u>(894,800)</u>	<u>124,539</u>	<u>1,019,339</u>
Net change in fund balances	(894,800)	(894,800)	124,539	1,019,339
Fund balances - beginning	<u>927,759</u>	<u>927,759</u>	<u>927,759</u>	<u>-</u>
Fund balances - ending	<u>\$ 32,959</u>	<u>\$ 32,959</u>	<u>\$ 1,052,298</u>	<u>\$ 1,019,339</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, 2012**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,422	\$ 1,422
Total revenues	<u>-</u>	<u>-</u>	<u>1,422</u>	<u>1,422</u>
EXPENDITURES				
Current:				
Economic development				
Other charges	800	800	-	800
Transfer to capital projects	<u>180,000</u>	<u>180,000</u>	<u>-</u>	<u>180,000</u>
Total expenditures	<u>180,800</u>	<u>180,800</u>	<u>-</u>	<u>180,800</u>
Net change in fund balances	(180,800)	(180,800)	1,422	182,222
Fund balances - beginning	<u>377,870</u>	<u>377,870</u>	<u>377,870</u>	<u>-</u>
Fund balances - ending	<u>\$ 197,070</u>	<u>\$ 197,070</u>	<u>\$ 379,292</u>	<u>\$ 182,222</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 802,364	\$ 402,364
Investment earnings	-	-	6,812	6,812
Miscellaneous	48,500	48,500	99,913	51,413
Total revenues	<u>448,500</u>	<u>448,500</u>	<u>909,089</u>	<u>460,589</u>
EXPENDITURES				
Current:				
General government				
Salaries, wages and employee benefits	3,000	3,000	78,730	(75,730)
Materials and supplies	-	-	1,603	(1,603)
Contractual services	-	-	620,734	(620,734)
Other charges	445,500	445,500	-	445,500
Total expenditures	<u>448,500</u>	<u>448,500</u>	<u>701,067</u>	<u>(252,567)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>208,022</u>	<u>208,022</u>
OTHER FINANCING SOURCES				
Transfers out	-	-	(113,506)	(113,506)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(113,506)</u>	<u>(113,506)</u>
Net change in fund balances	-	-	94,516	94,516
Fund balances - beginning	944,632	944,632	944,632	-
Fund balances - ending	<u>\$ 944,632</u>	<u>\$ 944,632</u>	<u>\$ 1,039,148</u>	<u>\$ 94,516</u>

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



Nonmajor Enterprise Funds

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

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

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

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

**CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF
NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 662,270	\$ 89,485	\$ 185,061	\$ 936,816
Investments	117,342	-	149,469	266,811
Receivables, net	221,419	31	22,788	244,238
Due from other funds	122,844	-	-	122,844
Due from other governments	861,595	-	-	861,595
Inventories	914,755	6,751	-	921,506
Prepaid items	80,887	-	-	80,887
Total current assets	<u>2,981,112</u>	<u>96,267</u>	<u>357,318</u>	<u>3,434,697</u>
Noncurrent Assets:				
Capital Assets:				
Land	1,940,407	-	-	1,940,407
Buildings	11,456,539	268,840	-	11,725,379
Improvements other than buildings	-	868,530	-	868,530
Equipment	20,691,687	606,766	-	21,298,453
Construction in progress	176,751	-	-	176,751
Less accumulated depreciation	<u>(14,452,161)</u>	<u>(1,144,978)</u>	<u>-</u>	<u>(15,597,139)</u>
Total noncurrent assets	<u>19,813,223</u>	<u>599,158</u>	<u>-</u>	<u>20,412,381</u>
Total assets	<u>22,794,335</u>	<u>695,425</u>	<u>357,318</u>	<u>23,847,078</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	571,268	10,228	73,866	655,362
Accrued liabilities	176,238	5,875	-	182,113
Due to other funds	-	97,957	-	97,957
Deferred revenue	29,755	27,827	-	57,582
Compensated absences	283,723	21,872	-	305,595
Leases payable	-	17,086	-	17,086
Total current liabilities	<u>1,060,984</u>	<u>180,845</u>	<u>73,866</u>	<u>1,315,695</u>
Noncurrent Liabilities:				
Compensated absences	-	22,881	-	22,881
Leases payable	-	70,575	-	70,575
Net OPEB obligation	<u>-</u>	<u>1,058,147</u>	<u>-</u>	<u>1,058,147</u>
Total noncurrent liabilities	<u>-</u>	<u>1,151,603</u>	<u>-</u>	<u>1,151,603</u>
Total liabilities	<u>1,060,984</u>	<u>1,332,448</u>	<u>73,866</u>	<u>2,467,298</u>
NET POSITION (DEFICIT)				
Invested in capital assets, net of related debt	<u>19,813,223</u>	<u>599,158</u>	<u>-</u>	<u>20,412,381</u>
Unrestricted (deficit)	<u>1,920,128</u>	<u>(1,236,181)</u>	<u>283,452</u>	<u>967,399</u>
Total Net Position (deficit)	<u>\$ 21,733,351</u>	<u>\$ (637,023)</u>	<u>\$ 283,452</u>	<u>\$ 21,379,780</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, 2012

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 2,696,441	\$ 939,783	\$ 653,945	\$ 4,290,169
Miscellaneous	26,939	18,024	-	44,963
Total operating revenues	<u>2,723,380</u>	<u>957,807</u>	<u>653,945</u>	<u>4,335,132</u>
OPERATING EXPENSES				
Personal services	8,510,220	761,185	-	9,271,405
Contractual services and other expenses	1,579,548	247,164	423,433	2,250,145
Utilities	194,049	85,821	-	279,870
Repairs and maintenance	143,212	1,842	-	145,054
Materials and supplies	3,344,705	157,601	-	3,502,306
Depreciation	<u>2,030,579</u>	<u>55,905</u>	<u>-</u>	<u>2,086,484</u>
Total operating expenses	<u>15,802,313</u>	<u>1,309,518</u>	<u>423,433</u>	<u>17,535,264</u>
Operating income (loss)	<u>(13,078,933)</u>	<u>(351,711)</u>	<u>230,512</u>	<u>(13,200,132)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	-	83	1,666	1,749
Interest expense	-	(486)	-	(486)
Intergovernmental	4,591,413	-	-	4,591,413
Loss on disposal of capital assets	<u>(2,428)</u>	<u>-</u>	<u>-</u>	<u>(2,428)</u>
Net nonoperating revenues (expenses)	<u>4,588,985</u>	<u>(403)</u>	<u>1,666</u>	<u>4,590,248</u>
Income (loss) before contributions and transfers	(8,489,948)	(352,114)	232,178	(8,609,884)
Capital contributions	1,234,178	-	-	1,234,178
Transfers in	<u>6,450,407</u>	<u>87,200</u>	<u>-</u>	<u>6,537,607</u>
Change in net position	(805,363)	(264,914)	232,178	(838,099)
Total net position (deficit)-beginning	<u>22,538,714</u>	<u>(372,109)</u>	<u>51,274</u>	<u>22,217,879</u>
Total net position (deficit)-ending	<u>\$ 21,733,351</u>	<u>\$ (637,023)</u>	<u>\$ 283,452</u>	<u>\$ 21,379,780</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, 2012**

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from operations	\$ 2,674,000	\$ 938,032	\$ 653,715	\$ 4,265,747
Payments to suppliers	(5,548,237)	(325,382)	(382,347)	(6,255,966)
Payments to employees	(8,420,554)	(622,152)	-	(9,042,706)
Other receipts	26,939	-	-	26,939
Other payments	-	(57,000)	-	(57,000)
Net cash provided by (used in) operating activities	<u>(11,267,852)</u>	<u>(66,502)</u>	<u>271,368</u>	<u>(11,062,986)</u>
Cash flows from noncapital financing activities:				
Intergovernmental	4,607,808	-	-	4,607,808
Transfers in	6,655,951	87,200	-	6,743,151
Interest expense on operations	-	(486)	-	(486)
Net cash provided by (used in) noncapital financing activities	<u>11,263,759</u>	<u>86,714</u>	<u>-</u>	<u>11,350,473</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,170,483)	(87,661)	-	(1,258,144)
Proceeds from capital lease	-	87,661	-	87,661
Capital grants	1,166,157	-	-	1,166,157
Contributed capital by others	646	-	-	646
Net cash provided by (used in) capital and related financing activities	<u>(3,680)</u>	<u>-</u>	<u>-</u>	<u>(3,680)</u>
Cash flows from investing activities:				
Purchase of investments	(61,301)	-	(126,253)	(187,554)
Proceeds from sale and maturity of investments	-	24,799	-	24,799
Interest on investments	-	83	1,666	1,749
Net cash provided by (used in) investing activities	<u>(61,301)</u>	<u>24,882</u>	<u>(124,587)</u>	<u>(161,006)</u>
Net increase (decrease) in cash and cash equivalents	(69,074)	45,094	146,781	122,801
Cash and cash equivalents - beginning of year	<u>731,344</u>	<u>44,391</u>	<u>38,280</u>	<u>814,015</u>
Cash and cash equivalents - end of year	<u>\$ 662,270</u>	<u>\$ 89,485</u>	<u>\$ 185,061</u>	<u>\$ 936,816</u>

	<u>Shreveport Area Transit System</u>	<u>Golf</u>	<u>Downtown Parking</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (13,078,933)	\$ (351,711)	\$ 230,512	\$ (13,200,132)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,030,579	55,905	-	2,086,484
(Increase)Decrease in assets:				
Receivables	(10,389)	(31)	(230)	(10,650)
Due from other funds	(41,807)	-	-	(41,807)
Inventories	(128,845)	3,899	-	(124,946)
Prepaid items	205,162	-	-	205,162
Increase(Decrease) in liabilities:				
Accounts payable	(363,040)	6,104	41,086	(315,850)
Accrued liabilities	56,815	(2,773)	-	54,042
Due to other funds	-	97,957	-	97,957
Deferred revenue	29,755	(20,054)	-	9,701
Compensated absences	32,851	(16,950)	-	15,901
Accrued OPEB	-	161,152	-	161,152
Total adjustments	<u>1,811,081</u>	<u>285,209</u>	<u>40,856</u>	<u>2,137,146</u>
Net cash provided by (used in) operating activities	<u>\$ (11,267,852)</u>	<u>\$ (66,502)</u>	<u>\$ 271,368</u>	<u>\$ (11,062,986)</u>

Non-cash investing, capital and financing activities:

The Shreveport Area Transit System had a loss on disposal of capital assets of \$2,428.

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.

Information Technology Fund – This fund was used to account for servicing all City departments computing activities and maintaining the City's internal telephone system, cell phones, cable network, and the City's internet/intranet websites. This fund's operations were transferred to the General Fund as of January 1, 2011. Final closeout of the fund will occur in 2013.

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2012

	<u>Employees Health Care</u>	<u>Retained Risk</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 7,058,379	\$ 13,225,022	\$ -	\$ 20,283,401
Investments	4,994,252	10,681,471	-	15,675,723
Receivables, net	2,659,874	-	-	2,659,874
Prepaid items	<u>-</u>	<u>501,283</u>	<u>-</u>	<u>501,283</u>
Total current assets	<u>14,712,505</u>	<u>24,407,776</u>	<u>-</u>	<u>39,120,281</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	53,471	24,854	-	78,325
Due to other funds	1,806,468	-	111,811	1,918,279
Compensated absences	-	954	-	954
Claims and judgments	<u>5,084,696</u>	<u>28,672,152</u>	<u>-</u>	<u>33,756,848</u>
Total current liabilities	<u>6,944,635</u>	<u>28,697,960</u>	<u>111,811</u>	<u>35,754,406</u>
Noncurrent Liabilities:				
Compensated absences	<u>-</u>	<u>6,165</u>	<u>-</u>	<u>6,165</u>
Total noncurrent liabilities	<u>-</u>	<u>6,165</u>	<u>-</u>	<u>6,165</u>
Total liabilities	<u>6,944,635</u>	<u>28,704,125</u>	<u>111,811</u>	<u>35,760,571</u>
NET POSITION (DEFICIT)				
Unrestricted (deficit)	<u>7,767,870</u>	<u>(4,296,349)</u>	<u>(111,811)</u>	<u>3,359,710</u>
Total net position (deficit)	<u>\$ 7,767,870</u>	<u>\$ (4,296,349)</u>	<u>\$ (111,811)</u>	<u>\$ 3,359,710</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, 2012**

	<u>Employees Health Care</u>	<u>Retained Risk</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ 28,069,051	\$ 5,574,971	\$ -	\$ 33,644,022
Miscellaneous	<u>1,296,861</u>	<u>882,358</u>	<u>-</u>	<u>2,179,219</u>
Total operating revenues	<u>29,365,912</u>	<u>6,457,329</u>	<u>-</u>	<u>35,823,241</u>
OPERATING EXPENSES				
Personal services	86,258	196,837	-	283,095
Contractual services and other expenses	2,385,425	2,773,608	-	5,159,033
Materials and supplies	3,791	3,447	-	7,238
Claims	<u>26,638,954</u>	<u>10,277,176</u>	<u>-</u>	<u>36,916,130</u>
Total operating expenses	<u>29,114,428</u>	<u>13,251,068</u>	<u>-</u>	<u>42,365,496</u>
Operating income (loss)	<u>251,484</u>	<u>(6,793,739)</u>	<u>-</u>	<u>(6,542,255)</u>
NONOPERATING REVENUES				
Investment earnings	<u>27,727</u>	<u>186,234</u>	<u>-</u>	<u>213,961</u>
Net nonoperating revenues	<u>27,727</u>	<u>186,234</u>	<u>-</u>	<u>213,961</u>
Change in net position	279,211	(6,607,505)	-	(6,328,294)
Total net position (deficit)-beginning	<u>7,488,659</u>	<u>2,311,156</u>	<u>(111,811)</u>	<u>9,688,004</u>
Total net position (deficit)-ending	<u>\$ 7,767,870</u>	<u>(4,296,349)</u>	<u>\$ (111,811)</u>	<u>\$ 3,359,710</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, 2012**

	<u>Employees Health Care</u>	<u>Retained Risk</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
Cash flows from operating activities:				
Receipts from operations	\$ 29,923,166	\$ 7,628,348	\$ -	\$ 37,551,514
Payments to suppliers	(2,036,938)	(2,895,297)	-	(4,932,235)
Payments to employees	(86,258)	(192,801)	-	(279,059)
Claims	<u>(26,537,567)</u>	<u>(10,136,481)</u>	<u>-</u>	<u>(36,674,048)</u>
Net cash provided by (used in) operating activities	<u>1,262,403</u>	<u>(5,596,231)</u>	<u>-</u>	<u>(4,333,828)</u>
Cash flows from investing activities:				
Purchase of investments	(5,062,982)	-	-	(5,062,982)
Proceeds from sale and maturity of investments	4,994,614	385,922	-	5,380,536
Interest on investments	<u>97,457</u>	<u>186,234</u>	<u>-</u>	<u>283,691</u>
Net cash provided by (used in) investing activities	<u>29,089</u>	<u>572,156</u>	<u>-</u>	<u>601,245</u>
Net increase (decrease) in cash and cash equivalents	1,291,492	(5,024,075)	-	(3,732,583)
Cash and cash equivalents - beginning of year	<u>5,766,887</u>	<u>18,249,097</u>	<u>-</u>	<u>24,015,984</u>
Cash and cash equivalents - end of year	<u>\$ 7,058,379</u>	<u>\$ 13,225,022</u>	<u>\$ -</u>	<u>\$ 20,283,401</u>

	<u>Employees Health Care</u>	<u>Retained Risk</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 251,484	\$ (6,793,739)	\$ -	\$ (6,542,255)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase)Decrease in assets:				
Receivables	557,254	-	-	557,254
Due from other funds	-	1,171,019	-	1,171,019
Prepaid items	-	(77,319)	-	(77,319)
Increase(Decrease) in liabilities:				
Accounts payable	(18,617)	(40,923)	-	(59,540)
Accrued liabilities	101,387	140,695	-	242,082
Due to other funds	370,895	-	-	370,895
Compensated absences	-	4,036	-	4,036
Total adjustments	<u>1,010,919</u>	<u>1,197,508</u>	<u>-</u>	<u>2,208,427</u>
Net cash provided by (used in) operating activities	<u>\$ 1,262,403</u>	<u>\$ (5,596,231)</u>	<u>\$ -</u>	<u>\$ (4,333,828)</u>

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



Fiduciary Funds
Pension Trust Funds

Firemen's Pension and Relief Fund - This fund is used to account for a single-employer defined benefit pension plan that temporarily covers firefighters who retire after January 1, 1983 and meet the eligibility requirements of the local retirement plans but not the State plan.

Policemen's Pension and Relief Fund - This fund is used to account for a single-employer defined benefit pension plan that temporarily covers policemen who retire after January 1, 1983 and meet the eligibility requirements of the local retirement plans but not the State plan.

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012

	<u>Firemen's Pension and Relief</u>	<u>Policemen's Pension and Relief</u>	<u>Employees' Retirement System</u>	<u>Total Employee Retirement Funds</u>
ASSETS				
Cash and cash equivalents	\$ 996,521	\$ 1,719,352	\$ 6,988,142	\$ 9,704,015
Receivables:				
Interest and dividends receivable	36,828	32,386	231,087	300,301
Accounts receivable	-	117,473	5,314	122,787
Prepaid items	282,430	226,745	-	509,175
Investments, at fair value:				
U.S. government obligations	2,187,813	1,483,650	6,601,849	10,273,312
Investment pool	-	-	574,615	574,615
Mutual funds	1,717,013	2,254,343	24,594,976	28,566,332
Domestic corporate bonds	1,525,845	1,686,865	7,441,616	10,654,326
Domestic equities	3,724,257	3,502,240	141,804,164	149,030,661
International equities	943,701	875,973	-	1,819,674
Municipal bonds	-	-	6,196,540	6,196,540
Total investments	<u>10,098,629</u>	<u>9,803,071</u>	<u>187,213,760</u>	<u>207,115,460</u>
Other assets:				
Cash surrender value of life insurance policies	<u>4,251,561</u>	<u>3,615,907</u>	<u>-</u>	<u>7,867,468</u>
Total assets	<u>15,665,969</u>	<u>15,514,934</u>	<u>194,438,303</u>	<u>225,619,206</u>
LIABILITIES				
Due to other funds	328,013	-	13,898,897	14,226,910
Employees' deposits held in escrow	<u>-</u>	<u>-</u>	<u>1,955,938</u>	<u>1,955,938</u>
Total liabilities	<u>328,013</u>	<u>-</u>	<u>15,854,835</u>	<u>16,182,848</u>
NET POSITION				
Held in trust for pension benefits	<u>\$ 15,337,956</u>	<u>\$ 15,514,934</u>	<u>\$ 178,583,468</u>	<u>\$ 209,436,358</u>

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Firemen's Pension and Relief</u>	<u>Policemen's Pension and Relief</u>	<u>Employees' Retirement System</u>	<u>Total Employee Retirement Funds</u>
ADDITIONS				
Contributions:				
Employer	\$ 1,465,203	\$ 1,445,914	\$ 5,970,988	\$ 8,882,105
Plan members	<u>-</u>	<u>-</u>	<u>4,327,302</u>	<u>4,327,302</u>
Total contributions	<u>1,465,203</u>	<u>1,445,914</u>	<u>10,298,290</u>	<u>13,209,407</u>
Investment earnings:				
Net appreciation				
in fair value of investments	770,797	847,096	17,097,340	18,715,233
Interest	72,128	61,387	1,542,413	1,675,928
Dividends	<u>129,328</u>	<u>149,889</u>	<u>2,487,970</u>	<u>2,767,187</u>
Total investment earnings (loss)	972,253	1,058,372	21,127,723	23,158,348
Less investment expense	<u>14,754</u>	<u>14,753</u>	<u>1,153,530</u>	<u>1,183,037</u>
Net investment earnings (loss)	<u>957,499</u>	<u>1,043,619</u>	<u>19,974,193</u>	<u>21,975,311</u>
Life insurance proceeds	760,000	540,000	-	1,300,000
Miscellaneous	<u>32</u>	<u>907</u>	<u>24,980</u>	<u>25,919</u>
Total additions	<u>3,182,734</u>	<u>3,030,440</u>	<u>30,297,463</u>	<u>36,510,637</u>
DEDUCTIONS				
Benefits	1,296,518	1,096,474	20,489,979	22,882,971
Refund of member contribution	-	-	1,108,656	1,108,656
Administrative expenses	25,672	25,680	195,458	246,810
Life insurance premiums	<u>465,024</u>	<u>428,498</u>	<u>-</u>	<u>893,522</u>
Total deductions	<u>1,787,214</u>	<u>1,550,652</u>	<u>21,794,093</u>	<u>25,131,959</u>
Change in net position	1,395,520	1,479,788	8,503,370	11,378,678
Net position - beginning	<u>13,942,436</u>	<u>14,035,146</u>	<u>170,080,098</u>	<u>198,057,680</u>
Net position - ending	<u>\$ 15,337,956</u>	<u>\$ 15,514,934</u>	<u>\$ 178,583,468</u>	<u>\$ 209,436,358</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, 2012**

ASSETS

Cash and cash equivalents	\$ 74,451
Total assets	74,451

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	3,941
Due to other governments	70,510
Total liabilities	74,451

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.	859,932
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Net position	\$ 859,932
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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, 2012**

REVENUES

Intergovernmental	\$ 180,000
Miscellaneous	<u>260,702</u>
Total revenues	<u>440,702</u>

EXPENDITURES

General government	<u>1,435,230</u>
Total expenditures	<u>1,435,230</u>

Deficiency of revenues under expenditures	(994,528)
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OTHER FINANCING SOURCES

Payment from City of Shreveport	<u>994,528</u>
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Net change in fund balance	-
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Fund balance - beginning	<u>-</u>
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Fund balance - ending	-
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Amounts reported for the Metropolitan Planning Commission in the Statement of Activities for component units are different because:

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

Depreciation expense	<u>(13,438)</u>
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Change in net position	<u>\$ (13,438)</u>
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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	<u>Page</u>
Financial Trends	133
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	141
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	148
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.	
Demographic and Economic Information	154
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	156
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.	

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 429,187,376	\$ 444,476,123	\$ 483,359,022	\$ 495,015,044	\$ 506,744,193	\$ 507,132,856	\$ 518,394,035	\$ 540,238,387	\$ 507,856,245	\$ 525,050,532
Restricted	44,544,140	46,843,692	43,179,343	48,021,783	52,517,433	61,409,857	66,374,435	52,008,888	66,131,354	151,571,752
Unrestricted(Deficit)	<u>(4,662,353)</u>	<u>(15,914,897)</u>	<u>(10,485,180)</u>	<u>(5,981,760)</u>	<u>(28,935,041)</u>	<u>(46,402,145)</u>	<u>(66,220,992)</u>	<u>(87,144,658)</u>	<u>(174,840,905)</u>	<u>(312,357,344)</u>
Total governmental activities net position	<u>\$ 469,069,163</u>	<u>\$ 475,404,918</u>	<u>\$ 516,053,185</u>	<u>\$ 537,055,067</u>	<u>\$ 530,326,585</u>	<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>
Business-type activities										
Invested in capital assets, net of related debt	\$ 285,700,991	\$ 299,719,309	\$ 313,801,300	\$ 332,708,732	\$ 351,253,030	\$ 361,928,742	\$ 368,705,299	\$ 372,834,742	\$ 485,342,461	\$ 492,313,051
Restricted	1,770,036	1,771,797	5,257,124	3,930,459	3,166,944	3,751,501	2,769,016	3,958,325	3,958,848	4,041,954
Unrestricted(Deficit)	<u>4,397,075</u>	<u>5,300,077</u>	<u>5,385,880</u>	<u>5,666,173</u>	<u>51,301</u>	<u>(8,587,822)</u>	<u>(3,750,025)</u>	<u>(5,874,101)</u>	<u>(16,495,186)</u>	<u>(20,035,941)</u>
Total business-type activities net position	<u>\$ 291,868,102</u>	<u>\$ 306,791,183</u>	<u>\$ 324,444,304</u>	<u>\$ 342,305,364</u>	<u>\$ 354,471,275</u>	<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>
Primary government										
Invested in capital assets, net of related debt	\$ 714,888,367	\$ 744,195,432	\$ 797,160,322	\$ 827,723,776	\$ 857,997,223	\$ 869,061,598	\$ 887,099,334	\$ 913,073,129	\$ 993,198,706	\$ 1,017,363,583
Restricted	46,314,176	48,615,489	48,436,467	51,952,242	55,684,377	65,161,358	69,143,451	55,967,213	70,090,202	155,613,706
Unrestricted(Deficit)	<u>(265,278)</u>	<u>(10,614,820)</u>	<u>(5,099,300)</u>	<u>(315,587)</u>	<u>(28,883,740)</u>	<u>(54,989,967)</u>	<u>(69,971,017)</u>	<u>(93,018,759)</u>	<u>(191,336,091)</u>	<u>(332,393,285)</u>
Total primary government net position	<u>\$ 760,937,265</u>	<u>\$ 782,196,101</u>	<u>\$ 840,497,489</u>	<u>\$ 879,360,431</u>	<u>\$ 884,797,860</u>	<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>

Unaudited - see accompanying independent accountants' report.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 27,937,299	\$ 35,556,332	\$ 31,642,982	\$ 41,202,664	\$ 35,773,877	\$ 32,327,417	\$ 36,368,232	\$ 45,631,827	\$ 50,522,532	\$ 52,871,070
Public safety	77,375,851	84,274,805	83,788,205	86,563,843	106,967,208	112,101,951	114,755,487	120,370,342	128,009,588	132,296,947
Public works	38,137,157	41,031,932	41,698,053	47,526,978	50,734,669	54,436,508	49,697,351	54,493,585	55,707,874	54,861,069
Culture and recreation	13,448,883	15,353,039	15,773,260	22,528,381	23,458,242	24,552,571	24,444,194	24,340,798	22,601,155	22,298,863
Health and welfare	359,725	293,575	389,502	431,756	586,125	352,321	224,472	364,424	334,526	25,854
Community development	5,344,620	6,022,108	3,669,884	4,094,946	6,380,100	4,945,019	4,409,060	5,136,142	5,866,418	4,517,472
Economic development	4,770,448	5,073,823	6,151,081	6,823,742	7,098,377	7,752,605	6,585,469	5,763,806	3,441,846	4,462,780
Economic opportunity	2,940,163	4,596,238	5,075,413	3,613,591	3,049,514	3,501,904	6,850,646	3,689,216	2,714,400	2,609,908
Interest on long-term debt	<u>17,811,208</u>	<u>17,540,449</u>	<u>15,152,212</u>	<u>15,539,408</u>	<u>14,476,239</u>	<u>12,803,169</u>	<u>13,421,295</u>	<u>10,923,435</u>	<u>9,910,030</u>	<u>11,331,384</u>
Total governmental activities expenses	<u>188,125,354</u>	<u>209,742,301</u>	<u>203,340,592</u>	<u>228,325,309</u>	<u>248,524,351</u>	<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>
Business-type activities										
Municipal and Regional Airports	10,368,441	10,208,330	10,698,537	11,755,786	12,342,488	13,838,731	15,011,292	15,175,747	15,922,093	15,414,301
Water and Sewerage	39,781,854	43,058,325	44,707,461	54,485,362	54,903,981	56,098,592	54,476,538	53,055,547	54,096,547	58,346,912
Convention Center	-	-	-	-	-	-	-	-	6,694,097 (1)	6,969,925
Convention Center Hotel	-	-	485,540	1,967,861	7,781,837	13,085,201	12,931,427	13,535,949	13,424,358	12,867,218
Shreveport Area Transit System	8,907,815	9,728,821	10,581,217	11,293,961	12,562,076	14,155,118	13,993,824	13,843,465	15,240,703	15,804,741
Golf	1,419,103	1,334,610	1,572,192	1,699,369	1,934,772	1,885,373	1,727,208	1,489,766	1,373,739	1,310,004
Downtown Parking	<u>400,008</u>	<u>433,000</u>	<u>417,800</u>	<u>425,666</u>	<u>436,200</u>	<u>451,000</u>	<u>466,000</u>	<u>419,280</u>	<u>417,809</u>	<u>423,433</u>
Total business-type activities expenses	<u>60,877,221</u>	<u>64,763,086</u>	<u>68,462,747</u>	<u>81,628,005</u>	<u>89,961,354</u>	<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>
Total primary government expenses	<u>\$ 249,002,575</u>	<u>\$ 274,505,387</u>	<u>\$ 271,803,339</u>	<u>\$ 309,953,314</u>	<u>\$ 338,485,705</u>	<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>

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

(continued)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program Revenues										
Governmental Activities										
Charges for services:										
Public safety	\$ 7,258,684	\$ 7,579,210	\$ 8,434,247	\$ 9,203,269	\$ 9,026,836	\$ 8,473,486	\$ 9,220,566	\$ 10,053,128	\$ 10,026,553	\$ 10,115,288
Public works	10,257,092	11,570,980	12,738,976	11,585,956	11,861,491	11,371,166	13,832,164	15,737,329	17,439,141	16,940,167
Other activities	818,910	923,166	952,331	1,149,882	795,440	677,024	309,938	480,671	308,550	438,991
Operating grants and contributions	15,579,961	17,894,434	15,862,194	15,634,442	17,268,873	19,503,074	23,733,763	19,440,207	20,941,429	18,342,548
Capital grants and contributions	13,521,203	7,199,579	27,165,717	12,399,644	9,200,892	4,403,430	3,022,403	2,079,020	6,727,297	3,591,188
Total governmental activities program revenues	47,435,850	45,167,369	65,153,465	49,973,193	48,153,532	44,428,180	50,118,834	47,790,355	55,442,970	49,428,182
Business-type activities										
Charges for services:										
Municipal and Regional Airports	6,635,056	7,103,457	7,555,898	7,967,886	9,091,820	9,833,275	8,564,049	9,533,588	10,117,819	10,159,922
Water and Sewerage	38,420,146	45,695,302	56,108,108	58,589,864	56,502,400	58,517,927	58,177,800	63,361,068	66,775,465	58,634,935
Convention Center	-	-	-	-	-	-	-	-	2,262,319	2,437,396
Convention Center Hotel	-	-	-	-	4,674,048	11,018,851	11,141,947	11,934,328	11,631,259	11,012,614
Shreveport Area Transit System	1,987,715	1,968,562	2,050,464	2,179,884	2,380,408	2,545,666	2,583,705	2,601,316	2,695,670	2,723,380
Golf	1,197,848	989,289	1,383,371	1,446,980	1,372,161	1,374,572	1,196,859	1,148,443	1,010,625	957,807
Downtown Parking	676,890	598,239	551,857	577,620	596,426	630,648	623,988	613,876	613,524	653,945
Operating grants and contributions	2,861,410	3,824,635	2,750,760	4,288,852	3,489,645	5,068,237	5,490,761	6,077,306	5,169,564	5,898,980
Capital grants and contributions	15,724,693	14,793,291	9,044,417	14,997,350	13,301,924	8,477,153	13,796,684	9,771,827	14,080,038	8,558,562
Total business-type activities program revenues	67,503,758	74,972,775	79,444,875	90,048,436	91,408,832	97,466,329	101,575,793	105,041,752	114,356,283	101,037,541
Total primary government program revenues	\$ 114,939,608	\$ 120,140,144	\$ 144,598,340	\$ 140,021,629	\$ 139,562,364	\$ 141,894,509	\$ 151,694,627	\$ 152,832,107	\$ 169,799,253	\$ 150,465,723
Net(Expense) Revenue										
Governmental activities	\$ (140,689,504)	\$ (164,574,932)	\$ (138,187,127)	\$ (178,352,116)	\$ (200,370,819)	\$ (208,345,285)	\$ (206,637,372)	\$ (222,923,220)	\$ (223,665,399)	\$ (235,847,165)
Business-type activities	6,626,537	10,209,689	10,982,128	8,420,431	1,447,478	(2,533,242)	2,969,504	7,521,998	7,186,937	(10,098,993)
Total primary government net expense	\$ (134,062,967)	\$ (154,365,243)	\$ (127,204,999)	\$ (169,931,685)	\$ (198,923,341)	\$ (210,878,527)	\$ (203,667,868)	\$ (215,401,222)	\$ (216,478,462)	\$ (245,946,158)

(1) Opened in 2007

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 48,929,547	\$ 51,007,550	\$ 51,498,165	\$ 54,196,554	\$ 54,192,772	\$ 57,452,405	\$ 58,542,857	\$ 60,397,983	\$ 61,892,794	\$ 58,031,369
Sales taxes	82,343,007	87,911,418	93,713,711	109,163,966	105,404,839	109,226,148	105,947,678	113,990,284	117,161,088	113,068,390
Franchise taxes	6,858,781	6,924,341	7,648,385	7,635,287	7,749,311	7,914,581	7,290,551	7,780,000	7,822,649	7,512,211
Occupational licenses	5,752,899	5,892,082	6,233,140	6,276,736	6,597,061	6,549,432	6,659,033	6,760,523	7,005,960	7,175,204
Gaming	13,754,595	12,891,549	11,617,496	12,273,760	12,366,888	12,931,726	12,931,910	12,457,759	12,326,597	11,925,489
Unrestricted grants and contributions	1,614,228	2,932,256	3,246,134	3,878,809	3,677,032	3,368,399	3,961,292	3,641,977	3,510,589	3,398,492
Investment earnings	5,094,309	3,840,636	4,289,082	5,124,099	5,568,888	4,115,495	1,163,022	435,482	550,198	861,704
Miscellaneous	10,004,905	3,493,196	4,495,820	4,133,123	3,554,655	3,653,651	10,833,738	7,578,232	8,252,475	12,558,552
Transfers	(2,941,669)	(3,982,341)	(3,906,539)	(3,328,336)	(5,469,109)	(5,052,569)	(4,285,799)	(3,563,881)	(100,815,874) (1)	(13,566,000)
Total governmental activities	<u>171,410,602</u>	<u>170,910,687</u>	<u>178,835,394</u>	<u>199,353,998</u>	<u>193,642,337</u>	<u>200,159,268</u>	<u>203,044,282</u>	<u>209,478,359</u>	<u>117,706,476</u>	<u>200,965,411</u>
Business-type activities:										
Investment earnings (loss)	972,706	731,051	2,764,454	6,112,293	5,249,324	101,819	2,580,624	(2,528,522)	(6,115,654)	45,934
Miscellaneous	-	-	-	-	-	-	795,942	2,170	-	-
Transfers	2,941,669	3,982,341	3,906,539	3,328,336	5,469,109	5,052,569	4,285,799	3,563,881	100,815,874 (1)	13,566,000
Total business-type activities	<u>3,914,375</u>	<u>4,713,392</u>	<u>6,670,993</u>	<u>9,440,629</u>	<u>10,718,433</u>	<u>5,154,388</u>	<u>7,662,365</u>	<u>1,037,529</u>	<u>94,700,220</u>	<u>13,611,934</u>
Total primary government	<u>\$ 175,324,977</u>	<u>\$ 175,624,079</u>	<u>\$ 185,506,387</u>	<u>\$ 208,794,627</u>	<u>\$ 204,360,770</u>	<u>\$ 205,313,656</u>	<u>\$ 210,706,647</u>	<u>\$ 210,515,888</u>	<u>\$ 212,406,696</u>	<u>\$ 214,577,345</u>
Change in Net Position										
Governmental activities	\$ 30,721,098	\$ 6,355,755	\$ 40,648,267	\$ 21,001,882	\$ (6,728,482)	\$ (8,186,017)	\$ (3,593,090)	\$ (13,444,861)	\$ (105,955,923)	\$ (34,881,754)
Business-type activities	<u>10,540,912</u>	<u>14,923,081</u>	<u>17,653,121</u>	<u>17,861,060</u>	<u>12,165,911</u>	<u>2,621,146</u>	<u>10,631,869</u>	<u>8,559,527</u>	<u>101,887,157</u>	<u>3,512,941</u>
Total primary government	<u>\$ 41,262,010</u>	<u>\$ 21,278,836</u>	<u>\$ 58,301,388</u>	<u>\$ 38,862,942</u>	<u>\$ 5,437,429</u>	<u>\$ (5,564,871)</u>	<u>\$ 7,038,779</u>	<u>\$ (4,885,334)</u>	<u>\$ (4,068,766)</u>	<u>\$ (31,368,813)</u>

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

Unaudited - see accompanying independent auditor's report.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Nonspendable	\$ 976,754	\$ 860,317	\$ 971,248	\$ 1,095,980	\$ 1,268,611	\$ 1,267,226	\$ 1,529,818	\$ 1,302,722	\$ 1,521,316	\$ 1,582,251
Assigned	4,228,443	6,403,177	4,995,935	8,406,811	6,341,925	6,242,982	5,192,490	9,001,311	6,672,603	8,235,732
Unassigned	<u>7,824,635</u>	<u>7,912,573</u>	<u>11,509,416</u>	<u>10,327,081</u>	<u>5,224,682</u>	<u>3,009,981</u>	<u>13,930,927</u>	<u>11,458,224</u>	<u>9,805,320</u>	<u>6,429,096</u>
Total General Fund	<u>\$ 13,029,832</u>	<u>\$ 15,176,067</u>	<u>\$ 17,476,599</u>	<u>\$ 19,829,872</u>	<u>\$ 12,835,218</u>	<u>\$ 10,520,189</u>	<u>\$ 20,653,235</u>	<u>\$ 21,762,257</u>	<u>\$ 17,999,239</u>	<u>\$ 16,247,079</u>
All Other Governmental Funds										
Restricted	\$ 225,031,205	\$ 166,139,065	\$ 117,017,731	\$ 106,847,013	\$ 101,381,672	\$ 99,830,365	\$ 97,498,999	\$ 76,580,843	\$ 177,217,086	\$ 154,952,867
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(460,762)</u>	<u>(1,729,116)</u>
Total all other governmental funds	<u>\$ 225,031,205</u>	<u>\$ 166,139,065</u>	<u>\$ 117,017,731</u>	<u>\$ 106,847,013</u>	<u>\$ 101,381,672</u>	<u>\$ 99,830,365</u>	<u>\$ 97,498,999</u>	<u>\$ 76,580,843</u>	<u>\$ 176,756,324</u>	<u>\$ 153,223,751</u>

Unaudited - see accompanying independent auditor's report.



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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 138,588,656	\$ 144,861,587	\$ 153,389,462	\$ 170,919,781	\$ 168,009,381	\$ 173,109,183	\$ 171,405,070	\$ 182,891,465	\$ 187,282,626	\$ 179,323,323
Licenses and permits	6,905,770	7,600,397	8,211,268	8,144,443	8,755,409	8,379,559	8,591,789	8,945,467	9,126,196	9,159,315
Intergovernmental	18,066,364	25,172,181	26,272,456	22,112,233	21,710,733	24,240,070	27,747,701	24,073,617	25,510,000	23,012,567
Charges for services	17,706,972	19,241,503	20,635,745	20,184,618	19,251,533	18,681,539	21,992,151	24,381,786	25,562,367	25,786,275
Fines and forfeitures	2,839,434	2,799,844	3,231,362	3,555,633	3,462,609	3,319,902	3,460,862	3,553,996	3,832,276	3,377,228
Gaming	13,754,595	12,891,549	11,617,496	12,273,760	12,366,888	12,931,726	12,931,910	12,457,759	12,326,597	11,925,489
Investment earnings	4,953,583	3,694,378	3,938,911	4,423,360	4,780,092	3,257,053	949,243	324,785	395,837	664,659
Miscellaneous	10,004,905	3,493,196	4,495,820	4,133,123	3,554,655	3,653,651	10,833,738	7,578,232	8,252,475	12,558,552
Total revenues	212,820,279	219,754,635	231,792,520	245,746,951	241,891,300	247,572,683	257,912,464	264,207,107	272,288,374	265,807,408
Expenditures										
General government	27,759,577	33,072,046	32,393,215	38,900,339	37,204,737	34,638,892	30,099,483	40,898,671	33,670,983	33,754,118
Public safety	72,337,147	82,694,307	84,754,554	90,574,313	91,446,018	96,639,536	94,952,030	104,102,246	109,360,999	114,152,950
Public works	25,992,785	33,005,430	30,502,540	34,062,025	36,218,897	37,036,813	35,257,799	40,134,184	43,626,714	40,188,370
Culture and recreation	10,780,702	11,096,644	12,417,996	12,998,481	14,158,892	15,840,773	14,609,505	15,214,547	15,576,293	16,419,548
Health and welfare	359,725	293,575	389,502	431,756	573,832	339,700	209,710	350,176	319,316	11,841
Community development	5,141,498	4,814,883	3,444,802	3,477,313	4,766,654	4,138,744	3,881,994	4,593,147	5,375,401	3,957,114
Economic development	4,770,448	5,073,823	6,151,081	6,823,742	7,030,767	7,670,569	6,504,277	5,678,318	3,358,194	4,385,707
Economic opportunity	2,940,163	4,596,238	5,075,413	3,613,591	2,834,390	3,281,038	6,592,309	3,439,875	2,448,233	2,364,677
Capital outlay	27,194,815	72,154,435	57,465,679	24,414,447	17,058,735	14,117,197	7,210,328	6,645,730	7,188,534	7,609,546
Debt service										
Principal	28,233,630	28,278,794	29,908,186	26,517,782	28,128,374	28,764,098	32,309,943	50,311,347	26,645,341	51,542,365
Interest	15,606,416	15,778,900	14,013,453	14,648,081	13,975,345	12,187,938	13,765,069	11,421,559	8,848,980	12,004,912
Bond issuance cost	750,216	1,048,354	2,584,664	-	52,735	833,170	-	358,682	701,646	-
Total expenditures	221,867,122	291,907,429	279,101,085	256,461,870	253,449,376	255,488,468	245,392,447	283,148,482	257,120,634	286,391,148
Excess(deficiency) of revenues over (under) expenditures	(9,046,843)	(72,152,794)	(47,308,565)	(10,714,919)	(11,558,076)	(7,915,785)	12,520,017	(18,941,375)	15,167,740	(20,583,740)

(continued)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing Sources(Uses)										
Bonds issued	37,000,000	-	-	-	-	-	-	-	81,500,000	-
Refunding bonds issued	28,035,000	24,715,000	80,515,000	-	-	52,850,000	-	-	-	-
Premium on debt issued	1,095,891	588,117	7,702,353	-	-	534,977	-	379,132	7,603,061	-
Certificate of indebtedness issued	-	5,375,000	-	-	-	-	-	14,995,000	-	-
Discount on certificate of indebtedness issued	-	(53,910)	-	-	-	-	-	-	-	-
Loan proceeds	182,949	1,295,025	-	-	-	-	-	-	-	-
Capital leases	-	6,107,126	1,973,508	6,185,810	4,292,190	6,187,239	-	2,337,440	-	8,865,007
Payments to refunded bond escrow agent	(28,088,967)	(24,637,089)	(86,423,980)	-	-	(49,170,198)	-	(15,015,450)	-	-
Swap termination payment	-	-	-	-	-	(1,300,000)	-	-	-	-
Transfers in	34,055,629	39,902,243	31,898,342	32,148,537	31,249,879	31,923,157	27,020,204	28,100,857	27,056,191	28,141,986
Transfers out	(36,997,298)	(37,884,623)	(35,326,885)	(35,436,873)	(36,443,988)	(36,975,726)	(31,738,541)	(31,664,738)	(34,914,529)	(41,707,986)
Total other financing sources(uses)	<u>35,283,204</u>	<u>15,406,889</u>	<u>338,338</u>	<u>2,897,474</u>	<u>(901,919)</u>	<u>4,049,449</u>	<u>(4,718,337)</u>	<u>(867,759)</u>	<u>81,244,723</u>	<u>(4,700,993)</u>
Net change in fund balances	<u>\$ 26,236,361</u>	<u>\$ (56,745,905)</u>	<u>\$ 46,970,227</u>	<u>\$ (7,817,445)</u>	<u>\$ (12,459,995)</u>	<u>\$ (3,866,336)</u>	<u>\$ 7,801,680</u>	<u>\$ (19,809,134)</u>	<u>\$ 96,412,463</u>	<u>\$ (25,284,733)</u>
Debt service as a percentage of noncapital expenditures	<u>22.9%</u>	<u>20.5%</u>	<u>21.0%</u>	<u>17.7%</u>	<u>17.8%</u>	<u>17.3%</u>	<u>19.3%</u>	<u>22.5%</u>	<u>14.6%</u>	<u>23.4%</u>

CITY OF SHREVEPORT, LOUISIANA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (dollars in thousands)

Year Ended December 31	Residential Property	Commercial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2003	\$ 357,203	\$ 601,009	\$ 958,212	51.30	\$ 8,253,849	11.69%
2004	455,083	641,799	1,096,882	46.64	9,637,710	11.47
2005	468,149	641,769	1,109,918	46.64	9,787,609	11.43
2006	486,846	673,164	1,160,010	46.64	10,244,280	11.41
2007	501,981	671,729	1,173,710	46.64	10,363,476	11.41
2008	571,963	729,434	1,301,397	44.54	11,589,120	11.32
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	11.30
2011	621,666	767,556	1,389,222	44.54	12,371,084	11.12
2012	665,138	803,002	1,468,140 (1)	39.70	13,106,704	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, 2012. The next revaluation will be completed as of January 1, 2016 for the 2016 tax roll. Tax rates are per \$1,000 of assessed value.

(1) Included in the total assessed value of property within the City is \$12,398 of assessed value that has been adjudicated to Caddo and Bossier parish.

Unaudited - see accompanying independent auditor's report.

CITY OF SHREVEPORT, LOUISIANA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(rate per \$1,000 of assessed value)
LAST TEN YEARS

Year Ended December 31,	City Direct Rates									Overlapping Rates		
	Debt Service (1)	General Alimony (2)	Police Three-Platoon System (2)	Police and Fire Uniforms and Equipment (3)	Salary & Wage Schedule (3)	Street Improvements (3)	Employee Benefits (3)	Parks and Recreational Facilities (3)	Total Direct Debt	School Board	Parish	Total
2003	30.54	12.13	1.73	1.31	1.31	1.31	1.99	0.98	51.30	87.27	40.40	178.97
2004	27.82	10.99	1.57	1.19	1.19	1.19	1.80	0.89	46.64	87.27	36.58	170.49
2005	27.82	10.99	1.57	1.19	1.19	1.19	1.80	0.89	46.64	81.73	37.31	165.68
2006	27.82	10.99	1.57	1.19	1.19	1.19	1.80	0.89	46.64	81.73	37.31	165.68
2007	27.82	10.99	1.57	1.19	1.19	1.19	1.80	0.89	46.64	80.65	37.31	164.60
2008	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	82.81	35.14	162.49
2009	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	78.20	35.14	157.88
2010	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	78.20	35.14	157.88
2011	26.56	10.49	1.50	1.14	1.14	1.14	1.72	0.85	44.54	78.20	35.14	157.88
2012	22.05	10.03	1.47	1.12	1.12	1.12	1.69	0.83	39.70	78.20	35.14	153.04

(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 12, 2008).

Unaudited - see accompanying independent auditor's report.

CITY OF SHREVEPORT, LOUISIANA
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
AEP Southwestern Electric Power Company	\$ 38,663,320	1	2.6%	\$ 38,965,080	1	4.0%
Bell South	15,178,550	2	1.0	23,907,420	2	2.5
Sam's Town	11,979,910	3	0.8	18,942,930	3	2.0
Calumet Lubricants	11,903,170	4	0.8	6,754,350	8	0.7
Capital One	11,549,090	5	0.8	13,846,300	4	1.5
Centerpoint Energy	11,477,440	6	0.8	5,346,390	9	0.6
Wal-Mart	9,973,930	7	0.7	8,030,290	7	0.7
Schlumberger	9,740,780	8	0.7	-	-	-
Regions Bank	9,122,300	9	0.6	12,278,460	5	1.3
Verizon	8,757,980	10	0.6	-	-	-
BankOne	-	-	-	11,369,430	6	1.2
Pennzoil-Quaker States	-	-	-	4,856,140	10	0.5
	<u>\$ 138,346,470</u>		<u>9.4%</u>	<u>\$ 144,296,790</u>		<u>15.0%</u>

Unaudited - see accompanying independent auditor's report.

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

Year Ended December 31,	Taxes Levied for the Year	Collected within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 49,501,452	\$ 37,818,593	76.4%	\$ 10,882,652	\$ 48,701,245	98.4%
2004	51,569,430	36,169,905	70.1	13,464,778	49,634,683	96.2
2005	52,172,566	36,329,211	69.6	14,812,227	51,141,438	98.0
2006	54,535,297	41,076,693	75.3	12,235,741	53,312,435	97.8
2007	55,130,275	44,426,316	80.6	9,797,511	54,223,827	98.4
2008	58,421,540	41,480,921	71.0	15,338,615	56,819,536	97.3
2009	59,236,967	41,889,578	70.7	15,875,672	57,765,250	97.5
2010	60,974,524	43,965,388	72.1	15,211,490	59,176,878	97.0
2011	61,875,991	48,969,445	79.1	11,209,976	60,179,421	97.3
2012	58,285,191	46,570,605	79.9	-	46,570,605	79.9

Unaudited - see accompanying independent auditor's report.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Motor vehicle dealers	\$ 340,389	\$ 351,422	\$ 339,595	\$ 355,024	\$ 355,111	\$ 352,186	\$ 296,797	\$ 338,048	\$ 355,903	\$ 383,516
Restaurant, food services and drinking places	248,425	262,048	291,080	304,988	324,109	350,012	349,599	368,846	387,584	398,130
Discount stores	255,244	260,352	275,136	278,608	298,463	344,308	344,958	337,130	329,741	321,133
Grocery stores	234,162	237,239	263,986	348,106	303,178	311,557	313,897	339,339	347,203	358,057
Department stores	115,458	109,464	120,492	125,978	131,233	129,234	125,391	130,370	133,183	129,848
Miscellaneous general merchandise stores	98,653	103,400	115,262	121,428	126,020	132,498	134,135	141,453	145,860	153,232
Drug stores	102,311	103,356	112,727	133,956	125,768	122,707	121,495	123,124	122,653	128,210
Lumber and other building materials dealers	84,413	85,399	107,622	116,530	119,006	122,095	116,038	122,498	124,232	126,412
Wholesale - machinery, equipment and supplies	80,867	97,386	99,437	116,671	138,445	141,943	135,353	163,050	162,277	138,198
Wholesale - professional and commercial equipment	78,290	93,883	89,856	96,333	111,632	119,797	124,317	120,942	127,079	126,233
All others	<u>1,340,388</u>	<u>1,420,858</u>	<u>1,564,908</u>	<u>1,906,431</u>	<u>1,791,539</u>	<u>1,793,876</u>	<u>1,830,375</u>	<u>1,938,100</u>	<u>2,062,456</u>	<u>1,870,476</u>
Total	\$ <u>2,978,600</u>	\$ <u>3,124,807</u>	\$ <u>3,380,101</u>	\$ <u>3,904,053</u>	\$ <u>3,824,504</u>	\$ <u>3,920,213</u>	\$ <u>3,892,355</u>	\$ <u>4,122,900</u>	\$ <u>4,298,171</u>	\$ <u>4,133,445</u>
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 auditor's report.

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

<u>Year</u>	<u>City of Shreveport</u>	<u>Caddo Parish School Board</u>	<u>Caddo Law Enforcement District</u>	<u>State of Louisiana</u>	<u>Total Rate</u>
2003	2.75%	1.50%	0.35%	4.00%	8.60%
2004	2.75	1.50	0.35	4.00	8.60
2005	2.75	1.50	0.35	4.00	8.60
2006	2.75	1.50	0.35	4.00	8.60
2007	2.75	1.50	0.35	4.00	8.60
2008	2.75	1.50	0.35	4.00	8.60
2009	2.75	1.50	0.35	4.00	8.60
2010	2.75	1.50	0.35	4.00	8.60
2011	2.75	1.50	0.35	4.00	8.60
2012	2.75	1.50	0.35	4.00	8.60

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 auditor's report.

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

	2005		2006		2007		2008		2009		2010		2011		2012	
	Tax Liability	Percent of Total	Tax Liability	Percent of Total	Tax Liability	Percent of Total	Tax Liability	Percent of Total	Tax Liability	Percent of Total	Tax Liability	Percent of Total	Tax Liability	Percent of Total	Tax Liability	Percent of Total
Retail trade	\$ 60,578,674	64.73%	\$ 66,506,787	61.33%	\$ 66,868,050	62.85%	\$ 69,134,367	63.23%	\$ 67,052,000	62.64%	\$ 70,424,851	62.12%	\$ 72,388,451	61.24%	\$ 73,575,215	64.71%
Services	13,917,994	14.87	20,304,523	18.73	15,769,308	14.82	16,295,689	14.90	16,273,181	15.20	17,554,911	15.48	18,370,738	15.54	17,706,280	15.58
Wholesale Trade	14,067,681	15.03	15,349,862	14.16	16,838,019	15.83	17,444,320	15.95	16,311,724	15.24	18,516,602	16.33	19,624,037	16.60	16,685,163	14.68
Transportation, communications, electric, and gas	1,432,004	1.53	1,888,073	1.74	1,324,469	1.24	1,435,385	1.31	1,412,211	1.32	1,540,652	1.36	1,742,285	1.47	1,309,172	1.15
Manufacturing	1,462,985	1.56	1,882,685	1.74	3,091,773	2.91	1,705,805	1.56	1,548,868	1.45	1,452,756	1.28	1,491,183	1.26	1,316,033	1.16
Other	1,025,558	1.10	1,167,014	1.08	926,510	0.87	1,015,865	0.93	2,438,234	2.28	998,816	0.88	907,987	0.77	1,150,457	1.01
Construction	648,660	0.69	784,227	0.71	860,171	0.80	1,064,320	0.97	1,111,438	1.04	1,434,632	1.27	1,146,763	0.97	1,121,224	0.99
Mining	118,994	0.13	210,743	0.19	378,032	0.36	901,043	0.82	555,957	0.52	1,124,557	0.99	2,189,999	1.85	564,954	0.50
Finance, insurance, and real estate	210,709	0.23	205,302	0.19	190,785	0.18	192,309	0.18	184,351	0.17	167,256	0.15	180,255	0.15	180,264	0.16
Agricultural	79,894	0.09	83,760	0.08	93,873	0.09	104,004	0.10	100,890	0.09	113,984	0.10	113,060	0.10	20,505	0.02
Government	38,735	0.04	45,990	0.04	50,178	0.05	50,545	0.05	50,907	0.05	50,712	0.04	44,963	0.04	40,549	0.04
Total	\$ 93,581,888	100.00%	\$ 108,428,966	100.00%	\$ 106,391,168	100.00%	\$ 109,343,652	100.00%	\$ 107,039,761	100.00%	\$ 113,379,729	100.00%	\$ 118,199,721	100.00%	\$ 113,669,818	100.00%

Source: Caddo-Shreveport Sales and Use Tax Commission

Note: Due to confidentiality issues, the names of the 10 largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. The amounts shown are gross collections prior to refunds and collections of amounts due from prior years. Years 2005 through 2012 are the most recent years for which data are available.

Unaudited - see accompanying independent auditor's report.

CITY OF SHREVEPORT, LOUISIANA
Ratios of Outstanding Debt by Type
Last Ten Years
(dollars in thousands, except per capita)

Year	Governmental Activities				Business-type Activities							Total Primary Government	Percentage of Personal Income	City Per Capita
	General Obligation Bonds	Certificates of Indebtedness	Loans and Notes	Capital Leases	Municipal and Regional Airports Revenue Bonds	Municipal and Regional Airports Loan	Water and Sewerage Revenue Bonds	Water and Sewerage Loan	Convention Center Hotel Loan	Capital Leases				
2003	\$ 306,186	\$ 38,785	\$ 36,173	\$ 5,476	\$ 23,665	\$ -	\$ 129,201	\$ -	\$ 181	\$ 210	\$ 539,877	7.5%	\$ 2,671	
2004	285,465	41,136	35,306	9,886	23,135	-	154,325	-	1,470	162	550,885	7.2	2,716	
2005	263,520	37,884	34,394	9,778	22,580	-	155,107	75,000	42,479	1,170	641,912	8.2	3,163	
2006	244,913	34,382	33,437	13,410	22,000	859	153,785	75,000	42,365	845	620,996	7.3	3,061	
2007	225,414	30,681	32,430	14,379	21,278	848	179,320	75,000	42,288	602	622,240	6.7	3,111	
2008	205,408	26,794	33,580	17,447	-	38,194	166,283	75,000	39,591	1,564	603,861	6.4	3,028	
2009	183,830	22,722	31,852	12,692	-	37,176	152,641	50,000	39,543	1,153	531,609	5.1	2,667	
2010	143,481	18,698	30,132	11,201	-	37,259	156,000	50,000	39,282	696	486,749	7.9	2,442	
2011	216,372	13,955	28,334	7,191	-	36,182	143,259	50,000	39,118	472	534,883	7.4	2,684	
2012	173,986	9,072	27,429	12,313	-	35,029	130,924	50,000	38,714	1,427	478,894	N/A	2,403	

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 auditor's 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>
2003	\$ 306,186	\$ 42,480	\$ 263,706	3.19	\$ 1,305
2004	285,465	44,616	240,849	2.50	1,187
2005	263,520	40,239	223,281	2.28	1,100
2006	244,913	44,276	200,637	1.96	989
2007	225,414	48,460	176,954	1.71	885
2008	205,408	55,879	149,529	1.29	750
2009	183,830	58,867	124,963	1.06	627
2010	143,481	46,292	97,189	0.80	488
2011	216,372	60,170	156,202	1.26	784
2012	173,896	40,556	133,430	1.02	670

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 auditor's report.

CITY OF SHREVEPORT, LOUISIANA
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2012
 (dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Caddo Parish Commission	\$ 27,830	72.3%	\$ 20,121
Caddo Parish School Board	97,040	72.3	70,160
Subtotal, Overlapping Debt			90,281
City direct debt			222,800
Total direct and overlapping debt			\$ 313,081

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

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

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

Unaudited - see accompanying independent auditor's report.

CITY OF SHREVEPORT, LOUISIANA
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(dollars in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 337,729	\$ 386,992	\$ 391,518	\$ 409,249	\$ 413,713	\$ 459,083	\$ 465,514	\$ 479,144	\$ 486,228	\$ 513,849
Total debt applicable to limit	<u>287,762</u>	<u>272,730</u>	<u>254,487</u>	<u>237,602</u>	<u>220,716</u>	<u>202,147</u>	<u>183,110</u>	<u>142,810</u>	<u>208,315</u>	<u>166,400</u>
Legal debt margin	<u>\$ 49,967</u>	<u>\$ 114,262</u>	<u>\$ 137,031</u>	<u>\$ 171,647</u>	<u>\$ 192,997</u>	<u>\$ 256,936</u>	<u>\$ 282,404</u>	<u>\$ 336,334</u>	<u>\$ 277,913</u>	<u>\$ 347,449</u>
Total debt applicable to the limit as a percentage of debt limit	85.21%	70.47%	65.00%	58.06%	53.35%	44.03%	39.34%	29.81%	42.84%	32.38%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	\$ 1,468,141
Debt limit (35% of total assessed value)	513,849
Debt applicable to limit:	
General obligation bonds	<u>166,400</u>
Legal debt margin	<u><u>\$ 347,449</u></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 auditor's report.

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

Year	Gross Revenues(1)	Less: Operating Expenses(2)(3)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2003	\$ 39,359,740	\$ 27,041,477	\$ 12,318,263	\$ 6,010,064	\$ 1,973,357	\$ 7,983,421	1.54%
2004	47,331,098	28,726,157	18,604,941	7,065,796	2,401,669	9,467,465	1.97
2005	57,713,962	30,578,978	27,134,984	10,982,563	4,438,531	15,421,094	1.76
2006	63,131,449	36,874,335	26,257,114	11,782,506	4,766,703	16,549,209	1.59
2007	60,876,054	34,081,657	26,794,397	12,370,601	5,079,611	17,450,212	1.54
2008	60,944,320	36,200,116	24,744,204	12,755,277	4,759,719	17,514,996	1.41
2009	56,352,027	33,617,542	22,734,485	11,362,709	4,000,153	15,362,862	1.48
2010	60,803,198	33,688,533	27,114,665	8,478,772	3,025,458	11,504,230	2.36
2011	61,110,266	33,172,696	27,937,570	8,390,478	2,823,412	11,213,890	2.49
2012	58,605,356	33,897,265	24,708,091	8,132,678	2,535,244	10,667,922	2.32

(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	
2003	\$ 7,120,564	\$ 6,363,397	\$ 757,167	\$ 1,869,700	\$ 2,626,867	\$ -	\$ 596,097	\$ 596,097	4.41%
2004	7,607,130	6,311,705	1,295,425	956,500	2,251,925	-	470,494	470,494	4.79
2005	8,053,251	6,822,081	1,231,170	138,400	1,369,570	-	478,020	478,020	2.87
2006	9,017,059	7,353,327	1,663,732	1,508,800	3,172,532	-	523,861	523,861	6.06
2007	9,781,072	7,599,917	2,181,155	1,277,800	3,458,955	-	438,199	438,199	7.89
2008	10,180,016 (5)	7,730,899	2,449,117	2,329,500	4,778,617	10,000	930,930	940,930	5.08
2009	8,970,640	7,577,770	1,392,870	3,315,900	4,708,770	335,000	2,310,257	2,645,257	1.78
2010	9,766,437	7,692,162	2,074,275	482,800	2,557,075	-	1,451,250	1,451,250	1.76
2011	10,349,559	8,193,481	2,156,078	1,872,300	4,028,378	355,000	2,050,319	2,405,319	1.67
2012	10,411,803	7,727,100	2,684,703	4,010,200	6,694,903	385,000	2,003,708	2,388,708	2.80

- (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) Beginning in 2003 the debt service coverage computation was changed to exclude 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 auditor's 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
2003	202,096	250,434	\$ 7,233,555	\$ 28,884	6.1%
2004	202,851	250,158	7,626,067	30,485	5.7
2005	202,938	250,438	7,870,765	31,428	4.7
2006	202,851	251,577	8,501,158	33,539	4.0
2007	200,031	252,609	9,348,950	37,029	4.5
2008	199,379	252,895	9,427,392	37,319	6.8
2009	199,345	253,932	10,337,630	40,710	7.5
2010	199,311	254,969	9,804,879	38,358	6.6
2011	199,285	255,613	10,014,638	39,694	6.4
2012	199,259	258,375	N/A	N/A	6.0

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
Center for Business and Economics Research, Louisiana State University in Shreveport.
City unemployment rate provided by Louisiana Workforce Commission.

N/A Statistical information is not available.

Unaudited - see accompanying independent auditor's report.

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

Employer	2012			2003		
	Employees	Rank	Percentage of Area Employment	Employees	Rank	Percentage of Area Employment
State of Louisiana	12,226	1	6.65 %	8,127	2	4.86 %
Barksdale Air Force Base	10,284	2	5.60	8,743	1	5.23
Caddo Parish School Board	6,101	3	3.32	7,643	3	4.57
LSU Health Sciences Center	6,200	4	3.37	5,536	4	3.31
Willis Knighton Health System	6,145	5	3.34	4,536	5	2.71
Bossier Parish School System	2,926	6	1.59	2,524	9	1.51
City of Shreveport	2,752	7	1.50	2,727	6	1.84
Harrah's	1,800	8	1.00	2,554	7	1.53
Christus Schumpert Health System	1,800	9	0.97	2,200	10	1.32
U.S. Support	1,585	10	0.86	-	-	-
General Motors	-		-	2,541	8	1.52
Total	<u>51,819</u>		<u>28.20 %</u>	<u>47,131</u>		<u>28.40 %</u>

Source: Center for Business Research, Louisiana State University in Shreveport

Unaudited - see accompanying independent auditor's report.

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

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	268	264	265	265	274	272	276	269	278	274
Public safety	1,299	1,275	1,305	1,320	1,316	1,348	1,356	1,378	1,398	1,404
Public works	460	431	429	431	422	426	401	383	383	389
Culture and recreation	252	258	264	264	268	252	244	235	258	253
Health and welfare	2	2	2	2	2	2	2	2	2	2
Community development	13	10	10	10	10	10	9	9	9	9
Economic development	10	11	11	10	11	13	11	12	11	11
Economic opportunity	29	34	35	34	35	35	35	35	35	35
Municipal and Regional Airports	77	78	78	82	80	82	82	82	70	68
Water and Sewerage	287	303	303	303	310	320	317	289	265	284
Convention Center (1)	-	-	-	-	-	-	-	-	-	-
Convention Center Hotel (1)	-	-	-	-	-	-	-	-	-	-
Shreveport Area Transit System (1)	-	-	-	-	-	-	-	-	-	-
Golf	30	30	29	30	30	30	25	23	23	23
Downtown Parking (1)	-	-	-	-	-	-	-	-	-	-
Total	<u>2,727</u>	<u>2,696</u>	<u>2,731</u>	<u>2,751</u>	<u>2,758</u>	<u>2,790</u>	<u>2,758</u>	<u>2,717</u>	<u>2,732</u>	<u>2,752</u>

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

Unaudited - see accompanying independent auditor's report.

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

Function/Program	Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Property standards inspections made	39,360	43,021	46,000	46,000	30,600	30,800	28,172	30,810	30,000	32,000
Lots cut	11,182	11,182	10,000	10,000	6,739	9,700	9,223	9,220	8,019	10,000
Public safety										
Prisoners booked in City jail	9,668	5,421	11,000	12,400	12,721	13,500	13,628	13,160	16,461	16,856
Offense reports processed	46,635	46,900	47,300	29,678	30,000	30,000	32,189	29,340	29,340	30,310
Traffic citations issued	43,000	42,973	43,000	43,000	40,000	40,000	42,692	50,286	55,912	58,934
Fires reported	1,600	1,573	1,575	1,730	1,431	1,473	1,403	1,337	1,538	1,330
Fire responses	33,459	33,795	33,800	33,800	36,000	35,500	36,701	36,802	37,822	38,000
Fire inspections	15,160	11,998	15,000	14,484	10,174	9,700	17,000	9,811	9,237	9,960
EMS responses	23,214	23,214	24,300	25,000	25,573	25,506	26,308	29,167	30,117	30,250
Public works										
Refuse collected (tons)	136,600	137,400	135,600	141,000	135,600	137,400	137,400	137,400	137,400	135,600
Building permits issued	4,336	4,177	4,274	4,400	3,400	3,200	2,682	1,777	1,161	2,764
Asphalt repairs	2,000	2,000	2,000	1,564	2,000	1,564	2,000	2,000	3,000	2,453
Street resurfacing (miles)	52	55	52	52	74	40	52	52	15	10
Culture and recreation										
Events at all facilities	338	355	334	346	291	267	227	244	293	240
Acres of City parks maintained	21,171	21,171	21,171	21,171	23,450	23,450	22,315	22,315	22,315	23,450
Participants in team sports	8,331	8,967	9,500	10,000	9,000	8,935	8,935	8,935	9,830	9,400
Senior program participants	27,520	35,240	37,840	38,000	38,000	37,900	37,900	37,900	37,900	40,250
Community development										
Programs funded	N/A	68	58	52	67	66	54	54	56	41
Economic development										
Housing units assisted	252	245	198	170	169	176	209	209	88	95
Small business loans	N/A	11	10	12	3	-	-	1	1	3
Economic opportunity										
Participants served	1,894	1,879	2,130	4,854	11,943	12,098	14,180	19,987	29,035	32,000
Municipal and Regional Airports										
Capital projects managed	17	20	22	20	15	19	15	16	16	-
Contracts/leases monitored	N/A	251	255	251	261	280	300	300	389	395
Water and Sewerage										
Water treated and pumped per day (MGD)	35	36	39	36	37	37	37	37	37	37
Wastewater treated per day (MGD)	37	37	35	37	37	37	37	37	37	37
Water mains (miles)	1,050	1,060	1,096	1,089	1,100	1,144	1,104	1,104	1,135	1,144
Sewer mains (miles)	1,036	1,050	1,067	1,144	1,150	1,196	1,077	1,077	1,088	1,093
Fire hydrants	6,860	6,900	7,107	7,310	7,350	7,400	7,310	7,064	7,074	7,084
Shreveport Area Transit System										
Passenger trips (thousands)	2,863	2,838	2,932	3,145	3,383	3,400	3,400	3,400	3,400	3,400
Golf										
Golf rounds played	94,663	82,842	90,000	76,200	70,059	62,343	51,466	51,466	74,791	72,685
Downtown Parking										
Citations issued	40,104	42,470	42,000	42,000	42,000	42,000	43,000	25,000	20,338	22,000

Source: City of Shreveport Annual Budget Book
 Note - No indicators are available for Health and Welfare or the Convention Center Hotel.
 N/A - Statistical information is not available.
 Unaudited - see accompanying independent auditor's report.

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

	Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Functions:										
Public Safety										
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Patrol Units	N/A	N/A	N/A	364	312	302	304	305	307	321
Fire Stations	21	21	21	21	22	22	22	22	22	22
Police and fire academy facility	1	1	1	1	1	1	1	1	1	1
City courts facility	1	1	1	1	1	1	1	1	1	1
Public Works:										
Collection Trucks	52	52	52	52	52	52	54	64	66	68
Streets (miles)	1,564	1,564	1,624	1,998	2,200	2,500	2,700	2,959	3,326	3,326
Street lights	30,125	30,013	29,990	30,085	30,085	30,085	30,100	30,100	30,100	30,100
Traffic signals	N/A	N/A	N/A	350	350	351	351	351	351	351
Culture and recreation										
Parks acreage	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,808	1,773
Number of playgrounds	46	46	46	46	46	46	46	46	53	45
Number of picnic areas	42	42	42	42	42	42	42	42	42	44
Swimming pools	11	11	11	11	11	10	10	10	9	8
Tennis courts	29	29	29	29	29	29	29	29	29	29
Community centers	19	19	20	20	20	21	21	21	16	17
Baseball park	1	1	1	1	1	1	1	1	1	1
Multipurpose stadium	1	1	1	1	1	1	1	1	1	1
Auditorium	1	1	1	1	1	1	1	1	1	1
Theater	1	1	1	1	1	1	1	1	1	1
Coliseum	1	1	1	1	1	1	1	1	1	1
Convention center	1	1	1	1	1	1	1	1	1	1
Softball and soccer complex	1	1	1	1	1	1	1	1	1	1
Stage works movie facility	-	-	-	1	1	1	1	1	1	1
Planetariums	1	2	2	2	2	2	2	1	1	1
Hotel	-	-	-	-	1	1	1	1	1	1
Municipal and Regional Airports:										
Number of airports	2	2	2	2	2	2	2	2	2	2
Water and Sewerage:										
Number of water accounts	66,000	66,000	66,500	67,050	67,465	68,000	68,435	68,989	69,300	69,500
Water mains (miles)	1,064	1,072	1,080	1,089	1,097	1,144	1,104	1,104	1,135	1,144
Fire Hydrants	7,200	7,230	7,270	7,310	7,350	7,400	7,310	7,350	7,074	7,084
Maximum daily capacity (thousands of gallons)	80,000	80,000	80,000	80,000	80,000	90,000 (2)	90,000	90,000	90,000	90,000
Number of water storage tanks	13	13	13	13	10 (1)	10	10	10	10	10
Capacity of water storage tanks	35,500,000	35,500,000	35,500,000	35,000,000	35,000,000	35,500,000	35,500,000	35,500,000	35,500,000	35,500,000
Number of sewerage accounts	63,000	63,000	63,500	63,701	63,987	64,000	64,300	64,854	65,165	65,365
Sanitary sewers (miles)	1,036	1,044	1,053	1,063	1,072	1,196	1,077	1,077	1,088	1,092
Storm sewers (miles)	230	231	231	232	233	233	233	233	233	233
Maximum daily treatment capacity (thousands of gallons)	80,000	80,000	80,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Golf:										
Number of municipal golf courses	3	3	3	3	3	3	3	3	3	3
Shreveport Area Transit System:										
Number of transit buses	54	47	44	28	46	47	46	52	54	55
Number of transit lifeline vehicles	12	12	12	12	17	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) Amiss Water Treatment Plant improvements

N/A - Statistical information is not available.

Unaudited - see accompanying independent auditor's report.

