

COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT

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**CITY OF SHREVEPORT, LOUISIANA**

For the Year Ended December 31, 2008

Finance Department  
Charles J. Madden III, Interim Director

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

9/9/09

**CITY OF SHREVEPORT, LOUISIANA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

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June 29, 2009

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, 2008. 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 2008 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 fiscal year ended December 31, 2008,

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. Based upon the audit, the independent auditor's report included a qualification of the aggregate discretely presented component units of the City because of the omission of the financial data of one of the City's legally separate component units, Shreveport Home Mortgage Authority. In addition, the independent auditor concluded, except for the effects of omitting the financial data for Shreveport Home Mortgage Authority, the City's financial statements for the fiscal year ended December 31, 2008, 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 auditors.

### **Profile of the City of Shreveport**

The City of Shreveport was incorporated in 1839. It is located on the west bank of the Red River in Northwest Louisiana, approximately thirty miles south of Arkansas and fifteen 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 122 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 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

The oil and gas industries have long been an important part of the local economy and with the announced expansion in the area of a large service provider, that will mostly continue. Unemployment rose to 6.8% as of December 31, 2008, compared to 4.5% in 2007 and 4% in 2006. Shreveport remains below the national average. The rate is expected to remain relatively stable.

Casinos continue to be successful and a vital part of the local economy. The negative side is the threat to casino businesses from new Indian casinos in Oklahoma which is nearer the market from which the City heavily draws its customers. Following is a five-year history of the City's gaming revenues:

2004	12,891,549
2005	11,617,496
2006	12,273,760
2007	12,366,888
2008	12,931,726

Retail sales in Shreveport continue to show growth. In 2008, Shreveport continued to benefit from new retail outlets which opened. The five-year trend for sales tax has been as follows:

2004	87,911,418
2005	93,713,711
2006	109,163,966 (\$102,154,326 without one-time receipts)
2007	105,404,839
2008	109,226,148

During 2006, the City received \$7,009,640 million in one-time sales tax revenue as a result of an on-going lawsuit which lasted for several years. Sales tax revenue increased 3.6% in 2008 over 2007.



Commercial construction increased in number of permits and decreased in value. In 2008, there were 98 permits issued with a value of \$80,230,061 compared to 83 permits valued at \$93,497,876 in 2007. Multi-family and single family residential construction continued to decrease in value in 2008 which is consistent with the national trend. Following is a chart which shows the five-year history for commercial and residential construction:

Fiscal Year	<u>Commercial Construction</u>		<u>Residential Construction</u>	
	Number Of Units	Value	Number Of Units	Value
2004	100	148,694,901	615	113,224,966
2005	95	112,346,149	669	142,783,450
2006	65	60,586,363	818	134,528,565
2007	83	93,497,876	632	107,257,010
2008	98	80,230,061	354	65,249,429

Business bankruptcies were up 39.8% in 2008. Personal bankruptcies were up 7.6% in 2008.

The local economy is diversified and evolving. It appears that the local economic factors point to a relatively stable economy which is headed in the right direction.

### **Long-term Financial Planning**

For many years, gaming revenues were considered a limitless source of revenue to meet various needs. While the casino industry is still a vital part of the local economy, it is unlikely that there will be strong growth in gaming revenues in the near future. These revenues have been pledged to pay debt, to pay the Convention Center expenses not covered by revenues, as transfers to the General Fund and civic appropriations. Hard choices will have to be made as to how to utilize gaming revenues in the future.

The largest business-type activity is the Water and Sewer Fund. An increase in commercial and industrial rates will become effective January 1, 2009. This increase will help to cover debt service on funds borrowed for water and sewer system improvements.

Long-term, the City has begun to listen more to the mandate from the public to take action in several specific areas: crime and the perception of crime, code enforcement and neighborhood preservation and inner city economic and physical development. These will be the focus for the next couple of years.

### **Relevant Financial Policies**

In the 2009 budget, a serious look was taken at the need to improve the City's fund balance. With relatively stable revenues, it will be a balancing act to maintain sufficient fund balance while addressing citizen and employee concerns.

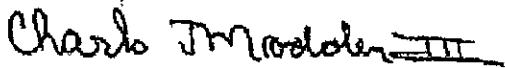
## Major Initiatives

Operation T-BONE which stands for Taking Back Our Neighborhoods Everyday continued to make a difference in neighborhoods. This coordinated approach which mobilizes the police community liaison officers, property standards inspectors and resources from other City departments has helped to reduce crime throughout the city. This effort will continue in 2009.

## Acknowledgements

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,

A handwritten signature in cursive script that reads "Charles J. Madden III". The signature is written in black ink and includes a horizontal line under the name.

Charles J. Madden III  
Interim Director of Finance

# CITY OF SHREVEPORT

## ORGANIZATION CHART

December 31, 2008

EXECUTIVE BRANCH

OFFICE OF THE MAYOR

EXECUTIVE OFFICE

**CEDRIC B. GLOVER**

MAYOR

### LEGISLATIVE BRANCH

CITY COUNCIL

COUNCIL MEMBERS

**INTERNAL AUDIT**  
LEAH G. GRAYHAM  
CITY INTERNAL  
AUDITOR

**CLERK OF COUNCIL**  
ARTHUR G. THOMPSON  
CLERK OF COUNCIL

**CHIEF ADMINISTRATIVE OFFICE**

DALE SIBLEY  
INTERIM CHIEF ADMINISTRATIVE OFFICER

**CITY ATTORNEY**

TERRE ANDERSON-SCOTT  
CITY ATTORNEY

### JUDICIAL BRANCH

CITY JUDGES

**CITY COURTS**  
VIRGINIA HESTER  
COURTS ADMINISTRATOR

CITY MARSHAL

CHARLIE CALDWELL JR.  
CITY MARSHAL

**POLICE**  
HENRY WITTEBORN  
POLICE CHIEF

**FIRE**  
BRUNN GRIFFIN  
FIRE CHIEF

**FINANCE**  
CHARLES J. MADDOEN III  
INTERIM DIRECTOR

**AIRPORTS**  
ROY H. MILLER  
DIRECTOR

**PERSONNEL**  
JOSEPH T. LUNT  
DIRECTOR

**COMMUNITY DEVELOPMENT**  
BONNIE MOORE  
DIRECTOR

**PUBLIC ASSEMBLY AND RECREATION**  
SHELLEY STONE-BAAGLE  
DIRECTOR

**OPERATIONAL SERVICES**

H. M. STRONG  
DIRECTOR

**CITY OF SHREVEPORT, LOUISIANA**

**PRINCIPAL OFFICIALS**

**Cedric B. Glover  
Mayor**

**Dale Sibley  
Interim Chief Administrative Officer**

**Members of City Council**

**Calvin B. Lester, Jr.  
R. M. Walford  
Michael D. Long  
Bryan K. Wooley  
Ron Webb  
Joe Shyne  
Joyce Bowman**

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

**CITY OF SHREVEPORT, LOUISIANA**

**FINANCE DEPARTMENT**

**Interim Department Director**

**Charles J. Madden III**

**Division Managers**

**John Pistorius  
Charles Madden  
Tom Mattox  
Evelyn Miller**

**Accounting  
Revenue Collection  
Purchasing  
Risk Management**

**Accounting Staff**

**Rosalyn Atkins  
Shiwanda Brown  
Dorothy Cole  
Evelyn Jones  
Linda Long  
Abigail Monette  
Diane Pharr  
James Rolfs  
Brenda Stills**

**Louise Broom  
Rosemary Clark  
G-Ray Evans  
Marie Lafontant  
Bruce Messier  
Lynn Petrey  
Larry Phelps  
Lashonda Samuels**

## Independent Accountants' Report on Financial Statements and Supplementary Information

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Shreveport, Louisiana (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as 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, fiduciary funds and Metropolitan Planning Commission funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2008, as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 92% and 85% of the assets and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by the other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City Courts, City Marshal and Downtown Development Authority, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

The financial statements do not include the financial data for the City's legally separate component unit, Shreveport Home Mortgage Authority (the Authority). Accounting principles generally accepted in the United States of America (GAAP) require the financial data for all component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, net assets, revenues and expenses of the aggregate discretely presented component units is not reasonably determined.

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In our opinion, because of the omission of the Authority, a discretely presented component unit, as discussed above, the financial statements referred to above do not present fairly, in conformity with GAAP, the financial position of the aggregate discretely presented component units of the City as of December 31, 2008, or the changes in financial position thereof for the year then ended.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Community Development Fund for the year then ended in conformity with 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, fiduciary and Metropolitan Planning Commission funds of the City as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in *Note 1.E*, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 50, *Pension Disclosures*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

The accompanying management's discussion and analysis and pension/OPEB information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying financial information in the introductory and statistical sections, as listed in the table of contents, has not been subjected to the procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

BKD, LLP

June 26, 2009



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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 fiscal year ended December 31, 2008. This information presented here should be considered in conjunction with additional information provided in the letter of transmittal which is found on pages 1-5 of this report.

### Financial Highlights

- The assets of the City exceeded its liabilities at December 31, 2008 by \$879.2 million (net assets). Governmental activities' unrestricted assets are a deficit of \$46.4 million. This is the result of the City financing certain long-term liabilities that would have been paid over future years to take advantage of available lower interest rates and the recognition of \$48.0 million in net post employment healthcare costs.
- The City's total net assets decreased \$5.6 million. Net assets of governmental activities decreased \$8.2 million and net assets of business-type activities increased \$2.6 million.
- As of December 31, 2008, the City's governmental funds reported combined ending fund balances of \$110.4 million, a decrease of \$3.9 million from the prior year. Of this amount, \$3.0 million for the General Fund was unreserved, undesignated, and available for spending.
- The unreserved, undesignated fund balances for the General Fund represented 1.7% of total General Fund expenditures.
- The City's total debt decreased \$19.1 million.

### Overview of the Financial Statements

The management 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 assets presents information on all of the City's assets less liabilities which results in net assets. The statement is designed to display the financial position of the City. Over time, increases or decreases in net assets 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 assets 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, 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, 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 27-29 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 resources and the balances of spendable resources available at the end of the fiscal 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 Assets and the Statement of Revenues, Expenditures, and Changes in Fund Balances of governmental funds to the Statement of Activities.

Fourteen 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, Community Development, and Debt Service. The eleven nonmajor funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

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

The basic governmental fund financial statements can be found on pages 30-39 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, 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, retained risk, fleet services and information technology. 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, 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 40-44 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 45-46 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 52-101 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 102-103 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 105-109 for governmental funds, pages 111-114 for enterprise funds, pages 117-120 for internal service funds and pages 123-124 for fiduciary funds.

## Government-wide Financial Analysis

**Net assets.** The following table reflects condensed information on the City's net assets:

	Net Assets (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$182.6	\$186.5	\$117.4	\$133.9	\$ 300.0	\$ 320.4
Capital assets	<u>731.9</u>	<u>736.3</u>	<u>582.0</u>	<u>562.4</u>	<u>1,313.9</u>	<u>1,298.7</u>
Total assets	<u>914.5</u>	<u>922.8</u>	<u>699.4</u>	<u>696.3</u>	<u>1,613.9</u>	<u>1,619.1</u>
Long-term debt outstanding	372.2	370.3	331.0	325.7	703.2	696.0
Other liabilities	<u>20.2</u>	<u>22.2</u>	<u>11.3</u>	<u>16.1</u>	<u>31.5</u>	<u>38.3</u>
Total liabilities	<u>392.4</u>	<u>392.5</u>	<u>342.3</u>	<u>341.8</u>	<u>734.7</u>	<u>734.3</u>
Net assets						
Invested in capital assets, net of related debt	507.1	506.7	361.9	351.3	869.0	858.0
Restricted	61.4	52.5	3.8	3.1	65.2	55.6
Unrestricted (Deficit)	( 46.4)	( 28.9)	( 8.6)	0.1	( 55.0)	( 28.8)
Total net assets	<u>\$522.1</u>	<u>\$530.3</u>	<u>\$357.1</u>	<u>\$354.5</u>	<u>\$879.2</u>	<u>\$ 884.8</u>

At December 31, 2008, the City as a whole had assets greater than its liabilities by \$879.2 million compared to \$884.8 million at December 31, 2007 due primarily to an increase in the deficit. The majority (97.1%) of the City's net assets of governmental activities are 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 expenditures since they will not be sold. Restrictions are imposed upon 11.8% of the net assets. Therefore, these assets are unavailable for general expenditures but must be used for the intended purposes. Unrestricted net assets of governmental activities are a deficit of \$46.4 million at the end of the year, an increase in the deficit from a \$28.9 million deficit in 2007. 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 other postemployment benefits.

The net assets of the City's business-type activities are \$357.1 million, an increase of \$2.6 million from 2007. The increase is primarily the result of capital contributions. As with the governmental activities, the majority of the net assets are invested in capital assets. The City uses these assets to provide services to the citizens. The unrestricted net assets of the business-type activities are a deficit of 8.6 million at December 31, 2008 compared to \$0.1 million in the prior year. The increase in the deficit was mainly due to a decrease in capital contributions and investment income and the payment of a swap termination.

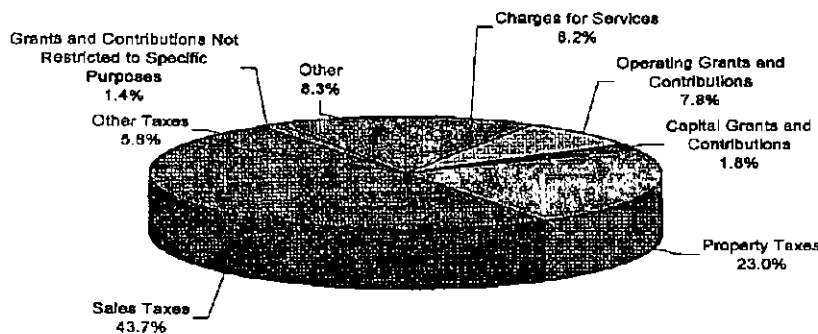
**Changes in net assets.** The City's total revenues and expenses for governmental and business-type activities are reflected in the following chart:

	Changes in Net Assets (in millions)					
	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$20.5	\$ 21.7	\$83.9	\$ 74.6	\$104.4	\$ 96.3
Operating grants and contributions	19.5	17.3	5.1	3.4	24.6	20.7
Capital grants and contributions	4.4	9.2	8.4	13.3	12.8	22.5
<b>General revenues:</b>						
Property taxes	57.5	54.2	-	-	57.5	54.2
Sales taxes	109.2	105.4	-	-	109.2	105.4
Other taxes	14.5	14.3	-	-	14.5	14.3
Grants and contributions not restricted to specific programs	3.4	3.7	-	-	3.4	3.7
Other	<u>20.7</u>	<u>21.5</u>	<u>.1</u>	<u>5.3</u>	<u>20.8</u>	<u>26.8</u>
<b>Total revenues</b>	<u>249.7</u>	<u>247.3</u>	<u>97.5</u>	<u>96.6</u>	<u>347.2</u>	<u>343.9</u>
<b>Expenses:</b>						
General government	32.3	35.8	-	-	32.3	35.8
Public safety	112.1	107.0	-	-	112.1	107.0
Public works	54.4	50.7	-	-	54.4	50.7
Culture and recreation	24.6	23.5	-	-	24.6	23.5
Health and welfare	.4	.6	-	-	.4	.6
Community development	4.9	6.4	-	-	4.9	6.4
Economic development	7.8	7.1	-	-	7.8	7.1
Economic opportunity	3.5	3.0	-	-	3.5	3.0
Interest on long-term debt	12.8	14.4	-	-	12.8	14.4
Municipal and regional airports	-	-	13.8	12.3	13.8	12.3
Water and sewerage	-	-	56.6	54.9	56.6	54.9
Convention Center Hotel	-	-	13.0	7.8	13.0	7.8
Shreveport area transit	-	-	14.2	12.6	14.2	12.6
Golf	-	-	1.9	1.9	1.9	1.9
Downtown parking	-	-	.5	.5	.5	.5
<b>Total expenses</b>	<u>252.8</u>	<u>248.5</u>	<u>100.0</u>	<u>90.0</u>	<u>352.8</u>	<u>338.5</u>
<b>Increase (decrease) in net assets before transfers</b>	( 3.1)	( 1.2)	( 2.5)	6.6	( 5.6)	5.4
<b>Transfers</b>	<u>( 5.1)</u>	<u>( 5.5)</u>	<u>5.1</u>	<u>5.5</u>	<u>-</u>	<u>-</u>
<b>Increase (decrease) in net assets</b>	( 8.2)	( 6.7)	2.6	12.1	( 5.6)	5.4
<b>Net assets January 1, 2008</b>	<u>530.3</u>	<u>537.0</u>	<u>354.5</u>	<u>342.4</u>	<u>884.8</u>	<u>879.4</u>
<b>Net assets December 31, 2008</b>	<u>\$522.1</u>	<u>\$530.3</u>	<u>\$357.1</u>	<u>\$354.5</u>	<u>\$879.2</u>	<u>\$884.8</u>

Revenues for the City's governmental activities for the year ended December 31, 2008 were \$249.7 million compared to \$247.3 million in 2007.

- Program revenues decreased \$3.8 million in 2008 compared to 2007 primarily as a result of a decrease in capital grants and contributions of property through donations and annexations.
- General revenues are, for the most part, comprised of sales and property taxes (81.2%).
  - Sales taxes represent 53.2% of revenues at \$109.2 million compared to \$105.4 million for 2007. Collections were up 3.6% for 2008.
  - Property tax revenues represent 28% and/or \$57.5 million. Revenue was up 6.1% as a result of new construction and property revaluations.

**Revenues by Source - Governmental Activities**

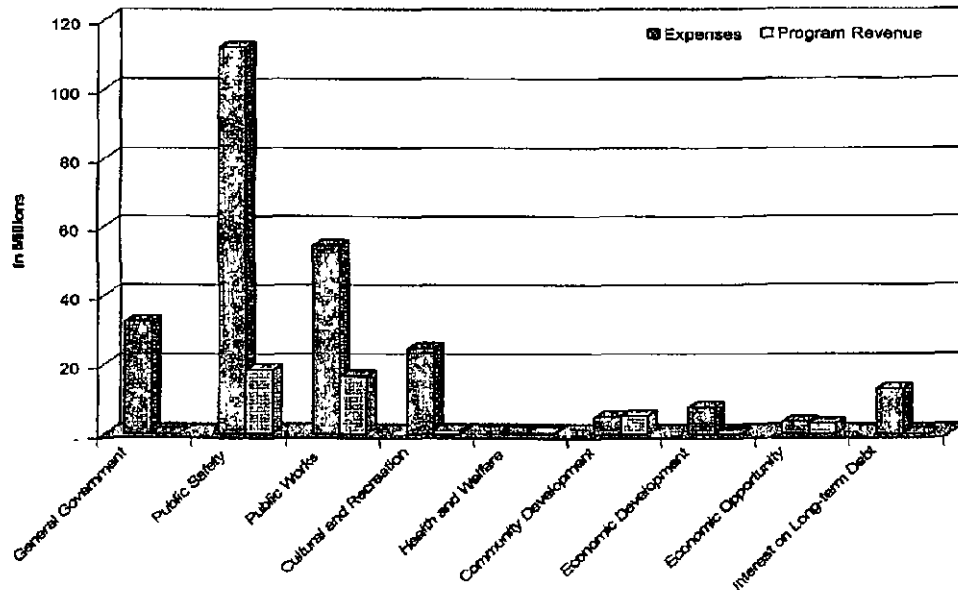


The cost of providing all governmental activities this year was \$252.8 million, an increase of \$4.3 million from the prior year. The key factors for the increase were:

- General government expenses were \$32.3 million compared to \$35.8 million in 2007. The decrease was primarily due to a reduction in claims expenses of \$.3.2 million compared to 2007.
- Public safety expenses were \$112.1 million compared to \$107.0 million in 2007. The increase of \$5.1 million was primarily due to increases in personal services, depreciation and pension costs.
- Public works expenses were \$54.4 million compared to \$50.7 million in 2007. The increase of \$3.7 million was primarily due to personal services and contractual services.
- Culture and recreation expenses were \$24.6 million compared to \$23.5 million in 2007. The increase of \$1.1 million was primarily due to personal services.

The City's five largest programs 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**

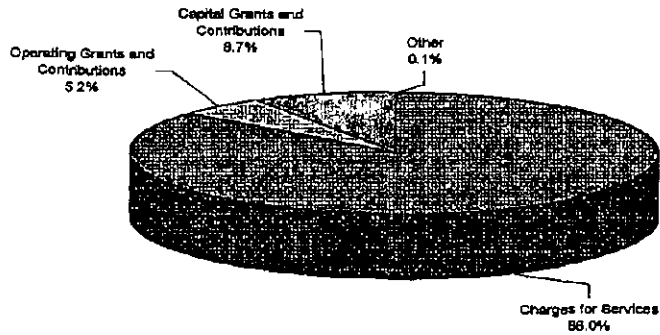


**Business-type Activities.** Charges for services for the City's business-type activities were \$83.9 million for 2008, an increase of \$9.3 million from 2007.

- Municipal and Regional Airports revenues increased 0.7 million. Landing fees increased as well as rental revenues.
- Water and Sewerage revenues increased \$2.0 million in 2008. This was the result of normal usage compared to the unusually wet 2007 summer.
- The new Convention Center Hotel which began operations in 2007, produced an increase of \$6.3 million over 2007 based on a full years ability.

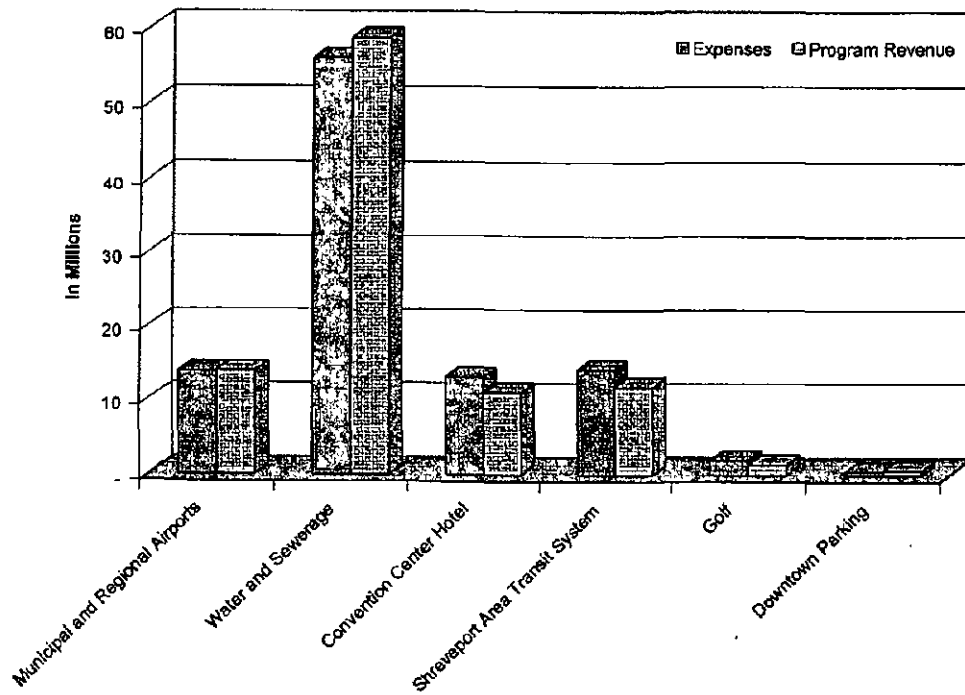


## Revenues by Source - Business-type Activities



The costs of these business-type activities were \$100.0 million for 2008, an increase of \$10.0 million from 2007.

## Expenses and Program Revenues - Business-type Activities



Expense increases were general in nature and affected most activities across the board. Municipal and Regional Airports increased \$1.5 million, Water and Sewerage \$1.7 million, and the Convention Center Hotel, which opened in 2007, \$5.2 million due to a full years operation.

### **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, 2008 reflect combined fund balances of \$110.3 million, a decrease of \$3.9 million compared to the prior year. Sixty-one percent of the fund balances are reserved to pay for debt service (\$55.9 million) and to pay for contracts and purchase orders which have been committed to in the prior year(s) (\$11.3 million.) Management has an actual plan for thirty-six percent of the fund balances (\$39.2 million) which are reported as unreserved, designated. This is primarily for capital projects. The remainder of the fund balances are available for spending except amounts reserved for inventories and endowments and assets held for sale.

The General Fund is the City's operating fund which provides most basic services. Its fund balance had a decrease of \$2.3 million from the prior year. Revenues were up for the year, increasing by \$3.7 million. The major revenue sources are property taxes, sales taxes, and charges for services.

- Sales tax collections increased \$3.8 million from 2007. Retail sales were up for the year.
- Total expenditures of the General Fund were up 4.1 million.

The Debt Service Fund has a total fund balance of \$55.9 million which is reserved for payment of principal and interest on debt outstanding. The fund balance for 2008 increased by \$7.4 million during the year compared to an increase of \$4.2 million in 2007. The additional increase can be attributed to an increase in property tax revenue and an excess of bond proceeds over corresponding expenditures.

**Proprietary funds.** Net assets for the Municipal and Regional Airports decreased \$2.5 million, primarily as a result of a swap termination payment of \$3.6 million. Water and Sewerage's net assets increased by \$3.3 million compared to \$4.7 million in 2007. Revenues were up \$2.0 million. Operating expenses were up \$2.1 million and net nonoperating expenses were up \$1.6 million.

## **General Fund Budgetary Highlights**

During the year, the City Council revised the City's budget several times. After the first quarter, amendments and supplemental appropriations were approved to reflect the actual beginning fund balances estimated during the budget process which must be submitted by October 1 for the next year. Additional changes were made as new information indicated a need. The major differences between the original budget and the final budget were overall revenues were revised down \$1.7 million while expenditures including transfers out were increased by \$0.6 million. During the year, revenues were \$1.1 million less than the revised budget while expenditures including transfers out were less than the revised budget by \$4.3 million.

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

- Office of the Mayor
  - Materials and supplies exceeded the budget by \$465.
  - Contractual services exceeded the budget by \$2,384.
- Other unclassified
  - Contractual services exceeded the budget by \$43,835.
  - Interest and civic appropriations exceeded the budget by \$741,342 due to lower than anticipated operating funds. No amounts were budgeted for interest expense.
  - Claims exceeded the budget by \$880,142 primarily due to budget projections being too low.
- Culture and recreation
  - Salaries, wages and employee benefits exceeded the budget by \$227,358.

## **Capital Assets and Debt Administration**

**Capital assets.** The City's investment in capital assets as of December 31, 2008 for its governmental and business-type activities was \$1.3 billion net of depreciation as reflected in the following schedule.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$108.4	\$107.3	\$33.1	\$ 33.1	\$141.5	\$ 140.4
Construction in progress	9.2	12.6	51.8	45.3	61.0	57.9
Buildings	206.0	203.5	88.1	82.3	294.1	285.8
Improvement other than buildings	42.8	43.9	35.3	32.5	78.1	76.4
Equipment	33.2	33.3	29.1	24.8	62.3	58.1
Distribution and collection systems	-	-	344.6	344.4	344.6	344.4
Infrastructure	<u>332.3</u>	<u>335.7</u>	-	-	<u>332.3</u>	<u>335.7</u>
<b>Total</b>	<b><u>\$731.9</u></b>	<b><u>\$736.3</u></b>	<b><u>\$582.0</u></b>	<b><u>\$562.4</u></b>	<b><u>\$1,313.9</u></b>	<b><u>\$1,298.7</u></b>

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

Air Cargo Facility Park – Buildings A and B funded with 2008C Airport Revenue Bonds.	\$7.3
West Parallel Taxiway – funded with Federal Aviation Authority and State Grants.	5.2
ARFF vehicle purchased – funded with Federal Aviation Authority and State Grants.	0.8
Reconstruct Taxiway Foxtrot funded with Federal Aviation Authority and State Grants.	0.9
Shreveport Convention Center Hilton Hotel additional funding from Revenue Bonds.	1.0
New Fire Maintenance Facility funded with General Obligation Bonds.	2.5
Southern Loop Extension funded with General Obligation Bonds.	1.9
Youree/Kings Intersection funded with General Obligation Bonds.	1.3
Colquitt Road Improvements funded with General Obligation Bonds.	1.1
Shreveport Transit System purchased revenue vehicles and other equipment funded with Federal Transportation Administration and Shreveport General Fund Revenues.	4.4
Wallace Lift Station Improvements	<u>10.1</u>
	<b><u>\$36.5</u></b>

Water and Sewer has additional commitments to spend \$19.2 million on the Southeast Shreveport Water Distribution System Improvements and \$5.6 million on the 60" Water Main-Amisss Plant to W. College and \$5.9 million on various other projects. The Airport has commitments to spend \$1.4 million on the Air Cargo Facility Park – Buildings A and B.

Detailed information on the City's capital assets can be found in Note III E on pages 69-73 of the report.

**Long-term debt.** At year end, the City had \$610.4 million in bonds and other lending agreements, including \$6.6 million in Section 108 Housing and Urban Development guaranteed loans as shown in the following table.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General obligation bonds	\$205.4	\$225.4	\$ -	\$ -	\$205.4	\$225.4
Revenue bonds	-	-	279.4	275.6	279.4	275.6
Other lending agreements	<u>84.4</u>	<u>84.8</u>	<u>41.2</u>	<u>43.7</u>	<u>125.6</u>	<u>128.5</u>
Total	<u>\$289.8</u>	<u>\$310.2</u>	<u>320.6</u>	<u>\$319.3</u>	<u>\$610.4</u>	<u>\$629.5</u>

New debt was added during the fiscal year. In governmental activities, the City issued \$19.9 in General Obligation Refunding Bonds to reduce future debt service payments. The City also entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) for \$32.3 million to refund prior LCDA loans for Independence Stadium and to terminate an associated swap agreement. The City also entered into a capital lease for \$7.1 million. In business type activities, the Airports entered into four year loan agreements with the LCDA totaling \$39.5 million to refund two prior loans, build a cargo facility and terminate a swap agreement. Water and Sewer entered into a loan agreement with the LCDA for \$8.5 million to refund two prior loans assumed in 2007 for Bioset. The Convention Center Hotel entered into a loan agreement with the CDA for \$41 million to refund a prior loan and to provide funds for a swap termination.

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 \$257 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 75-90 of the report.

**Economic Factors and Next Year's Budgets and Rates**

The economy is an issue which had to be taken into consideration when developing next year's budget. The local economy appears to be slowing. Retail sales are remaining stable and are projected to increase 1.60% in the 2009 budget. Unemployment is expected to increase for 2009. Employment in services and in the retail sector are the areas where most jobs are located. Casino revenues are expected to remain relatively stable and continue to help the local economy. Due to competition from other states, activity in the film industry is expected to slow in 2009.

In setting the 2009 budget, the City focused on the need to increase fund balance. To this effect, the City eliminated all merit pay increases for classified employees. Vacancies will be filled on a case

by case basis. Many equipment purchases were deferred.

An increase for Industrial Commercial water users will be effective January 1, 2009. The increase will help to cover debt service payments. Overall, there are no major new programs contemplated in the 2009 budget.

**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 ASSETS**  
**DECEMBER 31, 2008**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 66,026,748	\$ 3,007,143	\$ 69,033,891	\$ 6,043,832
Investments	35,062,365	451,396	35,513,761	662,672
Receivable, net	56,755,455	10,705,779	67,461,234	963,015
Due from component unit	16,387	-	16,387	-
Internal balances	3,045,599	(3,045,599)	-	-
Inventories	1,460,210	1,971,987	3,432,197	-
Prepaid items	466,239	273,346	739,585	15,743
Notes receivable	12,270,053	-	12,270,053	-
Other assets	5,011,770	5,837,906	10,849,676	41,056
Restricted assets:				
Cash and cash equivalents	-	7,195,319	7,195,319	1,698,789
Investments	2,510,298	91,056,498	93,566,796	-
Interest receivable	-	7,128	7,128	-
Capital assets:				
Land and construction in progress	117,612,531	84,929,680	202,542,211	778,514
Other capital assets, net of depreciation	614,261,550	497,049,459	1,111,311,009	1,828,596
Total assets	<u>914,499,205</u>	<u>699,440,042</u>	<u>1,613,939,247</u>	<u>12,032,217</u>
<b>LIABILITIES</b>				
Accounts payable	6,119,100	6,173,150	12,292,250	27,466
Accrued liabilities	137,059	3,417,478	3,554,537	11,311
Accrued interest payable	3,392,537	701,479	4,094,016	-
Due to primary government	-	-	-	16,387
Due to other governments	721,045	-	721,045	59,785
Deferred revenue	9,328,295	125,784	9,454,079	-
Deposits and deferred charges	446,324	628,681	1,075,005	-
Non-current liabilities:				
Due within one year	58,048,710	16,893,695	74,942,405	150,000
Due in more than one year	314,165,567	314,407,354	628,572,921	2,250,000
Total liabilities	<u>392,358,637</u>	<u>342,347,621</u>	<u>734,706,258</u>	<u>2,514,949</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	507,132,856	361,928,742	869,061,598	2,607,110
Restricted for:				
Debt service	55,144,139	3,751,501	58,895,640	-
Community development	3,088,517	-	3,088,517	-
Other purposes	3,177,201	-	3,177,201	1,599,204
Unrestricted (deficit)	(46,402,145)	(8,587,822)	(54,989,967)	(5,310,954)
Total net assets	<u>\$ 522,140,568</u>	<u>\$ 357,092,421</u>	<u>\$ 879,232,989</u>	<u>\$ 9,517,268</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, 2008**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 32,327,417	\$ -	\$ -	\$ -
Public safety	112,101,951	8,473,486	9,777,008	-
Public works	54,436,508	11,371,166	690,350	4,403,430
Culture and recreation	24,552,571	455,278	576,527	-
Health and welfare	352,321	-	339,700	-
Community development	4,945,019	221,746	5,131,414	-
Economic development	7,752,605	-	80,091	-
Economic opportunity	3,501,904	-	2,907,984	-
Interest on long-term debt	12,803,169	-	-	-
Total governmental activities	<u>252,773,465</u>	<u>20,521,676</u>	<u>19,503,074</u>	<u>4,403,430</u>
Business-type activities				
Municipal and Regional Airports	13,838,731	9,833,275	144,092	3,912,751
Water and Sewerage	56,584,148	58,517,927	3,823	248,920
Convention Center Hotel	13,085,201	11,018,851	-	-
Shreveport Area Transit System	14,155,118	2,545,666	4,920,322	4,315,482
Golf	1,885,373	1,374,572	-	-
Downtown Parking	451,000	630,648	-	-
Total business-type activities	<u>99,999,571</u>	<u>83,920,939</u>	<u>5,068,237</u>	<u>8,477,153</u>
Total primary government	<u>\$ 352,773,036</u>	<u>\$ 104,442,615</u>	<u>\$ 24,571,311</u>	<u>\$ 12,880,583</u>
<b>Component units:</b>				
City Courts	3,078,859	676,049	-	-
City Marshal	1,931,313	468,789	-	-
Downtown Development Authority	1,541,370	712,618	30,500	-
Metropolitan Planning Commission	1,287,137	245,717	159,120	-
Total component units	<u>\$ 7,838,679</u>	<u>\$ 2,103,173</u>	<u>\$ 189,620</u>	<u>\$ -</u>

**General Revenues:**

Taxes:

- Property taxes levied for general purposes
- Property taxes levied for debt service
- Sales taxes
- Franchise taxes
- Occupational licenses
- Gaming
- Grants and contributions not restricted to specific programs
- Investment earnings
- Payment from City of Shreveport
- Miscellaneous

Transfers

Total general revenues and transfers

Change in Net Assets

Net assets - beginning

Net assets - ending

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

**Net (Expenses) Revenue and  
Changes in Net Assets**

<b>Primary Government</b>				<b>Component Units</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>		
\$ (32,327,417)	\$ -	\$ (32,327,417)	\$ -	-
(93,851,457)	-	(93,851,457)	-	-
(37,971,562)	-	(37,971,562)	-	-
(23,520,766)	-	(23,520,766)	-	-
(12,621)	-	(12,621)	-	-
408,141	-	408,141	-	-
(7,672,514)	-	(7,672,514)	-	-
(593,920)	-	(593,920)	-	-
(12,803,169)	-	(12,803,169)	-	-
<u>(208,345,285)</u>	<u>-</u>	<u>(208,345,285)</u>	<u>-</u>	<u>-</u>
-	51,387	51,387	-	-
-	2,186,522	2,186,522	-	-
-	(2,066,350)	(2,066,350)	-	-
-	(2,373,648)	(2,373,648)	-	-
-	(510,801)	(510,801)	-	-
-	179,648	179,648	-	-
-	<u>(2,533,242)</u>	<u>(2,533,242)</u>	-	-
<u>(208,345,285)</u>	<u>(2,533,242)</u>	<u>(210,878,527)</u>	-	-
-	-	-	-	(2,402,810)
-	-	-	-	(1,462,524)
-	-	-	-	(798,252)
-	-	-	-	<u>(882,300)</u>
-	-	-	-	<u>(5,545,886)</u>
23,455,720	-	23,455,720	775,925	-
33,996,685	-	33,996,685	-	-
109,226,148	-	109,226,148	-	-
7,914,581	-	7,914,581	-	-
6,549,432	-	6,549,432	-	-
12,931,726	-	12,931,726	-	-
3,368,399	-	3,368,399	-	-
4,115,495	101,819	4,217,314	164,354	-
-	-	-	4,986,121	-
3,653,651	-	3,653,651	46,306	-
<u>(5,052,569)</u>	<u>5,052,569</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>200,159,268</u>	<u>5,154,388</u>	<u>205,313,656</u>	<u>5,972,706</u>	<u>-</u>
(8,186,017)	2,621,146	(5,564,871)	426,820	-
<u>530,326,585</u>	<u>354,471,275</u>	<u>884,797,860</u>	<u>9,090,448</u>	<u>-</u>
\$ <u>522,140,568</u>	\$ <u>357,092,421</u>	\$ <u>879,232,989</u>	\$ <u>9,517,268</u>	<u>-</u>

**CITY OF SHREVEPORT, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2008**

	<u>General</u>	<u>Community Development</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,440	\$ 200	\$ 29,011,230	\$ 16,371,559	\$ 45,392,429
Investments	-	-	17,829,302	9,909,177	27,738,479
Property taxes receivable, net	6,159,169	-	9,097,628	-	15,256,797
Franchise taxes receivable	1,800,528	-	-	-	1,800,528
Accounts receivable, net	7,341,583	325,016	-	1,090,611	8,757,210
Due from component unit	16,387	-	-	-	16,387
Due from other governments	12,654,296	5,017,121	88,218	3,876,820	21,636,455
Due from other funds	-	646,639	-	13,533,941	14,180,580
Inventories, at cost	1,252,507	-	-	-	1,252,507
Notes receivable, net	-	11,817,350	-	452,703	12,270,053
Assets held for resale	-	1,654,417	-	257,512	1,911,929
Restricted Investments	-	-	2,510,298	-	2,510,298
Total assets	<u>\$ 29,233,910</u>	<u>\$ 19,460,743</u>	<u>\$ 58,536,676</u>	<u>\$ 45,492,323</u>	<u>\$ 152,723,652</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 2,619,128	\$ 321,474	\$ -	\$ 2,766,706	\$ 5,707,308
Accrued liabilities	137,059	-	-	-	137,059
Due to other governments	552,485	168,560	-	-	721,045
Due to other funds	12,879,936	498,341	-	1,617,056	14,995,333
Deferred revenue	2,249,241	8,422,954	2,658,147	455,687	13,786,029
Deposits and deferred charges	275,872	-	-	-	275,872
Notes payable	-	6,580,000	-	-	6,580,000
Items held in escrow	-	170,452	-	-	170,452
Total liabilities	<u>18,713,721</u>	<u>16,161,781</u>	<u>2,658,147</u>	<u>4,839,449</u>	<u>42,373,098</u>
<b>Fund balance:</b>					
<b>Reserved for:</b>					
Debt service	-	-	55,878,529	-	55,878,529
Encumbrances	2,952,409	2,778,529	-	5,550,584	11,281,522
Assets held for resale	-	1,654,417	-	257,512	1,911,929
Inventories	1,252,507	-	-	-	1,252,507
Endowments	14,719	-	-	-	14,719
<b>Unreserved, designated for:</b>					
Landfill closure	3,290,573	-	-	-	3,290,573
Unreserved, undesignated	3,009,981	(1,133,984)	-	-	1,875,997
<b>Unreserved, designated reported in nonmajor:</b>					
Special revenue funds	-	-	-	3,927,090	3,927,090
Capital project funds	-	-	-	31,993,102	31,993,102
<b>Unreserved, undesignated reported in nonmajor:</b>					
Special revenue funds	-	-	-	(1,075,414)	(1,075,414)
Total fund balance	<u>10,520,189</u>	<u>3,298,962</u>	<u>55,878,529</u>	<u>40,652,874</u>	<u>110,350,554</u>
Total liabilities and fund balance	<u>\$ 29,233,910</u>	<u>\$ 19,460,743</u>	<u>\$ 58,536,676</u>	<u>\$ 45,492,323</u>	<u>\$ 152,723,652</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 ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

Fund balances - total governmental funds		\$ 110,350,554
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	1,029,372,051	
Less accumulated depreciation	<u>(298,805,204)</u>	730,566,847
Other assets used in governmental activities that are not financial resources and therefore are not reported in the governmental funds		
Bond issuance costs	4,022,970	
Less amortization	<u>(1,281,317)</u>	2,741,653
Net pension assets represent the excess cumulative contributions to pension plans and are not considered as financial resources for governmental funds		
Policemen's pension and relief fund		358,188
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.		
		4,457,734
Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities at year-end consist of:		
Bonds, notes, and loans payable	(284,682,321)	
Unamortized bond discount	252,296	
Unamortized certificate of indebtedness discount	40,946	
Deferred charge on refunding	8,224,876	
Unamortized bond premium	(6,995,337)	
Accrued interest payable	(3,392,537)	
Net pension obligations	(6,016,105)	
Net OPEB obligations	(42,682,763)	
Landfill postclosure care	(3,290,573)	
Compensated absences	<u>(2,216,963)</u>	(340,758,481)
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>14,424,073</u>
Net assets of governmental activities.		<u>\$ 522,140,568</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, 2008**

	<u>General</u>	<u>Community Development</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
<b>Taxes:</b>					
Property	\$ 22,859,675	\$ -	\$ 33,108,779	-	\$ 55,968,454
Sales	109,226,148	-	-	-	109,226,148
Franchise	7,914,581	-	-	-	7,914,581
Licenses and permits	8,379,559	-	-	-	8,379,559
Intergovernmental	8,541,901	8,769,931	1,861,193	5,067,045	24,240,070
Charges for services	18,459,793	221,746	-	-	18,681,539
Fines and forfeitures	3,319,902	-	-	-	3,319,902
Gaming	-	-	-	12,931,726	12,931,726
Investment earnings	91,856	183,694	1,422,221	1,557,282	3,257,053
Miscellaneous	717,195	610,852	-	2,325,604	3,653,651
Total revenues	<u>179,510,610</u>	<u>9,788,223</u>	<u>36,392,193</u>	<u>21,881,657</u>	<u>247,572,683</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government	30,688,274	3,881,629	-	68,989	34,638,892
Public safety	92,278,562	-	-	4,360,974	96,639,536
Public works	37,036,813	-	-	-	37,036,813
Culture and recreation	15,224,152	588,671	-	27,950	15,840,773
Health and welfare	-	339,700	-	-	339,700
Community development	-	4,138,744	-	-	4,138,744
Economic development	-	2,049,611	-	5,620,958	7,670,569
Economic opportunity	-	3,281,038	-	-	3,281,038
<b>Debt service:</b>					
Principal	-	-	28,764,098	-	28,764,098
Interest and other charges	-	-	12,187,938	-	12,187,938
Bond issuance cost	-	-	833,170	-	833,170
Capital outlay	-	-	-	14,117,197	14,117,197
Total expenditures	<u>175,227,801</u>	<u>14,279,393</u>	<u>41,785,206</u>	<u>24,196,068</u>	<u>255,488,468</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,282,809</u>	<u>(4,491,170)</u>	<u>(5,393,013)</u>	<u>(2,314,411)</u>	<u>(7,915,785)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	7,040,000	5,239,067	9,896,770	9,747,320	31,923,157
Transfers out	(19,743,980)	(772,336)	-	(16,459,410)	(36,975,726)
Refunding bonds issued	-	-	52,850,000	-	52,850,000
Premium on bonds issued	-	-	534,977	-	534,977
Capital leases	6,106,142	81,097	-	-	6,187,239
Payments to refunded bond escrow agent	-	-	(49,170,198)	-	(49,170,198)
Swap termination payment	-	-	(1,300,000)	-	(1,300,000)
Total other financing sources and (uses)	<u>(6,597,838)</u>	<u>4,547,828</u>	<u>12,811,549</u>	<u>(6,712,090)</u>	<u>4,049,449</u>
Net change in fund balances	<u>(2,315,029)</u>	<u>56,658</u>	<u>7,418,536</u>	<u>(9,026,501)</u>	<u>(3,866,336)</u>
Fund balances-beginning	<u>12,835,218</u>	<u>3,242,304</u>	<u>48,459,993</u>	<u>49,679,375</u>	<u>114,216,890</u>
Fund balances-ending	<u>\$ 10,520,189</u>	<u>\$ 3,298,962</u>	<u>\$ 55,878,529</u>	<u>\$ 40,652,874</u>	<u>\$ 110,350,554</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, 2008**

Net change in fund balances - total governmental funds \$ (3,866,336)

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	19,757,669	
Depreciation expense	<u>(27,249,166)</u>	(7,491,497)

Donations of capital assets increase net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial revenues. 2,836,452

Revenues reported in the Statement of Activities which are not reported in governmental funds because they do not provide current financial resources. This adjustment is to recognize the net change in unavailable revenues.  
Property taxes 1,483,951

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 assets. 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:

Bonds issued	(52,850,000)	
Premium on bonds issued	(334,977)	
Capital leases	(6,187,239)	
Issuance costs	833,170	
Principal payments	28,764,098	
Payments to refunded bond escrow agent	49,170,198	
Swap termination payment	1,300,000	20,495,250

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	1,810,605	
Policemen's pension and relief fund net asset	(37,169)	
Firemen's pension and relief fund net obligation	(427,957)	
Net OPEB obligation	<u>(21,585,115)</u>	(20,239,636)

(continued)

(continued)

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:

Interest accreted on capital appreciation debt	(484,842)	
Amortization of deferred charge on refunding	(712,110)	
Amortization of certificate of indebtedness discount	(3,219)	
Amortization of bond premiums	769,593	
Increase in accrued interest	(154,996)	
Amortization of issuance costs	(295,754)	
Increase in compensated absences	(144,984)	
Increase in landfill postclosure care	(446,868)	(1,473,180)

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

68,979

Change in net assets of governmental activities.

\$ (8,186,017)

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, 2008**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 140,692,000	\$ 138,934,000	\$ 140,000,404	\$ 1,066,404
Licenses and Permits	8,916,600	8,918,600	8,379,559	(539,041)
Intergovernmental	2,920,000	3,120,000	2,887,044	(232,956)
Charges for services	19,418,600	19,416,600	18,459,793	(956,807)
Fines and forfeitures	3,846,200	3,846,200	3,319,902	(526,298)
Investment earnings	225,000	-	91,856	91,856
Miscellaneous	601,800	679,700	717,195	37,495
Total revenues	<u>176,620,200</u>	<u>174,915,100</u>	<u>173,855,753</u>	<u>(1,059,347)</u>
<b>EXPENDITURES</b>				
General government:				
Office of the mayor:				
Salaries, wages and employee benefits	2,518,924	2,448,924	2,361,207	87,717
Materials and supplies	42,979	47,979	48,444	(465)
Contractual services	153,796	153,796	156,180	(2,384)
Other charges	4,725	4,725	3,443	1,282
Improvements and equipment	5,600	5,600	5,569	31
Total office of mayor	<u>2,726,024</u>	<u>2,661,024</u>	<u>2,574,843</u>	<u>86,181</u>
City council:				
Salaries, wages and employee benefits	1,085,420	1,085,420	1,036,676	48,744
Materials and supplies	15,220	15,220	12,245	2,975
Contractual services	350,550	350,550	227,837	122,713
Improvements and equipment	35,158	35,158	12,030	23,128
Total city council	<u>1,486,348</u>	<u>1,486,348</u>	<u>1,288,788</u>	<u>197,560</u>
Finance:				
Salaries, wages and employee benefits	2,554,200	2,514,200	2,491,614	22,586
Materials and supplies	211,664	211,664	192,568	19,096
Contractual services	668,195	628,195	578,632	49,563
Improvements and equipment	9,475	9,475	4,090	5,385
Total finance	<u>3,443,534</u>	<u>3,363,534</u>	<u>3,266,904</u>	<u>96,630</u>
Other - unclassified:				
Salaries, wages and employee benefits	3,659,988	3,659,988	3,636,849	23,139
Contractual services	3,326,500	3,326,500	3,370,335	(43,835)
Interest and civic appropriations	2,842,950	3,192,950	3,934,292	(741,342)
Payments to component units	5,231,716	5,127,636	4,986,121	141,515
Claims	6,750,000	6,750,000	7,630,142	(880,142)
Improvements and equipment	-	-	-	-
Total other - unclassified	<u>21,811,154</u>	<u>22,057,074</u>	<u>23,557,739</u>	<u>(1,500,665)</u>
Total general government	<u>29,467,060</u>	<u>29,567,980</u>	<u>30,688,274</u>	<u>(1,120,294)</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, 2008**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Police:				
Salaries, wages and employee benefits	41,390,002	39,655,002	39,209,344	445,658
Materials and supplies	1,789,973	2,239,973	2,076,733	163,240
Contractual services	2,326,946	2,426,946	2,182,104	244,842
Other charges	77,035	77,035	76,474	561
Improvements and equipment	2,461,967	2,461,967	2,344,612	117,355
Total police	<u>48,045,923</u>	<u>46,860,923</u>	<u>45,889,267</u>	<u>971,656</u>
Fire:				
Salaries, wages and employee benefits	41,690,012	41,365,012	40,642,528	722,484
Materials and supplies	1,452,869	1,762,869	1,479,141	283,728
Contractual services	1,867,611	1,927,611	1,812,678	114,933
Improvements and equipment	1,865,173	1,865,173	1,786,091	79,082
Total fire	<u>46,875,665</u>	<u>46,920,665</u>	<u>45,720,438</u>	<u>1,200,227</u>
Total public safety	<u>94,921,588</u>	<u>93,781,588</u>	<u>91,609,705</u>	<u>2,171,883</u>
Public Works:				
Salaries, wages and employee benefits	14,958,354	15,013,354	14,937,974	75,380
Materials and supplies	2,994,185	3,204,185	2,888,345	315,840
Contractual services	15,601,658	16,081,658	16,029,340	52,318
Improvements and equipment	5,969,368	5,547,268	3,181,154	2,366,114
Total public works	<u>39,523,565</u>	<u>39,846,465</u>	<u>37,036,813</u>	<u>2,809,652</u>
Culture and recreation:				
Salaries, wages and employee benefits	8,824,561	9,069,561	9,296,919	(227,358)
Materials and supplies	1,153,397	1,208,397	1,085,323	123,074
Contractual services	3,970,872	4,080,872	3,913,555	167,317
Other charges	407,539	411,639	366,264	45,375
Improvements and equipment	895,627	895,627	562,091	333,536
Total culture and recreation	<u>15,251,996</u>	<u>15,666,096</u>	<u>15,224,152</u>	<u>441,944</u>
Total expenditures	<u>179,164,209</u>	<u>178,862,129</u>	<u>174,558,944</u>	<u>4,303,185</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,544,009)</u>	<u>(3,947,029)</u>	<u>(703,191)</u>	<u>3,243,838</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital lease	6,672,100	6,672,100	6,106,142	(565,958)
Transfers in	5,340,000	7,040,000	7,040,000	-
Transfers out	(13,849,400)	(14,747,100)	(14,757,980)	(10,880)
Total other financing sources and uses	<u>(1,837,300)</u>	<u>(1,035,000)</u>	<u>(1,611,838)</u>	<u>(576,838)</u>

(continued)

(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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Net change in fund balance	(4,381,309)	(4,982,029)	(2,315,029)	2,667,000
Fund balances -beginning	<u>12,835,218</u>	<u>12,835,218</u>	<u>12,835,218</u>	<u>-</u>
Fund balances-ending	<u>\$ 8,453,909</u>	<u>\$ 7,853,189</u>	<u>\$ 10,520,189</u>	<u>\$ 2,667,000</u>

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

**CITY OF SHREVEPORT, LOUISIANA  
COMMUNITY DEVELOPMENT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 10,327,400	\$ 10,926,800	\$ 8,769,931	\$ (2,156,869)
Charges for services	273,000	273,000	221,746	(51,254)
Miscellaneous	2,814,800	2,814,800	796,546	(2,018,254)
Total revenues	<u>13,415,200</u>	<u>14,014,600</u>	<u>9,788,223</u>	<u>(4,226,377)</u>
<b>EXPENDITURES</b>				
Administration:				
Salaries, wages and employee benefits	663,500	663,500	656,035	7,465
Materials and supplies	14,102	20,102	17,986	2,116
Contractual services	166,600	166,600	162,837	3,763
Other charges	200	200	-	200
Improvements and equipment	5,000	5,000	623	4,377
Total administration	<u>849,402</u>	<u>855,402</u>	<u>837,481</u>	<u>17,921</u>
Community development projects:				
Grants	1,630,535	1,627,935	1,150,662	477,273
Total community development projects	<u>1,630,535</u>	<u>1,627,935</u>	<u>1,150,662</u>	<u>477,273</u>
Housing and business development:				
Materials and supplies	3,000	3,000	1,614	1,386
Contractual services	-	-	23,001	(23,001)
Other charges	9,861,861	9,695,360	4,249,712	5,445,648
Improvements and equipment	24,099	24,100	25,957	(1,857)
Total housing and business development	<u>9,888,960</u>	<u>9,722,460</u>	<u>4,300,284</u>	<u>5,422,176</u>
Housing and business development administration:				
Salaries, wages and employee benefits	644,048	624,048	618,547	5,501
Materials and supplies	21,814	31,814	23,379	8,435
Contractual services	190,620	182,120	170,150	11,970
Improvements and equipment	5,500	18,000	16,223	1,777
Total housing and business development adm	<u>861,982</u>	<u>855,982</u>	<u>828,299</u>	<u>27,683</u>
Workforce development:				
Salaries, wages and employee benefits	1,716,600	1,743,500	1,691,762	51,738
Materials and supplies	91,600	85,700	31,303	54,397
Contractual services	1,184,332	1,853,632	1,158,208	695,424
Other charges	195,400	166,400	135,663	30,737
Improvements and equipment	25,500	46,100	5,302	40,798
Total workforce development	<u>3,213,432</u>	<u>3,895,332</u>	<u>3,022,238</u>	<u>873,094</u>

(continued)

(continued)

**CITY OF SHREVEPORT, LOUISIANA**  
**COMMUNITY DEVELOPMENT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
Workforce development administration:				
Salaries, wages and employee benefits	168,700	210,500	234,476	(23,976)
Materials and supplies	8,402	13,402	7,291	6,111
Contractual services	25,100	42,900	16,692	26,208
Improvements and equipment	36,800	46,800	341	46,459
Total workforce development administration	<u>239,002</u>	<u>313,602</u>	<u>258,800</u>	<u>54,802</u>
Codes enforcement:				
Salaries, wages and employee benefits	1,165,086	1,165,086	1,149,097	15,989
Materials and supplies	127,151	157,151	121,928	35,223
Contractual services	1,410,624	1,591,324	1,545,795	45,529
Other charges	1,115,619	923,619	894,725	28,894
Improvements and equipment	190,858	170,158	170,084	74
Total codes enforcement	<u>4,009,338</u>	<u>4,007,338</u>	<u>3,881,629</u>	<u>125,709</u>
Total Expenditures	<u>20,692,651</u>	<u>21,278,051</u>	<u>14,279,393</u>	<u>6,998,658</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,277,451)</u>	<u>(7,263,451)</u>	<u>(4,491,170)</u>	<u>2,772,281</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,297,700	4,297,700	5,239,067	941,367
Transfers out	(300,000)	(300,000)	(772,336)	(472,336)
Capital leases	120,000	120,000	81,097	(38,903)
Total other financing sources and uses	<u>4,117,700</u>	<u>4,117,700</u>	<u>4,547,828</u>	<u>430,128</u>
Net change in fund balance	(3,159,751)	(3,145,751)	56,658	3,202,409
Fund balances - beginning	<u>3,242,304</u>	<u>3,242,304</u>	<u>3,242,304</u>	<u>-</u>
Fund balances - ending	<u>\$ 82,553</u>	<u>\$ 96,553</u>	<u>\$ 3,298,962</u>	<u>\$ 3,202,409</u>

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

**CITY OF SHREVEPORT, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**December 31, 2008**

	Business-type Activities					Total	Governmental	
	Enterprise Funds						Activities	
	Municipal and Regional Airports	Water and Sewerage	Convention Center Hotel	Other Enterprise Funds	Total	Internal Service	Funds	
<b>ASSETS</b>								
<b>Current Assets:</b>								
Cash and cash equivalents	\$ 120,122	\$ -	\$ 1,624,417	\$ 1,262,604	\$ 3,007,143	\$ 20,634,319		
Investments	73,346	-	53,754	324,296	451,396	7,323,886		
Receivables, net	1,191,330	7,272,803	351,506	694,776	9,510,415	2,349,723		
Due from other governments	-	-	-	466,010	466,010	14,116,648		
Inventories	875,425	-	-	319,939	1,195,364	-		
Prepaid items	75,614	1,295,064	26,278	575,031	1,971,987	207,703		
Cash and cash equivalents restricted	-	1,240,047	120,883	152,463	273,346	468,239		
Investments restricted	-	14,882,274	-	-	14,882,274	-		
Total current assets	<u>2,355,837</u>	<u>24,690,183</u>	<u>2,176,838</u>	<u>3,795,119</u>	<u>32,997,982</u>	<u>45,098,518</u>		
<b>Noncurrent Assets:</b>								
<b>Restricted:</b>								
Cash and cash equivalents	2,685,710	2,466,870	802,692	-	5,955,272	-		
Investments	13,559,491	62,614,733	-	-	76,174,224	-		
Interest receivable	45	7,083	-	-	7,128	-		
Total restricted assets	<u>16,245,246</u>	<u>65,088,686</u>	<u>802,692</u>	<u>-</u>	<u>82,136,624</u>	<u>-</u>		
Unamortized bonds costs	2,149,530	3,090,483	597,873	-	5,837,906	-		
<b>Capital Assets:</b>								
<b>Land</b>								
Construction in progress	30,130,566	1,032,277	-	1,940,408	33,103,251	62,000		
Buildings	1,927,387	48,761,529	-	1,137,513	51,826,429	-		
Improvements other than buildings	68,150,395	-	43,227,895	9,284,064	120,662,354	913,088		
Equipment	78,217,137	-	-	868,530	79,085,667	-		
Distribution and collection systems	6,411,617	18,052,884	4,095,755	16,819,257	45,379,513	3,246,466		
Less accumulated depreciation	(75,567,563)	(183,522,239)	(2,602,066)	(12,024,937)	(273,716,805)	(2,914,320)		
Total capital assets (net of accumulated depreciation)	<u>109,269,539</u>	<u>409,963,181</u>	<u>44,721,584</u>	<u>18,024,835</u>	<u>581,979,139</u>	<u>1,307,234</u>		
Total noncurrent assets	<u>127,664,335</u>	<u>478,142,530</u>	<u>46,122,149</u>	<u>18,024,835</u>	<u>669,953,669</u>	<u>1,307,234</u>		
Total assets	<u>130,000,172</u>	<u>502,832,538</u>	<u>48,298,987</u>	<u>21,819,954</u>	<u>702,951,651</u>	<u>46,405,752</u>		

	Business-type Activities					Total	Governmental		
	Enterprise Funds						Total	Activities	
	Municipal and Regional Airports	Water and Sewerage	Convention Center Hotel	Other Enterprise Funds				Internal Service	Funds
<b>LIABILITIES</b>									
Current Liabilities:									
Accounts payable	1,239,773	4,065,654	255,275	612,448	6,173,150	411,792			
Accrued liabilities	863,926	1,705,199	589,481	258,872	3,417,478	-			
Accrued interest payable	98,073	-	92,961	-	191,034	-			
Due to other funds	-	3,511,609	-	-	3,511,609	3,301,554			
Deferred revenue	53,319	-	-	72,465	125,784	-			
Customer deposits	33,646	590,120	4,915	-	628,681	-			
Compensated absences	22,318	83,656	-	253,022	358,996	24,659			
Claims and judgments	-	-	-	-	-	27,982,284			
Leases payable	-	371,167	-	41,256	412,423	34,638			
Notes payable	-	-	210,400	-	210,400	-			
Liabilities payable from restricted assets:									
Revenue bonds and notes payable, net	-	15,911,876	-	-	15,911,876	-			
Accrued interest payable	-	510,445	-	-	510,445	-			
Total current liabilities	2,311,055	26,749,726	1,153,032	1,238,063	31,451,876	31,754,927			
Noncurrent Liabilities:									
Accrued liabilities	-	3,922,818	-	-	3,922,818	-			
Compensated absences	174,940	546,109	-	58,703	779,752	191,296			
Leases payable	-	1,110,295	-	41,310	1,151,605	35,456			
Net OPEB obligation	1,009,169	3,924,732	-	373,706	5,307,607	-			
Revenue bonds and notes payable, net	38,193,776	225,671,523	39,380,273	-	303,245,572	-			
Total noncurrent liabilities	39,377,885	235,175,477	39,380,273	473,719	314,407,354	226,752			
Total liabilities	41,688,940	261,925,203	40,533,305	1,711,782	345,859,230	31,981,679			
<b>NET ASSETS</b>									
Invested in capital assets, net of related debt	86,686,731	251,581,353	5,635,823	18,024,835	361,928,742	1,237,140			
Restricted for debt service	3,751,449	-	52	-	3,751,501	-			
Unrestricted (deficit)	(2,126,948)	(10,674,018)	2,129,807	2,083,337	(8,587,822)	13,186,933			
Total net assets	\$ 88,311,232	\$ 240,907,335	\$ 7,765,682	\$ 20,108,172	\$ 357,092,421	\$ 14,424,073			

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

**CITY OF SHREVEPORT, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	Business-type Activities				Total	Governmental Activities Internal Service Funds
	Enterprise Funds					
	Municipal and Regional Airports	Water and Sewerage	Convention Center Hotel	Other Enterprise Funds		
<b>OPERATING REVENUES</b>						
Charges for services	\$ 9,311,658	\$ 57,481,582	\$ 10,871,244	\$ 4,550,886	\$ 82,215,370	\$ 40,574,546
Miscellaneous	521,617	1,036,345	147,607	-	1,705,569	1,240,585
Total operating revenues	<u>9,833,275</u>	<u>58,517,927</u>	<u>11,018,851</u>	<u>4,550,886</u>	<u>83,920,939</u>	<u>41,815,131</u>
<b>OPERATING EXPENSES</b>						
Personal services	5,599,232	15,419,488	-	8,085,165	29,103,885	4,127,469
Contractual services and other expenses	998,235	9,672,977	3,674,000	2,839,218	17,184,430	5,496,001
Utilities	997,679	3,936,170	5,219,020	236,096	10,388,965	18,434
Repairs and maintenance	379,117	828,210	318,589	356,920	1,882,836	1,343,212
Materials and supplies	274,094	7,022,621	-	3,561,843	10,858,558	1,832,938
Claims	-	-	-	-	-	29,605,938
Depreciation	3,832,762	12,254,954	1,735,165	1,377,211	19,200,092	321,556
Total operating expenses	<u>12,081,119</u>	<u>49,134,420</u>	<u>10,946,774</u>	<u>16,456,453</u>	<u>88,618,766</u>	<u>42,745,548</u>
Operating income (loss)	<u>(2,247,844)</u>	<u>9,383,507</u>	<u>72,077</u>	<u>(11,905,567)</u>	<u>(4,697,827)</u>	<u>(930,417)</u>
<b>NONOPERATING REVENUES</b>						
<b>(EXPENSES)</b>						
Investment earnings (loss)	(2,593,220)	2,417,771	213,195	17,084	54,830	1,056,823
Interest expense	(1,691,338)	(6,653,540)	(2,100,854)	(1,470)	(10,447,202)	(29,657)
Intergovernmental	144,092	3,823	-	4,920,322	5,068,237	-
Passenger facility charges	1,142,930	-	-	-	1,142,930	-
Bond issuance costs	(43,375)	(403,805)	(37,573)	-	(484,753)	-
Net increase in fair value of investments	42,190	4,799	-	-	46,989	-
Loss on disposal of capital assets	(22,899)	(392,383)	-	(33,568)	(448,850)	(27,770)
Total nonoperating revenues (expenses)	<u>(3,021,620)</u>	<u>(5,023,335)</u>	<u>(1,925,232)</u>	<u>4,902,368</u>	<u>(5,067,819)</u>	<u>999,396</u>
Income (loss) before contributions and transfers	(5,269,464)	4,360,172	(1,853,155)	(7,003,199)	(9,765,646)	68,979
Capital contributions	2,769,821	248,920	-	4,315,482	7,334,223	-
Transfers in	-	-	531,000	6,011,569	6,542,569	-
Transfers out	-	(1,340,000)	-	(150,000)	(1,490,000)	-
Change in net assets	(2,499,643)	3,269,092	(1,322,155)	3,173,852	2,621,146	68,979
Total net assets-beginning	<u>90,810,875</u>	<u>237,638,243</u>	<u>9,087,837</u>	<u>16,934,320</u>	<u>354,471,275</u>	<u>14,355,094</u>
Total net assets-ending	<u>\$ 88,311,232</u>	<u>\$ 240,907,335</u>	<u>\$ 7,765,682</u>	<u>\$ 20,108,172</u>	<u>\$ 357,092,421</u>	<u>\$ 14,424,073</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, 2008**

	Business-type Activities Enterprise Funds				Total	Governmental Activities Internal Service Funds
	Municipal and Regional Airports	Water and Sewerage	Convention Center Hotel	Other Enterprise Funds		
<b>Cash flows from operating activities:</b>						
Receipts from operations	\$ 9,287,092	\$ 57,011,006	\$ 11,434,535	\$ 4,156,420	\$ 81,889,053	\$ 36,884,230
Payments to suppliers	(2,244,450)	(18,106,202)	(10,242,248)	(7,095,079)	(37,687,979)	(7,967,497)
Payments to employees	(5,067,679)	(13,282,445)	-	(7,678,323)	(26,028,447)	(4,105,191)
Claims	-	-	-	-	-	(28,199,604)
Other receipts	521,617	1,036,345	147,607	53,773	1,759,342	-
Other payments	(230,000)	(2,632,000)	-	(54,999)	(2,916,999)	-
Net cash provided by (used in) operating activities	<u>2,266,580</u>	<u>24,026,704</u>	<u>1,339,894</u>	<u>(10,618,208)</u>	<u>17,014,970</u>	<u>(3,388,062)</u>
<b>Cash flows from noncapital financing activities:</b>						
Cash bond	-	406	-	-	406	-
Transfers out	-	(1,340,000)	-	(150,000)	(1,490,000)	-
Intergovernmental	144,092	3,823	-	5,040,555	5,188,470	-
Transfers in	-	-	531,000	6,011,569	6,542,569	-
Interest paid on operations	-	-	-	-	-	(27,473)
Net cash provided by (used in) noncapital financing activities	<u>144,092</u>	<u>(1,335,771)</u>	<u>531,000</u>	<u>10,902,124</u>	<u>10,241,445</u>	<u>(27,473)</u>
<b>Cash flows from capital and related financing activities:</b>						
Acquisition and construction of capital assets	(11,554,598)	(20,860,563)	(3,270,310)	(4,599,104)	(40,284,575)	(552,995)
Principal paid on debt	(280,000)	(14,732,852)	(80,600)	(42,436)	(15,135,888)	(34,493)
Interest paid on debt	(1,698,425)	(9,833,969)	(2,024,230)	(1,470)	(13,558,094)	(2,184)
Capitalized lease payment	-	(162,974)	-	-	(162,974)	-
Bond issuance costs	(35)	-	(53,240)	-	(53,275)	-
Proceeds from loan	-	857,615	5,078	-	862,693	-
Capital grants	7,216,043	-	1,278,468	4,239,701	12,734,212	-
Contributed capital by others	28	-	-	749,401	749,429	-
Passenger facility charges	1,026,744	-	-	-	1,026,744	-
Net cash provided by (used in) capital and related financing activities	<u>(5,290,243)</u>	<u>(44,732,743)</u>	<u>(4,144,834)</u>	<u>346,092</u>	<u>(53,821,728)</u>	<u>(589,672)</u>



**CITY OF SHREVEPORT, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	Business-type Activities Enterprise Funds				Total	Governmental Activities Internal Service Funds
	Municipal and Regional Airports	Water and Sewerage	Convention Center Hotel	Other Enterprise Funds		
<b>Cash flows from investing activities:</b>						
Purchase of investments	(1,838,586)	(12,699,593)	(53,754)	(324,296)	(14,916,229)	(7,323,886)
Proceeds from sale and maturity of investments	-	25,854,771	-	-	25,854,771	-
Interest on investments	160,459	2,434,444	620,188	17,084	3,232,175	1,078,654
Net cash provided by (used in) investing activities	<u>(1,678,127)</u>	<u>15,589,622</u>	<u>566,434</u>	<u>(307,212)</u>	<u>14,170,717</u>	<u>(6,245,232)</u>
Net increase (decrease) in cash and cash equivalents	(4,557,698)	(6,452,188)	(1,707,506)	322,796	(12,394,596)	(10,250,439)
Cash and cash equivalents, beginning of year	<u>7,353,530</u>	<u>10,159,105</u>	<u>4,134,615</u>	<u>939,808</u>	<u>22,597,058</u>	<u>30,884,758</u>
Cash and cash equivalents, end of year	<u>\$ 2,805,832</u>	<u>\$ 3,706,917</u>	<u>\$ 2,427,109</u>	<u>\$ 1,262,604</u>	<u>\$ 10,202,462</u>	<u>\$ 20,634,319</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	<u>\$ (2,247,844)</u>	<u>\$ 9,383,507</u>	<u>\$ 72,077</u>	<u>\$ (11,905,567)</u>	<u>\$ (4,697,827)</u>	<u>\$ (930,417)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	3,832,762	12,254,954	1,735,165	1,377,211	19,200,092	321,556
(Increase)Decrease in assets:						
Receivables	(7,213)	(501,219)	565,948	(203,045)	(145,529)	(419,453)
Due from other funds	-	-	-	190,957	190,957	(4,511,448)
Inventories	(60,460)	(183,457)	2,396	(49,890)	(291,411)	117,250
Prepaid items	-	-	(80,751)	(5,148)	(85,899)	39,135
Increase(Decrease) in liabilities:						
Accounts payable	286,713	345,263	(330,100)	124,889	426,765	121,139
Accrued liabilities	(85,967)	(218,954)	(268,495)	(272,010)	(845,426)	1,406,334
Accrued OPEB	517,458	2,019,350	(353,689)	189,314	2,372,433	-
Due to other funds	-	842,230	-	(34,880)	807,350	445,564
Deferred revenue	14,969	-	-	3,744	18,713	-
Customers' deposits	2,067	12,993	(2,657)	-	12,403	-
Compensated absences	14,095	72,037	-	(33,783)	52,349	22,278
Total adjustments	<u>4,514,424</u>	<u>14,643,197</u>	<u>1,267,817</u>	<u>1,287,359</u>	<u>21,712,797</u>	<u>(2,457,645)</u>
Net cash provided by (used in) operating activities	<u>\$ 2,266,580</u>	<u>\$ 24,026,704</u>	<u>\$ 1,339,894</u>	<u>\$ (10,618,208)</u>	<u>\$ 17,014,970</u>	<u>\$ (3,388,062)</u>

**Non-cash investing, capital and financing activities:**

The Municipal and Regional Airports had a net increase in fair value of investments of \$42,190 and a loss on disposal of capital assets of \$22,899. The Airports issued \$26,035,000 in refunding bonds, with the proceeds transferred to the trustee and for issuance costs. The Airports issued \$13,505,000 in new bonds. Deductions were made for bond issuance costs of \$788,427 and \$3,563,000 for a swap termination payment.

Water and Sewer issued \$8,510,000 in refunding bonds. The proceeds were used to refund \$8,390,000 of Bioset bonds and pay for the costs of issuance. There was also a loss on disposal of capital assets of \$392,383 and a net increase in fair value of investments of \$4,799.

The Convention Center Hotel issued \$40,980,000 in refunding bonds. The proceeds were used for transfers to the trustee, for payment of issuance costs and payment of a swap termination of \$1,125,000.

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

**CITY OF SHREVEPORT, LOUISIANA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2008**

<b>ASSETS</b>	<b>Employee Retirement Funds</b>
Cash and cash equivalents	\$ 14,052,635
Receivables:	
Interest receivable	505,925
Accounts receivable	224,922
Investments, at fair value:	
U.S. government obligations	13,905,786
Investment pool	7,212,940
Mutual funds	3,342,954
Domestic corporate bonds	21,960,156
Collateralized mortgage obligations	20,305,917
Domestic equities	87,999,075
International equities	664,351
Total investments	155,391,179
Other assets:	
Cash surrender value of life insurance policies	8,022,845
Total assets	178,197,506
 <b>LIABILITIES</b>	
Accounts Payable	75,964
Due to other funds	6,954,742
Employees' deposits held in escrow	4,233,094
Total liabilities	11,263,800
 <b>NET ASSETS</b>	
Held in trust for pension benefits	\$ 166,933,706

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

**CITY OF SHREVEPORT, LOUISIANA**  
**STATEMENT OF CHANGES FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Employee Retirement Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 9,418,595
Plan members	<u>4,596,939</u>
Total contributions	<u>14,015,534</u>
Investment earnings (loss):	
Net depreciation in fair value of investments	(65,288,795)
Interest	4,033,002
Dividends	<u>2,520,959</u>
Total investment loss	(58,734,834)
Less investment expense	<u>1,116,171</u>
Net investment loss	<u>(59,851,005)</u>
Miscellaneous	<u>436,482</u>
Total additions	<u>(45,398,989)</u>
<b>DEDUCTIONS</b>	
Benefits	16,519,936
Refund of member contribution	485,052
Administrative expenses	427,693
Life insurance	<u>1,113,353</u>
Total deductions	<u>18,546,034</u>
Change in net assets	(63,945,023)
Net assets - beginning	<u>230,878,729</u>
Net assets - ending	<u>\$ 166,933,706</u>

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

**CITY OF SHREVEPORT, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**COMPONENT UNITS**  
**DECEMBER 31, 2008**

	City Courts	City Marshal	Downtown Development Authority	Metropolitan Planning Commission	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,935,302	\$ 1,510,296	\$ 553,259	\$ 44,975	\$ 6,043,832
Investments	662,672	-	-	-	662,672
Receivables, net	30,907	-	892,328	-	923,235
Due from other governments	-	-	-	39,780	39,780
Prepaid items	-	-	15,743	-	15,743
Other assets	-	-	41,056	-	41,056
Restricted assets:					
Cash and cash equivalents	-	-	1,698,789	-	1,698,789
Capital assets:					
Land	-	-	74,000	704,514	778,514
Other capital assets, net of depreciation	465,826	427,187	768,823	166,760	1,828,596
Total assets	<u>5,094,707</u>	<u>1,937,483</u>	<u>4,043,998</u>	<u>956,029</u>	<u>12,032,217</u>
<b>LIABILITIES</b>					
Accounts payable	4,384	6,026	8,473	8,583	27,466
Accrued liabilities	-	-	11,311	-	11,311
Due to primary government	-	-	-	16,387	16,387
Due to other governments	-	-	-	59,785	59,785
Noncurrent liabilities:					
Due within one year	-	-	150,000	-	150,000
Due in more than one year	-	-	2,250,000	-	2,250,000
Total liabilities	<u>4,384</u>	<u>6,026</u>	<u>2,419,784</u>	<u>84,755</u>	<u>2,514,949</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	465,826	427,187	842,823	871,274	2,607,110
Restricted for:					
Other purposes	1,460,939	-	138,265	-	1,599,204
Unrestricted	<u>3,163,558</u>	<u>1,504,270</u>	<u>643,126</u>	<u>-</u>	<u>5,310,954</u>
Total net assets	<u>\$ 5,090,323</u>	<u>\$ 1,931,457</u>	<u>\$ 1,624,214</u>	<u>\$ 871,274</u>	<u>\$ 9,517,268</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, 2008**

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
City Courts			
Judicial	\$ <u>3,078,859</u>	\$ <u>676,049</u>	\$ <u>-</u>
City Marshal			
Judicial	<u>1,931,313</u>	<u>468,789</u>	<u>-</u>
Downtown Development Authority			
Downtown development	710,663	-	30,500
Streetscape program	286,553	260,218	-
Parking program	394,144	452,400	-
Interest on long-term debt	<u>150,010</u>	<u>-</u>	<u>-</u>
Total Downtown Development Authority	<u>1,541,370</u>	<u>712,618</u>	<u>30,500</u>
Metropolitan Planning Commission			
Planning and zoning	<u>1,287,137</u>	<u>245,717</u>	<u>159,120</u>
	\$ <u>7,838,679</u>	\$ <u>2,103,173</u>	\$ <u>189,620</u>

General Revenues:  
Property taxes levied for general purposes  
Investment earnings  
Payment from City of Shreveport  
Miscellaneous  
Total general revenues  
Change in Net Assets  
Net assets - beginning  
Net assets - ending

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

Net(Expenses) Revenues and  
Changes in Net Assets

City Courts	City Marshal	Downtown Development Authority	Metropolitan Planning Commission	Total
\$ (2,402,810)	\$	\$	\$	\$ (2,402,810)
	(1,462,524)			(1,462,524)
		(680,163)		(680,163)
		(26,333)		(26,333)
		58,256		58,256
		(150,010)		(150,010)
			(882,300)	(882,300)
(2,402,810)	(1,462,524)	(798,252)	(882,300)	(5,545,886)
-	-	775,925	-	775,925
89,733	32,484	42,137	-	164,354
2,685,300	1,434,584	-	866,237	4,986,121
10,256	-	36,050	-	46,306
2,785,289	1,467,068	854,112	866,237	5,972,706
382,479	4,544	55,860	(16,063)	426,820
4,707,844	1,926,913	1,568,354	887,337	9,090,448
\$ 5,090,323	\$ 1,931,457	\$ 1,624,214	\$ 871,274	\$ 9,517,268







**CITY OF SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**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. The 2008 financial statements of the Authority are not included within the City's financial statements. The audit was *not* completed as of the date of issuance of the City's financial statements.

#### 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, 2008.

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 assets 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 fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal 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 Community Development Fund is responsible for programs to increase housing opportunities, assist in the creation of employment, develop business expansion and regulate codes enforcement.

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 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 account for the activities involved in operating the City's two airports.

The Convention Center Hotel Fund accounts for the activities involved in the operations of the hotel.

Additionally, the City reports the following fund types:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance. 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 for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

#### **D. Assets, Liabilities, and Net Assets or Equity**

##### **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 sheets. 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. Reported inventories in the General Fund are equally offset by a reservation of fund balance with indicates that although inventories are a component of assets, they do not constitute "available spendable resources". 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**

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 balance sheet 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 \$10,500,288. Of this amount \$3,846,748 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 assets. 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, during the current period. 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 Equity**

In the fund financial statements, governmental funds report reservations of fund balance for accounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The following list describes the reservations and designations encountered in the governmental fund financial statements:

### Reserved for Debt Service

Certain assets have been reserved in the Debt Service Fund for future payment of debt service.

### Reserved for Encumbrances

Encumbrances outstanding at year-end represent the estimated amount the City intends to honor as a commitment regardless of the lapse in the appropriation.

### Reserved for Assets Held for Resale

This amount represents assets acquired for resale purposes only and are not to be used in the City's operations.

### Reserved for Inventories

This amount represents the portion of fund balance that is not available as spendable resources even though the inventories are a component of net current assets.

### Reserved for Endowments

This is an account to segregate monies donated for a City zoo. The City functions in a trustee capacity; however, due to the immaterial amount involved, it is carried in the General Fund.

Designated for Landfill Closure

The unreserved portion of fund balance designated for landfill closure is to provide for amounts to be required when the landfill closes.

**9. Net Assets**

The government-wide statement of net assets reports \$65,161,358 of restricted net assets, of which \$55,144,139 is restricted by enabling legislation.

**E. Implementation of New Accounting Principle**

Governmental Accounting Standards Board Statement No. 50. In 2008, the City implemented the provisions of GASB Statement No. 50, Pension Disclosures, an amendment of GASB Statements No. 25 and No. 27 which more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The adoption of GASB Statement No. 50 had no impact on current year change in 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, certain Special Revenue Funds (Community Development and Riverfront Development), Capital Projects and Proprietary Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. 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 are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Revisions were made to the following 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	\$193,013,609	\$595,620	\$193,609,229
Community Development	20,992,651	585,400	21,578,051

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	\$ 173,855,753
Adjustment for state supplemental pay	<u>5,654,857</u>
GAAP basis	\$ <u>179,510,610</u>
<u>Expenditures (Including transfers out)</u>	
Actual on the budgetary basis	\$ 189,316,924
Adjustment for state supplemental pay	<u>5,654,857</u>
GAAP basis	\$ <u>194,971,781</u>

**B. Excess of Expenditures over Appropriations**

During 2008, based on the legally adopted level of control for budgetary purposes, the following funds had excess expenditures over appropriations:

<u>General Fund</u>	
Office of the Mayor	
Materials and supplies	\$ 465
Contractual services	2,384
Other unclassified	
Contractual services	43,835
Interest and civic appropriations	741,342
Claims	880,142
Culture and recreation	
Salaries, wages and employee benefits	227,358

**Community Development**

Housing and business development	
Contractual services	23,001
Improvements and equipment	1,857
Workforce development administration	
Salaries, wages and employee benefits	23,976

**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	\$ 45,947,919
U.S. Instrumentalities	35,464,469
Investment Agreements	47,668,169
Money Market	9,194,246
LAMP	<u>50,356,959</u>
Total	<u>\$188,631,762</u>

The fair value of \$129,080,557 is classified on the Statement of Net Assets as "Investments". The money market amounts of \$9,194,246 and LAMP \$50,356,959 are classified as "Cash and cash equivalents".

**Investment Maturities (in years)**

<u>Investment Type</u>	<u>Fair Value</u>	Less <u>Than 1</u>	<u>1-3</u>
U.S. Treasuries	\$ 45,947,919	\$ 45,947,919	\$ -
U.S. Instrumentalities	35,464,469	7,843,836	27,620,633
Investment Agreements	47,668,169	45,068,169	2,600,000
Money Market	9,194,246	9,194,246	-
LAMP	<u>50,356,959</u>	<u>50,356,959</u>	-
Total	<u>\$188,631,762</u>	<u>\$158,411,129</u>	<u>\$30,220,633</u>

Interest rate risk. The City 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 Investment Agreements are matched to Water and Sewer construction projects.

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 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	\$ 3,740,159
U.S. Instrumentalities	7,788,554
Asset-backed Securities	2,377,073
Investment Pool	7,212,940
Corporate Bonds	21,960,156
Collateralized Mortgage Obligations	20,305,917
Mutual Funds	3,342,954
Domestic Equities	87,999,075
International Equities	664,351
Money Market	<u>13,776,763</u>
Total	<u>\$169,167,942</u>

The fair value of \$155,391,179 is classified on the Statement of Fiduciary Net Assets as "Investments". The money market amounts of \$13,776,763 are classified as "Cash and Cash Equivalents".

Investment Maturities (in years)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>5-10</u>	<u>&gt;10</u>
U.S. Treasuries	\$ 3,740,159	\$ 221,607	\$ 191,712	\$ 2,908,151	\$ 418,689
U.S. Instrumentalities	7,788,554	98,806	2,632,065	-	5,057,683
Asset-backed Securities	2,377,073	-	-	-	2,377,073
Corporate Bonds	21,960,156	1,848,612	7,152,368	3,361,185	9,597,991
Collateralized Mortgage Obligations	20,305,917	-	473,735	457,541	19,374,641
Money Market	<u>13,776,763</u>	<u>13,776,763</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$69,948,622</u></b>	<b><u>\$15,945,788</u></b>	<b><u>\$10,449,880</u></b>	<b><u>\$6,726,877</u></b>	<b><u>\$36,826,077</u></b>

<u>S&amp;P/Moody's Rating</u>	<u>Fair Value</u>
Government	\$ 3,740,159
AAA	31,470,811
AA	6,812,961
A	9,192,870
BBB	4,955,058
Unrated (Money Market)	<u>13,776,763</u>
<b>Total</b>	<b><u>\$69,948,622</u></b>

**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 Depository Receipts" which are traded in U.S. dollars on the American Stock Exchanges. There were no investments in international fixed-income securities.

1. **Discretely Presented Component Units**

Deposits

**City Courts** – The City Court does not have a policy for custodial credit risk. As of December 31, 2008, \$3,691,846 of the City Courts' bank balance of \$4,624,038 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, 2008, \$1,135,905 of the City Marshal's bank balance of \$1,698,896 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, 2008, \$1,843,623 of the Authority’s bank balance of \$2,093,623 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

City Courts – The \$662,672 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, 2008
Levy date	Not later than June 1, 2008
Tax bills mailed	On or about November 15, 2008
Total taxes are due	December 31, 2008
Penalties and interest are added	January 1, 2009
Lien date	January 1, 2009
Tax sale - 2008 delinquent property	July 1, 2009

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 92.4% 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 revaluation of all property is required to be completed no less than every 4 years. A revaluation was completed for the tax roll of January 1, 2008.

**C. Receivables**

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

	General	Community Development	Debt Service	Water and Sewerage	Municipal and Regional Airports	Convention Center Hotel	Nonmajor and Other Funds	Total
Receivables:								
Interest	\$ -	\$ -	\$ -	\$ 7,083	\$ 45	\$ -	\$ 505,925	\$ 513,053
Taxes	8,718,467	-	10,219,514	-	-	-	-	18,937,981
Accounts	7,520,255	966,674	-	7,813,604	1,490,301	351,506	4,531,921	22,674,261
Intergovernmental	12,654,296	5,017,121	88,218	-	875,425	-	4,196,759	22,831,819
Notes receivable	-	17,147,214	-	-	-	-	452,703	17,599,917
Gross receivables	28,893,018	23,131,009	10,307,732	7,820,687	2,365,771	351,506	9,687,308	82,557,031
Less: Allowance for uncollectibles	937,442	5,971,522	1,121,886	540,801	298,971	-	171,889	9,042,511
Net total receivables	\$ 27,955,576	\$ 17,159,487	\$ 9,185,846	\$ 7,279,886	\$ 2,066,800	\$ 351,506	\$ 9,515,419	\$ 73,514,520

The total of notes receivable is not expected to be collected within one year. Approximately \$1,779,857 will be collected in the next fiscal period 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 fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Delinquent property taxes receivable (General Fund)	\$ 1,799,587
Delinquent property taxes receivable (Debt Service Fund)	2,658,147
Other deferrals including program notes receivable	<u>9,328,295</u>
 Total deferred revenue for governmental funds	 <u>\$13,786,029</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 as mandated by OMB Circular A-133.

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

General Fund	\$ 8,541,901
Debt Service Fund	1,861,193
Special Revenue Funds:	
Community Development	8,769,931
Police Grants	3,419,976
Environmental Grants	80,091
Capital Projects Fund	1,566,978
Enterprise Funds:	
Municipal and Regional Airports	2,913,913
Shreveport Area Transit System	9,235,804
Water and Sewer	<u>3,823</u>
 Totals	 <u>\$36,393,610</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 \$2,852,820 Police Department \$2,548,928, and City Marshal (a component unit) \$253,109. 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, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 107,266,303	\$ 1,138,063	\$ -	\$ 108,404,366
Construction in progress	12,597,567	14,117,197	(17,506,599)	9,208,165
<b>Total capital assets not being depreciated</b>	<b>119,863,870</b>	<b>15,255,260</b>	<b>(17,506,599)</b>	<b>117,612,531</b>
<b>Capital assets, being depreciated:</b>				
Buildings	252,235,559	7,555,786	-	259,791,345
Improvements other than buildings	68,271,811	1,635,670	-	69,907,481
Equipment	78,111,198	6,408,493	(4,567,061)	79,952,630
Infrastructure	496,531,112	9,798,506	-	506,329,618
<b>Total capital assets being depreciated</b>	<b>895,149,680</b>	<b>25,398,455</b>	<b>(4,567,061)</b>	<b>915,981,074</b>
<b>Less accumulated depreciation for:</b>				
Buildings	(48,683,992)	(5,118,350)	-	(53,802,342)
Improvements other than buildings	(24,415,243)	(2,691,252)	-	(27,106,495)
Equipment	(44,794,541)	(6,501,431)	4,539,291	(46,756,681)
Infrastructure	(160,794,317)	(13,259,689)	-	(174,054,006)
<b>Total accumulated depreciation</b>	<b>(278,688,093)</b>	<b>(27,570,722)</b>	<b>4,539,291</b>	<b>(301,719,524)</b>
<b>Total capital assets, being depreciated, net</b>	<b>616,461,587</b>	<b>(2,172,267)</b>	<b>(27,770)</b>	<b>614,261,550</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 736,325,457</b>	<b>\$ 13,082,993</b>	<b>\$ (17,534,369)</b>	<b>\$ 731,874,081</b>

Internal service funds predominately serve the governmental funds. Accordingly, their capital assets are included as part of the above totals for governmental activities.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
<b>Municipal and Regional Airports</b>				
Capital assets, not being depreciated:				
Land	\$ 30,168,286	\$ -	\$ ( 37,720)	\$ 30,130,566
Construction in progress	<u>5,211,855</u>	<u>10,311,166</u>	<u>(13,595,634)</u>	<u>1,927,387</u>
Total capital assets, not being depreciated	<u>35,380,141</u>	<u>10,311,166</u>	<u>(13,633,354)</u>	<u>32,057,953</u>
Capital assets, being depreciated:				
Buildings	60,708,521	7,441,874	-	68,150,395
Improvements other than buildings	72,715,073	5,502,064	-	78,217,137
Equipment	<u>5,329,893</u>	<u>1,372,666</u>	<u>( 290,942)</u>	<u>6,411,617</u>
Total capital assets being depreciated	<u>138,753,487</u>	<u>14,316,604</u>	<u>( 290,942)</u>	<u>152,779,149</u>
Less accumulated depreciated for:				
Buildings	( 26,381,620)	( 1,287,102)	-	( 27,668,722)
Improvements other than buildings	( 40,835,260)	( 2,410,585)	-	( 43,245,845)
Equipment	<u>( 4,785,964)</u>	<u>( 135,075)</u>	<u>268,043</u>	<u>( 4,652,996)</u>
Total accumulated depreciation	<u>( 72,002,844)</u>	<u>( 3,832,762)</u>	<u>268,043</u>	<u>( 75,567,563)</u>
Total capital assets, being depreciated, net	<u>66,750,643</u>	<u>10,483,842</u>	<u>( 22,899)</u>	<u>77,211,586</u>
Municipal and Regional Airports capital assets, net	<u>102,130,784</u>	<u>20,795,008</u>	<u>(13,656,253)</u>	<u>109,269,539</u>
<b>Convention Center Hotel:</b>				
Capital assets, not being depreciated:				
Construction in progress	<u>788,726</u>	<u>6,339</u>	<u>( 795,065)</u>	<u>-</u>
Capital assets, being depreciated:				
Buildings	42,345,028	795,065	-	43,140,093
Improvements other than buildings	87,802	-	-	87,802
Equipment	<u>3,984,613</u>	<u>111,142</u>	<u>-</u>	<u>4,095,755</u>
Total capital assets being depreciated	<u>46,417,443</u>	<u>906,207</u>	<u>-</u>	<u>47,323,650</u>
Less accumulated depreciated for:				
Buildings	( 563,763)	( 1,128,889)	-	( 1,692,652)
Improvements other than buildings	( 5,504)	( 11,008)	-	( 16,512)
Equipment	<u>( 297,633)</u>	<u>( 595,268)</u>	<u>(1)</u>	<u>( 892,902)</u>
Total accumulated depreciation	<u>( 866,900)</u>	<u>( 1,735,165)</u>	<u>(1)</u>	<u>( 2,602,066)</u>
Total capital assets, being depreciated	<u>45,550,543</u>	<u>( 828,958)</u>	<u>(1)</u>	<u>44,721,584</u>
Convention Center Hotel capital assets, net	<u>46,339,269</u>	<u>( 822,619)</u>	<u>( 795,066)</u>	<u>44,721,584</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Water and Sewerage:</b>				
Capital assets, not being depreciated:				
Land	1,032,277	-	-	1,032,277
Construction in progress	<u>38,339,472</u>	<u>21,872,668</u>	( <u>11,450,611</u> )	<u>48,761,529</u>
Total capital assets, not being depreciated	<u>39,371,749</u>	<u>21,872,668</u>	( <u>11,450,611</u> )	<u>49,793,806</u>
Capital assets, being depreciated:				
Equipment	16,857,642	1,352,183	( 156,941 )	18,052,884
Distribution and collection systems	<u>514,802,214</u>	<u>11,698,770</u>	( <u>862,254</u> )	<u>525,638,730</u>
Total capital assets, being depreciated	<u>531,659,856</u>	<u>13,050,953</u>	( <u>1,019,195</u> )	<u>543,691,614</u>
Less accumulated depreciated for:				
Equipment	( 1,496,039 )	( 1,162,908 )	154,262	( 2,504,685 )
Distribution and collection systems	<u>(170,398,058)</u>	<u>(11,092,046)</u>	<u>472,550</u>	<u>(181,017,554)</u>
Total accumulated depreciation	<u>(171,894,097)</u>	<u>(12,254,954)</u>	<u>626,812</u>	<u>(183,522,239)</u>
Total capital assets, being depreciated, net	<u>359,765,759</u>	<u>795,999</u>	( <u>392,383</u> )	<u>360,169,375</u>
Water and sewerage capital assets, net	<u>399,137,508</u>	<u>22,668,667</u>	( <u>11,842,994</u> )	<u>409,963,181</u>
<b>Other business-type activity programs:</b>				
Capital assets, not being depreciated:				
Land	1,940,408	-	-	1,940,408
Construction in progress	<u>873,503</u>	<u>7,909,466</u>	( <u>7,645,456</u> )	<u>1,137,513</u>
Total capital assets, not being depreciated	<u>2,813,911</u>	<u>7,909,466</u>	( <u>7,645,456</u> )	<u>3,077,921</u>
Capital assets, being depreciated:				
Buildings	9,127,191	236,376	( 79,503 )	9,284,064
Improvements other than buildings	868,530	-	-	868,530
Equipment	<u>14,923,031</u>	<u>4,158,656</u>	( <u>2,262,430</u> )	<u>16,819,257</u>
Total capital assets being depreciated	<u>24,918,752</u>	<u>4,395,032</u>	( <u>2,341,933</u> )	<u>26,971,851</u>
Less accumulated depreciated for:				
Buildings	( 2,912,510 )	( 254,121 )	71,178	( 3,095,453 )
Improvements other than buildings	( 299,946 )	( 34,272 )	-	( 334,218 )
Equipment	<u>( 9,743,635 )</u>	<u>( 1,088,818 )</u>	<u>2,237,187</u>	<u>( 8,595,266 )</u>
Total accumulated depreciation	<u>(12,956,091)</u>	<u>(1,377,211)</u>	<u>2,308,365</u>	<u>(12,024,937)</u>
Total capital assets, being depreciated, net	<u>11,962,661</u>	( <u>3,017,821</u> )	( <u>33,568</u> )	<u>14,946,914</u>
Other enterprise funds capital assets, net	<u>14,776,572</u>	<u>10,927,287</u>	( <u>7,679,024</u> )	<u>18,024,835</u>
Business-type activities capital assets, net	<u>\$562,384,133</u>	<u>\$53,568,343</u>	<u>\$(33,973,337)</u>	<u>\$581,979,139</u>

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

**Governmental activities:**

General government	\$ 189,479
Public safety	3,488,052
Public works, including depreciation of general infrastructure assets	15,318,651
Community development	564,117
Culture and recreation	7,688,867
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>321,556</u>

Total depreciation expense-governmental activities \$ 27,570,722

**Business-type activities:**

Municipal and Regional Airports	\$ 3,832,762
Water and Sewerage	12,254,954
Convention Center Hotel	1,735,165
Shreveport Area Transit System	1,296,201
Golf	<u>81,010</u>

Total depreciation expense-business-type activities \$ 19,200,092

**Construction commitments**

The government has active major construction projects as of December 31, 2008. The projects include public works projects, Airport additions, and improvements to Water and Sewerage facilities. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Remaining Commitment</u>	<u>Financing Sources</u>
Cedar Grove Lift Station Improvements	\$ 601,060	Water and Sewer Revenue Bonds
AMISS Water Treatment Plant, Plants I & II Filter Improvements	1,521,787	Water and Sewer Revenue Bonds
Southeast Shreveport Water Distribution System Improvements	19,276,936	Water and Sewer Revenue Bonds
McNeil Plant Improvements	1,149,875	Water and Sewer Revenue Bonds
60" Water Main-Amiss Plant to W. College	5,450,630	Water and Sewer Revenue Bonds
W. 70 <sup>th</sup> Street Water Main Relocation	1,263,725	Water and Sewer Revenue Bonds
Flournoy-Lucas/Ellerbe Water Main Relocation	597,277	Water and Sewer Revenue Bonds
Air Cargo Facility Park - Buildings A and B	1,446,915	Airport Revenue Bonds and State Grant
Lakeside Area Street Paving	834,935	General Obligation Bonds
New Office Building - Operational Services	<u>751,312</u>	Water and Sewer Utility Revenues and Riverfront Development Funds
Total	<u>\$32,894,452</u>	

**Discretely presented component unit**

Activity for the Metropolitan Planning Commission (MPC) for the year ended December 31, 2008 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>208,496</u>	<u>-</u>	<u>-</u>	<u>208,496</u>
Totals, capital assets being depreciated	<u>1,207,730</u>	<u>-</u>	<u>-</u>	<u>1,207,730</u>
Less accumulated depreciation for:				
Improvements other than buildings	( 871,067)	( 5,150)	-	( 876,217)
Equipment	<u>( 153,840)</u>	<u>(10,913)</u>	<u>-</u>	<u>( 164,753)</u>
Total accumulated depreciation	<u>(1,024,907)</u>	<u>(16,063)</u>	<u>-</u>	<u>(1,040,970)</u>
Total capital assets, being depreciated, net	<u>182,823</u>	<u>( 16,063)</u>	<u>-</u>	<u>166,760</u>
MPC capital assets, net	<u>\$ 887,337</u>	<u>\$( 16,063)</u>	<u>\$ -</u>	<u>\$ 871,274</u>

All depreciation was charged to planning and zoning.

Activity for the Downtown Development Authority for the year ended December 31, 2008 was of follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 74,000	\$ -	\$ -	\$ 74,000
Construction in progress	<u>19,786</u>	<u>-</u>	<u>(19,786)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>93,786</u>	<u>-</u>	<u>(19,786)</u>	<u>74,000</u>
Capital assets, being depreciated:				
Leasehold improvements	52,369	-	-	52,369
Buildings	755,131	43,130	-	798,261
Equipment	<u>265,836</u>	<u>5,257</u>	<u>-</u>	<u>271,093</u>
Totals, capital assets being depreciated	<u>1,073,336</u>	<u>48,387</u>	<u>-</u>	<u>1,121,723</u>
Less accumulated depreciation for:				
Leasehold improvements	( 15,857)	( 1,746)	-	( 17,603)
Buildings	( 101,199)	(26,861)	-	( 128,060)
Equipment	<u>( 191,107)</u>	<u>(16,130)</u>	<u>-</u>	<u>( 207,237)</u>
Total accumulated depreciation	<u>( 308,163)</u>	<u>(44,737)</u>	<u>-</u>	<u>( 352,900)</u>
Total capital assets, being depreciated, net	<u>765,173</u>	<u>(3,650)</u>	<u>-</u>	<u>768,823</u>
Downtown Development Authority capital assets, net	<u>\$ 858,959</u>	<u>\$ (3,650)</u>	<u>\$ (19,786)</u>	<u>\$ 842,823</u>

Depreciation expense was charged to functions/programs as follows:

Downtown development	\$34,453
Streetscape program	6,890
Parking program	<u>3,394</u>
Total	<u>\$44,737</u>

**F. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of December 31, 2008 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Community Development	General Fund	\$ 646,639
Nonmajor governmental funds	Nonmajor governmental funds	1,617,056
	Community Development	498,341
	Internal Service Fund	3,301,554
	Fiduciary Funds	6,954,742
	General Fund	1,162,248
Nonmajor enterprise funds	General Fund	466,010
Internal service funds	General Fund	10,605,039
	Water and Sewerage	<u>3,511,609</u>
<b>Total</b>		<b><u>\$28,763,238</u></b>

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:

	<u>Transfer out:</u>					<u>Total</u>
	<u>General Fund</u>	<u>Community Development</u>	<u>Nonmajor Governmental Fund</u>	<u>Water and Sewer</u>	<u>Nonmajor Enterprise</u>	
<u>Transfer in:</u>						
General Fund	\$ -	\$ -	\$ 5,700,000	\$ 1,340,000	\$ -	\$ 7,040,000
Community Development	4,614,982	-	624,085	-	-	5,239,067
Debt Service	8,920,855	-	975,915	-	-	9,896,770
Nonmajor governmental	196,574	772,336	8,628,410	-	150,000	9,747,320
Convention Center Hotel			531,000			531,000
Nonmajor enterprise	<u>6,011,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,011,569</u>
<b>Total transfers</b>	<b><u>\$ 19,743,980</u></b>	<b><u>\$ 772,336</u></b>	<b><u>\$ 16,459,410</u></b>	<b><u>\$ 1,340,000</u></b>	<b><u>\$ 150,000</u></b>	<b><u>\$ 38,465,726</u></b>

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

### G. Capital Leases

In October 2008, the City entered into a lease agreement for \$7,355,000 to finance the acquisition of various vehicles and equipment with no down payment. The City previously entered into lease agreements in 2001, 2002, 2004, 2005, 2006 and 2007. 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	\$ 31,016,854	\$ 2,392,852
Less: accumulated depreciation	( 8,848,427)	( 436,907)
Total	<u>\$22,168,427</u>	<u>\$ 1,955,945</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2008 were as follows:

<u>Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2009	\$ 5,262,098	\$471,917
2010	4,306,420	465,002
2011	3,875,382	261,573
2012	3,197,189	261,573
2013	2,049,548	261,572
2014 - 2015	<u>387,376</u>	<u>-</u>
Total minimum lease payments	19,078,013	1,721,637
Less: amount representing interest	( 1,630,598)	( 157,609)
Present value of minimum lease payments	<u>\$17,447,415</u>	<u>\$1,564,028</u>

### H. Long-term Debt

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2008 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>
<b>Governmental activities:</b>					
General obligation bonds	\$ 225,485	\$ 19,900	(\$40,530)	\$204,855	\$18,515
Less unamortized discount	(737)	-	485	(252)	-
Less deferred amounts					
on refunding	(6,564)	(241)	687	(6,118)	(698)
Plus deferred premium	7,230	462	(769)	6,923	785
Total bonds payable	<u>225,414</u>	<u>20,121</u>	<u>(40,127)</u>	<u>205,408</u>	<u>18,602</u>
Certificate of indebtedness	30,725	-	(3,890)	26,835	4,075
Less unamortized discount	(44)	-	3	(41)	(3)
Total certificates of indebtedness	<u>30,681</u>	<u>-</u>	<u>(3,887)</u>	<u>26,794</u>	<u>4,072</u>
Capital lease	14,379	6,187	(3,119)	17,447	4,742
Notes	32,430	32,950	(29,765)	35,615	1,750
Less deferred amounts					
on refunding	-	(2,132)	25	(2,107)	(100)
Plus deferred premium	-	73	(1)	72	3
Total notes	<u>32,430</u>	<u>30,891</u>	<u>(29,741)</u>	<u>33,580</u>	<u>1,653</u>
Net pension obligation	7,399	428	(1,811)	6,016	-
Net OPEB obligation	21,098	21,585	-	42,683	-
Landfill postclosure care	2,844	447	-	3,291	-
Claims and judgments	26,576	29,606	(28,200)	27,982	27,982
Compensated absences	2,266	526	(359)	2,433	313
Governmental activity (Excluding: Community Development)	363,087	109,791	(107,244)	365,634	57,364
Community Development notes	7,260	-	(680)	6,580	685
Total long-term liabilities	<u>\$370,347</u>	<u>\$109,791</u>	<u>\$(107,924)</u>	<u>\$372,214</u>	<u>\$58,049</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-type activities:</b>					
<b>Municipal and Regional Airports:</b>					
Revenue bonds and notes	\$ 22,220	\$39,540	\$( 22,220)	\$ 39,540	\$ -
Less deferred amounts					
on refunding	(942)	(1,366)	962	(1,346)	-
Loan payable	848	-	(848)	-	-
Total	<u>22,126</u>	<u>38,174</u>	<u>( 22,106)</u>	<u>38,194</u>	<u>-</u>
Net OPEB obligation	492	517	-	1,009	-
Compensated absences	183	41	( 27)	197	22
Total	<u>22,801</u>	<u>38,732</u>	<u>( 22,133)</u>	<u>39,400</u>	<u>(22)</u>
<b>Water and Sewerage:</b>					
Revenue bonds and notes	257,625	9,367	( 23,123)	243,869	15,890
Unamortized discount	( 1,915)	-	666	( 1,249)	(147)
Less deferred amounts					
on refunding	( 4,099)	-	598	( 3,501)	( 598)
Plus deferred premium	2,709	-	( 545)	2,164	467
Total bonds payable	<u>254,320</u>	<u>9,367</u>	<u>( 22,404)</u>	<u>241,283</u>	<u>15,612</u>
Capital lease	477	1,168	( 164)	1,481	371
Net OPEB obligation	1,905	2,020	-	3,925	-
Compensated absences	558	81	( 9)	630	84
Accrued liability	3,014	1,509	( 300)	4,223	300
Total	<u>260,274</u>	<u>14,145</u>	<u>( 22,877)</u>	<u>251,542</u>	<u>16,367</u>
<b>Convention Center Hotel:</b>					
Notes	42,288	40,980	( 40,081)	43,187	210
Less deferred amounts					
on refunding	-	( 3,676)	80	( 3,596)	-
Total	<u>42,288</u>	<u>37,304</u>	<u>( 40,001)</u>	<u>39,591</u>	<u>210</u>

**Other business-type activity**

<b>programs:</b>					
Capital lease	125	-	( 43)	82	41
Net OPEB obligation	184	190	-	374	-
Compensated absences	<u>345</u>	<u>220</u>	<u>( 253)</u>	<u>312</u>	<u>253</u>
Total	<u>654</u>	<u>410</u>	<u>( 296)</u>	<u>768</u>	<u>294</u>
Business-type activity long-term liabilities	\$ <u>326,017</u>	\$ <u>90,591</u>	(\$ <u>85,307</u> )	\$ <u>331,301</u>	\$ <u>16,893</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 \$215,955 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 \$256,936,027 of additional general obligation bonded debt is available for issuance on a total assessed valuation of \$1,311,664,460 pursuant to the 35% limitation. Included in the total assessed valuation of property within the City is \$10,267,340 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, 2008.

	Debt limit - 10% of assessed value for <u>any one purpose</u>	Deduct - Amount of debt applicable <u>to debt limit</u>	Legal <u>Debt margin</u>
Street Improvements	\$131,166,446	\$65,014,745	\$ 66,151,701
Police and Fire	131,166,446	24,034,458	107,131,988
Water and Sewer Improvements	131,166,446	-	131,166,446
Parks and Recreation	131,166,446	14,332,264	116,834,182
Public Buildings	131,166,446	60,560,000	70,606,446
Drainage	131,166,446	34,498,591	96,667,855
Sanitation and Incinerator	131,166,446	-	131,166,446
Industrial Bond	131,166,446	-	131,166,446
Airports	131,166,446	-	131,166,446
Sportran	131,166,446	556,880	130,609,566
Riverfront Park	131,166,446	3,149,596	128,016,850

The annual requirements to amortize all debt outstanding as of December 31, 2008, including interest requirements are as follows:

	Maturities (thousands of dollars)				
	Total	2009	2010	2011	2012
<b>PRINCIPAL REQUIREMENTS:</b>					
<b>GENERAL OBLIGATION DEBT:</b>					
General Obligation Bonds Applicable to:					
All Purposes other than Water and Sewerage:					
1987A Refunding Issue - 5.00-8.30%	\$ 3,230	(1) \$ -	\$ 3,230	-	\$ -
Less: Unamortized Discount	(252)	-	(252)	-	-
	<u>2,978</u>	<u>-</u>	<u>2,978</u>	<u>-</u>	<u>-</u>
1999 Issue - 4.50-5.07%	1,870	1,870	-	-	-
1999A Issue - 5.00-6.125%	4,145	4,145	-	-	-
1999 Refunding Issue - 4.00-5.00%	5,885	1,060	1,115	3,710	-
2001A Issues - 3.45-5.50%	24,745	1,415	1,485	1,555	1,630
2003A Refunding Issue - 2.375-5.00%	7,470	2,045	1,270	1,325	1,385
Less: Deferred Amount on Refunding	(251)	(50)	(50)	(50)	(50)
Plus Unamortized Premium	93	19	19	19	19
	<u>7,312</u>	<u>2,014</u>	<u>1,239</u>	<u>1,294</u>	<u>1,354</u>
2003B Refunding Issue - 2.00-5.25%	8,400	895	925	965	1,015
Less: Deferred Amount on Refunding	(507)	(70)	(70)	(70)	(70)
Plus: Unamortized Premium	330	46	46	46	192
	<u>8,223</u>	<u>871</u>	<u>901</u>	<u>941</u>	<u>1,137</u>
2003A Issue - 3.00-6.00%	30,520	1,475	1,540	1,605	1,680
Plus: Unamortized Premium	161	32	32	32	32
	<u>30,681</u>	<u>1,507</u>	<u>1,572</u>	<u>1,637</u>	<u>1,712</u>
2004A Refunding Issue - 3.00-4.50%	15,240	1,420	1,480	1,545	1,610
Less: Deferred Amount on Refunding	(775)	(92)	(92)	(92)	(92)
Plus: Unamortized Premium	145	17	17	85	26
	<u>14,610</u>	<u>1,345</u>	<u>1,405</u>	<u>1,538</u>	<u>1,544</u>
2004B Refunding Issue - 3.00-5.00%	3,285	1,560	1,725	-	-
Less: Deferred Amount on Refunding	(34)	(32)	(2)	-	-
Plus: Unamortized Premium	77	71	6	-	-
	<u>3,328</u>	<u>1,599</u>	<u>1,729</u>	<u>-</u>	<u>-</u>
2005A Refunding Issue - 2.50 - 5.00%	56,415	90	4,445	4,660	4,905
Less: Deferred Amount on Refunding	(3,662)	(354)	(354)	(354)	(354)
Plus: Unamortized Premium	3,866	374	374	374	374
	<u>56,619</u>	<u>110</u>	<u>4,465</u>	<u>4,680</u>	<u>4,925</u>
2005B Refunding Issue - 2.8 - 5.25%	23,750	-	1,855	1,965	2,065
Less: Deferred Amount on Refunding	(671)	(66)	(66)	(66)	(66)
Plus: Unamortized Premium	1,820	179	179	179	179
	<u>24,899</u>	<u>113</u>	<u>1,968</u>	<u>2,078</u>	<u>2,178</u>
2008 Refunding Issue - 4.00 - 4.00%	19,900	2,540	2,615	2,755	1,465
Less: Deferred Amount on Refunding	(218)	(34)	(34)	(34)	(34)
Plus: Unamortized Premium	431	47	47	47	47
	<u>20,113</u>	<u>2,553</u>	<u>2,628</u>	<u>2,768</u>	<u>1,478</u>
<b>Total General Obligation Bonds</b>	<u>205,408</u>	<u>18,602</u>	<u>21,485</u>	<u>20,201</u>	<u>15,958</u>

Maturities  
(thousands of dollars)

2013	2014- 2018	2019- 2023	2024- 2028	2029- 2033	2034- 2037
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,705	9,850	7,105	-	-	-
1,445	-	-	-	-	-
(51)	-	-	-	-	-
17	-	-	-	-	-
1,411	-	-	-	-	-
4,600	-	-	-	-	-
(227)	-	-	-	-	-
4,373	-	-	-	-	-
1,755	10,015	12,450	-	-	-
33	-	-	-	-	-
1,788	10,015	12,450	-	-	-
1,680	7,505	-	-	-	-
(407)	-	-	-	-	-
1,273	7,505	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,165	30,185	6,965	-	-	-
(1,770)	(476)	-	-	-	-
1,870	500	-	-	-	-
5,265	30,209	6,965	-	-	-
2,175	12,720	2,970	-	-	-
(330)	(77)	-	-	-	-
895	209	-	-	-	-
2,740	12,852	2,970	-	-	-
1,545	8,980	-	-	-	-
(34)	(48)	-	-	-	-
47	196	-	-	-	-
1,558	9,128	-	-	-	-
20,113	79,559	29,490	-	-	-

Maturities  
(thousands of dollars)

	Total	2009	2010	2011	2012
<b>General Obligation Notes</b>					
1998A Certificate of Indebtedness - 4.65-5.00%	22,445	3,800	4,000	4,210	4,440
1999 City Hall Project Notes - 4.75 - 7.00%	2,665	840	890	935	-
2000A LCDA Convention Center Hotel - Variable	2,207	85	92	96	101
2004 Certificate of Indebtedness	4,390	275	280	290	300
Less: Unamortized Discount	(41)	(3)	(3)	(3)	(3)
	4,349	272	277	287	297
2008 LCDA Independent Stadium (4.00 - 5.25%)	32,950	910	925	960	1,000
Less: Deferred Amount on Refunding	(2,107)	(96)	(96)	(96)	(96)
Plus: Unamortized Premium	72	3	3	3	3
	30,915	817	832	867	907
2008A LCDA Convention Center Hotel - Variable	40,980	125	305	205	440
Less: Deferred Amount on Refunding	(3,596)	(137)	(137)	(137)	(137)
	37,384	(12)	168	68	303
Banc One Lease/Purchase - 3.07%	974	974	-	-	-
Community Bank Lease/Purchase	1,138	140	147	155	163
Chase Lease Purchase -3.525%	772	386	386	-	-
Chase Lease Purchase - 3.734%	4,411	1,202	1,248	1,295	666
Chase Lease Purchase - 3.370%	3,895	816	843	872	901
Chase Lease Purchase 4.230%	6,187	1,136	1,185	1,235	1,288
Chase Lease Purchase - Water and Sewer - 4.23%	1,167	214	224	233	243
Chase Lease Purchase - Water and Sewer - 3.525%	314	157	157	-	-
Chase Lease Purchase - Information Technology - 3.525%	32	16	16	-	-
Chase Lease Purchase - Fleet Services - 3.525%	38	19	19	-	-
Chase Lease Purchase - Golf - 3.525%	83	42	41	-	-
<b>Total General Obligation Debt</b>	<b>324,384</b>	<b>29,506</b>	<b>32,010</b>	<b>30,454</b>	<b>25,267</b>
<b>Municipal and Regional Airports</b>					
2008A LCDA Refunding Issue - (5.250 - 5.812%)	9,160	-	-	-	-
Less: Deferred Amount on Refunding	(480)	(25)	(25)	(25)	(25)
	8,680	(25)	(25)	(25)	(25)
2008B LCDA Refunding Issue - (5.811 - 5.875%)	16,875	-	765	805	850
Less: Deferred Amount on Refunding	(866)	(58)	(58)	(58)	(58)
	16,009	(58)	707	747	792
2008C LCDA Issue - (6.750 - 7.000%)	9,325	-	-	-	-
2008D LCDA Issue - (7.000%)	4,180	-	335	355	385
<b>Total Municipal and Regional Airports - NOTES</b>	<b>38,194</b>	<b>(83)</b>	<b>1,017</b>	<b>1,077</b>	<b>1,152</b>
<b>Water and Sewerage</b>					
1993B Issue - 4.25-9.00%	3,830	675	720	765	810
2000A Issue - 5.00-7.00%	315	315	-	-	-
2001A Issue - 3.95%	5,440	300	310	325	335
2001B Issue - 3.95%	5,440	300	310	325	335
2001C Issue - 3.95%	4,300	235	245	255	265
2002A Issue - 3.95%	12,639	-	-	-	-
2002B Issue - 3.95%	9,187	-	-	619	644
2003A Issue - 3.95%	12,959	-	-	656	681
2003B Issue - 3.95%	3,351	73	64	300	300
2004A Issue - 3.95%	12,106	-	-	733	762
2002A Refunding Issue - 4.00-4.65%	14,355	3,755	5,305	5,295	-
Less: Unamortized Discount	(1,249)	(147)	(438)	(664)	-
Less: Deferred Amount on Refunding	(349)	(116)	(116)	(117)	-
Plus: Unamortized Reoffer Call Premium	139	31	51	57	-
	12,896	3,523	4,802	4,571	-
2003A Refunding Issue - 4.00-5.00%	17,650	3,635	2,390	2,570	2,745
Less: Deferred Amount on Refunding	(1,469)	(245)	(245)	(245)	(245)
Plus: Unamortized Reoffer Call Premium	693	194	156	131	103
	16,874	3,584	2,301	2,456	2,603

Maturities  
(thousands of dollars)

2013	2014- 2018	2019- 2023	2024- 2028	2029- 2033	2034- 2037
5,995	-	-	-	-	-
-	-	-	-	-	-
108	639	851	235	-	-
1,665	1,580	-	-	-	-
(3)	(15)	(11)	-	-	-
1,662	1,565	(11)	-	-	-
1,040	6,045	7,660	9,760	4,650	-
(96)	(480)	(480)	(480)	(187)	-
3	16	16	16	9	-
947	5,581	7,196	9,296	4,472	-
305	3,640	6,485	9,960	13,215	6,300
(137)	(685)	(685)	(685)	(685)	(171)
168	2,955	5,800	9,275	12,530	6,129
-	-	-	-	-	-
533	-	-	-	-	-
-	-	-	-	-	-
463	-	-	-	-	-
1,343	-	-	-	-	-
253	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
31,585	90,299	43,326	18,806	17,002	6,129
-	-	1,370	7,790	-	-
(25)	(125)	(125)	(105)	-	-
(25)	(125)	1,245	7,685	-	-
890	5,210	6,765	1,590	-	-
(58)	(286)	(286)	(4)	-	-
832	4,924	6,479	1,586	-	-
-	-	2,310	4,695	2,320	-
405	2,510	190	-	-	-
1,212	7,309	10,224	13,966	2,320	-
860	-	-	-	-	-
-	-	-	-	-	-
350	1,955	1,865	-	-	-
350	1,955	1,865	-	-	-
275	1,550	1,475	-	-	-
-	5,899	6,740	-	-	-
669	3,764	3,491	-	-	-
708	3,984	4,836	2,094	-	-
300	1,500	814	-	-	-
792	4,455	5,364	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,020	3,290	-	-	-	-
(245)	(244)	-	-	-	-
72	37	-	-	-	-
2,847	3,083	-	-	-	-

	Maturities (thousands of dollars)				
	Total	2009	2010	2011	2012
2003B Refunding Issue - 2.00-5.00%	11,845	1,775	1,855	1,930	2,025
Less: Deferred Amount on Refunding	(802)	(134)	(134)	(134)	(134)
Plus: Unamortized Reoffer Call Premium	247	68	57	47	34
	<u>11,290</u>	<u>1,709</u>	<u>1,778</u>	<u>1,843</u>	<u>1,925</u>
2003C Refunding Issue - 4.00%	7,180	1,085	1,125	1,170	1,220
Less: Deferred Amount on Refunding	(44)	(7)	(7)	(7)	(7)
Plus: Unamortized Reoffer Call Premium	164	49	40	32	23
	<u>7,300</u>	<u>1,127</u>	<u>1,158</u>	<u>1,195</u>	<u>1,236</u>
2004B Refunding Issue - 4.00-5.00%	4,150	2,025	2,125	-	-
Less: Deferred Amount on Refunding	(27)	(18)	(9)	-	-
Plus: Unamortized Reoffer Call Premium	66	49	17	-	-
	<u>4,189</u>	<u>2,056</u>	<u>2,133</u>	<u>-</u>	<u>-</u>
2005 LCDA Note - Variable	75,000	-	-	-	-
2006A Refunding Issue - 4.00%	10,425	545	705	740	780
Less: Deferred Amount on Refunding	(810)	(78)	(78)	(78)	(78)
Plus: Unamortized Reoffer Call Premium	112	13	13	12	11
	<u>9,727</u>	<u>480</u>	<u>640</u>	<u>674</u>	<u>713</u>
2007 LCDA Revenue Bonds - 4.00%	25,585	890	930	965	1,005
Plus: Unamortized Reoffer Premium	743	63	61	59	57
	<u>26,328</u>	<u>953</u>	<u>991</u>	<u>1,024</u>	<u>1,062</u>
2008 LCDA Biosolid Disposal Project - 6.125%	8,112	282	396	421	448
Total Revenue Bonds – Water and Sewerage	<u>241,283</u>	<u>15,612</u>	<u>15,848</u>	<u>16,162</u>	<u>12,119</u>
Total Principal	<u>603,861</u>	<u>45,035</u>	<u>48,875</u>	<u>47,693</u>	<u>38,538</u>
<b>INTEREST REQUIREMENTS:</b>					
General Obligation Debt	100,971	13,533	12,251	10,805	9,172
Revenue Bonds and Notes					
Water and Sewerage	87,152	10,129	10,365	10,116	7,801
Municipal and Regional Airports	31,343	473	2,538	2,402	2,334
Total Interest Requirements	<u>219,466</u>	<u>24,135</u>	<u>25,154</u>	<u>23,323</u>	<u>19,307</u>
Total Future Debt Requirements	<u>\$ 823,327</u>	<u>\$ 69,170</u>	<u>\$ 74,029</u>	<u>\$ 71,016</u>	<u>\$ 57,845</u>

(1) The principal and interest for the 1987A General Obligation Bond Issues which were due January 1, 2009 were paid as of December 31, 2008; therefore, there were no requirements for 2009.

Maturities  
(thousands of dollars)

2013	2014- 2018	2019- 2023	2024- 2028	2029- 2033	2034- 2037
2,095	2,165	-	-	-	-
(134)	(132)	-	-	-	-
25	16	-	-	-	-
<u>1,986</u>	<u>2,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,265	1,315	-	-	-	-
(7)	(9)	-	-	-	-
14	6	-	-	-	-
<u>1,272</u>	<u>1,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,145</u>	<u>20,520</u>	<u>30,430</u>	<u>22,905</u>	<u>-</u>	<u>-</u>
805	2,930	3,200	720	-	-
(78)	(214)	(170)	(36)	-	-
10	36	17	-	-	-
<u>737</u>	<u>2,752</u>	<u>3,047</u>	<u>684</u>	<u>-</u>	<u>-</u>
1,045	5,895	7,445	7,410	-	-
55	239	159	50	-	-
<u>1,100</u>	<u>6,134</u>	<u>7,604</u>	<u>7,460</u>	<u>-</u>	<u>-</u>
6,565	-	-	-	-	-
<u>19,956</u>	<u>60,912</u>	<u>67,531</u>	<u>33,143</u>	<u>-</u>	<u>-</u>
<u>52,753</u>	<u>158,520</u>	<u>121,081</u>	<u>65,915</u>	<u>19,322</u>	<u>6,129</u>
8,700	28,032	10,865	5,279	2,334	-
7,045	25,963	13,167	2,566	-	-
2,263	10,087	7,452	3,355	439	-
<u>18,008</u>	<u>64,082</u>	<u>31,484</u>	<u>11,200</u>	<u>2,773</u>	<u>-</u>
<u>\$ 70,761</u>	<u>\$ 222,602</u>	<u>\$ 152,565</u>	<u>\$ 77,115</u>	<u>\$ 22,095</u>	<u>\$ 6,129</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 February 2005, the City issued \$56,675,000 in General Obligation Refunding Bonds, Series 2005A to advance refund a portion of the General Obligation Bonds, Series 1999A. The amount refunded was \$56,775,000 with maturity dates from 2010 through 2019. These bonds will be called for redemption in 2009 and have been removed from the governmental activities column of the Statement of Net Assets. The principal outstanding at December 31, 2008 on the bonds refunded was \$56,775,000.

In September 2005, the City issued \$23,840,000 in General Obligation Refunding Bonds, Series 2005B to advance refund a portion of the General Obligation Bonds, Series 1999. The amount refunded was \$24,890,000 with maturity dates from 2010 through 2019. These bonds will be called for redemption in 2009 and have been removed from the governmental activities column of the Statement of Net Assets. The principal outstanding at December 31, 2008 on the bonds refunded was \$24,890,000.

In April 2008, the City issued \$19,900,000 in General Obligation Refunding Bonds, Series 2008 to advance refund the balance of \$15,855,000 of the General Obligation Bonds, Series 1998 and the balance of \$3,875,000 of the General Obligation Refunding Bonds, Series 1998 and to pay the costs of issuance. Included in the proceeds was a reoffering premium of \$462,095. The refunding bonds have maturity dates from 2009 through 2018 with principal payments from \$1,465,000 to \$2,755,000 and an interest rate of 4%. The net proceeds of \$19,970,766 were placed in an irrevocable trust for retirement of the refunded bonds in May 2008. The reacquisition price exceeded the net carrying amount of the Series 1998 bonds by \$201,644 and the Refunding Series 1998 bonds by \$39,122. This amount is being netted against the new debt and amortized over the life of the refunded debt. The refunding was undertaken to reduce the future debt service payments by \$423,258 and resulted in an economic gain of \$483,354.

### General Obligation Note

In August 2008, the City entered into a Loan Agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority. The Authority issued \$32,950,000 of its Revenue Refunding Bonds (City of Shreveport/Independence Stadium Project) Series 2008 for the purpose of advance refunding the balance of \$23,980,000 of the Revenue Bonds (City of Shreveport/Independence Stadium Project) Series 2000 and the balance of \$4,795,000 Revenue Bonds (City of Shreveport/Independence Stadium Project) Series 2000A, to provide funds to pay the termination of the swap agreement dated July 13, 2005 with JP Morgan Chase Bank, N.A., as amended as of May 31, 2006 relating to the Refunded bonds and to pay costs of issuance of the Bonds. Included in the proceeds was a reoffering premium of \$72,882. The Refunding Bonds have maturity dates of 2009 through 2030 with principal payments of \$910,000 to \$8,845,000 and interest rates from 4.00% to 5.25%. Existing funds of \$424,431 along with the net proceeds of \$28,775,000 were placed in an irrevocable trust for redemption of the refunded bonds on September 1, 2008. The reacquisition price of the refunded bonds exceeded the net carrying amount by \$2,132,279. This amount is being netted against the new debt and amortized over the life of the new debt which is the same as the old debt. This was a non-economic refunding undertaken because the credit enhancement had been downgraded and the variable interest rates were to be re-set at unreasonably high interest rates.

### 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 \$2,553,723 has been recorded as due from HUD at December 31, 2008 in relation to this note as well as \$779,652 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>
2009	\$ 685,000	\$ 409,762
2010	690,000	369,166
2011	695,000	327,524
2012	700,000	285,222
2013	705,000	241,614
2014-2018	2,309,000	602,756
2019-2023	<u>796,000</u>	<u>123,446</u>
 Total	 <u>\$6,580,000</u>	 <u>\$2,359,490</u>

Municipal and Regional Airports Revenue Bonds

In September 2008, the City entered into a Loan Agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority. The Authority issued \$9,160,000 of its Revenue Refunding Bonds (Shreveport Airport System Project) Series 2008A and \$16,875,000 of its Revenue Refunding Bonds (Shreveport Airport System PFC Project) Series 2008B for the purpose of advance refunding the balance of \$7,670,000 of the Airport System Revenue Refunding Bonds, Series 2007A and the balance of \$14,270,000 of the Airport System PFC Revenue Refunding Bonds, Series 2007B, to provide funds to fund the debt service reserve fund of the Bonds and to pay the costs of issuance of the Bonds. The Refunding Bonds have maturity dates of 2010 through 2028 with combined principal payments of \$765,000 to \$2,995,000 and interest rates from 5.25% to 6.00%. Net proceeds of \$22,019,128 were placed in an irrevocable trust for the redemption of the refunded bonds on September 24, 2008. The reacquisition price exceeded the net carrying amount by \$1,366,869. This amount is being netted against the new debt and amortized over the life of the new debt which is the same as the old debt. This was a non-economic refunding undertaken because the credit enhancement had been downgraded and the liquidity provider was holding the bonds that were to have been paid in full by the City in September 2008.

In November 2008, the City entered into a Loan Agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority. The Authority Issued \$9,325,000 of its Revenue Bonds (Shreveport Airport Cargo Facility Project) Series 2008C and \$4,180,000 of its Revenue Bonds (Shreveport Airport System Project) Series 2008D for the purpose of financing the costs of the acquisition, construction and equipping of a cargo facility at the Shreveport Regional Airport, providing funds to pay the termination payment to terminate the swap agreement dated March 27, 2006 with Morgan Keegan Financial Products, Inc. related to the previously outstanding Shreveport Airport System Revenue Refunding Bonds, Series 2007A and the Shreveport Airport System PFC Revenue Refunding Bonds, Series 2007B, provide funds to fund the debt service reserve fund of the Bonds and pay the costs of issuance of the Bonds. The bonds have maturity dates of 2010 through 2033 with principal payments of \$335,000 to \$1,135,000 and interest rates from 6.75% to 7.00%.

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 assets of the Municipal and Regional Airport fund have been restricted in accordance with the provisions of the respective bond indentures in the amount of \$3,849,521 at December 31, 2008, 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 on the balance sheet 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, 2008 follows:

<u>Fund</u>	
Debt Service Reserve Funds	\$3,849,521
Other Miscellaneous Restricted Funds	2,686,210
Bond and Interest Sinking Funds	116,515
Construction Fund	<u>9,593,000</u>
 Total restricted assets	 <u>\$16,245,246</u>

Department of Water and Sewerage Revenue Bonds

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, 2008, the bonds authorized and the amount purchased to date are the 2002A \$25,000,000 (\$24,852,739), 2002B \$13,000,000 (\$12,910,405), 2003A \$16,000,000 (\$15,882,444), 2003B \$6,000,000 (\$4,466,863), 2004A \$16,000,000 (\$15,974,788). The amounts drawdown and issued in 2008 were 2002A \$148,403, 2002B \$696,212, and 2004A \$13,000.

In January 2008, the City entered into a Loan Agreement for \$8,510,000 with the Louisiana Local Government Environmental Facilities and Community Development Authority. The Authority issued \$8,510,000 of its Revenue Bonds (Shreveport Biosolid Disposal Project) Series 2008 for the purpose of currently refunding the 2002A and 2002B Bioset bonds assumed through a settlement in 2007 and to pay for the costs of issuance. The bonds have maturity dates of 2008 through 2013 with a fifteen year amortization. Principal payments range from \$306,686 in 2008 to a final payment of \$6,564,551 in 2013 with interest at 6.125%. The bonds were refunded to change the debt service from a variable rate to a fixed rate due to changing market conditions and to eliminate fees associated with the variable rate debt.

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. The bonds were initially issued in the weekly rate mode which would, in the opinion of the remarketing agent, result in the market value of the bonds being 100% of the principal amount on the interest determination date. Any bond may be converted to a different interest mode and different bonds may be in different interest rate modes at the same time. Through a Swap Agreement with JP Morgan Chase Bank, the City has fixed the interest rate at 3.56%.

The bonds are subject to purchase on demand of the holder on any business day at a price equal to the principal plus accrued interest on seven days notice and delivery to the City's remarketing agent, J. P. Morgan Securities, Inc. Under a standby purchase agreement with JP Morgan Chase Bank, the trustee is entitled to draw an amount sufficient to pay the purchase price of tendered bonds which have not been remarketed. The initial agreement is equal to the sum of (a) \$75,000,000 constituting the principal face amount of the bonds and (b) \$838,357 equal to 34 days interest on the bonds at 12% and shall be adjusted by any changes in the principal commitment. The agreement is valid through June 24, 2009, but may be extended by agreement in writing between the City and the bank. Interest on purchased bonds is payable at the Alternate Base Rate which is the greater of the banks prime rate plus 1.50%, the Overnight Effective Federal Funds Rate plus 2.00% or 8.50% for the first sixty days. Commencing on the earlier of the sixty-first day after the purchase date or the first business day of the sixth month after the end of the purchase period, purchased bonds are subject to special mandatory redemption over a

five-year period in ten equal installments of principal and interest at the Alternate Base Rate plus 1%. At December 31, 2008, there were no draws outstanding. If the balance of the issue was converted to a five-year semi-annual installment loan, the semi-annual payments would be \$9,595,274 assuming a 9.50% interest rate. The City is required to pay a fee of .0008% per annum of the aggregate amount of bonds outstanding for the remarketing agreement on a quarterly basis and .015% per annum on the average daily amount of the available commitment of the standby purchase agreement payable quarterly.

In January 2006, the City issued \$11,315,000 in Water and Sewer Revenue Bonds, 2006 Refunding Series A to advance refund a portion of the 1997 Refunding Series A and 2000 Series A bonds. The bonds refunded were \$2,835,000 of the 1997 Refunding Series A bonds with maturity dates of 2008 through 2014 and \$7,635,000 of the 2000 Series A bonds with maturity dates of 2010 through 2024. The refunded 1997 Refunding Series A bonds were called for redemption on December 1, 2008 and the 2000 Series A bonds will be called for redemption on December 1, 2009. These bonds have been removed from the business activities column of the Statement of Net Assets. The principal outstanding at December 31, 2008 on the bonds refunded was \$7,635,000 of the 2000 Series A bonds.

The resolutions applicable to the Department of 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 on the balance sheet of the Department of Water and Sewerage 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 by bond issue at December 31, 2008 follows:

<u>Fund</u>	
1990A and B Bonds Construction Funds	\$ 170,807
Debt Service Reserve Funds	3,421,243
Bond and Interest Sinking Funds	1,340,886
2001B Bond Construction Fund	236,618
2005 LCDA Loan Agreement	45,942,742
2007 LCDA Revenue Bonds	26,402,670
Miscellaneous Bond Construction Fund	<u>3,696,041</u>
 Total restricted assets	 <u>\$81,211,007</u>

#### Convention Center Hotel

In June 2008, the City entered into a Loan Agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority. The Authority issued \$40,980,000 of its Revenue Refunding Bonds (Shreveport Convention Center Hotel Project) Series 2008 for the purpose of advance refunding the \$40,000,000 Revenue Bonds (Shreveport Convention Center Hotel Project) Series 2005, to provide funds to pay the termination payment relating to the termination of the swap agreement dated July 21, 2005 with Ambac Financial Services, Inc. relating to the Refunded Bonds and to pay the costs of issuance of the Bonds. The Series 2008 Refunding Bonds have maturity dates of 2009 through 2035 with principal payments of \$125,000 to \$3,225,000. The bonds will initially bear interest at a variable rate determined by the Remarketing Agent,

Morgan Keegan & Company Inc. Existing funds of \$1,713,088 along with the net proceeds of \$39,317,467 were placed in an irrevocable trust for future debt service payments on the refunded bonds. The refunded bonds were called for redemption on July 10, 2008. The reacquisition price of the Series 2008 bonds exceeded the carrying amount by \$3,675,890. This amount is being netted against the new debt and amortized over the life of the new debt which is the same as the old debt. The refunding was undertaken to reduce future debt service payments by \$82,749,734 and resulted in an economic gain of \$56,041,744 based on the maximum auction rate of 15%.

The bonds are subject to purchase on demand on any business day at a price equal to the principal plus accrued interest on seven days notice and delivery to the City's remarketing agent. Under a irrevocable Letter of Credit with Regions Bank, the trustee is entitled to draw an amount sufficient to pay the purchase price of tendered bonds which have not been remarketed. The initial Letter of Credit is equal to the sum of (a) \$40,980,000 consisting of the principal face amount of the bonds and (b) \$471,551 equal to 35 days interest on the bonds at 12%. The agreement is valid through June 3, 2010, but may be extended or earlier terminated in accordance with its terms. The Letter of Credit was issued pursuant to a Reimbursement Agreement dated June 1, 2008 between the City and the Credit Provider. The City agrees to reimburse the bank for any draws against the letter of credit and beginning on the 31<sup>st</sup> day after such amounts are due and payable to pay interest at the banks prime rate plus 3%. At December 31, 2008, there were no draws outstanding. The city is required to pay a fee of .001% per annum of the outstanding bonds payable quarterly in advance for the remarketing agent and .0065% for the letter of credit payable quarterly.

Restricted assets on the balance sheet of the Convention Center Hotel primarily represent amounts required to be maintained in accordance with the Trust Indenture and Loan Agreement. A summary of restricted assets at December 31, 2008 follows:

<u>Fund</u>	
Miscellaneous Restricted Funds	\$ <u>802,692</u>
Total Restricted Assets	\$ <u>802,692</u>

Interest Rate Swap Agreements

Independence Stadium Notes (Two swap agreements)

Swap Agreement One

This swap agreement with JP Morgan Chase Bank was terminated September 1, 2008 which was the original termination date in accordance with the agreement. There were no payments associated with this termination.

Swap Agreement Two

This swap agreement with JP Morgan Chase Bank was terminated by the City on August 29, 2008. There was a termination payment of \$1,300,000 made by the City. The funds for the termination payment were provided as part of the refunding of the Revenue Bonds (City of Shreveport/Independence Stadium Project) Series 2000 and Series 2000A.

Convention Center Hotel \$40,000,000 Notes (Two swap agreements)

Swap Agreement One

This swap agreement with Ambac Financial Services, LLC was terminated by the City on June 4, 2008. There was a termination payment of \$1,125,000 made by the City. The funds for the termination payment were provided as part of the refunding of the Revenue Bonds (Shreveport Convention Center Hotel Project) Series 2005.

### Swap Agreement Two

The swap agreement with Morgan Keegan Financial Products, Inc. was terminated by the City on February 15, 2008. The City received a payment of \$590,000 in relation to the termination.

### Water and Sewer \$75,000,000 Note (Three swap agreements)

#### Swap Agreement One

Objective of the interest rate swap. In September 2005, the City entered into an interest rate swap with JP Morgan Chase Bank in connection with the \$75 million Shreveport Utility System Project Series 2005 Revenue Bonds. The bonds were initially issued in the weekly rate mode. The intention of the swap was to change weekly rate bonds to a synthetic fixed rate of 3.56%.

Terms. The bonds and the related swap agreement mature on October 1, 2026, and the swap's notional amount of \$75 million matches the \$75 million of variable-rate bonds. The swap was entered into at the same time the bonds were issued (September 2005). Starting in fiscal year 2013, the notional value of the swap and the principal amount of the associated debt will decline. Under the swap, the City pays the counterparty a fixed payment of 3.56% and receives a variable payment computed as 70% of USD-LIBOR-BBA. Conversely, the bond's variable rate is based on weekly market rates.

Fair value. As of December 31, 2008, the swap had a negative fair value of \$13,345,430. The fair value was estimated using a proprietary valuation model which calculates the present value of future cash flows.

Credit risk. As of December 31, 2008, the City was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the total swap portfolio become positive, the City would be exposed to credit risk in the amount of the swap's portfolio fair value. The swap counterparty is rated AA- by Standard & Poor's, and Aa2 by Moody's Investors Service as of December 31, 2008. The swap is guaranteed by Financial Security Assurance. The City will only be exposed to credit risk if the insurer's AAA credit rating falls below A from Standard & Poor's and below A2 from Moody's.

Basis risk. The swap exposes the City to basis risk should the relationship between USD-LIBOR-BBA and the weekly interest rate converge, changing the synthetic rate on the bonds. If a change occurs that results in rates moving to convergence, the expected cost savings may not be realized.

Termination risk. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City if the insurer's rating falls below A from Standard & Poor's and below A2 from Moody's. If the swap is terminated, the bonds would no longer carry a synthetic interest rate. If at the time of termination, the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

Fiscal Year Ending December 31	Variable-Rate Bonds		Interest Rate Swaps, Net	Total Debt Service
	Principal	Interest		
2009	-	2,475,000	1,672,500	4,147,500
2010	-	2,475,000	1,672,500	4,147,500
2011	-	2,475,000	1,672,500	4,147,500
2012	-	2,475,000	1,672,500	4,147,500
2013	1,145,000	2,475,000	1,672,500	5,292,500
2014-2018	20,520,000	11,275,935	7,619,798	39,415,733
2019-2023	30,430,000	6,782,160	4,583,096	41,795,256
2024-2026	22,905,000	1,519,650	1,026,915	25,451,565
Total	<u>\$75,000,000</u>	<u>\$31,952,745</u>	<u>\$21,592,309</u>	<u>\$128,545,054</u>

#### Swap Agreement Two

The swap agreement with Morgan Keegan Financial Products, Inc. was terminated by the City on February 15, 2008. The City received a payment of \$915,000 in relation to the termination.

#### Swap Agreement Three

The swap agreement with JP Morgan Chase Bank was terminated by the City on February 15, 2008. The City received a payment of \$449,000 in relation to the termination.

#### Municipal and Regional Airports Revenue Bonds \$22,220,000

The swap agreement with Morgan Keegan Financial Products, Inc. was terminated by the City on November 12, 2008. There was a termination payment of \$3,563,000 made by the City and is included as a component of investment earnings/loss in the accompanying airport fund financial statements. The funds for the termination payment were provided by the issuance of \$4,180,000 of Revenue Bonds (Shreveport Airport System Project) Series 2008D.

### **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 as combining statements under the sections 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, 2008:

	<u>FPRF</u>	<u>PPRF</u>	<u>ERS</u>
Retirees and beneficiaries receiving benefits	378	197	857
Terminated plan members entitled to but not yet receiving benefits	-	-	3
Active plan members:			
Vested	40	3	637
Nonvested	-	-	<u>851</u>
Total	<u>418</u>	<u>200</u>	<u>2,348</u>
Number of participating employers	1	1	5

Administrative costs of the ERS are financed through contributions from the employer, 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 47.3% 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	\$ 2,044,285
Interest on net pension obligation	178,205
Adjustment to annual required contribution	<u>(387,629)</u>
Annual pension cost	1,834,861
Contributions made	<u>1,406,904</u>
Increase in net pension obligation	427,957
Net pension obligation beginning of year	<u>2,227,565</u>
Net pension obligation end of year	<u>\$ 2,655,522</u>

The net pension obligation is \$2,655,522 at December 31, 2008, and it is recorded in the governmental activities of the government-wide statement of net assets.

The annual required contribution for the current year was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8% 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, 2008 was 7 years.

#### Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/06	\$ 1,972,305	71.4%	\$ 1,634,922
12/31/07	2,001,196	70.4	2,227,565
12/31/08	1,834,861	76.7	2,655,522

The funded status of the plan as of December 31, 2008, 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
\$10,830,169	\$24,386,054	\$13,555,885	44.4%	\$2,974,729	455.7%

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.

#### 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 is currently 492.2% of covered payroll.

Annual Pension Cost and Net Pension Asset - The City's annual pension cost and net pension asset to PPRF for the current year were as follows:

Annual required contribution	\$ 1,353,760.
Interest on net pension asset	(31,629)
Adjustment to annual required contribution	<u>68,798</u>
Annual pension cost	1,390,929
Contributions made	<u>1,353,760</u>
Decrease in net pension asset	(37,169)
Net pension asset beginning of year	<u>395,357</u>
Net pension asset end of year	<u>\$ 358,188</u>

The net pension asset is \$385,188 at December 31, 2008, and it is recorded in the governmental activities of the government-wide statement of net assets.

The annual required contribution for the current year was determined as part of the December 31, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8% 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, 2008 was 7 years.

#### Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
12/31/06	\$ 1,438,196	97.2%	\$ 536,240
12/31/07	1,549,077	90.9	395,357
12/31/08	1,390,929	97.3	358,188

The funded status of the plan as of December 31, 2008, 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>
\$10,295,383	\$19,834,913	\$9,539,530	51.9%	\$275,070	3,468.0%

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 single employer defined benefit pension plan that covers all full-time classified employees of the City other than policemen and firemen and is administered by the City.

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 ten 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 ten years of service and is within ten 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, 2008, there is \$4,233,094 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 13.5% 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 12.9% 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 ninety 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	\$ 4,898,103
Interest on net pension asset	439,551
Adjustment to annual required contribution	<u>(461,950)</u>
Annual pension cost	4,875,704
Contributions made	<u>6,686,309</u>
Decrease in net pension obligation	(1,810,605)
Net pension obligation beginning of year	<u>5,171,188</u>
Net pension obligation end of year	\$ <u>3,360,583</u>

The net pension obligation is \$3,360,583 at December 31, 2008, and is recorded in the governmental activities of the government-wide statement of net assets.

The annual required contribution for the current year was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumption included (a) 8.5% investment rate of return and (b) projected salary increases of 4% for classified employees 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

Fiscal Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension (Asset) Obligation
12/31/06	\$7,361,199	57.8 %	\$6,490,728
12/31/07	4,778,302	127.6	5,171,188
12/31/08	4,875,704	137.1	3,360,583

The funded status of the plan as of December 31, 2008, 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)
\$145,808,000	\$280,691,000	\$134,883,000	51.9%	\$51,761,000	260.6%

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 and retirees each contribute 50% 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, 2008 consisted of:

Retirees and beneficiaries currently receiving benefits	1,007
Terminated employees entitled to but not yet receiving benefits	394
Active employees	<u>1,873</u>
Total	<u>3,274</u>

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 2008 and the prior year are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB cost Contributed</u>	<u>Net Obligation</u>
12/31/07	\$ 27,908,334	\$ 4,229,201	15.2%	\$ 23,679,133
12/31/08	27,582,805	3,271,568	11.7	47,990,370

The net OPEB obligation as of December 31, 2008, was calculated as follows:

Annual required contribution	\$27,908,334
Interest on net OPEB obligation	1,065,561
Adjustment to annual required contribution	<u>(1,391,090)</u>
Annual OPEB cost	27,582,805
Contributions made	<u>3,271,568</u>
Increase in net OPEB obligations	24,311,237
Net OPEB obligation, beginning of year	<u>23,679,133</u>
Net OPEB obligation, end of year	<u>\$47,990,370</u>

The funded status of the plan as of December 31, 2008, 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>
-	\$278,620,464	\$278,620,464	0.0%	\$116,170,000	239.8%

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, 2008, 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 10.8% for 2008 declining gradually to 7.1% by 2014. 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, 2008, was twenty-eight 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 8% of their annual compensation and the City is currently required to contribute 12.5% 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, 2008, 2007, and 2006, were \$3,884,451, \$4,109,202 and \$4,480,420, respectively, equal to the required contributions for each year. The plans pension liability was determined in accordance with GASB Statement Number 27 and equaled zero before and after the transition.

#### 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 7.5% of their annual compensation and the City is currently required to contribute 9.5% 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 ending December 31, 2008, 2007, and 2006, were \$3,000,541, \$3,657,100, and \$3,854,022, respectively, equal to the required contributions for each year. The plans pension liability was determined in accordance with GASB Statement Number 27 and equaled zero before and after the transition.

**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, 2011. Based on terms of the agreement, management fees included in operating expenses were \$226,452. 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 \$4,064,862. Bossier City reimbursed the Transit System \$954,062.

**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 thirty 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 \$3,290,573 has been reported at December 31, 2008 for post-closure care cost and represents the cumulative costs reported based on 45% of the capacity of the landfill having been used to date. The landfill has an estimated remaining life of 17 years. This amount has been accrued in the government-wide financial statements within the governmental activities and has been reported as a designation of fund balance in the General Fund. The estimated total current cost of post-closure care remaining to be recognized is \$4,021,811. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The estimated closure of the sludge facility is \$9,377. This amount has been accrued in the business-like 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, and at least 90% of the assets are located in the United States.



**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 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 \$663,037,707 subject to a \$25,000 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 fiscal 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. At December 31, 2008, the total net assets of \$9,742,581 were designated for future catastrophic losses.

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 \$23,858,191 reported in the fund at December 31, 2008 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 fiscal years 2007 and 2008 were:

<u>Retained Risk Fund</u>				
	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-end</u>
2007	20,799,162	11,885,458	9,887,907	22,796,713
2008	22,796,713	8,445,689	7,384,211	23,858,191

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 2007 and 2008 were:

Employees Health Care Fund

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-end</u>
2007	3,143,731	19,065,823	18,430,317	3,779,237
2008	3,779,237	21,160,249	20,815,393	4,124,093

**F. Compensation Paid to Council Members**

<u>Council Member</u>	<u>Compensation</u>
Calvin B. Lester, Jr., District A	\$15,225
Richard M. Walford, District B	15,225
Michael D. Long, District C	15,225
Bryan K. Wooley, District D	15,225
Ron Webb, District E	17,625
Joe Shyne, District F	15,225
Joyce Bowman, District G	<u>15,225</u>
	<b><u>\$108,975</u></b>

**CITY OF SHREVEPORT, LOUISIANA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULES OF EMPLOYER CONTRIBUTIONS**  
**FISCAL YEARS ENDED DECEMBER 31, 2003 THROUGH DECEMBER 31, 2008**  
**(UNAUDITED)**

Year Ended December 31,	Employer Contributions													
	PPRF						ERS						OPEB	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed		
2003	\$ 877,210	100.0%	\$ 804,354	100.0%	\$ 8,746,333	41.5%	-	-	-	-	-	-		
2004	1,228,535	100.0	1,235,533	100.0	9,233,118	39.1	-	-	-	-	-	-		
2005	2,091,576	58.7	1,443,763	85.6	5,912,729	63.9	-	-	-	-	-	-		
2006	2,046,177	68.8	1,398,435	100.0	7,375,855	57.8	-	-	-	-	-	-		
2007	2,132,120	66.1	1,506,135	93.5	4,806,416	126.9	27,908,334	15.2%	27,908,334	15.2%	27,908,334	11.7		
2008	2,044,285	68.9	1,353,760	100.0	4,898,103	136.5	27,908,334	11.7	27,908,334	11.7	27,908,334	11.7		

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2-1)	(4) Funded Ratio (1/2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3/5)
<u>FPRF</u>						
12/31/03	\$ 10,046,806	\$ 18,213,703	\$ 8,166,897	55.2%	\$ 6,225,182	131.2%
12/31/04	10,648,644	24,733,533	14,084,889	43.1	4,029,125	349.6
12/31/05	11,111,469	24,034,935	12,923,466	46.2	3,978,077	324.9
12/31/06	11,853,874	24,388,921	12,535,047	48.6	4,125,853	303.8
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
<u>PPRF</u>						
12/31/03	7,684,138	16,489,611	8,805,473	46.6	442,696	1989.1
12/31/04	8,465,793	18,742,368	10,276,575	45.2	321,228	3199.2
12/31/05	9,198,733	18,559,813	9,361,080	49.6	256,764	3645.8
12/31/06	10,494,057	19,883,774	9,389,717	52.8	275,070	3413.6
12/31/07	11,765,770	19,530,236	7,764,466	60.2	275,070	2822.7
12/31/08	10,295,383	19,834,913	9,539,530	51.9	275,070	3468.0
<u>ERS</u>						
12/31/03	172,751,000	241,897,000	69,236,000	71.4	38,552,000	179.6
12/31/04	180,013,000	217,866,000	37,853,000	82.6	39,429,000	96.0
12/31/05	181,305,000	234,183,000	52,878,000	77.4	38,817,000	136.2
12/31/06	191,081,000	241,070,000	49,989,000	79.3	44,403,000	112.6
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
<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

## **Nonmajor Governmental Funds Special Revenue Funds**

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

**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.

**1999A General Obligation Bond Fund** - This fund is used to account for bonds issued for the purpose of construction of a new convention center and a multicultural museum.

**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, 2008**

	Special Revenue Funds						Total
	Enrichment	Riverfront Development	Police Grants	Downtown Entertainment Economic Development	Redevelopment	Environmental Grants	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 851,233	\$ 1,702,710	\$ 274,035	\$ 268,008	\$ 75,463	\$ 323,154	\$ 3,494,603
Investments	523,139	1,046,427	168,413	164,708	46,377	198,600	2,147,664
Accounts receivable, net	-	1,080,914	-	-	-	-	1,080,914
Due from other governments	-	-	1,363,402	-	-	-	1,363,402
Due from other funds	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	452,703	452,703
Assets held for resale	-	-	-	-	257,512	-	257,512
<b>Total assets</b>	<b>\$ 1,374,372</b>	<b>\$ 3,830,051</b>	<b>\$ 1,805,850</b>	<b>\$ 432,716</b>	<b>\$ 379,352</b>	<b>\$ 974,457</b>	<b>\$ 8,796,798</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 11,665	\$ 59,715	\$ 1,339,897	\$ -	\$ -	\$ -	\$ 1,411,277
Due to other funds	-	1,617,056	-	-	-	-	1,617,056
Deferred revenue	-	-	-	-	-	452,703	452,703
<b>Total liabilities</b>	<b>11,665</b>	<b>1,676,771</b>	<b>1,339,897</b>	<b>-</b>	<b>-</b>	<b>452,703</b>	<b>3,481,036</b>
<b>Fund balance:</b>							
<b>Reserved for:</b>							
Encumbrances	89,646	555,396	1,541,367	-	-	20,165	2,206,574
Assets held for resale	-	-	-	-	257,512	-	257,512
<b>Unreserved:</b>							
Designated for subsequent year's expenditures	1,273,061	1,597,884	-	432,716	121,840	501,589	3,927,090
Unreserved, undesignated	-	-	(1,075,414)	-	-	-	(1,075,414)
<b>Total fund balance</b>	<b>1,362,707</b>	<b>2,153,280</b>	<b>465,953</b>	<b>432,716</b>	<b>379,352</b>	<b>521,754</b>	<b>5,315,762</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,374,372</b>	<b>\$ 3,830,051</b>	<b>\$ 1,805,850</b>	<b>\$ 432,716</b>	<b>\$ 379,352</b>	<b>\$ 974,457</b>	<b>\$ 8,796,798</b>

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

**Capital Project Funds**

Miscellaneous General Obligation Bond Funds	Miscellaneous Capital Projects Fund	1999 General Obligation Bond Fund	1999A General Obligation Bond Fund	2003A General Obligation Bond Fund	Total	Total Nonmajor Governmental Funds
\$ 2,898,050	\$ 1,922,542	\$ 657,590	\$ 1,285,931	\$ 6,112,843	\$ 12,876,956	\$ 16,371,559
1,781,041	1,029,308	404,132	790,289	3,756,743	7,761,513	9,909,177
-	-	9,697	-	-	9,697	1,090,611
2,415,245	62,173	36,000	-	-	2,513,418	3,876,820
-	2,779,304	10,754,637	-	-	13,533,941	13,533,941
-	-	-	-	-	-	452,703
-	-	-	-	-	-	257,512
<u>\$ 7,094,336</u>	<u>\$ 5,793,327</u>	<u>\$ 11,862,056</u>	<u>\$ 2,076,220</u>	<u>\$ 9,869,586</u>	<u>\$ 36,695,525</u>	<u>\$ 45,492,323</u>
\$ 791,197	\$ 472,361	\$ -	\$ 91,871	\$ -	\$ 1,355,429	\$ 2,766,706
-	-	-	-	-	-	1,617,056
-	-	2,984	-	-	2,984	455,687
<u>791,197</u>	<u>472,361</u>	<u>2,984</u>	<u>91,871</u>	<u>-</u>	<u>1,358,413</u>	<u>4,839,449</u>
2,033,334	1,127,050	900	17,026	165,700	3,344,010	5,550,584
-	-	-	-	-	-	257,512
4,269,805	4,193,916	11,858,172	1,967,323	9,703,886	31,993,102	35,920,192
-	-	-	-	-	-	(1,075,414)
<u>6,303,139</u>	<u>5,320,966</u>	<u>11,859,072</u>	<u>1,984,349</u>	<u>9,869,586</u>	<u>35,337,112</u>	<u>40,652,874</u>
<u>\$ 7,094,336</u>	<u>\$ 5,793,327</u>	<u>\$ 11,862,056</u>	<u>\$ 2,076,220</u>	<u>\$ 9,869,586</u>	<u>\$ 36,695,525</u>	<u>\$ 45,492,323</u>

**CITY OF SHREVEPORT, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	Special Revenue Funds						Total
	Downtown						
	Enrichment	Riverfront Development	Police Grants	Entertainment Economic Development	Redevelopment	Environmental Grants	
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ 3,419,976	\$ -	\$ -	\$ 80,091	\$ 3,500,067
Gaming	-	12,931,726	-	-	-	-	12,931,726
Investment earnings	46,321	194,411	12,687	6,883	4,195	16,381	280,878
Miscellaneous	619,950	915,347	443,483	254,758	19,688	55,778	2,309,004
<b>Total revenues</b>	<b>666,271</b>	<b>14,041,484</b>	<b>3,876,146</b>	<b>261,641</b>	<b>23,883</b>	<b>152,250</b>	<b>19,021,675</b>
<b>EXPENDITURES</b>							
<b>Current:</b>							
General government	-	-	-	-	-	68,989	68,989
Public safety	386,170	-	3,974,804	-	-	-	4,360,974
Culture and recreation	27,950	-	-	-	-	-	27,950
Economic development	-	5,595,753	-	-	25,205	-	5,620,958
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>414,120</b>	<b>5,595,753</b>	<b>3,974,804</b>	<b>-</b>	<b>25,205</b>	<b>68,989</b>	<b>10,078,871</b>
Excess (deficiency) of revenues over (under) expenditures	252,151	8,445,731	(98,658)	261,641	(1,322)	83,261	8,942,804
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	208,475	-	-	-	208,475
Transfers out	-	(8,869,764)	-	-	-	-	(8,869,764)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>(8,869,764)</b>	<b>208,475</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,661,289)</b>
Net change in fund balances	252,151	(424,033)	109,817	261,641	(1,322)	83,261	281,515
Fund balances—beginning	1,110,556	2,577,313	356,136	171,075	380,674	438,493	5,034,247
Fund balances—ending	\$ 1,362,707	\$ 2,153,280	\$ 465,953	\$ 432,716	\$ 379,352	\$ 521,754	\$ 5,315,762

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



**Capital Project Funds**

Miscellaneous General Obligation Bond Funds	Miscellaneous Capital Projects Fund	1999 General Obligation Bond Fund	1999A General Obligation Bond Fund	2003A General Obligation Bond Fund	Total	Total Nonmajor Governmental Funds
\$ 1,047,184	\$ 519,794	\$ -	\$ -	\$ -	\$ 1,566,978	\$ 5,067,045
-	-	-	-	-	-	12,931,726
144,241	32,954	456,210	113,008	529,991	1,276,404	1,557,282
-	15,000	1,600	-	-	16,600	2,325,604
<u>1,191,425</u>	<u>567,748</u>	<u>457,810</u>	<u>113,008</u>	<u>529,991</u>	<u>2,859,982</u>	<u>21,881,657</u>
-	-	-	-	-	-	68,989
-	-	-	-	-	-	4,360,974
-	-	-	-	-	-	27,950
-	-	-	-	-	-	5,620,958
<u>8,398,414</u>	<u>4,031,480</u>	<u>11,199</u>	<u>1,075,777</u>	<u>600,327</u>	<u>14,117,197</u>	<u>14,117,197</u>
<u>8,398,414</u>	<u>4,031,480</u>	<u>11,199</u>	<u>1,075,777</u>	<u>600,327</u>	<u>14,117,197</u>	<u>24,196,068</u>
<u>(7,206,989)</u>	<u>(3,463,732)</u>	<u>446,611</u>	<u>(962,769)</u>	<u>(70,336)</u>	<u>(11,257,215)</u>	<u>(2,314,411)</u>
6,575,330	2,306,198	657,317	-	-	9,538,845	9,747,320
(657,317)	-	(1,895,818)	-	(5,036,511)	(7,589,646)	(16,459,410)
<u>5,918,013</u>	<u>2,306,198</u>	<u>(1,238,501)</u>	<u>-</u>	<u>(5,036,511)</u>	<u>1,949,199</u>	<u>(6,712,090)</u>
(1,288,976)	(1,157,534)	(791,890)	(962,769)	(5,106,847)	(9,308,016)	(9,026,501)
<u>7,592,115</u>	<u>6,478,500</u>	<u>12,650,962</u>	<u>2,947,118</u>	<u>14,976,433</u>	<u>44,645,128</u>	<u>49,679,375</u>
<u>\$ 6,303,139</u>	<u>\$ 5,320,966</u>	<u>\$ 11,859,072</u>	<u>\$ 1,984,349</u>	<u>\$ 9,869,586</u>	<u>\$ 35,337,112</u>	<u>\$ 40,652,874</u>

**CITY OF SHREVEPORT, LOUISIANA**  
**RIVERFRONT DEVELOPMENT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Gaming	\$ 12,375,000	\$ 12,275,000	\$ 12,931,726	\$ 656,726
Investment Earnings	150,000	150,000	194,411	44,411
Miscellaneous	<u>912,900</u>	<u>912,900</u>	<u>915,347</u>	<u>2,447</u>
Total revenues	<u>13,437,900</u>	<u>13,337,900</u>	<u>14,041,484</u>	<u>703,584</u>
<b>EXPENDITURES</b>				
Current:				
Economic development:				
Salaries, wages and employee benefits	341,000	341,000	244,196	96,804
Materials and supplies	7,800	7,800	2,176	5,624
Contractual services	2,970,600	2,970,600	2,807,649	162,951
Other charges	<u>3,255,122</u>	<u>3,255,122</u>	<u>3,097,128</u>	<u>157,994</u>
Total expenditures	<u>6,574,522</u>	<u>6,574,522</u>	<u>6,151,149</u>	<u>423,373</u>
Excess of revenues over expenditures	<u>6,863,378</u>	<u>6,763,378</u>	<u>7,890,335</u>	<u>1,126,957</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(6,640,000)</u>	<u>(9,021,000)</u>	<u>(8,869,764)</u>	<u>151,236</u>
Total other financing uses	<u>(6,640,000)</u>	<u>(9,021,000)</u>	<u>(8,869,764)</u>	<u>151,236</u>
Net change in fund balance	223,378	(2,257,622)	(979,429)	1,278,193
Fund balance -beginning	<u>2,577,313</u>	<u>2,577,313</u>	<u>2,577,313</u>	<u>-</u>
Fund balance-ending	<u>\$ 2,800,691</u>	<u>\$ 319,691</u>	<u>\$ 1,597,884</u>	<u>\$ 1,278,193</u>
Net change in fund balance (Budget basis)			\$ (979,429)	
Adjustments				
Encumbrances			<u>555,396</u>	
Net change in fund balance (GAAP BASIS)			<u>\$ (424,033)</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 ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**DECEMBER 31, 2008**

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 870,609	\$ 187,870	\$ 204,125	\$ 1,262,604
Investments	85,695	113,153	125,448	324,296
Receivables, net	687,115	796	6,865	694,776
Due from other funds	466,010	-	-	466,010
Due from other governments	319,939	-	-	319,939
Inventories	562,541	12,490	-	575,031
Prepaid items	152,463	-	-	152,463
Total current assets	<u>3,144,372</u>	<u>314,309</u>	<u>336,438</u>	<u>3,795,119</u>
Capital Assets:				
Land	1,940,408	-	-	1,940,408
Buildings	9,015,224	268,840	-	9,284,064
Improvements other than buildings	-	868,530	-	868,530
Equipment	16,273,047	546,210	-	16,819,257
Construction in progress	1,137,513	-	-	1,137,513
Less accumulated depreciation	(11,093,901)	(931,036)	-	(12,024,937)
Total noncurrent assets	<u>17,272,291</u>	<u>752,544</u>	<u>-</u>	<u>18,024,835</u>
Total assets	<u>20,416,663</u>	<u>1,066,853</u>	<u>336,438</u>	<u>21,819,954</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	562,390	10,563	39,495	612,448
Accrued liabilities	252,265	6,607	-	258,872
Deferred revenue	-	72,465	-	72,465
Leases payable	-	41,256	-	41,256
Compensated absences	238,336	14,686	-	253,022
Total current liabilities	<u>1,052,991</u>	<u>145,577</u>	<u>39,495</u>	<u>1,238,063</u>
Noncurrent Liabilities:				
Leases payable	-	41,310	-	41,310
Compensated absences	-	58,703	-	58,703
Net OPEB obligation	-	373,706	-	373,706
Total noncurrent liabilities	<u>-</u>	<u>473,719</u>	<u>-</u>	<u>473,719</u>
Total liabilities	<u>1,052,991</u>	<u>619,296</u>	<u>39,495</u>	<u>1,711,782</u>
Invested in capital assets, net of related debt	17,272,291	752,544	-	18,024,835
Unrestricted (deficit)	<u>2,091,381</u>	<u>(304,987)</u>	<u>296,943</u>	<u>2,083,337</u>
Total Net Assets	<u>\$ 19,363,672</u>	<u>\$ 447,557</u>	<u>\$ 296,943</u>	<u>\$ 20,108,172</u>

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

**CITY OF SHREVEPORT, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,545,666	\$ 1,374,572	\$ 630,648	\$ 4,550,886
<b>OPERATING EXPENSES</b>				
Personal services	6,886,246	1,198,919	-	8,085,165
Contractual services and other expenses	2,118,745	269,473	451,000	2,839,218
Utilities	135,568	100,528	-	236,096
Repairs and maintenance	346,357	10,563	-	356,920
Materials and supplies	3,338,791	223,052	-	3,561,843
Depreciation	1,296,201	81,010	-	1,377,211
<b>Total operating expenses</b>	<b>14,121,908</b>	<b>1,883,545</b>	<b>451,000</b>	<b>16,456,453</b>
<b>Operating income (loss)</b>	<b>(11,576,242)</b>	<b>(508,973)</b>	<b>179,648</b>	<b>(11,905,567)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	-	6,297	10,787	17,084
Interest expense	-	(1,470)	-	(1,470)
Intergovernmental	4,920,322	-	-	4,920,322
Loss on disposal of capital assets	(33,210)	(358)	-	(33,568)
<b>Total nonoperating revenues</b>	<b>4,887,112</b>	<b>4,469</b>	<b>10,787</b>	<b>4,902,368</b>
<b>Income (loss) before contributions and transfers</b>	<b>(6,689,130)</b>	<b>(504,504)</b>	<b>190,435</b>	<b>(7,003,199)</b>
Capital contributions	4,315,482	-	-	4,315,482
Transfers in	5,702,569	309,000	-	6,011,569
Transfers out	-	-	(150,000)	(150,000)
<b>Change in net assets</b>	<b>3,328,921</b>	<b>(195,504)</b>	<b>40,435</b>	<b>3,173,852</b>
<b>Total net assets-beginning</b>	<b>16,034,751</b>	<b>643,061</b>	<b>256,508</b>	<b>16,934,320</b>
<b>Total net assets-ending</b>	<b>\$ 19,363,672</b>	<b>\$ 447,557</b>	<b>\$ 296,943</b>	<b>\$ 20,108,172</b>

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, 2008**

	<u>Shreveport Area Transit System</u>	<u>Golf</u>	<u>Downtown Parking</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Cash flows from operating activities:</b>				
Receipts from operations	\$ 2,156,180	\$ 1,376,457	\$ 623,783	\$ 4,156,420
Payments to suppliers	(5,863,775)	(745,939)	(485,365)	(7,095,079)
Payments to employees	(6,857,358)	(820,965)	-	(7,678,323)
Other receipts	53,773	-	-	53,773
Other payments	-	(54,999)	-	(54,999)
Net cash provided by (used in) operating activities	<u>(10,511,180)</u>	<u>(245,446)</u>	<u>138,418</u>	<u>(10,618,208)</u>
<b>Cash flows from noncapital financing activities:</b>				
Intergovernmental	5,040,555	-	-	5,040,555
Transfers in	5,702,569	309,000	-	6,011,569
Transfers out	-	-	(150,000)	(150,000)
Net cash provided by (used in) noncapital financing activities	<u>10,743,124</u>	<u>309,000</u>	<u>(150,000)</u>	<u>10,902,124</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(4,599,104)	-	-	(4,599,104)
Principal paid on debt	-	(42,436)	-	(42,436)
Interest paid on debt	-	(1,470)	-	(1,470)
Capital grants	4,239,701	-	-	4,239,701
Contributed capital by others	<u>749,401</u>	<u>-</u>	<u>-</u>	<u>749,401</u>
Net cash provided by (used in) capital and related financing activities	<u>389,998</u>	<u>(43,906)</u>	<u>-</u>	<u>346,092</u>
<b>Cash flows from investing activities:</b>				
Purchase of investments	(85,695)	(113,153)	(125,448)	(324,296)
Interest on investments	-	6,297	10,787	17,084
Net cash provided by (used in) investing activities	<u>(85,695)</u>	<u>(106,856)</u>	<u>(114,661)</u>	<u>(307,212)</u>
Net increase (decrease) in cash and cash equivalents	536,247	(87,208)	(126,243)	322,796
Cash and cash equivalents - beginning of year	334,362	275,078	330,368	939,808
Cash and cash equivalents - end of year	<u>\$ 870,609</u>	<u>\$ 187,870</u>	<u>\$ 204,125</u>	<u>\$ 1,262,604</u>

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (11,576,242)	\$ (508,973)	\$ 179,648	\$ (11,905,567)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,296,201	81,010	-	1,377,211
(Increase)Decrease in assets:				
Receivables	(196,062)	(118)	(6,865)	(203,045)
Due from other funds	190,957	-	-	190,957
Inventories	(50,032)	142	-	(49,890)
Prepaid items	(5,148)	-	-	(5,148)
Increase(Decrease) in liabilities:				
Accounts payable	203,246	(6,492)	(71,865)	124,889
Accrued liabilities	(270,476)	(1,534)	-	(272,010)
Deferred revenue	-	3,744	-	3,744
Due to other funds	(72,380)	-	37,500	(34,880)
Compensated absences	(31,244)	(2,539)	-	(33,783)
Accrued OPEB	-	189,314	-	189,314
Total adjustments	1,065,062	263,527	(41,230)	1,287,359
Net cash provided by (used in) operating activities	\$ (10,511,180)	\$ (245,446)	\$ 138,418	\$ (10,618,208)
Non-cash investing, capital and financing activities:				

The Shreveport Area Transit System had a loss on disposal of capital assets of \$33,210.

The Golf Fund had a loss on disposal of capital assets of \$358.

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.

**Fleet Services Fund** - This fund is used to account for maintenance of the City's fleet with the exception of Fire, Sportran, and Airport.

**Information Technology Fund** - This fund is 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.

**CITY OF SHREVEPORT, LOUISIANA**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2008**

	<b>Employees Health Care</b>	<b>Retained Risk</b>	<b>Fleet Services</b>	<b>Information Technology</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 8,717,141	\$ 11,836,971	\$ -	\$ 80,207	\$ 20,634,319
Investments	-	7,274,594	-	49,292	7,323,886
Receivables, net	2,349,723	-	-	-	2,349,723
Due from other funds	-	14,116,648	-	-	14,116,648
Inventories	-	-	200,300	7,403	207,703
Prepaid items	-	466,239	-	-	466,239
Total current assets	<u>11,066,864</u>	<u>33,694,452</u>	<u>200,300</u>	<u>136,902</u>	<u>45,098,518</u>
Noncurrent Assets:					
Capital Assets:					
Land	-	-	62,000	-	62,000
Buildings	-	-	913,088	-	913,088
Equipment	-	-	710,133	2,536,333	3,246,466
Less accumulated depreciation	-	-	(1,291,848)	(1,622,472)	(2,914,320)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>393,373</u>	<u>913,861</u>	<u>1,307,234</u>
Total assets	<u>11,066,864</u>	<u>33,694,452</u>	<u>593,673</u>	<u>1,050,763</u>	<u>46,405,752</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	37,264	87,036	59,370	228,122	411,792
Due to other funds	2,463,573	-	837,981	-	3,301,554
Compensated absences	-	750	10,288	13,621	24,659
Leases payable	-	-	18,519	16,119	34,638
Claims and judgments	4,124,093	23,858,191	-	-	27,982,284
Total current liabilities	<u>6,624,930</u>	<u>23,945,977</u>	<u>926,158</u>	<u>257,862</u>	<u>31,754,927</u>
Noncurrent Liabilities:					
Leases payable	-	-	19,316	16,140	35,456
Compensated absences	-	5,894	80,737	104,665	191,296
Total noncurrent liabilities	<u>-</u>	<u>5,894</u>	<u>100,053</u>	<u>120,805</u>	<u>226,752</u>
Total liabilities	<u>6,624,930</u>	<u>23,951,871</u>	<u>1,026,211</u>	<u>378,667</u>	<u>31,981,679</u>
<b>NET ASSETS (Deficit)</b>					
Invested in capital assets, net of related debt	-	-	355,538	881,602	1,237,140
Unrestricted (deficit)	4,441,934	9,742,581	(788,076)	(209,506)	13,186,933
Total net assets (deficit)	<u>\$ 4,441,934</u>	<u>\$ 9,742,581</u>	<u>\$ (432,538)</u>	<u>\$ 672,096</u>	<u>\$ 14,424,073</u>

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

**CITY OF SHREVEPORT, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Employees Health Care</u>	<u>Retained Risk</u>	<u>Fleet Services</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 21,275,684	\$ 11,363,547	\$ 4,268,915	\$ 3,666,400	\$ 40,574,546
Miscellaneous	<u>329,873</u>	<u>860,375</u>	<u>50,274</u>	<u>63</u>	<u>1,240,585</u>
Total operating revenues	<u>21,605,557</u>	<u>12,223,922</u>	<u>4,319,189</u>	<u>3,666,463</u>	<u>41,815,131</u>
<b>OPERATING EXPENSES</b>					
Personal services	77,551	345,215	1,553,433	2,151,270	4,127,469
Contractual services and other expenses	1,930,164	2,592,590	200,691	772,556	5,496,001
Utilities	-	-	18,434	-	18,434
Repairs and maintenance	-	-	1,041,666	301,546	1,343,212
Materials and supplies	5,076	7,667	1,732,683	87,512	1,832,938
Claims	21,160,249	8,445,689	-	-	29,605,938
Depreciation	<u>-</u>	<u>-</u>	<u>72,875</u>	<u>248,681</u>	<u>321,556</u>
Total operating expenses	<u>23,173,040</u>	<u>11,391,161</u>	<u>4,619,782</u>	<u>3,561,565</u>	<u>42,745,548</u>
Operating income (loss)	<u>(1,567,483)</u>	<u>832,761</u>	<u>(300,593)</u>	<u>104,898</u>	<u>(930,417)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	129,368	927,455	-	-	1,056,823
Loss of disposal of capital assets	-	-	-	(27,770)	(27,770)
Interest expense	<u>-</u>	<u>-</u>	<u>(29,045)</u>	<u>(612)</u>	<u>(29,657)</u>
Total nonoperating revenues (expenses)	<u>129,368</u>	<u>927,455</u>	<u>(29,045)</u>	<u>(28,382)</u>	<u>999,396</u>
Change in net assets	(1,438,115)	1,760,216	(329,638)	76,516	68,979
Total net assets (deficit) -beginning	<u>5,880,049</u>	<u>7,982,365</u>	<u>(102,900)</u>	<u>595,580</u>	<u>14,355,094</u>
Total net assets (deficit) -ending	<u>\$ 4,441,934</u>	<u>\$ 9,742,581</u>	<u>\$ (432,538)</u>	<u>\$ 672,096</u>	<u>\$ 14,424,073</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, 2008**

	Employees Health Care	Retained Risk	Fleet Services	Information Technology	Total Internal Service Funds
<b>Cash flows from operating activities:</b>					
Receipts from operations	\$ 21,186,104	\$ 7,712,474	\$ 4,319,189	\$ 3,666,463	\$ 36,884,230
Payments to suppliers	(1,224,343)	(2,649,389)	(2,721,870)	(1,371,895)	(7,967,497)
Payments to employees	(77,551)	(344,903)	(1,550,324)	(2,132,413)	(4,105,191)
Claims	(20,815,393)	(7,384,211)	-	-	(28,199,604)
Net cash provided by (used in) operating activities	(931,183)	(2,666,029)	46,995	162,155	(3,388,062)
<b>Cash flows from noncapital financing activities:</b>					
Interest paid on operations	-	-	(27,473)	-	(27,473)
Net cash used in noncapital financing activities	-	-	(27,473)	-	(27,473)
<b>Cash flows from capital and related financing activities:</b>					
Acquisition and construction of capital assets	-	-	-	(552,995)	(552,995)
Principal paid on debt	-	-	(17,950)	(16,543)	(34,493)
Interest paid on debt	-	-	(1,572)	(612)	(2,184)
Net cash used in capital and related financing activities	-	-	(19,522)	(570,150)	(589,672)
<b>Cash flows from investing activities:</b>					
Purchase of investments	-	(7,274,594)	-	(49,292)	(7,323,886)
Interest on investments	151,199	927,455	-	-	1,078,654
Net cash provided by (used in) investing activities	151,199	(6,347,139)	-	(49,292)	(6,245,232)
Net increase (decrease) in cash and cash equivalents	(779,984)	(9,013,168)	-	(457,287)	(10,250,439)
Cash and cash equivalents - beginning of year	9,497,125	20,850,139	-	537,494	30,884,758
Cash and cash equivalents - end of year	\$ 8,717,141	\$ 11,836,971	\$ -	\$ 80,207	\$ 20,634,319

	Employees Health Care	Retained Risk	Fleet Services	Information Technology	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (1,567,483)	\$ 832,761	\$ (300,593)	\$ 104,898	\$ (930,417)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	-	-	72,875	248,681	321,556
(Increase)Decrease in assets:					
Receivables	(419,453)	-	-	-	(419,453)
Due from other funds	-	(4,511,448)	-	-	(4,511,448)
Inventories	-	-	102,824	14,426	117,250
Prepaid items	-	39,135	-	-	39,135
Increase(Decrease) in liabilities:					
Accounts payable	5,624	(88,267)	25,367	178,415	121,139
Accrued liabilities	344,856	1,061,478	-	-	1,406,334
Due to other funds	705,273	-	143,413	(403,122)	445,564
Compensated absences	-	312	3,109	18,857	22,278
Total adjustments	636,300	(3,498,790)	347,588	57,257	(2,457,645)
Net cash provided by (used in) operating activities	\$ (931,183)	\$ (2,666,029)	\$ 46,995	\$ 162,155	\$ (3,388,062)

The Information Technology Fund had a loss on disposal of capital assets of \$27,770.

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 multiple-employer defined benefit pension plan that covers all full-time classified employees of the City and other board recommended organizations other than policemen and firemen. Appointed officials also have the option to join the plan.

**CITY OF SHREVEPORT, LOUISIANA**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2008**

	<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>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 850,340	\$ 1,109,858	\$ 12,092,437	\$ 14,052,635
Receivables:				
Interest receivable	29,574	27,684	448,667	505,925
Accounts receivable	-	123,046	101,876	224,922
Investments, at fair value:				
U.S. government obligations	1,642,998	1,417,915	10,844,873	13,905,786
Investment pool	-	-	7,212,940	7,212,940
Mutual funds	1,042,621	906,796	1,393,537	3,342,954
Domestic corporate bonds	971,037	946,828	20,042,291	21,960,156
Collateralized mortgage obligations	-	-	20,305,917	20,305,917
Domestic equities	1,959,357	1,755,167	84,284,551	87,999,075
International equities	367,545	296,806	-	664,351
Total investments	<u>5,983,558</u>	<u>5,323,512</u>	<u>144,084,109</u>	<u>155,391,179</u>
Other assets:				
Cash surrender value of life insurance policies	4,288,442	3,734,403	-	8,022,845
Total assets	<u>11,151,914</u>	<u>10,318,503</u>	<u>156,727,089</u>	<u>178,197,506</u>
<b>LIABILITIES</b>				
Accounts payable	27,969	23,120	24,875	75,964
Due to other funds	293,776	-	6,660,966	6,954,742
Employees' deposits held in escrow	-	-	4,233,094	4,233,094
Total liabilities	<u>321,745</u>	<u>23,120</u>	<u>10,918,935</u>	<u>11,263,800</u>
<b>NET ASSETS</b>				
Held in trust for pension benefits	<u>\$ 10,830,169</u>	<u>\$ 10,295,383</u>	<u>\$ 145,808,154</u>	<u>\$ 166,933,706</u>

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



**CITY OF SHREVEPORT, LOUISIANA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<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>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 1,406,904	\$ 1,353,760	\$ 6,657,931	\$ 9,418,595
Plan members	-	-	4,596,939	4,596,939
Total contributions	<u>1,406,904</u>	<u>1,353,760</u>	<u>11,254,870</u>	<u>14,015,534</u>
Investment earnings (loss):				
Net depreciation				
in fair value of investments	(2,097,915)	(1,755,681)	(61,435,199)	(65,288,795)
Interest	95,560	104,947	3,832,495	4,033,002
Dividends	<u>85,180</u>	<u>73,474</u>	<u>2,362,305</u>	<u>2,520,959</u>
Total investment loss	(1,917,175)	(1,577,260)	(55,240,399)	(58,734,834)
Less investment expense	<u>14,225</u>	<u>14,225</u>	<u>1,087,721</u>	<u>1,116,171</u>
Net investment loss	<u>(1,931,400)</u>	<u>(1,591,485)</u>	<u>(56,328,120)</u>	<u>(59,851,005)</u>
Miscellaneous	<u>110,000</u>	<u>220,000</u>	<u>106,482</u>	<u>436,482</u>
Total additions	<u>(414,496)</u>	<u>(17,725)</u>	<u>(44,966,768)</u>	<u>(45,398,989)</u>
<b>DEDUCTIONS</b>				
Benefits	1,152,208	924,191	14,443,537	16,519,936
Refund of member contribution	-	-	485,052	485,052
Administrative expenses	23,395	24,697	379,601	427,693
Life insurance	<u>609,579</u>	<u>503,774</u>	-	<u>1,113,353</u>
Total deductions	<u>1,785,182</u>	<u>1,452,662</u>	<u>15,308,190</u>	<u>18,546,034</u>
Change in net assets	(2,199,678)	(1,470,387)	(60,274,958)	(63,945,023)
Net assets - beginning	<u>13,029,847</u>	<u>11,765,770</u>	<u>206,083,112</u>	<u>230,878,729</u>
Net assets - ending	<u>\$ 10,830,169</u>	<u>\$ 10,295,383</u>	<u>\$ 145,808,154</u>	<u>\$ 166,933,706</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, 2008**

**ASSETS**

Cash and cash equivalents	\$ 44,975
Due from other governments	<u>39,780</u>
Total assets	<u>84,755</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable	8,583
Due to primary government	\$ 16,387
Due to other governments	<u>59,785</u>
Total liabilities	<u>84,755</u>

Fund balance:

Reserved for encumbrances	28,763
Unreserved, undesignated	<u>(28,763)</u>
Total fund balance	-

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

Capital assets reported in governmental activities are not financial assets and, therefore, are not reported in governmental funds.

871,274

Net assets

\$ 871,274

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, 2008**

**REVENUES**

Intergovernmental	\$ 159,120
Miscellaneous	<u>245,717</u>
Total revenues	<u>404,837</u>

**EXPENDITURES**

General government	<u>1,271,074</u>
Total expenditures	<u>1,271,074</u>

Deficiency of revenues under expenditures	(866,237)
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**OTHER FINANCING SOURCES**

Payment from City of Shreveport	<u>866,237</u>
---------------------------------	----------------

Net change in fund balance	-
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Fund balance - beginning	<u>-</u>
--------------------------	----------

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>(16,063)</u>
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Change in net assets	\$ <u>(16,063)</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>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	131
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	139
<b>Debt Capacity</b> 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.	146
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	152
<b>Operating Information</b> 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.	154

CITY OF SHREVEPORT, LOUISIANA  
NET ASSETS BY COMPONENT,  
LAST NINE FISCAL YEARS  
(accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	\$ 363,475,742	\$ 386,337,758	\$ 401,451,485	\$ 429,187,376	\$ 444,476,123	\$ 483,339,022	\$ 495,015,044	\$ 506,744,193	\$ 507,132,856
Restricted	32,160,795	35,913,697	40,223,848	44,544,140	46,843,692	43,179,343	48,021,783	52,517,433	61,409,857
Unrestricted(Deficit)	(12,680,977)	(3,967,719)	(3,327,268)	(4,662,353)	(15,914,897)	(10,485,180)	(5,981,760)	(28,935,041)	(46,402,145)
Total governmental activities net assets	\$ 382,955,560	\$ 418,283,736	\$ 438,348,065	\$ 469,069,163	\$ 475,404,918	\$ 516,053,185	\$ 537,055,067	\$ 530,326,585	\$ 522,140,568
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 239,021,514	\$ 252,793,513	\$ 266,393,949	\$ 285,700,991	\$ 299,719,309	\$ 313,801,300	\$ 332,708,732	\$ 351,253,030	\$ 362,414,298
Restricted	2,481,627	2,074,185	1,935,948	1,770,036	1,771,797	5,257,124	3,930,459	3,166,944	3,751,501
Unrestricted(Deficit)	31,070,226	24,030,244	12,997,293	4,397,075	5,300,077	5,385,880	5,666,173	51,301	(8,587,822)
Total business-type activities net assets	\$ 272,573,367	\$ 278,917,943	\$ 281,327,190	\$ 291,868,102	\$ 306,791,183	\$ 324,444,304	\$ 342,305,364	\$ 354,471,275	\$ 357,577,977
<b>Primary government</b>									
Invested in capital assets, net of related debt	\$ 602,497,256	\$ 639,131,271	\$ 667,845,434	\$ 714,888,367	\$ 744,195,432	\$ 797,160,322	\$ 827,723,776	\$ 857,997,223	\$ 869,547,154
Restricted	34,642,422	37,987,883	42,159,796	46,314,176	48,615,489	48,436,467	51,952,242	55,684,377	65,161,358
Unrestricted(Deficit)	18,389,249	20,082,525	9,670,025	(265,278)	(10,614,820)	(5,099,300)	(315,587)	(28,883,748)	(54,989,967)
Total primary government net assets	\$ 655,528,927	\$ 697,201,679	\$ 719,675,255	\$ 760,937,265	\$ 782,196,101	\$ 840,497,489	\$ 879,360,431	\$ 884,797,860	\$ 879,718,545

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2000.

Unaudited - see accompanying independent accountant's report.



CITY OF SHREVEPORT, LOUISIANA  
CHANGES IN NET ASSETS, LAST NINE FISCAL YEARS  
(accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Expenses</b>									
<b>Governmental activities:</b>									
General government	\$ 28,072,096	\$ 29,869,494	\$ 26,399,777	\$ 27,937,299	\$ 35,556,332	\$ 31,642,982	\$ 41,202,664	\$ 35,773,877	\$ 32,327,417
Public safety	62,641,752	65,099,358	69,823,550	77,375,851 (1)	84,274,805 (2)	83,748,205	86,563,843	106,967,208	112,101,961
Public works	35,006,139	36,255,777	36,793,698	38,137,157	41,031,232	41,698,053	47,526,978	50,734,669	54,436,508
Culture and recreation	12,446,448	13,647,941	13,117,753	13,448,883	15,353,039	15,773,260	22,328,381	23,458,242	24,532,571
Health and welfare	674,884	493,450	483,659	359,725	293,575	389,502	431,756	586,125	352,321
Community development	5,461,824	8,935,495	4,194,155	5,344,620	6,022,108	3,669,884	4,094,946	6,380,100	4,945,019
Economic development	3,328,801	3,558,794	4,703,913	4,770,448	3,073,823	6,151,081	6,823,742	7,098,377	7,732,605
Economic opportunity	2,220,321	2,749,050	3,481,716	2,940,163	4,596,238	5,075,413	3,613,591	3,049,514	3,501,904
Interest on long-term debt	20,601,285	20,132,573	19,415,444	17,811,208	17,540,449	15,152,212	15,339,408	14,476,239	12,803,169
<b>Total governmental activities expenses</b>	<b>170,452,850</b>	<b>174,741,932</b>	<b>178,413,665</b>	<b>188,125,354</b>	<b>209,742,201</b>	<b>203,340,592</b>	<b>228,225,309</b>	<b>248,524,351</b>	<b>252,773,465</b>
<b>Business-type activities</b>									
Municipal and Regional Airports	8,777,071	8,956,664	9,345,117	10,368,441	10,208,330	10,698,537	11,755,786	12,342,488	13,838,731
Water and Sewerage	34,710,498	35,962,172	39,320,447	39,781,854	43,058,225	44,707,461	54,483,362	54,903,981	56,098,592
Convention Center Hotel						485,540	1,967,861	7,781,837	13,085,201
Shreveport Area Transit System	8,891,520	8,971,869	8,565,331	8,907,815	9,728,821	10,581,217	11,203,961	12,562,076	14,135,118
Golf	1,455,213	1,488,054	1,497,866	1,419,103	1,334,610	1,572,192	1,099,369	1,934,772	1,885,375
Downtown Parking	410,000	382,000	391,404	400,000	433,000	417,800	425,666	436,200	451,000
<b>Total business-type activities expenses</b>	<b>54,244,302</b>	<b>55,760,759</b>	<b>59,120,165</b>	<b>60,877,221</b>	<b>64,763,086</b>	<b>68,462,747</b>	<b>81,628,005</b>	<b>89,961,354</b>	<b>96,514,015</b>
<b>Total primary government expenses</b>	<b>\$ 224,697,152</b>	<b>\$ 230,502,691</b>	<b>\$ 237,533,830</b>	<b>\$ 249,002,575</b>	<b>\$ 274,505,287</b>	<b>\$ 271,803,339</b>	<b>\$ 309,853,314</b>	<b>\$ 338,485,705</b>	<b>\$ 352,287,480</b>

(continued)

(1) Increase in public safety salaries provided by a sales tax increase

(2) Increase in state pension expenses

(continued)

CITY OF SHREVEPORT, LOUISIANA  
CHANGES IN NET ASSETS, LAST NINE FISCAL YEARS  
(accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Program Revenues</b>									
<b>Governmental Activities</b>									
Charges for services:									
Public safety	\$ 5,702,773	\$ 6,231,153	\$ 7,320,162	\$ 7,238,084	\$ 7,579,210	\$ 8,434,247	\$ 9,203,269	\$ 9,026,836	\$ 8,473,486
Public works	10,564,315	9,476,608	9,004,094	10,257,092	11,570,980	12,738,976	11,585,956	11,861,491	11,371,166
Other activities	649,368	506,835	614,299	818,910	921,166	952,331	1,149,882	795,440	677,024
Operating grants and contributions	15,912,879	20,437,049	15,529,060	15,579,961	17,894,434	15,862,194	15,634,442	17,268,873	19,503,074
Capital grants and contributions	4,270,485	9,653,756	5,711,584	13,521,203	7,395,579	27,165,717	12,399,644	9,200,892	4,403,430
<b>Total governmental activities program revenues</b>	<b>37,099,820</b>	<b>46,325,401</b>	<b>38,178,199</b>	<b>47,435,830</b>	<b>45,167,369</b>	<b>65,153,465</b>	<b>49,973,193</b>	<b>48,153,532</b>	<b>44,428,180</b>
<b>Business-type activities</b>									
Charges for services:									
Municipal and Regional Airports	6,202,481	6,291,485	6,183,233	6,635,056	7,103,457	7,555,898	7,967,886	9,091,820	9,833,275
Water and Sewerage	37,952,957	35,385,428	36,894,658	38,420,146	45,695,302	56,108,108	58,589,864	56,502,400	58,517,927
Conventions Center Hotel	-	-	-	-	-	-	-	4,674,048	(4)
Shreveport Area Transit System	2,438,339	2,405,553	2,060,173	1,987,715	1,968,562	2,050,464	2,179,884	2,380,408	2,543,666
Golf	1,280,664	1,357,923	1,307,630	1,197,848	989,289	1,383,371	1,446,980	1,372,161	1,374,572
Downinwa Parfing	460,909	510,825	657,619	676,890	598,239	551,857	577,620	596,426	630,648
Operating grants and contributions	2,278,871	2,627,499	3,014,352	2,861,410	3,824,635	2,750,760	4,288,852	3,489,645	5,068,237
Capital grants and contributions	8,732,078	7,687,141	6,868,899	15,724,693	14,793,291	9,044,417	14,997,350	13,301,924	8,477,153
<b>Total business-type activities program revenues</b>	<b>59,406,299</b>	<b>56,265,854</b>	<b>56,986,604</b>	<b>67,503,758</b>	<b>74,972,715</b>	<b>79,444,875</b>	<b>90,048,436</b>	<b>91,408,832</b>	<b>97,466,329</b>
<b>Total primary government program revenues</b>	<b>\$ 96,506,119</b>	<b>\$ 102,591,255</b>	<b>\$ 95,165,803</b>	<b>\$ 114,939,608</b>	<b>\$ 120,140,144</b>	<b>\$ 144,598,340</b>	<b>\$ 140,021,629</b>	<b>\$ 139,562,364</b>	<b>\$ 141,894,509</b>
<b>Net(Expense) Revenue</b>									
Governmental activities	\$ (133,353,030)	\$ (128,416,521)	\$ (140,234,466)	\$ (140,689,504)	\$ (164,574,932)	\$ (138,187,127)	\$ (178,352,116)	\$ (200,370,819)	\$ (208,345,285)
Business-type activities	5,161,997	505,095	(2,133,561)	6,626,537	10,209,689	10,982,128	8,420,431	1,447,478	(2,047,686)
<b>Total primary government net expense</b>	<b>\$ (128,191,033)</b>	<b>\$ (127,911,426)</b>	<b>\$ (142,368,027)</b>	<b>\$ (134,062,967)</b>	<b>\$ (154,365,243)</b>	<b>\$ (127,204,999)</b>	<b>\$ (169,931,685)</b>	<b>\$ (198,923,341)</b>	<b>\$ (210,392,971)</b>

(3) Increase in rates for system improvements

(4) Opened in 2007

(continued)

CITY OF SHREVEPORT, LOUISIANA  
CHANGES IN NET ASSETS, LAST NINE FISCAL YEARS  
(accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Taxes:									
Property taxes	\$ 45,577,546	\$ 47,142,092	\$ 47,838,744	\$ 48,929,547	\$ 51,007,550	\$ 51,498,165	\$ 54,196,554	\$ 54,192,772	\$ 57,452,405
Sales taxes	75,574,131	75,481,654	75,971,486	82,343,007	(5) 87,911,418	93,713,711	109,163,966	105,404,839	109,226,148
Franchise taxes	6,570,678	7,086,954	6,341,685	6,858,781	6,924,341	7,648,385	7,635,287	7,749,311	7,914,581
Occupational licenses	5,140,510	5,517,782	5,872,509	5,752,899	5,892,082	6,233,140	6,276,736	6,597,061	6,549,432
Gaming	7,209,309	14,819,542	15,032,411	13,754,595	12,891,549	11,617,496	12,273,760	12,366,888	12,931,726
Unrestricted grants and contributions	2,194,244	1,846,462	1,697,191	1,614,228	2,932,256	3,246,134	3,878,809	3,677,032	3,368,399
Investment earnings	13,751,278	11,000,534	6,145,817	5,094,309	3,840,636	4,289,082	5,124,099	5,568,888	4,115,495
Miscellaneous	4,618,887	3,528,936	4,269,479	10,004,905	3,493,196	4,493,820	4,133,123	3,534,655	3,653,651
Transfers	(3,298,051)	(2,679,269)	(2,900,527)	(2,941,669)	(3,982,341)	(3,906,539)	(3,328,336)	(5,469,109)	(5,052,569)
<b>Total governmental activities</b>	<b>157,328,532</b>	<b>163,744,707</b>	<b>160,298,795</b>	<b>171,410,602</b>	<b>170,910,687</b>	<b>178,833,394</b>	<b>199,353,998</b>	<b>193,642,337</b>	<b>200,159,268</b>
Business-type activities:									
Investment earnings	4,844,613	3,160,212	1,642,281	972,706	731,051	2,764,454	6,112,293	5,249,324	101,819
Transfers	3,298,051	2,679,269	2,900,527	2,941,669	3,982,341	3,906,539	3,328,336	3,469,109	5,052,569
<b>Total business-type activities</b>	<b>8,142,664</b>	<b>5,839,481</b>	<b>4,542,808</b>	<b>3,914,375</b>	<b>4,713,392</b>	<b>6,670,993</b>	<b>9,440,629</b>	<b>10,718,433</b>	<b>5,154,388</b>
<b>Total primary government</b>	<b>\$ 165,481,196</b>	<b>\$ 169,584,188</b>	<b>\$ 164,841,603</b>	<b>\$ 175,324,977</b>	<b>\$ 175,624,079</b>	<b>\$ 185,504,387</b>	<b>\$ 208,794,627</b>	<b>\$ 204,360,770</b>	<b>\$ 205,313,656</b>
<b>Change in Net Assets</b>									
Governmental activities	\$ 23,985,502	\$ 35,328,176	\$ 20,064,329	\$ 30,721,098	\$ 6,355,755	\$ 40,648,267	\$ 21,001,882	\$ (6,728,482)	\$ (8,186,017)
Business-type activities	13,304,661	6,344,576	2,409,247	10,540,912	14,923,081	17,653,121	17,861,060	12,165,911	3,106,702
<b>Total primary government</b>	<b>\$ 37,290,163</b>	<b>\$ 41,672,752</b>	<b>\$ 22,473,576</b>	<b>\$ 41,262,010</b>	<b>\$ 21,278,836</b>	<b>\$ 58,301,388</b>	<b>\$ 38,862,942</b>	<b>\$ 5,437,429</b>	<b>\$ (5,079,315)</b>

(5) Increase in sales tax for public safety salaries.

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2000.

Unaudited - see accompanying independent accountant's report.

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved/Designated	\$ 4,846,965	\$ 4,191,127	\$ 3,041,473	\$ 3,268,357	\$ 3,092,599	\$ 4,721,106	\$ 3,660,795	\$ 9,502,791	\$ 7,610,536	\$ 7,510,208
Unreserved	11,682,496	8,565,785	9,077,939	8,565,714	9,937,233	10,454,961	13,815,904	10,327,081	5,224,682	3,009,981
Total General Fund	\$ 16,529,461	\$ 12,756,912	\$ 12,119,412	\$ 11,834,071	\$ 13,029,832	\$ 15,176,067	\$ 17,476,599	\$ 19,829,872	\$ 12,835,218	\$ 10,520,189
All Other Governmental Funds										
Reserved	\$ 46,621,819	\$ 50,995,311	\$ 115,130,828	\$ 123,238,342	\$ 141,585,098	\$ 83,314,849	\$ 88,598,046	\$ 67,233,427	\$ 62,096,555	\$ 66,119,371
Unreserved, reported in:										
Special revenue funds	4,988,376	5,796,904	7,907,059	7,819,641	6,322,038	2,934,920	2,234,205	2,750,223	715,587	1,717,692
Capital project funds	155,132,055	139,886,153	89,317,228	68,932,622	77,124,069	80,038,721	26,185,480	36,863,363	38,569,530	31,993,102
Total all other governmental funds	\$ 206,742,250	\$ 196,678,368	\$ 212,355,115	\$ 199,990,605	\$ 225,031,205	\$ 166,288,490	\$ 117,017,731	\$ 106,847,013	\$ 101,381,672	\$ 99,830,365

Unaudited - see accompanying independent accountant's report.



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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Taxes	\$ 120,416,777	\$ 126,601,642	\$ 130,797,660	\$ 129,350,141	\$ 138,588,656	\$ 144,861,587	\$ 153,389,462	\$ 170,919,781	\$ 168,009,381	\$ 173,109,183
Licenses and permits	6,648,966	6,527,862	6,590,052	7,024,635	6,905,770	7,600,397	8,211,268	8,144,443	8,735,409	8,379,559
Intergovernmental	25,654,634	19,350,829	22,772,010	17,202,092	18,066,364	25,172,181	26,272,456	22,112,233	21,710,733	24,240,070
Charges for services	13,327,285	16,321,194	15,308,068	16,481,825	17,706,972	19,241,503	20,635,745	20,184,618	19,251,533	18,681,539
Fines and forfeitures	3,074,359	2,888,110	3,051,065	2,533,660	2,839,434	2,799,844	3,231,362	3,555,633	3,462,609	3,319,902
Gaming	7,300,677	7,209,309	14,819,542	15,052,411	13,754,595	12,891,549	11,617,496	12,273,760	12,366,888	12,931,726
Investment earnings	6,689,506	13,138,178	9,595,427	5,793,620	4,953,583	3,694,378	3,938,911	4,423,360	4,780,092	3,257,053
Miscellaneous	2,238,039	4,618,887	4,378,278	4,259,479	10,004,905	3,642,621	4,489,820	4,133,123	3,554,655	3,653,651
<b>Total revenues</b>	<b>185,350,243</b>	<b>196,456,011</b>	<b>207,312,102</b>	<b>197,707,863</b>	<b>212,820,279</b>	<b>219,904,050</b>	<b>231,792,520</b>	<b>245,746,951</b>	<b>241,891,300</b>	<b>247,572,683</b>
<b>Expenditures</b>										
General government	33,255,757	31,160,204	26,846,543	24,971,584	27,759,577	33,072,046	32,393,215	38,900,339	37,204,737	34,638,892
Public safety	62,695,370	60,899,205	63,779,843	68,731,189	72,337,147	82,694,307	84,754,554	90,574,313	91,446,018	96,639,536
Public works	24,008,583	27,090,411	27,155,205	28,580,522	25,992,785	33,005,430	30,502,540	34,062,025	36,218,897	37,036,813
Culture and recreation	10,785,474	10,606,983	11,475,437	11,350,929	10,780,702	11,096,644	12,417,996	12,998,481	14,158,892	15,840,773
Health and welfare	411,809	674,884	493,450	483,659	359,725	293,575	389,502	431,756	573,832	339,700
Community development	5,549,549	5,460,123	8,883,571	3,851,432	5,141,498	4,814,883	3,444,802	3,477,313	4,766,654	4,138,744
Economic development	4,616,895	3,328,001	3,538,794	4,703,913	4,770,448	5,073,823	6,151,081	6,823,742	7,030,767	7,670,569
Economic opportunity	3,773,472	2,220,321	2,749,050	3,481,716	2,940,163	4,596,238	5,075,413	3,613,591	2,834,390	3,281,038
Capital outlay	40,670,776	54,992,381	34,853,955	24,117,279	27,194,815	72,154,435	57,465,679	24,414,447	17,038,735	14,117,197
Debt service										
Principal	12,101,307	22,581,167	26,360,111	26,100,991	28,233,630	28,278,794	29,908,186	26,517,782	28,128,374	28,764,098
Interest and other charges	17,567,250	16,931,849	16,755,523	16,811,211	15,606,416	15,778,900	14,013,453	14,648,081	13,975,345	12,187,938
Bond issuance cost	395,084	548,862	136,360	2,762	730,216	1,048,354	2,584,664	-	52,735	833,170
<b>Total expenditures</b>	<b>216,031,326</b>	<b>236,494,391</b>	<b>223,047,842</b>	<b>213,187,187</b>	<b>221,867,122</b>	<b>291,907,429</b>	<b>279,101,085</b>	<b>256,461,870</b>	<b>253,449,376</b>	<b>255,488,468</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(30,681,083)</b>	<b>(40,038,380)</b>	<b>(15,735,740)</b>	<b>(15,479,324)</b>	<b>(9,046,843)</b>	<b>(72,003,369)</b>	<b>(47,308,565)</b>	<b>(10,714,919)</b>	<b>(11,558,076)</b>	<b>(7,915,785)</b>

(continued)

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Other Financing Sources(Uses)</b>										
Bonds issued	126,982,000	-	33,000,000	-	37,000,000	-	-	-	-	-
Refunding bonds issued	10,872,000	-	-	-	28,032,000	24,715,000	80,515,000	-	-	52,850,000
Premium on bonds issued	254,379	-	3,182	-	1,095,891	588,117	7,702,333	-	-	534,977
Certificates of indebtedness issued	630,000	-	-	-	-	5,375,000	-	-	-	-
Discount on certificate of indebtedness issued	-	-	-	-	-	(53,910)	-	-	-	-
Loan proceeds	8,000,000	30,000,000	-	-	182,949	1,295,025	-	-	-	-
Capital issues	5,670,000	-	451,074	5,730,000	-	6,107,126	1,973,508	6,185,810	4,292,190	6,187,239
Payments to refunded bond escrow agent	(10,559,411)	-	-	-	(78,088,967)	(24,637,089)	(86,423,980)	-	-	(49,170,198)
Swap termination payment	-	-	-	-	-	-	-	-	-	(1,300,000)
Transfers in	31,851,353	37,321,530	28,365,345	28,425,251	34,652,629	39,902,243	31,898,342	32,148,537	31,249,879	31,923,157
Transfers out	(32,328,343)	(41,119,581)	(31,044,614)	(31,325,778)	(36,997,298)	(37,884,623)	(35,326,885)	(33,436,873)	(36,443,988)	(36,975,726)
Total other financing sources(uses)	140,979,968	26,201,949	30,774,987	2,829,473	35,283,204	15,496,889	338,338	2,897,474	(901,915)	4,049,449
Net change in fund balances	\$ 117,449,050	\$ (4,479,134)	\$ (9,263,392)	\$ (12,906,267)	\$ 19,809,880	\$ 6,360,046	\$ (71,665,031)	\$ (7,817,445)	\$ (12,459,995)	\$ (3,866,336)
Debt service as a percentage of noncapital expenditures	17.3%	22.1%	23.0%	22.7%	22.9%	20.5%	21.0%	17.7%	17.8%	17.3%

(Unaudited - see accompanying independent accountant's report.)

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

Fiscal 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
1999	309,507	538,288	855,952	51.63	7,143,818	11.98
2000	332,686	558,627	898,929	51.30	7,527,501	11.94
2001	337,096	591,604	937,276	51.30	7,888,214	11.88
2002	345,120	593,431	946,648	51.30	8,137,516	11.63
2003	357,203	601,009	964,939	51.30	8,253,849	11.69
2004	455,083	641,799	1,105,691	46.64	9,637,710	11.47
2005	468,149	641,769	1,118,623	46.64	9,787,609	11.43
2006	486,846	673,164	1,169,282	46.64	10,244,280	11.41
2007	501,981	671,729	1,182,038	46.64	10,363,476	11.41
2008	571,963	729,434	1,311,664 (1)	44.54	11,589,120	11.32

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 4 years. The last revaluation was completed for the roll of January 1, 2008. The next revaluation will be completed as of January 1, 2012 for the 2012 tax roll. Tax rates are per \$1,000 of assessed value.

(1) Included in the total assessed value of property within the City is \$10,267 of assessed value that has been adjudicated to Caddo and Bossier parish.

Unaudited - see accompanying independent accountant's report.



CITY OF SHREVEPORT, LOUISIANA  
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 (rate per \$1,000 of assessed value)  
 Last Ten Fiscal Years

Fiscal 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	
1999	30.54	12.32	1.76	1.33	1.33	1.33	2.02	1.00	51.63	83.98	41.17	176.78	
2000	30.54	12.13	1.73	1.31	1.31	1.31	1.99	0.98	51.30	85.63	38.95	175.88	
2001	30.54	12.13	1.73	1.31	1.31	1.31	1.99	0.98	51.30	86.03	40.16	177.49	
2002	30.54	12.13	1.73	1.31	1.31	1.31	1.99	0.98	51.30	87.27	40.40	178.97	
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	1.37	1.19	1.19	1.19	1.80	0.89	46.64	87.27	36.58	170.49	
2005	27.82	10.99	1.37	1.19	1.19	1.19	1.80	0.89	46.64	81.73	37.31	165.68	
2006	27.82	10.99	1.37	1.19	1.19	1.19	1.80	0.89	46.64	81.73	37.31	165.68	
2007	27.82	10.99	1.37	1.19	1.19	1.19	1.80	0.89	46.64	80.65	37.31	164.60	
2008	27.82	9.76	1.39	1.06	1.06	1.06	1.60	0.79	44.54	82.81	37.31	164.66	

(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) 12.65 mills for General Alimony  
 (b) 1.81 mills for Police Three-Platoon System

(3) Special millage approved by referendum and must be reapproved by referendum every 5 years.  
 (Last submitted and approved on April 12, 2008).

Unaudited - see accompanying independent accountant's report.

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

Taxpayer	2008			1999		
	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	\$ 44,322,660	1	3.4%	\$ 37,932,970	1	4.4%
Bell South	23,978,920	2	1.8	28,223,330	2	3.3
Sarr's Town	15,557,700	3	1.2	5,093,210	10	0.6
Regions Bank	12,353,800	4	0.9	10,535,150	7	1.2
Walmart	11,237,480	5	0.9	7,026,000	9	0.8
Calumet Lubricants	11,059,420	6	0.8	25,624,970	3	3.0
Capital One	9,298,140	7	0.7	12,797,200	5	1.5
Libby Glass	6,968,780	8	0.5	-	-	-
Centerpoint Energy	6,071,350	9	0.5	7,224,520	8	0.8
JP Morgan Chase	5,890,680	10	0.5	14,699,410	4	1.7
Lucent Technologies				12,090,530	6	1.4
	<u>\$ 146,738,930</u>		<u>11.2%</u>	<u>\$ 161,247,290</u>		<u>18.7%</u>

Unaudited - see accompanying independent accountant's report.

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

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	44,113,404	32,450,812	73.6	10,945,460	43,396,272	98.4
2000	45,926,818	28,639,568	62.4	16,322,821	44,962,389	97.9
2001	48,082,314	25,268,585	52.6	21,731,652	47,000,237	97.7
2002	48,563,087	36,601,835	75.4	10,877,573	47,479,408	97.8
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	53,312,434	97.8
2007	55,130,275	44,426,316	80.6	9,727,328	54,153,644	98.2
2008	58,421,540	41,480,921	71.0	-	41,480,921	71.0

Unaudited - see accompanying independent accountant's report.

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Motor vehicle dealers	\$ 319,552	\$ 348,135	\$ 321,093	\$ 325,379	\$ 340,389	\$ 351,422	\$ 339,595	\$ 355,024	\$ 355,111	\$ 352,186
Restaurant, food services and drinking places	218,195	224,549	232,057	239,940	248,425	262,048	291,080	304,988	324,109	350,012
Discount stores	219,881	237,292	262,908	257,443	255,244	260,352	275,136	278,608	298,463	344,308
Grocery Stores	269,743	284,401	268,036	265,961	234,162	237,239	263,986	348,106	303,178	311,557
Department Stores	112,360	97,399	103,535	111,684	115,458	109,464	120,492	125,978	131,233	129,234
Miscellaneous general merchandise stores	70,418	71,175	75,274	80,087	98,653	103,400	115,262	121,428	126,020	132,498
Drug stores	80,893	87,128	95,492	109,505	102,311	103,356	112,727	133,956	125,768	122,707
Lumber and other building materials dealers	74,373	77,791	77,695	84,181	84,413	85,399	107,622	116,530	119,006	122,095
Wholesale - Machinery, equipment and supplies	107,870	112,502	115,610	87,683	80,867	97,386	99,437	116,671	138,445	141,943
Wholesale - professional and commercial equipment	90,602	90,479	81,380	83,457	78,290	93,883	89,856	96,333	111,632	119,797
All others	1,265,140	1,379,544	1,428,339	1,428,663	1,340,388	1,420,858	1,564,908	1,906,431	1,791,539	1,793,876
<b>Total</b>	<b>\$ 2,829,027</b>	<b>\$ 3,010,395</b>	<b>\$ 3,061,419</b>	<b>\$ 3,073,983</b>	<b>\$ 2,978,600</b>	<b>\$ 3,124,807</b>	<b>\$ 3,380,101</b>	<b>\$ 3,904,053</b>	<b>\$ 3,824,504</b>	<b>\$ 3,920,213</b>

City sales tax rate 2.50% 2.50% 2.50% 2.50% 2.75% 2.75% 2.75% 2.75% 2.75% 2.75%

Source: Caddo-Shreveport Sales and Use Tax Commission

Unaudited - see accompanying independent accountant's report.

CITY OF SHREVEPORT, LOUISIANA  
DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL 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>
1999	2.50	1.50	0.25	4.00	8.25
2000	2.50	1.50	0.25	4.00	8.25
2001	2.50	1.50	0.25	4.00	8.25
2002	2.50	1.50	0.25	4.00	8.25
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

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 accountant's report.

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

	Fiscal Year 2005			Fiscal Year 2006			Fiscal Year 2007			Fiscal Year 2008		
	Number of Filers	Percent of Total	Tax Liability	Number of Filers	Percent of Total	Tax Liability	Number of Filers	Percent of Total	Tax Liability	Number of Filers	Percent of Total	Tax Liability
Retail trade	2,838	33.56	\$ 60,378,674	2,888	33.16	\$ 66,306,787	2,906	32.04	\$ 66,868,050	2,877	31.19	\$ 69,154,367
Services	2,135	25.07	13,911,994	2,204	25.31	20,304,523	2,216	25.54	15,769,308	2,247	25.44	16,295,089
Wholesale Trade	2,442	28.68	14,067,681	2,514	28.87	15,349,862	2,676	29.51	16,838,019	2,791	30.26	17,444,320
Transportation, communications, electric, and gas	140	1.64	1,432,004	147	1.69	1,888,073	167	1.84	1,324,469	181	1.96	1,465,385
Manufacturing	279	3.28	1,462,285	274	3.15	1,882,683	275	3.03	3,091,773	268	2.91	1,705,805
Other	159	1.87	1,025,558	156	1.79	1,167,014	153	1.69	926,510	142	1.54	1,015,865
Construction	299	3.51	648,660	296	3.40	784,227	324	3.57	868,171	329	3.57	1,044,320
Mining	95	1.12	118,994	117	1.34	218,743	134	1.48	378,032	172	1.86	991,643
Finance, insurance, and real estate	61	0.72	210,709	67	0.77	205,302	71	0.78	194,783	71	0.77	192,309
Agricultural	41	0.48	79,894	39	0.45	83,760	39	0.43	93,873	38	0.41	104,004
Government	6	0.07	38,235	6	0.07	45,990	8	0.09	50,178	8	0.09	39,545
<b>Total</b>	<b>8,515</b>	<b>100.00</b>	<b>\$ 91,381,888</b>	<b>8,708</b>	<b>100.00</b>	<b>\$ 108,428,916</b>	<b>9,099</b>	<b>100.00</b>	<b>\$ 106,391,148</b>	<b>9,224</b>	<b>100.00</b>	<b>\$ 109,343,652</b>

Source: Credit-Shreveport Sales and Use Tax Commission

Note: Due to confidentiality issues, the names of the ten 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. Fiscal years 2006, 2007 and 2008 are the most recent years for which data are available.

Unaudited - see accompanying independent accountant's report.

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

Fiscal 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					
1999	302,473	55,335	13,805	5,670	25,570	-	110,600	-	-	-	-	513,453	8.6	2,548	
2000	288,091	51,530	43,469	4,250	25,125	-	115,306	-	-	-	-	527,771	8.3	2,637	
2001	303,897	47,460	42,580	3,218	24,660	-	117,861	-	-	-	255	539,931	8.0	2,685	
2002	286,717	43,225	41,501	7,698	24,175	-	114,726	-	-	-	255	518,297	7.5	2,577	
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	7.6	3,061	
2007	225,414	30,681	32,430	14,379	21,278	848	179,320	75,000	42,288	-	602	622,240	7.4	3,063	
2008	205,408	26,794	33,580	17,447	-	38,194	166,283	75,000	39,591	-	1,564	603,861	7.1	3,019	

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.

Unaudited - see accompanying independent accountant's report.

**CITY OF SHREVEPORT, LOUISIANA**  
**Ratios of General Bonded Debt Outstanding**  
 Last Ten Fiscal Years  
 (dollars in thousands, except per capita)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of	
				Estimated Actual Taxable Value of Property	City Per Capita
1999	302,473	27,429	275,044	3.85	1,001
2000	288,091	28,977	259,114	3.44	1,295
2001	303,897	33,983	269,914	3.42	1,342
2002	286,717	37,298	249,419	3.07	1,240
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	871
2008	205,408	55,879	149,529	1.29	748

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 accountant's report.



CITY OF SHREVEPORT, LOUISIANA  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2008  
 (dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
<b>Debt repaid with property taxes</b>			
Caddo Parish Commission	\$ 14,675	74.77%	10,972
Caddo Parish School Board	119,370	74.77%	89,253
<b>Subtotal, Overlapping Debt</b>			<b>100,225</b>
<b>City direct debt</b>			<b>283,229</b>
<b>Total direct and overlapping debt</b>			<b>\$ 383,454</b>

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 accountant's report.

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(dollars in thousands)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 299,383	\$ 314,625	\$ 328,047	\$ 331,330	\$ 337,729	\$ 386,992	\$ 391,518	\$ 409,249	\$ 413,713	\$ 459,083
Total debt applicable to limit	<u>268,297</u>	<u>258,837</u>	<u>278,642</u>	<u>264,673</u>	<u>287,762</u>	<u>272,730</u>	<u>254,487</u>	<u>237,602</u>	<u>220,716</u>	<u>202,147</u>
Legal debt margin	\$ <u>31,286</u>	\$ <u>55,788</u>	\$ <u>49,405</u>	\$ <u>66,657</u>	\$ <u>49,967</u>	\$ <u>114,262</u>	\$ <u>137,031</u>	\$ <u>171,647</u>	\$ <u>192,997</u>	\$ <u>256,936</u>
Total debt applicable to the limit as a percentage of debt limit	89.56%	82.27%	84.94%	79.88%	85.21%	70.47%	65.00%	58.06%	53.35%	44.03%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	\$ 1,311,664
Debt limit (35% of total assessed value)	459,083
Debt applicable to limit:	
General obligation bonds	<u>202,147</u>
Legal debt margin	<u>\$ 256,936</u>

Note: Total debt applicable to limit includes all general obligation bonds payable from assessed property taxes in their original principal amount outstanding. 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 accountant's report.

WATER AND SEWERAGE  
PLEGGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues(1)	Less: Operating Expenses(2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1999	40,480,054	23,423,832	17,056,222	6,483,541	4,664,645	1.53
2000	41,984,620	22,064,086	19,920,534	4,351,300	3,064,987	2.69
2001	37,994,398	24,424,890	13,569,508	4,658,766	3,038,722	1.76
2002	38,582,686	27,804,941	10,777,745	5,267,979	2,275,652	1.43
2003	39,359,740	27,041,477	12,318,263	6,010,064	1,973,357	1.54
2004	47,331,098	28,726,157	18,604,941	7,065,796	2,401,669	1.97
2005	57,713,962	30,578,978	27,134,984	10,982,563	4,438,531	1.76
2006	63,131,449	36,874,335	26,257,114	11,782,506	4,766,703	1.59
2007	60,876,054	35,987,039	24,889,015	12,370,601	5,079,611	1.43
2008	60,944,320	38,219,466	22,724,854	12,755,277	4,759,719	1.30

(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.

Unaudited - see accompanying independent accountant's report.

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

Fiscal Year	Gross Revenues(1 & 5)	Less: Operating Expenses(2 & 5)	Net Available Revenue	Debt Service (3 & 4)		Total	Coverage
				Principal	Interest		
1999	6,574,886	4,359,948	2,214,938	-	787,709	787,709	2.81
2000	6,997,236	5,143,977	1,853,259	-	664,766	664,766	2.79
2001	6,830,601	5,245,607	1,584,994	-	927,204	927,204	1.71
2002	6,756,147	5,648,894	1,107,253	-	967,263	967,263	1.14
2003	7,120,564	6,363,397	757,167	-	596,097	596,097	1.27
2004	7,607,130	6,311,705	1,295,425	-	470,494	470,494	2.75
2005	8,053,251	6,822,081	1,231,170	-	478,020	478,020	2.58
2006	9,017,059	7,353,327	1,663,732	-	523,861	523,861	3.18
2007	9,781,072	8,091,628	1,689,444	-	438,199	438,199	3.86
2008	10,180,016	8,248,357	1,931,659	10,000	930,930	940,930	2.05

(1) Includes operating revenues, interest income, intergovernmental revenues, net fair value adjustment of investments, transfers in and excludes 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. Years prior to 2003 were recalculated to reflect this change.

(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.

Unaudited - see accompanying independent accountant's report.

**CITY OF SHREVEPORT, LOUISIANA**  
**Demographic and Economic Statistics**  
 Last Ten Fiscal Years

Fiscal Year	City Population	Caddo Parish Population	Caddo Parish Personal Income (in thousands)		City Unemployment Rate
			Personal Income	Per Capita Personal Income	
1999	201,500	251,876	5,968,299	23,695	3.6
2000	200,145	251,979	6,332,480	25,131	4.9
2001	201,059	251,298	6,718,410	26,735	7.1
2002	201,100	250,506	6,955,738	27,767	6.6
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	8,128,201	32,309	4.0
2007	203,145	252,716	8,387,644	33,190	4.5
2008	200,031	252,609	8,501,158	33,653	6.8

Sources: City population provided by the Treasurer of the State of Louisiana.  
 Population and personal income for Caddo Parish (which the City resides in) provided by the Center for Business Research, Louisiana State University in Shreveport.  
 City unemployment rate provided by Louisiana Department of Labor.

Unaudited - see accompanying independent accountant's report.

CITY OF SHREVEPORT, LOUISIANA  
 PRINCIPAL EMPLOYERS  
 SHREVEPORT-BOSSIER CITY, METROPOLITAN AREA  
 FOR THE YEARS 2007 AND 2000

Employer	2007			2000		
	Employees	Rank	Percentage of Area Employment	Employees	Rank	Percentage of Area Employment
State of Louisiana	11,700	1	6.74	7,658	3	4.37
Barksdale Air Force Base	9,018	2	5.19	8,930	1	5.09
Caddo Parish School Board	6,743	3	3.88	7,697	2	4.39
LSU Health Sciences Center	5,941	4	3.42	5,644	4	3.22
Willis Knighton Health System	5,061	5	2.91	4,150	5	2.37
General Motors	3,002	6	1.73	2,541	8	1.45
City of Shreveport	2,790	7	1.61	2,808	6	1.60
Bossier Parish School System	2,638	8	1.52	2,499	10	1.43
Christus Schumpert Health System	2,093	9	1.21	2,500	9	1.43
Harrah's	2,018	10	1.16	2,645	7	1.51
<b>Total</b>	<b>51,004</b>		<b>29.37</b>	<b>47,072</b>		<b>26.86</b>

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

Note: 2007 was the most recent year available and 2000 was the earliest year available.

Unaudited - see accompanying independent accountant's report.

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

Function/Program	Full-time Equivalent Employees as of December 31									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General government	272	274	265	265	264	268	274	275	275	280
Public safety	1,348	1,316	1,320	1,305	1,275	1,299	1,292	1,268	1,261	1,268
Public works	426	422	431	429	431	460	476	489	505	491
Culture and recreation	252	268	264	264	258	252	276	287	294	252
Health and welfare	2	2	2	2	2	2	2	2	2	2
Community development	10	10	10	10	10	13	16	18	26	26
Economic development	13	11	10	11	11	10	15	15	15	15
Economic opportunity	35	35	34	35	34	29	29	30	32	30
Municipal and Regional Airports	82	80	82	78	78	77	76	69	61	60
Water and Sewerage	320	310	303	303	303	287	279	271	303 (2)	394
Convention Center Hotel (1)	-	-	-	-	-	-	-	-	-	-
Shreveport Area Transit System (1)	-	-	-	-	-	-	-	-	-	-
Golf	30	30	30	29	30	30	31	34	34	35
Downtown Parking (1)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,790</b>	<b>2,758</b>	<b>2,751</b>	<b>2,731</b>	<b>2,696</b>	<b>2,727</b>	<b>2,766</b>	<b>2,758</b>	<b>2,808</b>	<b>2,853</b>

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

(2) Department reorganized.

Unaudited - see accompanying independent accountant's report.

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

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Property standards inspections made	38,000	28,000	26,000	27,000	39,360	43,021	46,000	46,000	40,000	50,000
Lots cut	5,900	14,201	14,108	14,701	11,182	11,182	10,000	10,000	19,200	21,500
Public safety										
Prisoners booked in City jail	14,000	16,000	11,740	9,500	9,668	5,421	11,000	12,400	13,500	14,000
Offense reports processed	56,000	51,000	47,435	49,383	46,635	46,900	47,300	29,678	30,000	30,300
Traffic citations issued	39,140	38,004	40,426	42,884	43,000	42,973	53,318	53,800	55,900	55,900
Fines reported	1,550	1,600	1,603	1,580	1,600	1,573	1,575	1,200	1,725	1,700
Fire responses	29,850	29,200	31,780	32,523	33,459	33,795	33,800	33,800	36,000	35,500
Fire inspections	14,500	19,500	16,048	14,691	15,160	11,998	19,600	19,000	19,000	20,000
EMS responses	21,369	23,292	22,700	24,288	23,214	23,214	24,300	25,000	25,573	26,000
Public works										
Refuse collected (tons)	136,800	137,200	137,200	137,400	136,600	137,400	135,600	141,000	135,600	143,000
Building permits issued	5,429	7,074	6,026	6,400	4,336	4,177	4,274	4,400	3,400	3,200
Asphalt repairs	8,671	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Street resurfacing (miles)	N/A	N/A	55	52	52	55	52	52	74	40
Culture and recreation										
Events at all facilities	375	404	288	332	338	355	334	346	201	267
Acres of City parks maintained	N/A	N/A	20,681	21,171	21,171	21,171	21,171	21,171	23,450	23,450
Participants in team sports	N/A	N/A	6,230	6,500	8,331	8,967	9,500	10,000	9,000	12,000
Senior program participants	N/A	N/A	46,144	52,389	27,520	35,240	37,840	43,000	38,000	45,000
Community development										
Programs funded	N/A	N/A	N/A	N/A	N/A	68	58	52	67	61
Economic development:										
Housing units assisted	293	190	270	295	252	245	198	170	169	173
Small business loans	N/A	N/A	N/A	N/A	N/A	11	10	12	3	3
Economic opportunity										
Participants served	1,355	1,297	1,593	1,955	1,894	1,879	2,130	4,854	4,647	5,400
Municipal and Regional Airports										
Capital projects managed	9	12	12	16	17	20	22	20	15	18
Contracts/leases monitored	N/A	N/A	N/A	N/A	N/A	251	255	251	261	270
Water and Sewerage										
Water treated and pumped per day (MGD)	36	36	37	35	35	36	39	36	37	41
Wastewater treated per day (MGD)	29	31	31	37	37	37	35	37	37	37
Water mains (miles)	1,020	1,020	1,030	1,040	1,050	1,060	1,096	1,089	1,100	1,144
Sewer mains (miles)	1,020	1,030	1,040	1,041	1,036	1,030	1,067	1,144	1,150	1,196
Fire hydrants	6,265	6,313	6,350	6,400	6,860	6,900	7,107	7,310	7,350	7,400
Shreveport Area Transit System										
Passenger trips (thousands)	3,755	3,542	3,526	2,852	2,865	2,838	2,932	3,145	3,383	3,400
Golf										
Golf rounds played	95,000	100,000	96,557	94,714	94,663	82,842	90,000	76,200	76,000	78,000
Downtown Parking (1)										
Citations issued	N/A	40,000	40,000	42,000	40,104	42,470	42,000	42,000	42,000	42,000

Sources: City of Shreveport Annual Budget Book  
Note - No indicators are available for Health and Welfare or the Convention Center/Hotel.

(1) Downtown Parking Fund began operations January 1, 2000.  
N/A - Statistical information is not available.

Unaudited - see accompanying independent accountant's report



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

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Functions:</b>										
<b>Public Safety</b>										
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Patrol Units	N/A	N/A	N/A	N/A	N/A	N/A	N/A	364	312	302
Fire Stations	21	21	21	21	21	21	21	21	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
<b>Public Works:</b>										
Collection Trucks	57	57	54	52	52	52	52	52	52	52
Streets (miles)	1,563	1,564	1,574	1,564	1,564	1,564	1,524	1,598	1,998	1,998
Street lights	29,730	29,649	29,559	29,453	30,125	30,013	29,590	30,085	30,085	30,085
Traffic signals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	350	350	352
<b>Culture and recreation</b>										
Packs average	3,180	3,180	3,181	3,181	1,783	1,783	1,783	1,783	1,783	1,783
Number of playgrounds	43	43	43	43	46	46	46	46	46	46
Number of picnic areas	34	34	34	34	42	42	42	42	42	42
Swimming pools	11	11	11	11	11	11	11	11	11	10
Tennis courts	29	29	29	29	29	29	29	29	29	29
Community centers	18	18	19	19	19	19	20	20	20	21
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
Multicultural center										
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
Soccer and soccer complex	1	1	1	1	1	1	1	1	1	1
Stage works movie facility										
Planetarium	1	1	1	1	1	1	1	1	1	1
Hotel										
<b>Municipal and Regional Airports:</b>										
Number of airports	2	2	2	2	2	2	2	2	2	2
<b>Water and Sewerage:</b>										
Number of water accounts	64,685	64,343	65,000	65,000	66,000	66,000	66,500	67,050	67,465	68,000
Water mains (miles)	1,041	1,049	1,054	1,060	1,064	1,072	1,080	1,089	1,097	1,144
Fire Hydrants	7,100	7,120	7,350	7,170	7,200	7,230	7,270	7,310	7,350	7,400
Maximum daily capacity (thousands of gallons)	33,100	40,000	29,000	33,000	80,000	80,000	80,000	80,000	80,000	90,000 (2)
Number of water storage tanks	10	14	13	13	13	13	13	13	10 (1)	10
Capacity of water storage tanks	32,000,000	35,600,000	35,500,000	35,500,000	35,500,000	35,500,000	35,500,000	35,000,000	35,000,000	35,500,000
Number of sewerage accounts	62,692	62,808	62,000	63,000	63,000	63,000	63,500	63,701	63,987	65,000
Sanitary sewers (miles)	1,011	1,018	1,024	1,030	1,036	1,044	1,053	1,063	1,072	1,196
Storm sewers (miles)	225	225	227	229	230	231	231	232	233	233
Maximum daily treatment capacity (thousands of gallons)	80,000	80,000	80,000	80,000	80,000	80,000	80,000	100,000	100,000	100,000
<b>Golf:</b>										
Number of municipal golf courses	3	3	3	3	3	3	3	3	3	3
Shreveport Area Transit System										
Number of transit buses	45	45	45	45	54	47	44	28	46	47
Number of transit liftline vehicles	14	19	12	12	12	12	12	12	17	13

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) Amara Water Treatment Plant Improvements

N/A - Statistical information is not available.

Unaudited - see accompanying independent accountant's report



# **City of Shreveport, Louisiana**

Single Audit Reports

December 31, 2008



# City of Shreveport, Louisiana

December 31, 2008

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**City of Shreveport, Louisiana**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2008**

Federal Grantor/ Pass-Through Grantor	Federal CFDA Number	Grant/ Contract Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b>Direct Programs:</b>			
Community Development Block Grants:			
Community Development Block Grants/Entitlement Grants	14.218	MC-22-0007 B-99-BD-22-0003 B-01-SP-LA-0235	\$ 3,397,353
Brownfields Economic Development Initiative	14.246	B-00-ED-22-0018	774,753
Section 108 Loan Guarantees	14.248	N/A	5,656,565
HOME Investment Partnerships Program	14.239	MC-22-0200	1,711,287
<b>Passed through Louisiana Office of Community Service</b>			
Federal Emergency Shelter Grants Program	14.231	MC-22-0003	119,100
State Emergency Shelter Grants Program	14.231	6542	115,334
			<u>234,434</u>
<b>Total Department of Housing and Urban Development</b>			<u>11,774,392</u>
<b>U.S. DEPARTMENT OF INTERIOR</b>			
Oakland Cemetery Renovation	15.xxx	N/A	313,119
<b>Total Department of Interior</b>			<u>313,119</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<b>Direct Programs:</b>			
Safe Streets	16.166	166E-NO-54661	13,064
Community Prosecution and Project Safe Neighborhoods	16.609	F07-8-005	20,000
Public Safety Partnership & Community Policing Grants – Federal Interoperability Grant	16.710	2004-IN-WX0009 2007-CK-WX0036	2,348,715
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-1035	273,931
Edward Byrne Memorial Justice Assistance Grant Program	16.738	B07-1-005	4,348
			<u>278,279</u>

**City of Shreveport, Louisiana**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended December 31, 2008**

Federal Grantor/ Pass-Through Grantor	Federal CFDA Number	Grant/ Contract Number	Federal Expenditures
Forensic Casework DNA Backlog Reduction Program – Solving Cold Cases with DNA	16.743	2005-DN-BX-K029 15PGCP552	\$ 48,277
Office of National Drug Control Policy Grant Program – High Intensity Drug Trafficking Organized Crime Drug Enforcement	16.xxx 16.xxx	16PGCP552 17GCP502Z N/A	39,368 33,738
<b>Passed through Louisiana Commission on Law Enforcement:</b>			
Edward Byrne Memorial Justice Assistance Grant Program – Multi-Jurisdictional Task Force Anti-Gang Initiative	16.738 16.744	B-07-1-004 F61-8-003 E07-1-013	61,045 24,131
Drug Abuse Resistance Education A.F.I.S.	16.xxx 16.xxx	E08-1-012 HQ-1-2027	98,943 <u>394,119</u>
<b>Total U.S. Department of Justice</b>			<u>3,359,679</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
<b>Passed through Louisiana Department of Labor:</b>			
Workforce Investment Act – Adult Program Workforce Investment Act – Youth Activities Workforce Investment Act – Dislocated Workers	17.258 17.259 17.260	N/A N/A N/A	1,443,169 557,302 <u>498,119</u> <u>2,498,590</u>
<b>Passed through Louisiana Department of Social Services – Office of Family Support :</b>			
Louisiana J.E.T. Program – Employment and Training Administration Evaluations	17.262	CFMS 590611	<u>331,943</u>
<b>Total U.S. Department of Labor</b>			<u>2,830,533</u>

**City of Shreveport, Louisiana**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended December 31, 2008**

Federal Grantor/ Pass-Through Grantor	Federal CFDA Number	Grant/ Contract Number	Federal Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<b>Federal Aviation Administration</b>			
<b>Direct Programs:</b>			
Airport Improvement Program:			
Construct West Parallel Taxiway 4/22 – Regional Airport	20.106	3-22-0048-35	\$ 51,185
Land Acquisition Security Purposes – Regional Airport	20.106	3-22-0048-24 & 37	2,266
Acquire ARFF Truck – Regional Airport	20.106	3-22-0047-13, 3-22-0048- 13,19,21,22,25,26,28,29, 31,33,34,36,37,38 & 40	700,041
Reconstruct Taxiway Foxtrot – Downtown Airport	20.106	3-22-0047-14	17,246
Taxiway Rehabilitation – Regional Airport	20.106	3-22-0048-46	267,129
West Parallel Taxiway – Regional Airport	20.106	3-22-0048-37,42,44 & 47	821,499
			<u>1,859,366</u>
Part 150 Noise Property Acquisitions – Regional Airport	20.930	3-22-0048-xx	793,432
<b>Total Federal Aviation Administration</b>			<u>2,652,798</u>
<b>Federal Transit Administration</b>			
<b>Direct Programs:</b>			
Federal Transit Capital Investment Grants:			
Sportran Maintenance Facility	20.500	LA-90-0207	585
Sportran 2000 Capital Improvements	20.500	LA-03-0088	1,402
Sportran 2002 Capital Improvements	20.500	LA-03-0096	3,242
		LA-90-0264	
Sportran 2004 Capital Improvements	20.500	LA-90-2264	283,790
		LA-90-0279	
Sportran 2005 Capital Improvements	20.500	LA-90-2279	11,127
LSUSC Intermodal Transit Facility	20.500	LA-30-0109	328,213
		LA-90-0279	
Sportran 2006 Capital Improvements	20.500	LA-90-2279	355,448
Sportran – Downtown Pedestrian Walkway	20.500	LA-04-0004	88,897
		LA-90-0317	
		LA-90-2317	
		LA-90-0305	
Sportran 2007 Capital Improvements	20.500	LA-90-0301	4,940,750
Sportran – Purchase Hybrid-Fueled Bus	20.500	LA-04-0004	500,673
Greyhound Intermodal Facility	20.500	LA-04-0012	10,800
			<u>6,524,927</u>

**City of Shreveport, Louisiana**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended December 31, 2008**

Federal Grantor/ Pass-Through Grantor	Federal CFDA Number	Grant/ Contract Number	Federal Expenditures
		LA-37-0012	
		LA-37-4012	
		LA-37-4014	
		LA-37-4015	
		LA-57-0001	
New Freedom Program	20.516	LA-57-4001	\$ 374,875
		LA-37-0012	
		LA-37-4012	
		LA-37-4014	
		LA-37-4015	
		LA-57-0001	
Job Access Reverse Commute	20.521	LA-57-4001	<u>374,875</u>
<b>Total Federal Transit Administration</b>			<u>7,274,677</u>
<b>National Highway Traffic Safety Administration</b>			
<b>Passed through Louisiana Highway Safety Commission:</b>			
State and Community Highway Safety – Shreveport Enforcement Program	20.600	2008-46-00-00	<u>36,074</u>
<b>Total National Highway Traffic Safety Administration</b>			<u>36,074</u>
<b>Department of Transportation Urban Arterial</b>			
Highway Planning and Construction (Greenwood Road at Pines)	20.205	M-0500(022)/ M-000(021)/ 1-02-0026/700-29-0064	<u>47,560</u> <u>47,560</u>
<b>Total U.S. Department of Transportation</b>			<u>10,011,109</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
<b>Passed through State of Louisiana Office of Environmental Assessment:</b>			
Nonpoint Source Implementation Grants – Cross Lake Watershed Erosion Control	66.460	CFMS 631838	238
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	N/A	<u>68,751</u>
<b>Passed through Southern University Shreveport:</b>			
Brownfields Job Training Cooperative Agreements	66.815	JT-9662500-1	<u>5,300</u>
<b>Passed through State of Louisiana Department of Environmental Quality</b>			
<b>Capitalization Grants for Clean Water State Revolving Funds:</b>			
Sewerage System Program – Loan 1	66.458	N/A	148,403
Sewerage System Program – Loan 2	66.458	N/A	696,212
Sewerage System Program – Loan 5	66.458	N/A	<u>13,000</u>
			<u>857,615</u>
<b>Total U.S. Environmental Protection Agency</b>			<u>931,904</u>



**City of Shreveport, Louisiana**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended December 31, 2008**

Federal Grantor/ Pass-Through Grantor	Federal CFDA Number	Grant/ Contract Number	Federal Expenditures
<b>U.S. DEPARTMENT OF ENERGY</b>			
Passed through Louisiana Department of Natural Resources			
State Energy Plan-Shreveport Clean Cities Initiative	81.041	DE-FG48-02R830103	\$ <u>3,823</u>
Total U.S. Department of Energy			<u>3,823</u>
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>			
Passed through Louisiana Department of Labor			
Temporary Assistance for Needy Families	93.558	CFMS #610355	<u>101,925</u>
Total U.S. Department of Health & Human Services			<u>101,925</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
<b>Direct Programs</b>			
Assistance to Firefighters Grant	97.044	EMW-2007-FO-08742	<u>202,984</u>
Total Department of Homeland Security			<u>202,984</u>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<u>\$ 29,529,468</u>

**Notes to Schedule**

**(1) General**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Shreveport, Louisiana (the City), and is presented using the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

**(2) Relationship to Federal Financial Reports**

In some cases, grant expenditure reports as of December 31, 2008, which have been submitted to grantor agencies, will differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of the year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

**City of Shreveport, Louisiana**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended December 31, 2008**

**(3) Sub-recipients**

Of the federal expenditures presented in the Schedule, the City provided federal awards to sub-recipients totaling \$1,455,291.

<b>Program</b>	<b>CFDA Number</b>	<b>Amount Provided to Subrecipients</b>
Community Development Block Grants/Entitlement Grants	14.218	\$544,866
HOME Investment Partnership Program	14.239	68,031
Workforce Investment Act	17.258, 17.259, 17.260	842,394

**(4) Loan Programs**

The federal expenditures presented in this schedule include loans passed through State of Louisiana Department of Environmental Quality – Capitalization Grants for Clean Water State Revolving Loan Funds – Sewage System Program in the amount of \$857,615 during 2008, of which \$76,000,000 has been authorized and \$50,242,239 is outstanding.

The Schedule of Expenditures of Federal Awards includes \$5,656,565 of HUD Section 108 debt service. As of December 31, 2008, the HUD Section 108 Fund had an outstanding debt balance of \$6,580,000.

**Independent Accountants' Report on Internal Control Over  
Financial Reporting and Compliance and Other Matters Based on an  
Audit of the Financial Statements Performed in Accordance with  
Government Auditing Standards**

The Honorable Mayor and City Council  
City of Shreveport, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Shreveport, Louisiana (the City), as of and for the year ended December 31, 2008, which collectively comprise its basic financial statements, and have issued our report thereon dated June 26, 2009. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service, fiduciary funds and Metropolitan Planning Commission funds. Our report was modified to include a reference to other auditors, an adverse opinion on the discretely presented component units resulting from the omission of the financial data for one of the City's legally separate component units (Shreveport Home Mortgage Authority) and an explanatory paragraph due to a change in accounting principle for the adoption of Governmental Accounting Standards Board Statement No. 50, *Pension Disclosures*, in 2008. Other auditors audited the financial statements of the City Marshal, City of Shreveport City Court and Downtown Development Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported on separately by those 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.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the City's management in a separate letter dated June 26, 2009.

This report is intended solely for the information and use of the governing body, management, others within the City and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

June 26, 2009

**Independent Accountants' Report on Compliance and Internal Control Over  
Compliance with Requirements Applicable to Major Federal Awards Programs  
and Schedule of Expenditures of Federal Awards**

The Honorable Mayor and City Council  
City of Shreveport, Louisiana

**Compliance**

We have audited the compliance of City of Shreveport, Louisiana (the City), with types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the compliance of the City of Shreveport, Louisiana, based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Shreveport, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

**Internal Control Over Compliance**

The management of the City of Shreveport, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiency in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 08-1 and 08-2 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

#### ***Schedule of Expenditures of Federal Awards***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Shreveport, Louisiana, as of and for the year ended December 31, 2008, and have issued our report thereon dated June 26, 2009. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service, fiduciary funds and Metropolitan Planning Commission funds. Our report was modified to include a reference to other auditors, an adverse opinion on the discretely presented component units resulting from the omission of the financial data for one of the City's legally separate component units (Shreveport Home Mortgage Authority), and an explanatory paragraph due to a change in accounting principle for the adoption of Governmental Accounting Standards Board Statement No. 50, *Pension Disclosures*, in 2008. We did not audit the financial statements of the City Marshal, City of Shreveport City Court and Downtown Development Authority. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinions, insofar as they relate to the amounts included for the City Marshal, City of Shreveport City Court and Downtown Development Authority, are based on the reports of other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the governing body, management and others within the City and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

June 26, 2009

**City of Shreveport, Louisiana**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2008**

**Summary of Auditor's Results**

1. The opinion(s) expressed in the independent accountants' report was (were):  
 Unqualified     Qualified     Adverse     Disclaimed
  
2. The independent accountants' report on internal control over financial reporting described:  
Significant deficiency(ies) noted considered material weakness(es)?     Yes     No  
Significant deficiency(ies) noted that are not considered to be a material weakness?     Yes     No
  
3. Noncompliance considered material to the financial statements was disclosed by the audit?     Yes     No
  
4. The independent accountants' report on internal control over compliance with requirements applicable to major federal awards programs described:  
Significant deficiency(ies) noted considered material weakness(es)?     Yes     No  
Significant deficiency(ies) noted that are not considered to be a material weakness?     Yes     No
  
5. The opinion(s) expressed in the independent accountants' report on compliance with requirements applicable to major federal awards was (were):  
 Unqualified     Qualified     Adverse     Disclaimed
  
6. The audit disclosed findings required to be reported by OMB Circular A-133?     Yes     No



**City of Shreveport, Louisiana**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2008**

7. The City's major programs were:

Cluster/Program	CFDA Number
Community Development Block Grants/ Entitlement Grants	14.218
Public Safety Partnership and Community Policing Grants	16.710
Workforce Investment Act	17.258 - 17.260
Federal Transit Capital Investment Grants	20.500
Transit Services Programs Cluster	20.516, 20.521

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$690,459.

9. The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133?  Yes  No

**Findings Required to be Reported by Governmental Auditing Standards**

Reference Number	Summary of Finding	Questioned Costs
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No matters are reportable.

**City of Shreveport, Louisiana**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2008**

**Findings Required to be Reported by OMB A-133**

Reference Number	Summary of Finding	Questioned Costs
08-1	<p style="text-align: center;"><b><u>Community Development Block Grants/Entitlement Grants</u></b>  <b><u>CFDA 14.218</u></b>  <b><u>U.S. Department of Housing and Urban Development</u></b>  <b><u>Eligibility</u></b></p> <p>Criteria or Specific Requirement  As a municipality receiving federal funding for its Community Development Block Grant, the City is required to maintain supporting documentation for all expenditures paid for by the grant.</p> <p>Condition  In order to test compliance with respect to eligibility requirements, a sample of 30 projects receiving federal funding was selected. Three (3) of the 30 project files could not be located by City personnel.</p> <p>Context  Eligibility of the project's files could not be determined.</p> <p>Effect  The costs of the three projects (\$11,423) were questioned.</p> <p>Cause  This condition is the result of improper safeguarding of project files and internal control deficiencies over eligibility.</p> <p>Recommendation  We recommend the City establish policies and procedures to ensure supporting documentation for all expenditures is maintained in accordance with federal guidelines.</p> <p>Views of Responsible Officials and Planned Corrective Actions  Management concurs with the finding and recommendation. The files could not be located during the audit; however, two of the files have since been located. In order to prevent missing files in the future, we have begun locking file cabinets and safeguarding the files in a locked fileroom.</p>	\$11,423

**City of Shreveport, Louisiana**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2008**

Reference Number	Summary of Finding	Questioned Costs
08-2	<p style="text-align: center;"><b><u>Job Access – Reverse Commute/New Freedom Program</u></b>  <b><u>CFDA 20.516 and 20.521</u></b>  <b><u>U.S. Department of Transportation</u></b>  <b><u>Allowable Costs/Cost Principles</u></b></p> <p>Criteria or Specific Requirement  As a municipality receiving federal funding for its Job Access – Reverse Commute and New Freedom grants, the City is required to submit actual costs to the grant for reimbursement.</p> <p>Condition  In order to test compliance with respect to allowable costs requirements, a sample of seven expenditures was selected. Two of the expenditures that were reimbursed by federal funds were for diesel. An average cost per gallon was used when seeking reimbursement even though diesel prices significantly fluctuated during the grant period.</p> <p>Context  The average cost per gallon used for reimbursement purposes for an 18 month period was \$4.15 per gallon. The average price per gallon during the period was approximately \$3.50.</p> <p>Effect  The City received federal reimbursement greater than actual costs incurred.</p> <p>Cause  This condition is the result of billed diesel amounts not being adjusted periodically to the market price.</p> <p>Recommendation  We recommend the City establish policies and procedures to ensure actual costs are billed to the federal grantor.</p> <p>Views of Responsible Officials and Planned Corrective Actions  Management concurs with the finding and recommendation. SPORTRAN management has agreed that future pricing for diesel fuel will be continually monitored and updated on a monthly basis, and ensure that billing charge outs for diesel billings will be done on monthly average rates per gallon and not estimated budgetary rates per gallon. This will comply will actual charges to grants and not estimated budgetary charges.</p>	Undetermined

**City of Shreveport, Louisiana, Louisiana**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended December 31, 2008**

*Findings Required to be Reported by OMB Circular A-133*

<b>Reference Number</b>	<b>Finding</b>	<b>Status</b>
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No matters are reportable.

**City of Shreveport, Louisiana**  
**OMB Circular A-133 Reports**  
**Status of Prior Year Findings and Questioned Costs**  
**Year Ended December 31, 2008**

**Item: 07-1**

- (A) Name of Contact Responsible – Controller
- (B) Corrective Action Planned – Management will request information needed from outside sources well in advance of year-end and provide them target dates for completion.
- (C) Anticipated Completion Date – Effective for the 2008 audit
- (D) Corrective action complete.

**City of Shreveport, Louisiana**  
**Shreveport Regional Airport**  
Passenger Facility Charge Program  
December 31, 2008

**City of Shreveport, Louisiana**  
**Shreveport Regional Airport**  
December 31, 2008

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**Independent Accountants' Report on Internal Control Over  
Financial Reporting and Compliance and Other Matters Based on an  
Audit of the Financial Statements Performed in Accordance with  
Government Auditing Standards**

The Honorable Mayor and City Council  
City of Shreveport, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Shreveport, Louisiana (the City), as of and for the year ended December 31, 2008, which collectively comprise its basic financial statements and have issued our report thereon dated June 26, 2009. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service, fiduciary funds and Metropolitan Planning Commission funds. Our report was modified to include a reference to other auditors, an adverse opinion on the discretely presented component units resulting from the omission of the financial data for one of the City's legally separate component units (Shreveport Home Mortgage Authority), and an explanatory paragraph due to a change in accounting principle for the adoption of Governmental Accounting Standards Board Statement No. 50, *Pension Disclosures*, in 2008. Other auditors audited the financial statements of the City Marshal, City of Shreveport City Court and Downtown Development Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.



A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the City's management in a separate letter dated June 26, 2009.

This report is intended solely for the information and use of the governing body, management, others within the City and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

June 26, 2009

*BKA, LLP*

## **Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control Over Compliance and on the Passenger Facility Charge Revenues and Disbursements Schedule**

The Honorable Mayor and City Council  
City of Shreveport, Louisiana

### **Compliance**

We have audited the compliance of the City of Shreveport, Louisiana (the City), with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration, for its passenger facility charge program for the year ended December 31, 2008. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion the City complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended December 31, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is described in the accompanying schedule of passenger facility charge program findings and questioned costs as item 08-1.

### **Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance with the Guide.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### ***Schedule of Expenditures of Passenger Facility Charges***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Shreveport, Louisiana, as of and for the year ended December 31, 2008, and have issued our report thereon dated June 26, 2009. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service, fiduciary funds and Metropolitan Planning Commission funds. Our report was modified to include a reference to other auditors, an adverse opinion on the discretely presented component units resulting from the omission of the financial data for one of the City's legally separate component units (Shreveport Home Mortgage Authority), and an explanatory paragraph due to a change in accounting principle for the adoption of Governmental Accounting Standards Board Statement No. 50, *Pension Disclosures*, in 2008. Other auditors audited the financial statements of the City Marshal, City of Shreveport City Court and Downtown Development Authority, as described in our report on the City's financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Shreveport's basic financial statements. The accompanying schedule of expenditures of passenger facility charges revenues and disbursements is presented for purposes of additional analysis as specified in the Guide, issued by the Federal Aviation Administration, and it is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the governing body, management and others within the City and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*BKA, LLP*

June 29, 2009

**City of Shreveport, Louisiana**  
**Shreveport Regional Airport**  
**Schedule of Passenger Facility Charge Revenues and Disbursements**  
**Year Ended December 31, 2008**

	2008					Cumulative 2008 Program Total
	Cumulative 2007 Program Total	Quarter 1 January - March	Quarter 2 April - June	Quarter 3 July - September	Quarter 4 October - December	
Revenue						
Collections	\$ 14,806,033	\$ 193,028	\$ 316,125	\$ 247,717	\$ 269,874	\$ 1,026,744
Interest	1,767,245	1,687	(131)	935	1,711	4,202
Total revenue	16,573,278	194,715	315,994	248,652	271,585	1,030,946
Disbursements						
Application 93-01 as amended by 95-02						
Terminal renovation	4,926,700	-	-	-	-	4,926,700
Debt service payments	11,600,528	368,567	127,299	280,211	184,448	960,525
Total disbursements	16,527,228	368,567	127,299	280,211	184,448	960,525
Net PFC revenue	\$ 46,050	\$ (173,852)	\$ 188,695	\$ (31,559)	\$ 87,137	\$ 70,421
PFC account balance	\$ 46,050	\$ (127,802)	\$ 60,893	\$ 29,334	\$ 116,471	\$ 116,471

See accompanying notes to schedule of passenger facility charge revenues and disbursements.

**City of Shreveport, Louisiana**  
**Shreveport Regional Airport**

**Notes to Schedule of Passenger Facility Charge Revenues and Disbursements**  
**Year Ended December 31, 2008**

**(1) General**

The accompanying schedule of passenger facility charge revenues and disbursements is presented using the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements in the *Passenger Facility Charge Audit Guide for Public Agencies*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

**(2) Passenger Facility Charges Matching Funds**

Effective November 1, 2002, the Federal Aviation Administration approved an amendment to the Shreveport Regional Airport's (the Airport) passenger facility charge (PFC) application raising its PFC from \$3.00 (the rate since February 1, 1994) to \$4.50 per passenger enplanement. A PFC application was approved on February 6, 1996, to approve the use of PFC revenue for debt service and financing costs of the Airport's terminal renovation project. Also, the total approved net PFC revenue to be collected for the project was reduced. In accordance with the Records of Decision between the Airport and the Federal Aviation Administration, the Airport has used PFC revenues to fund debt service and financing costs of the Airport's terminal renovation project. The renovated terminal is leased to air carriers based on the amount of occupied square footage and a prescribed rate schedule.

**City of Shreveport, Louisiana**  
**Shreveport Regional Airport**  
**Passenger Facility Charges Audit Summary**  
**Year Ended December 31, 2008**

**Financial Statements**

1. Type of report issued on the basic financial statements:  
**Unqualified, except for the discretely presented component units, which received an adverse opinion due to the omission of one of the City of Shreveport's legally separate component units**
2. Internal control over financial reporting:
  - Material weakness identified?  Yes  No
  - Significant deficiencies in internal control were disclosed by the audit of the financial statements?  Yes  No
3. Noncompliance that is material to the basic financial statements?  Yes  No

**Passenger Facility Charges**

1. Type of report issued on PFC financial statements.  Unqualified  Qualified
2. Internal control over the passenger facility charge program:
  - Material weakness identified?  Yes  No
  - Significant deficiencies in internal control over major programs? None Reportable
3. Type of report on PFC compliance  Unqualified  Qualified
4. Any audit findings disclosed that are required to be reported in accordance with the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (FAA)?  Yes  No
5. Quarterly Revenue and disbursements reconcile with submitted quarterly reports?  Yes  No
6. PFC Revenue and Interest is accurately reported on FAA Form 5100-127?  Yes  No
7. The Public Agency maintains a separate financial accounting record for each application?  Yes  No

**City of Shreveport, Louisiana**  
**Shreveport Regional Airport**  
**Passenger Facility Charges Audit Summary (Continued)**  
**Year Ended December 31, 2008**

- |   |                  |          |
|---|------------------|----------|
| 8. Funds disbursed were for PFC eligible items as identified in the FAA Decision to pay only for the allowable costs of the projects?                 | <u>  X  </u> Yes | _____ No |
| 9. Monthly carrier receipts were reconciled with quarterly carrier reports?   | <u>  X  </u> Yes | _____ No |
| 10. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds? | <u>  X  </u> Yes | _____ No |
| 11. Serving carriers were notified of PFC program actions/changes approved by the FAA?  | <u>  X  </u> Yes | _____ No |
| 12. Quarterly Reports were transmitted (or available via website) to remitting carriers?  | <u>  X  </u> Yes | _____ No |
| 13. The Public Agency is in compliance with Assurances 5, 6, 7 and 8?   | <u>  X  </u> Yes | _____ No |
| 14. Project administration is carried out in accordance with Assurances 10?   | <u>  X  </u> Yes | _____ No |
| 15. For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence?       | _____ Yes        | _____ No |
|   | <u>  X  </u> N/A |          |

**City of Shreveport, Louisiana**  
**Shreveport Regional Airport**

**Schedule of Passenger Facility Charge Program Findings and Questioned Costs**  
**Year Ended December 31, 2008**

**Findings Required to be Reported by *Governmental Auditing Standards***

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Questioned Costs</b>
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No matters are reportable.



**City of Shreveport, Louisiana  
Shreveport Regional Airport**

**Schedule of Passenger Facility Charge Program Findings and Questioned Costs  
(Continued)**

**Year Ended December 31, 2008**

**Passenger Facility Charge Findings and Questioned Costs**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Questioned Costs</b>
08-01	<p>Criteria or Specific Requirement As required by the PFC Audit Guide for Public Agencies, the City's financial information shown on the quarterly PFC reports should reconcile to the City's accounting records.</p> <p>Condition Found Two quarterly PFC reports' debt service payments did not agree to the City's accounting records by a total of \$86,641.</p> <p>Effect The City did not comply with the PFC Audit Guide for Public Agencies requirement that PFC quarterly reports disbursements agree to accounting records.</p> <p>Cause The City made an adjustment of \$86,641 to its December 2007 PFC accounting records after the December 2007 PFC quarterly report was submitted. The Federal Aviation Administration (FAA) instructed the City to adjust its 2008 PFC quarterly reports accordingly to compensate for the late adjustment. The City made these adjustments through the first two quarterly statements in 2008. After these adjustments, the total debt service payments agreed in total on the June 2008 PFC quarterly report.</p> <p>Recommendation We recommend that the City ensure its accounting records agree with the PFC quarterly reports before submission in the future.</p> <p>Management's Response Management concurs with the finding and recommendation. The City communicated to the FAA that it could resubmit the December 2007 quarterly report, which created the difference that was adjusted for in 2008. The FAA instructed the City to adjust accordingly in 2008. As of June 2008 going forward, the debt service payments have agreed by quarter and in total.</p>	None

Honorable Mayor, City Council and Management  
City of Shreveport, Louisiana  
Shreveport, Louisiana

As part of our audit of the financial statements of the City of Shreveport, Louisiana (the City), as of and for the year ended December 31, 2008, we wish to communicate the following to you.

## AUDIT SCOPE AND RESULTS

### Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America

An audit performed in accordance with auditing standards generally accepted in the United States of America is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

### Qualitative Aspects of Significant Accounting Policies and Practices

#### Significant Accounting Policies

The City's significant accounting policies are described in Note 1. of the audited financial statements.

#### Alternative Accounting Treatments

No matters are reportable.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Allowance for Loan Losses
- Accrued Insurance Claims and Litigation Losses
- Net Pension Obligations and Other Postemployment Benefits Liability
- Grant Receivables

Financial Statement Disclosures

No matters are reportable.

**Audit Adjustments**

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Areas in which adjustments were proposed include:

*Proposed Audit Adjustments Recorded*

- Revenue recognition (cutoff) in Transit fund
- Depreciation on various plant assets in Water and Sewer fund

*Proposed Audit Adjustments Not Recorded*

- Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole.

**Auditor's Judgments About the Quality of the Entity's Accounting Principles**

No matters are reportable.

### **Other Material Written Communications**

Listed below are other material written communications between management and us related to the audit:

- Engagement letter dated October 15, 2008
- Pre-audit letter dated February 24, 2009
- Management representation letter (attached)

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements of City of Shreveport, Louisiana, as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control. As such, our consideration of internal controls would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements of the City's financial statements on a timely basis. A control deficiency in design exists when a control necessary to meet a control objective is missing or an existing control is not properly designed so that, even if the control operates as designed, a control objective is not always met. A control deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal controls.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the City's financial statements will not be prevented or detected by the City's internal controls.

We observed the following matters that we consider to be control deficiencies, significant deficiencies or material weaknesses. Previously, we made observations as a result of our 2007 audit engagement in a letter dated August 8, 2008.

**Material Weaknesses**

No matters are reportable.

**Significant Deficiencies**

Refer to the Independent Accountants' Report on Compliance and Internal Control Over Compliance Requirements Applicable to Major Federal Awards Programs and Schedule of Expenditures of Federal Awards.

**Other Control Deficiencies**

During our routine audit tests, we noted that three people perform substantially all payroll functions. Although this concentration of responsibilities may be efficient, it lacks strong internal controls to safeguard the payroll function. Payroll is a likely area for numerous errors and possible irregularities to occur due to the number of calculations involved. Better segregation of duties will enhance controls to detect any such errors and irregularities and provide for much greater safeguarding of assets. Management should evaluate the costs versus the benefits of further segregating these duties or adding monitoring or other compensating controls.

*Management's Response – We agree that segregation of duties enhances controls, but we feel that the cost of additional personnel to achieve this is not justified due to the controls in place through the payroll system and those imposed by management. Additional personnel would be needed since only two of the three payroll employees can complete a payroll and one of them must complete the payroll when the other one is out.*

## **OTHER MATTERS**

Although not considered material weaknesses, significant deficiencies or other control deficiencies in internal control over financial reporting, we observed the following matters and offer these comments and suggestions with respect to matters that came to our attention during the course of the audit of the financial statements. Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist. However, these matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving accounting controls and the financial and administrative practices and procedures. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements if you require.

### **Grants**

During testing of the Community Development Block Grant, some projects did not have environmental reviews performed as required by the grant.

*Management's Response – We agree that some projects did not have environmental reviews performed as required by the grant. A checklist will be followed to ensure that files contain all required information.*

During our audit, we noted no set procedures for the invoicing of grant expenditures and that the current invoicing practice has contributed to the City's delay in recording revenue in a timely and accurate manner. We recommend policies and procedures be developed and implemented to ensure that invoices are sent to grantors at least on a quarterly basis. This could potentially expedite cash collections and improve the accuracy of the grants receivable balance.

*Management's Response – We agree that in some instances, invoicing of grant expenditures has been delayed. The Accounting Division will work with the various grant administrators to improve this process to ensure more timely drawdowns.*

In addition, we noted that the City does not currently have a Grant Administrator position. We recommend that the City evaluate the need for such a position that could streamline the grant billing/reimbursement process and all other grant related processes throughout the City. This position could also standardize the grant application process and potentially lead to additional funding sources for the City.

*Management's Response – We agree that a Grant Administrator position could possibly improve the grant related process. We will take this into consideration.*

### **Information Technology**

During our review of the City's information technology (IT) department and its policies and procedures we noted the following:

- Network login attempts were not currently being logged.

*Management's Response – We do not log network login attempts, but do have Intruder Protection enabled for all users. Intruder Protection locks a user's account for 30 minutes after three unsuccessful login attempts. We have considered account auditing, but were told by DigiCom Systems (DSI) (a consulting group from New Orleans) that it placed overhead on the servers.*

- In the next few years, a high percentage of key IT staff will be available for retirement. The current technology in place can make finding qualified applicants with the appropriate skill sets difficult. New staff will need the guidance and instruction of current staff to aid in the transition.

*Management's Response – The IT department has been discussing the retirement issue amongst themselves and with senior management for quite some time, trying to figure out how to make this happen with as little impact on the City as possible. One of the ways that the department knows to lessen the impact would be to hire/promote staff now so that the department could get them trained before any of the senior personnel leave/retire. It would take changes in the budget process and the position roster to allow for this.*

*First, the salaries need to be adjusted to a level that allows the City to be competitive in the open market for professional IT employees. Then, IT would need some additional positions either created or added. If this were done now, or as soon as possible, it would give the department time to recruit additional staff and allow the current staff to train the new hires. Then, as employees start retiring, the department would delete the old/vacant positions and/or figure out what the correct manning level should be to handle the workload at that point. The existing staffing level is too low now to handle the workload that the department currently has. The department has been losing positions steadily since the late 1990s to meet target budgets and yet the workload level has steadily increased.*

*Another option that has been discussed would be to look at outsourcing some support issues and keep some functions in-house.*

### **Claims Remaining Open for Extended Periods**

During our review of the actuary's report on estimated outstanding liabilities, we noted that the general liability had open claims dating back to 1990 and auto liability had old outstanding claims as well. The City should periodically review the list of open claims to determine whether there is any unusual activity in its claims management practices and whether action needs to be taken to get the matters resolved. Active monitoring of the claims could potentially reduce the City's recorded liability.

*Management's Response – The City will continue to monitor open claims in an effort to reduce its recorded liability.*

### **Employee Credit Cards**

During our audit procedures, it was determined that approximately \$17,000 of credit card charges did not have sufficient supporting documentation at year end. We recommend a formal policy be adopted that requires sufficient supporting documentation for all charges.

*Management's Response – We agree that there were uncleared balances at year end. Departments/Divisions are responsible for submitting the documentation to clear these balances in accordance with the credit card policy. This is an ongoing process wherein the Departments/Divisions are notified of their outstanding balances. We will continue to monitor these balances.*

### **Current Economic Condition**

The current economic environment has created unprecedented circumstances and challenges for local governments. As a result, some cities are facing declines in the fair values of investments and other assets, declines in the volume of business, constraints on liquidity and difficulty obtaining financing. The values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to investment values, allowances for accounts receivable, net realizable value of inventory, etc.

Now, more than ever, we recommend that management and the City Council monitor and aggressively manage all of these matters, including:

- Challenge the quality and values of investments
- Review and monitor creditworthiness of customers and allowances for uncollectible accounts



Honorable Mayor, City Council and Management  
City of Shreveport, Louisiana  
Page 8

- Evaluate financing needs and liquidity plans

Management's written response to the other control deficiencies and other matters identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, City Council, and others within the organization and federal and state grantors and regulators, and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

June 26, 2009

es:kk;jlg

Attachments