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CITY OF SHREVEPORT, LOUISIANA

**Schedule of Expenditures of Federal Awards
(Single Audit)**

December 31, 1998

(With Independent Auditors' Report Thereon)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 AUG 11 1999

CITY OF SHREVEPORT, LOUISIANA

**Schedule of Expenditures of Federal Awards
(Single Audit)**

Year ended December 31, 1998

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1900 Deposit Guaranty Tower
333 Texas Street
Shreveport, LA 71101-3692

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

The Honorable Mayor and Members
of the City Council
City of Shreveport, Louisiana:

We have audited the general purpose financial statements of the City of Shreveport, Louisiana as of and for the year ended December 31, 1998, and have issued our report thereon dated March 26, 1999, which includes an explanatory paragraph due to a change in accounting principle for the adoption of Governmental Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* in 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Shreveport, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the City of Shreveport, Louisiana in a separate letter dated March 26, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Shreveport, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control that we have reported to the management of the City of Shreveport, Louisiana, in a separate letter dated March 26, 1999.



This report is intended solely for the information and use of the Mayor and City Council, management, the State of Louisiana Legislative Auditor, 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.

KPMG LLP

March 26, 1999



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**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133**

The Honorable Mayor and Members
of the City Council
City of Shreveport, Louisiana:

Compliance

We have audited the compliance of the City of Shreveport, Louisiana with the 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, 1998. The City of Shreveport, Louisiana's major federal programs are identified in the summary of auditors' 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 of Shreveport, Louisiana's management. Our responsibility is to express an opinion on the City of Shreveport, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 of Shreveport, Louisiana'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 of Shreveport, Louisiana'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, 1998.

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 of Shreveport, Louisiana'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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.



Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses. However, we noted other matters involving internal control that we have reported to the management of the City of Shreveport, Louisiana, in a separate letter dated March 26, 1999.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the City of Shreveport, Louisiana as of and for the year ended December 31, 1998, and have issued our report thereon dated March 26, 1999, which includes an explanatory paragraph due to a change in accounting principle for the adoption of Governmental Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* in 1998. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. 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 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 whole.

This report is intended solely for the information and use of the Mayor and City Council, management, the State of Louisiana Legislative Auditor, 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.

KPMG LLP

March 26, 1999

CITY OF SHREVEPORT, LOUISIANA

Schedule of Expenditures of Federal Awards

Year ended December 31, 1998

<u>Grant Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>1998 Expenditures</u>
Federal Transit Administration, Department of Transportation:			
Direct Programs:			
Federal Transit Capital Improvement Grants:			
Sportran 93 Capital Improvements	20.500	LA-90-0141	\$ 7,950
Sportran 94 Capital Improvements	20.500	LA-90-0155/LA-90-2155	34,871
Sportran 95 Capital Improvements	20.500	LA-90-0164/LA-90-2164	21,968
Sportran 96 Capital Improvements	20.500	LA-90-0173	117,661
Sportran 96 and 97 Capital Improvements	20.500	LA-90-0182/LA-90-2182	676,490
Sportran 98 Capital Improvements	20.500	LA-90-0194/LA-90-2194	<u>303,634</u>
			1,162,574
 Operating - DOT Operating Assistance (1998)	 20.507	 LA-90-4194	 <u>89,975</u>
			<u>1,252,549</u>
 Passed through Louisiana State Department of Transportation and Development:			
Ockley Ditch Improvement	20.205	576-09-0009	1,217,500
Street Projects for Neighborhood Improvements	20.205	744-09-0001	<u>56,621</u>
			<u>1,274,121</u>
Total Federal Transit Administration, Department of Transportation			<u>2,526,670</u>
 U.S. Department of Housing and Urban Development:			
Direct Programs:			
Community Development Block Grant	14.218	MC-22-0007	3,346,805
Emergency Shelter	14.218	MC-22-0003	175,824
Lead Base Paint Grant	14.218	N/A	<u>93,424</u>
			3,616,053
 HOME Investment in Affordable Housing Home Ownership and Opportunity for People Everywhere	 14.239	 MC-22-0200	 1,212,994
State Emergency Shelter	14.240	LA-0004-I-A	175,650
	14.231	06542	<u>116,437</u>
			<u>5,121,134</u>
Total U.S. Department of Housing and Urban Development			<u>5,121,134</u>
 U.S. Department of Labor:			
Passed through Louisiana Department of Education and Training - 8% Education Grant			
Job Training Partnership Act	17.250	08-175-3071-2	75,936
Job Training Partnership Act	17.250	71-2A	920,510
Job Training Partnership Act	17.250	71-2B	882,213
Job Training Partnership Act	17.250	71-2C	376,249
Title II 5% Incentive	17.250	71-INC	67,005
Older Workers	17.250	171-95-03-175-3125-2	<u>910</u>
			2,322,823

CITY OF SHREVEPORT, LOUISIANA

Schedule of Expenditures of Federal Awards

Year ended December 31, 1998

<u>Grant Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>1998 Expenditures</u>
U.S. Department of Labor, Continued:			
Dislocated Workers	17.246	175-791-175-5094-3	\$ 695,845
Passed through Louisiana Department of Social Services - Office of Family Support - Louisiana J.E.T. Program	17.3556138	3556138	320,057
Welfare to Work	17.253	N/A	22,563
One Stop Shop	17.207	N/A	84,656
Total U.S. Department of Labor			<u>3,445,944</u>
Environmental Protection Agency:			
Brownfields Environmental	66.802	V-996591-01-0	<u>73,692</u>
Federal Aviation Administration, Department of Transportation:			
Direct Programs:			
Airport Improvement Program:			
Cargo Apron Expansion	20.106	3-22-0048-17	855,758
ARFF Station Construction	20.106	3-22-0048-18	371,525
FAR Part 150 Property	20.106	3-22-0048-19	1,502,330
Safety Area Drainage Improvements	20.106	3-22-0048-20	65,007
Master Plan Update - Regional Airport	20.106	3-22-0048-20	95,935
General Aviation Ramp Lighting Improvement	20.106	3-22-0048-20	55,710
Taxiway "D" Pavement Repair & Rehab	20.106	3-22-0048-23	31,589
Taxiway "D" Mitl Repair & Rehab	20.106	3-22-0048-23	52,936
Clearing & Grubbing Runway 14/32 Clear Zone	20.106	3-22-0048-23	71,312
Ramp Repairs - Regional Airport	20.106	3-22-0048-23	161,808
Drainage Improvements Phase II	20.106	3-22-0048-23	181,675
Total Federal Aviation Administration, Department of Transportation			<u>3,445,585</u>
U.S. Department of Justice:			
Passed through Louisiana Commission of Law Enforcement - Police Hiring Supplement	16.580	94DL-CX-0037	319,897
Weed and Seed	16.580	96-DD-BX-0025/ 96-WS-QX-0056	287,695
Asset Forfeiture	16.999999999	N/A	239,988
Cops Ahead	16.710	95CCWX0295	234,369
Focused Response on Street Terrorism	16.579	94-B1-B.02-0018	1,333
Youth Curfew, Holding, Counseling, and Referral Center	16.540	95-J1-J.3-0201	15,400
Drug Abuse Resistance Education	16.999999999	E95-8-037	124,555
Criminal Activity Patrol	16.579	95-B1.B.07-0017	39,315
Police Block Grant	16.592	96-LB-VX-3674	800,565
Tracking Violent Offenders	16.579	95-B1.B.07-0080	37,707
Cops More	16.710	96-CL-WX-0045	799,742
Reduction of Crack/Drug Houses	16.579	97-B1-B.07-0025	15,115
Advanced Community Policing	16.710	970-CWX-0042	47,716
A.F.I.S. 98	16.999999999	N/A	244,960
Shreveport Enforcement Project 98	20.600	9942	2,098
Total U.S. Department of Justice			<u>3,210,455</u>
Total Federal Financial Assistance			<u>\$ 17,823,480</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF SHREVEPORT, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards

December 31, 1998

(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 general purpose financial statements.

(2) Subrecipients

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

<u>Program Title</u>	<u>Federal CFDA Number</u>		<u>Amount Provided to Subrecipients</u>
Police Block Grant	16.579	\$	286,700
Community Development Block Grant	14.218		226,029
8% Education Grant	17.250		69,771
Job Training Partnership Act	17.250		589,211

CITY OF SHREVEPORT, LOUISIANA

**Schedule of Findings and Questioned Costs
(Single Audit)**

Year ended December 31, 1998

(1) Summary of Auditor's Results

- (a) The type of report issued on the general-purpose financial statements: unqualified opinion
- (b) Reportable conditions in internal control were disclosed by the audit of the Financial Statements: none reported Material weaknesses: no
- (c) Noncompliance which is material to the general-purpose financial statements: none reported
- (d) Reportable conditions in internal control over major programs: none reported
Material weaknesses: no
- (e) The type of report issued on compliance for major programs: unqualified opinion
- (f) Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: no
- (g) Major programs:
 - Federal Aviation Administration, Department of Transportation:
 - Airport Improvement Program (CFDA Number 20.106)
 - Federal Transit Administration, Department of Transportation:
 - Federal Transit Capital Improvement Grants (CFDA Number 20.500)
 - Federal Transit Capital and Operating Assistance Formula (CFDA Number 20.507)
 - United States Department of Labor:
 - Job Training Partnership Act (CFDA Number 17.250)
 - Employment and Training Administration, Dislocated Workers (CFDA Number 17.246)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$534,704
- (i) Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: yes

(2) Findings Related to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

None.

(3) Findings and Questioned Costs relating to Federal Awards:

None.



1900 Deposit Guaranty Tower
333 Texas Street
Shreveport, LA 71101-3692

March 26, 1999

CONFIDENTIAL

Mr. Roy Burrell, Chairman
Audit Subcommittee and Members of the City Council
City of Shreveport, Louisiana

Dear Members:

We have audited the financial statements of the City of Shreveport, Louisiana (the "City"), for the year ended December 31, 1998, and have issued our report thereon dated March 26, 1999. In planning and performing our audit of the financial statements of the City, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report. Furthermore, our audit was not designed to, and does not, provide any assurance that a Year 2000 issue which may exist will be identified, on the adequacy of the City's remediation plans related to Year 2000 financial or operational issues, or on whether the City is or will become Year 2000 compliant on a timely basis. Year 2000 compliance is the responsibility of management.

During our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

SHREVEPORT AREA TRANSIT SYSTEM

Single Audit Allowable Costs / Payroll Compliance Requirement – During our review of timesheets and payroll reimbursements, we noted that payroll expenses for reimbursement are not based on actual time spent on the grants, but on a projected time. Each employee completes a timesheet for total hours worked; however, hours are not separated between grant and non-grant related activities. Personnel activity reports or equivalent documentation must meet the following standards: (a) They must reflect an after-the-fact distribution of the actual activity of each employee, (b) They must account for the total activity for which each employee is compensated, (c) They must be prepared at least monthly and must coincide with one or more pay periods, and (d) They must be signed by the employee. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that the governmental unit's system for establishing estimates produces reasonable approximations of the activity actually performed; at least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made; and the budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances. We recommend each employee account for time spent on grant administration separately from other non-grant administration to accurately determine



Mr. Roy Burrell, Chairman
Audit Subcommittee and Members of the City Council
City of Shreveport, Louisiana
March 26, 1999
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the federal portion to be reimbursed. A "true-up" between budgeted and actual expenditures may be done at year-end, provided there is no material difference between budget and actual, or on a quarterly basis.

Management's Response – We agree with this recommendation. Employees will account for their time spent on grant administration separately from other time worked.

Single Audit Reporting Compliance Requirement – The Federal Transit Administration (FTA) requires the Report of DBE Awards and Commitment Reports to be submitted within 30 days subsequent to quarter end. Per review of the Report of DBE Awards and Commitment Reports, we noted that these reports are consistently submitted late to the FTA. Reports should be filed timely within FTA established requirements. If extensions are allowed, written documentation of the extension of time to submit the report should be obtained from the FTA.

Management's Response – We agree that these reports have been late and we will gather this information in a more timely manner to meet these reporting requirements.

AIRPORT

Single Audit Reporting Compliance Requirement – During our review of the financial status reports submitted to the Federal Aviation Administration, we noted that the Outlay Report and Request for Reimbursement for Construction Program Reports are not being completed and submitted on a regular basis. We recommend the Outlay Report and Request for Reimbursement for Construction Program Reports be completed and submitted on a regular basis to ensure timely reimbursement of expenditures.

Management's Response – We agree that these reports have not been completed and submitted in a timely manner. We will work with project engineers and our project managers to improve this process. This function will be managed through the Airport Administration Division in the future.

Single Audit Cash Management Compliance Requirement – When entities are funded on a reimbursement basis, program costs must be paid for by the entity before reimbursement is requested. During our review of reimbursement requests, we noted 3 expenditure items out of a sample of 25 where the reimbursement was requested and received prior to payment of the invoice. We recommend steps be taken to ensure all requests for reimbursements be submitted to the Federal Aviation Administration for only those expenditure items that have been incurred and paid by the City.

Management's Response – We will improve our review process to insure that invoices are paid before request for reimbursement is submitted.

Mr. Roy Burrell, Chairman
Audit Subcommittee and Members of the City Council
City of Shreveport, Louisiana
March 26, 1999
Page 3

HEALTHCARE TRUST FUND

Deposit Errors – When reviewing the Trustee statements, it was noted that the accounts of the Employee Retirement System contained approximately \$131,000 in funds that belonged to the Healthcare Trust Fund. This cumulative amount, which is comprised of two deposits in September and four deposits in November, was not corrected prior to the end of the year. We recommend that the City evaluate the controls over these deposits and implement the changes necessary to ensure that future errors do not occur.

Management's Response – The account numbers for these funds were changed September 1, 1998 due to a bank merger. Some initial transfers were made using the wrong account numbers. These were corrected between the funds on January 8, 1999. Steps have been taken to insure that the correct numbers are on all transfer forms.

GENERAL FIXED ASSET ACCOUNT GROUP

Documentation of Fixed Asset Retirements – During our review of fixed asset retirements, we noted that all items tested were retired and removed from the fixed asset system prior to being properly authorized. We recommend the City implement procedures to ensure that all fixed asset retirements are properly authorized before being removed from the fixed asset system.

Management's Response – We agree that proper procedures were not followed in the retirement of fixed assets. Future retirements will not be removed from the system until the signed retirement forms have been received by the Fixed Asset Accountant.

YEAR 2000 ISSUE

Year 2000 Initiative – Since our last letter to management, the City has organized a city-wide effort to address Year 2000 issues related to its computer systems and other electronic equipment. A progress report is made to the audit committee periodically on the status of the City's Year 2000 project. We encourage the City to continue to closely monitor the progress of its Year 2000 project and the deadlines for completion.

Management's Response – We will continue to monitor the Year 2000 project to meet the deadline for completion.

Mr. Roy Burrell, Chairman
Audit Subcommittee and Members of the City Council
City of Shreveport, Louisiana
March 26, 1999
Page 4

BUSINESS CONTINUITY PLAN

Disaster Recovery Plan – In previous years, comments have been made as to the need for a city-wide disaster recovery plan. During 1998 the City hired an outside consultant for the purpose of developing such a plan. Please refer to the consultants' reports for his analysis and the status of the plan established. KPMG would also encourage the City to continue to review, test and update the plan, as the disaster recovery planning process is a process in need of frequent review.

Management's Response – The City is committed to continue to review, test, and update its Business Continuity Plan. The contract with the outside consultant provides for semi-annual maintenance to the Plan. Maintenance consists of updating the Plan's methodology; an audit of the existing plan to review strategies, assumptions, procedures, and factual material; perform mock disaster drills, and staff training; and prepare a report of the audit findings.

* * * * *

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 or procedures that may exist. We aim, however, to use our knowledge of the City's organization gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of the Mayor and City Council members, audit subcommittee, management, the State of Louisiana Legislative Auditor, the cognizant agency, and other federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

CITY OF SHREVEPORT, LOUISIANA
For the Year Ended December 31, 1998

Finance Department
Elizabeth B. Washington, Director

ABOUT THE COVER

The cover highlights the City's new festival site, Sci-Port Discovery Center and the IMAX Dome Theater which opened in 1998 on the riverfront. The festival site is the home of popular festivals such as the Red River Revel, Holiday In Dixie and Let the Good Times Roll. The Sci-Port Discovery Center and the IMAX Dome Theater offer residents and tourists fun and educational experiences for both the young and old.

CITY OF SHREVEPORT, LOUISIANA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 1998
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CITY OF SHREVEPORT

1234 TEXAS AVE. P.O. BOX 31109 SHREVEPORT, LOUISIANA 71130
Web Site: www.ci.shreveport.la.us

March 31, 1999

Mayor Keith Hightower
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, 1998. I believe this report presents comprehensive information about the City's financial and operating activities during 1998 that is useful to taxpayers, citizens and other interested persons.

This report was prepared by the Accounting Division of the Finance Department. Responsibility for the accuracy, completeness and fairness of the data presented, including all disclosures, rests with the City's management. To the best of my knowledge, the information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City.

The Introductory Section familiarizes the reader with the City's organizational structure, the nature and scope of services provided and a summary of its financial activities. The section also includes information about economic conditions in the City and future initiatives.

The Financial Section includes the auditors' report and the City's (the primary government) and its component units financial statements and schedules. The City's complete financial operations are depicted in the combined statements and thus present an overview of the City's operations. The combined financial statements, along with the notes and the required supplementary information, make up the general purpose financial statements. Following these statements are the combining and individual fund and account group financial statements and schedules.

The Statistical Section includes a number of tables of unaudited data depicting the financial history of the City of Shreveport on a multi-year basis, information on overlapping governments, demographic and other miscellaneous information.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in a separate single audit report.

City of Shreveport -- Its Location and Size

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 118 square miles.

City of Shreveport -- Its Government

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.

City of Shreveport -- The Financial Reporting Entity and Its Services

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.

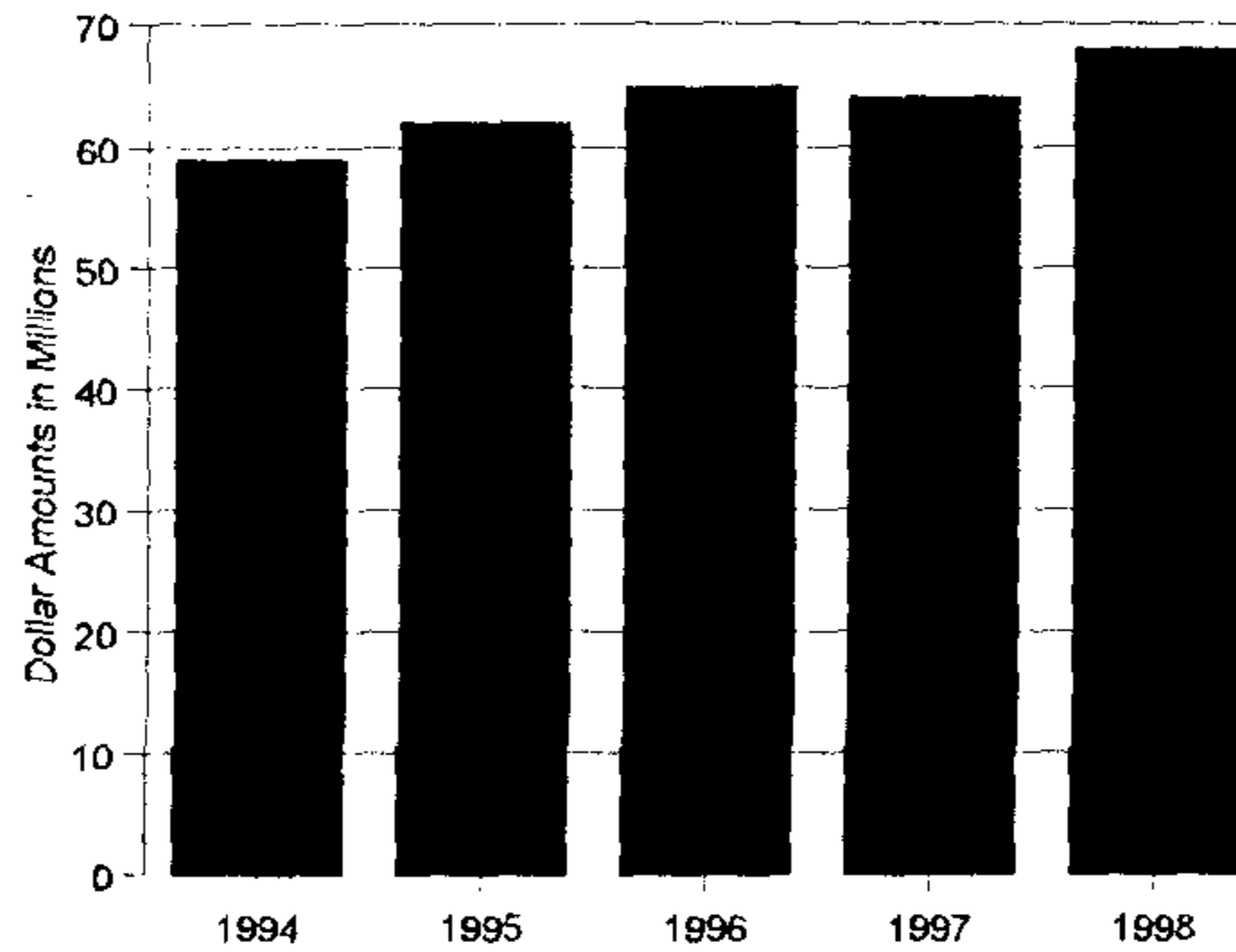
Included as discretely presented component units is the financial data for the City Courts, City Marshal, the Downtown Development Authority, Shreveport Home Mortgage Authority and the Metropolitan Planning Commission. They are reported in a separate column to emphasize that they are legally separate from the City.

Economic Condition and Outlook

The Shreveport economy experienced continued growth throughout 1998. Area unemployment of 4.7% is down from 5.8% in 1997. New business development created over 1,700 jobs and expanding existing businesses provided an additional 1,100 jobs during 1998. Ticketmaster located a call center in Shreveport with about 300 employees. It expects to add 200 employees over the next few years. Several existing businesses that expanded added 100 to 150 jobs each.

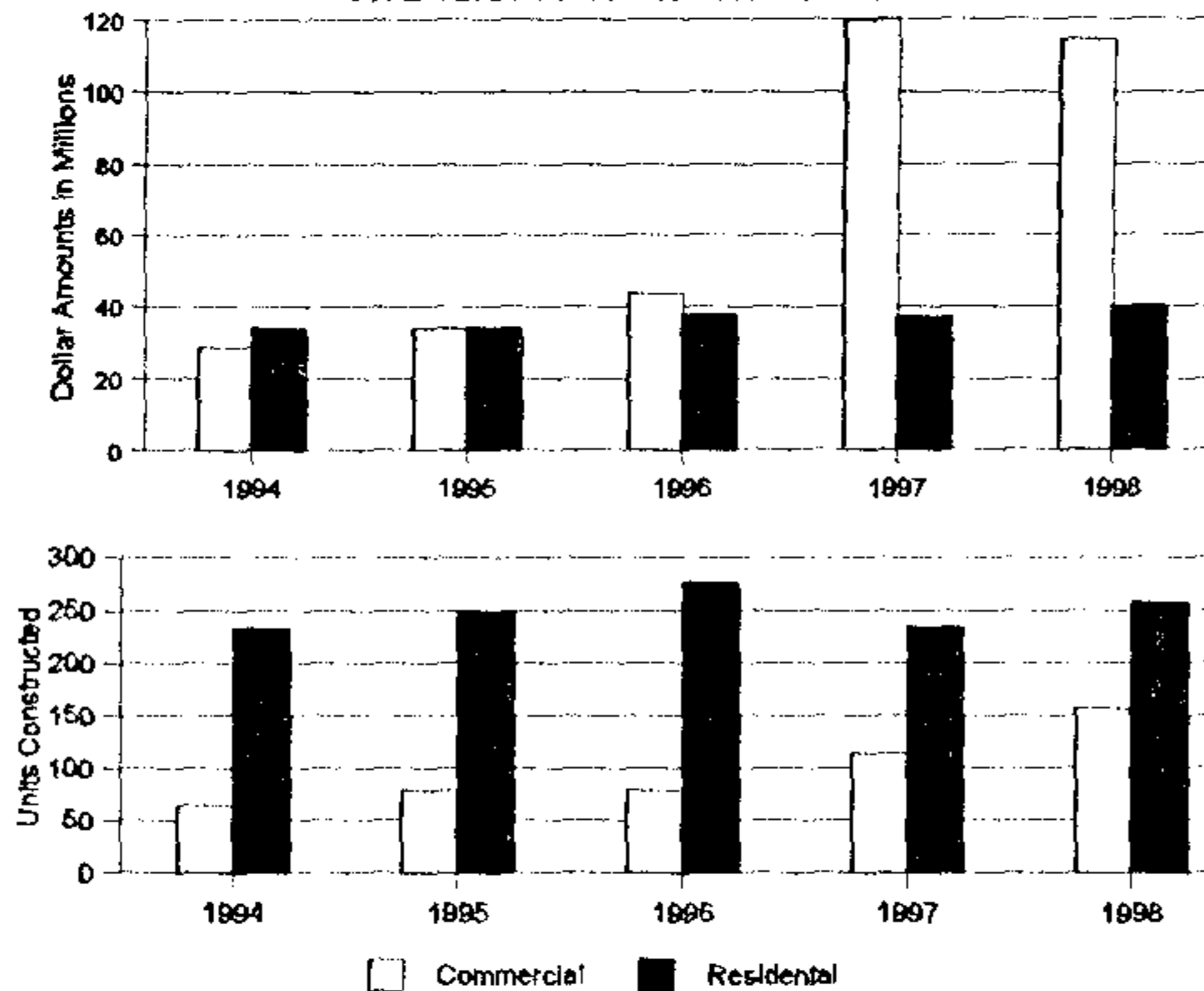
Retail sales continue to increase which is an indication of the confidence in the economy. Sales tax revenues reached an all-time high in 1998 and were 6.2% greater than 1997. Sales taxes are an essential part of General Fund revenues generating 54.9% of total revenues.

FIVE YEAR SALES TAX HISTORY



Construction activity continued its strong pace. Residential housing reached a new high of \$40.1 million, up 8.0% from 1997. Commercial construction was \$114.4 million, down slightly from 1997 but still 162.8% higher than the previous record set in 1996. Construction began on a \$30.5 million expansion to the Greater Shreveport Regional Airport. Infrastructure was started for the 500-acre Shreve Park Industrial Campus which is a \$9.6 million project.

FIVE YEAR CONSTRUCTION TREND



Manufacturing is still important to the local economy. However, it has been slowly decreasing since 1990. It is not expected to regain the lost ground on a permanent basis. On the other hand, the average hours worked per week and the average manufacturing hourly wages are up. Lucent Technologies, one of the area's manufacturers, expanded its jobs in 1998.

The local economy is building on diversification. There is a push towards enhancing tourism and entertainment, especially in the riverfront area, which will further benefit this diversification. The Sci-Port Discovery Center and the IMAX Dome Theater opened in 1998 offering both residents and tourists a first-class educational institution that is also fun for all.

The outlook for the economy is good. Retail sales are expected to continue to be strong due to major construction projects, additional retail establishments and good employment. Growth during the next few years will be less dependent on gaming as the City's existing companies expand their operations and there is more diversity in the economy.

Major Initiatives

For the Current Year

During 1998, the Fire Department attained a Class One rating from the Property Insurance Association of Louisiana providing a 9% reduction in insurance premiums for commercial customers. There are only twenty-eight Class One fire departments in the United States.

The City implemented the once a week garbage collection system which is expected to save the citizens \$3.8 million over the next ten years.

Tourism and recreation continued to be a priority with the opening of a new festival site on the riverfront. The City was involved in many festivals, parades and special events such as hosting the Miss USA and Miss Teen USA pageants, and an exhibition football game between the Dallas Cowboys and the New Orleans Saints.

Two departments were combined and a new one formed in an effort to streamline operations and to give taxpayers the best possible service. The Public Buildings Department and Parks and Recreation were combined into the Public Assembly and Recreation Department. The new Fleet Services Department, an Internal Service Fund, was formed to service the City's fleet of vehicles and equipment in order to reduce downtime, improve repair quality and provide a preventative maintenance program.

Future Years

The City will focus on continued growth through diversification in cooperation with the Shreveport Chamber of Commerce and other economic development bodies. Projected developments include seeking voter approval to build an \$80 million convention center, creating a downtown riverwalk and entertainment district and major improvements to the City's Water and Sewer Systems. Also, the City is pushing forward for the \$185 million Hollywood Casino and Hotel project and \$123 million Harrahs Casino hotel project.

Department Focus

The Police Department serves the citizens by constantly striving to reduce crime and create a safer environment for everyone. Crime reduction strategies, combined with community partnerships, have resulted in a decreasing crime rate in 1998. Violent crimes were down 14% and property crimes were down 8%. The clearance rate for homicides, robberies and burglaries exceeds the national average.

The department has emphasized the Community Oriented Policing philosophy in setting the direction for the future and has been recognized as a leader in this area by the United States Department of Justice. The City finished third in the annual National Night Out. The department's federally funded Weed and Seed site in the Highland area has received national recognition as a model site. To build upon this success in 1998, a grant application was submitted to create another Weed and Seed site in the Queensborough area.

To remain in the forefront of technological advances, the department received 100 laptop computers to be installed in patrol cars. These computers were purchased with a federal grant. When fully functional, the computers will offer immediate access to information needed in the field. The department's computerized Automatic Fingerprint Identification System made 218 crime scene matches which was a 48% increase over 1997.

Financial Information

Accounting System and Budgetary Control

Recordkeeping and financial reporting are organized on a fund basis. Funds are established to segregate accounting for specific activities or objectives in accordance with specific regulations. The activities are recorded and/or reported in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board.

The City's internal control structure consists of three elements: the control environment, the accounting system and control procedures. The control environment represents the collective effect of various factors on establishing, enhancing or mitigating the effectiveness of specific policies and procedures. The control environment reflects the overall attitude, awareness and actions of management concerning the importance of control and the emphasis on the City. Control procedures are those policies and procedures that the City has established to provide reasonable assurance that specific City objectives will be achieved. They include such procedures as providing adequate safeguards over access to and use of assets and records.

In developing the City's accounting system, consideration is given to establishing methods and records that will: (1) identify and record all valid transactions, (2) describe on a timely basis the transactions in sufficient detail to permit proper classification of transactions for financial reporting, (3) measure the value of transactions in a manner that permits recording their proper monetary value in the financial statements, (4) determine the time period in which transactions occurred to permit recording of transactions in the proper accounting period and (5) present properly the transactions and related disclosures in the financial statements.

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 his staff are independent of the Finance Department.

As a recipient of federal and state financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the annual audit performed by independent certified public accountants selected by the City.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control for operating funds is maintained at the object level within each department, with the exception of the Community Development Department where funds must be spent within the same division. Budgetary accounts are formally integrated into the accounting system for the General Fund and certain Special Revenue Funds (Community Development and Riverfront Development) which have annual appropriations. The Community Development Fund is comprised of several divisions. An annual budget is adopted for business development and services and for permits and inspections and code enforcement. The workforce development portion of the fund, which is financed with Jobs Training Partnership Act monies and the Community Development Block Grant funds, are controlled through restrictive grant provisions, and they are on a different fiscal year. The Enrichment Fund does not adopt an annual operating budget. Effective control for the expenditures for the Police Grants Fund is achieved through restrictive grant provisions. The Capital Projects Funds have budgetary accounts which are integrated into the accounting system; however, project length budgets are adopted. All budgets are adopted on a basis

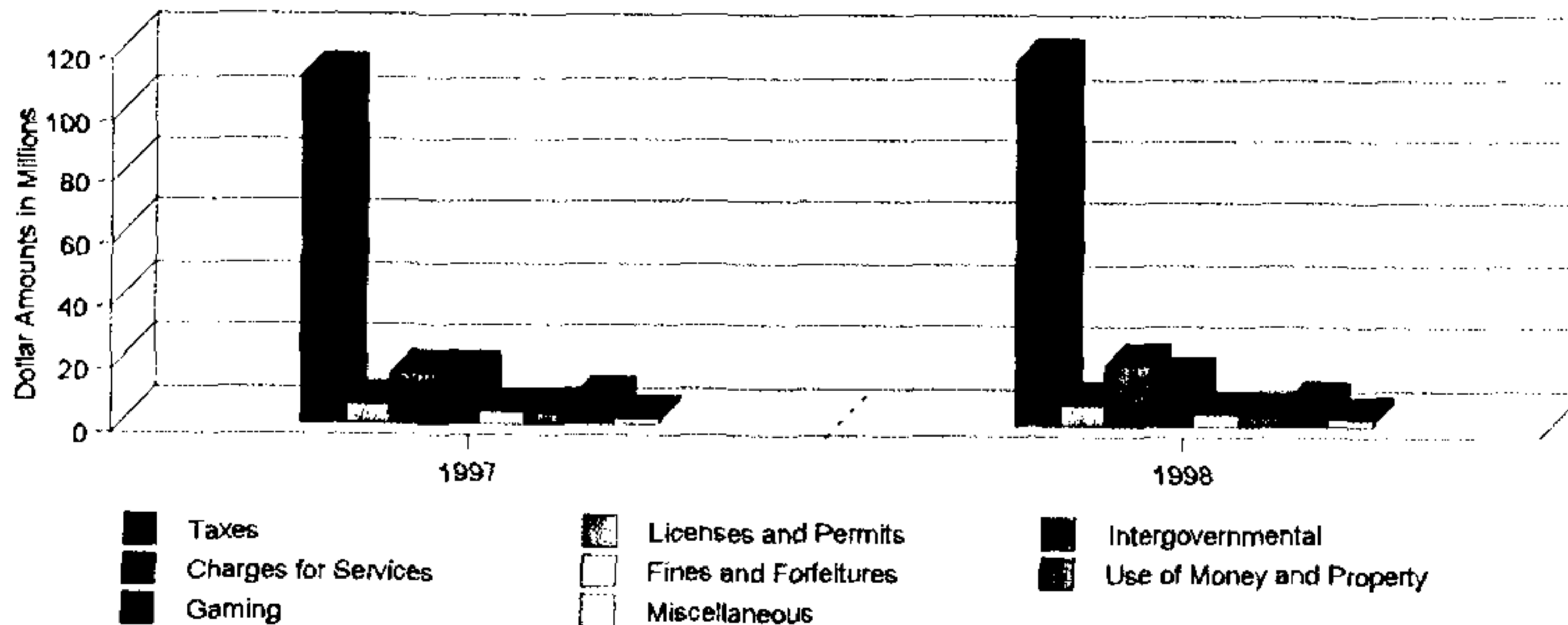
substantially consistent with generally accepted accounting principles (GAAP) except that (1) encumbrances are treated as budgeted expenditures in the year of the commitment to purchase, (2) capital leases are not budgeted as expenditures at the inception of the lease, and (3) State supplemental pay is not budgeted as expenditures. The City Charter provides that expenditures may not legally exceed appropriations. To further enhance budgetary controls, encumbrance accounting is used. Purchase orders, contracts and other commitments for expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

General Governmental Functions

The general governmental functions of the City are summarized in the following schedules and narrative which include the General Fund, Special Revenue Funds, and the Debt Service Fund. The Capital Projects Funds have been excluded.

<u>Revenues by Source</u>	<u>1998</u>	<u>1997</u>	<u>Increase (Decrease) over (under) 1997</u>	
			<u>Amount</u>	<u>Percent</u>
Taxes	\$116,672,572	\$111,357,774	\$ 5,314,798	4.8%
Licenses and permits	6,394,715	6,059,329	335,386	5.5
Intergovernmental	18,583,726	15,565,742	3,017,984	19.4
Charges for services	14,310,216	15,318,550	(1,008,334)	(6.6)
Fines and forfeitures	3,601,167	3,699,970	(98,803)	(2.7)
Use of money and property	2,748,622	3,245,900	(497,278)	(15.3)
Gaming	6,779,360	7,420,610	(641,250)	(8.6)
Miscellaneous	<u>1,901,397</u>	<u>1,504,626</u>	<u>396,771</u>	<u>26.4</u>
 Total revenues	 <u>\$170,991,775</u>	 <u>\$164,172,501</u>	 <u>\$ 6,819,274</u>	 <u>4.2%</u>

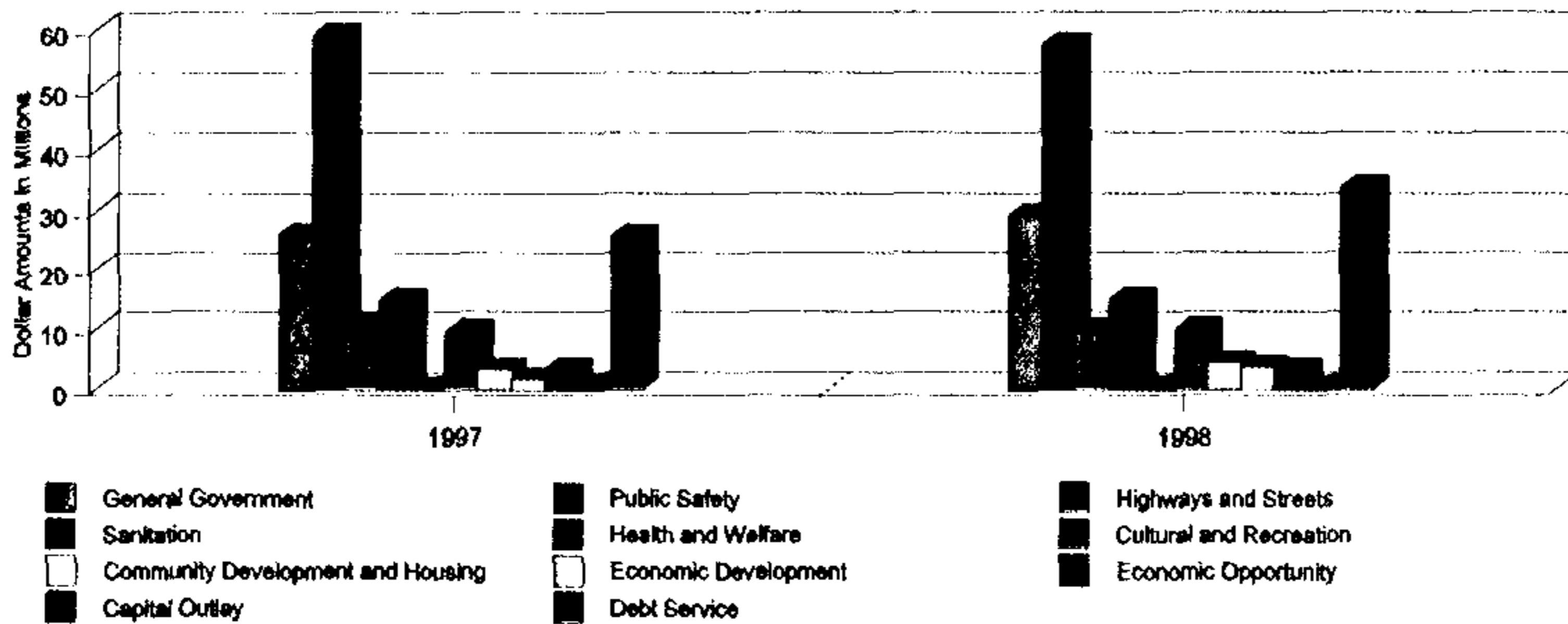
REVENUES BY SOURCE



Intergovernmental revenues increased 19.4% due to the receipt of \$678,586 for the 1998 Police Block Grant and an increase in revenue received for the Department of Community Development's HOME Program, CDBG Entitlement and JTPA. Use of money and property decreased 15.3% due to arbitrage rebate and a reduction in building revenues associated with the American Tower. Miscellaneous revenues increased 26.4% due to an increase in payment in lieu of taxes, E911 dispatch reimbursements and revenues received for gasoline rebates.

<u>Expenditures by Function</u>	<u>1998</u>	<u>1997</u>	<u>Increase (Decrease)</u> <u>over (under) 1997</u>	
			<u>Amount</u>	<u>Percent</u>
Current:				
General government	\$ 29,394,166	\$ 26,236,171	\$ 3,157,995	12.0%
Public safety	57,472,321	59,057,314	(1,584,993)	(2.7)
Highways and streets	9,814,932	10,360,766	(545,834)	(5.3)
Sanitation	14,868,813	14,698,364	170,449	1.2
Health and welfare	390,998	191,991	199,007	103.7
Cultural and recreation	9,968,862	9,545,451	423,411	4.4
Community development and housing	4,483,770	3,285,455	1,198,315	36.5
Economic development	3,831,019	1,744,973	2,086,046	119.5
Economic opportunity	3,361,290	3,269,045	92,245	2.8
Capital outlay	361,857	353,402	8,455	2.4
Debt service	<u>33,863,859</u>	<u>25,752,678</u>	<u>8,111,181</u>	<u>31.5</u>
Total expenditures	<u>\$167,811,887</u>	<u>\$154,495,610</u>	<u>\$13,316,277</u>	<u>8.6%</u>

EXPENDITURES BY FUNCTION



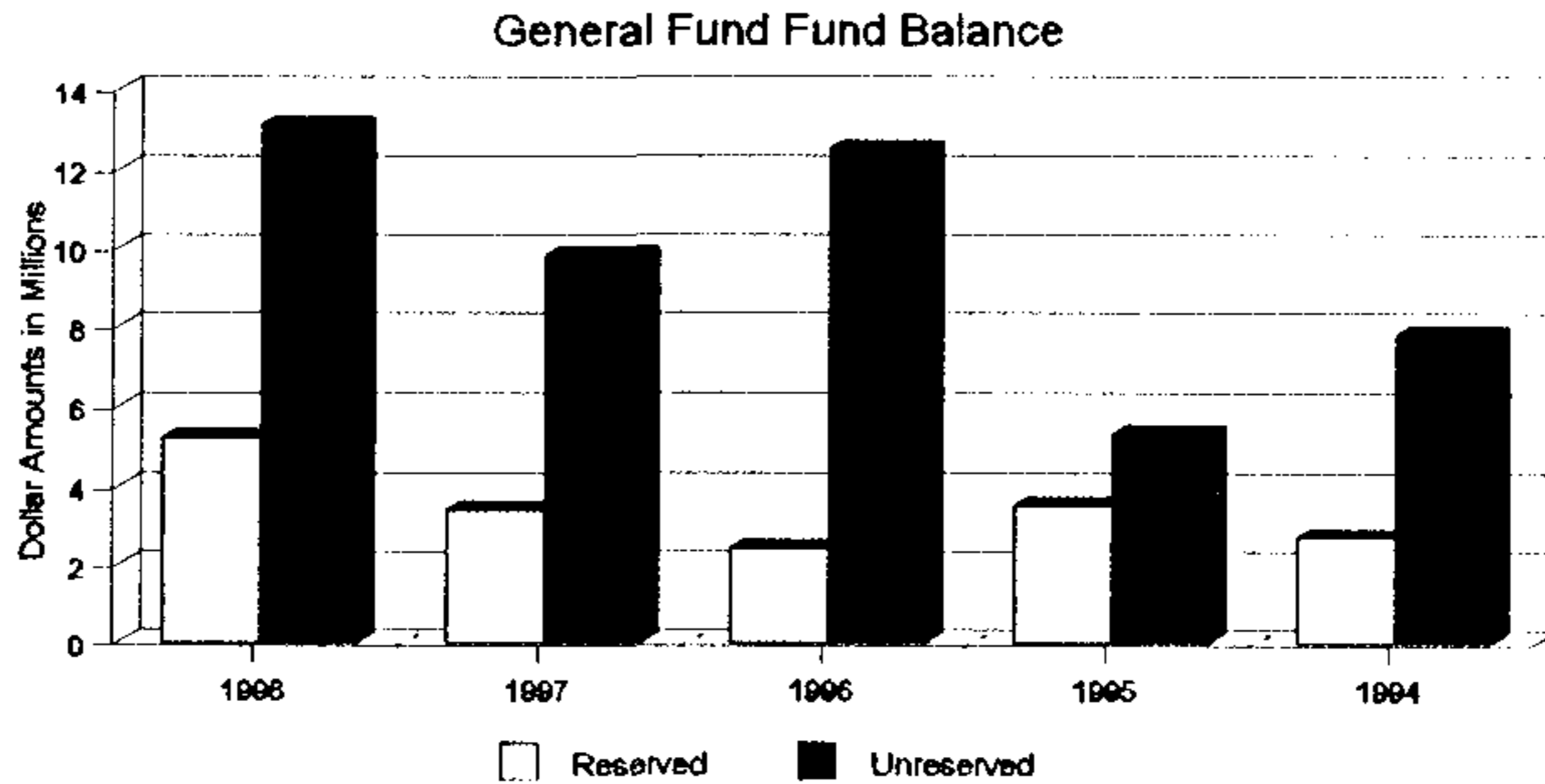
General government increased 12.0% due to an increase in the number of probable claims and payments to the Fleet Services Fund. Health and welfare expenditures increase 103.7% due to expenditures for the Providence House, Morning Star Baptist Church and Community Support Bridges which were not included in 1997. Community development and housing expenditures increased 36.5% through increased expenditures in housing projects, loan program and workforce development programs. Economic development expenditures increased by 119.5% due to an emphasis being placed on attracting and enhancing economic development opportunities. Debt service expenditures increased 31.5% due to the payment of the Fire and Police merger payments through the debt service fund. Previous years' payments had been recorded in the General Fund.

General Fund Fund Balance

The major general governmental fund of the City is the General Fund. It accounts for most essential City services. The fund balance of the General Fund is significant because it represents the financial resources available to be spent or appropriated in future periods.

The unreserved fund balance increased from \$9,820,252 to \$13,151,858 in 1998. The unreserved fund balance increase was primarily a result of an increase in sales tax revenues. This unreserved fund balance represents 11.4% of 1998 General Fund expenditures before transfers. Presented below are the past five years of changes which have occurred in reserved and unreserved General Fund fund balance:

	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
FUND BALANCE					
Reserved	\$ 5,230,337	\$ 3,383,955	\$ 2,436,656	\$ 3,453,404	\$ 2,655,736
Unreserved	<u>13,151,858</u>	<u>9,820,252</u>	<u>12,410,213</u>	<u>5,309,708</u>	<u>7,888,687</u>
Total Fund Balance	\$ <u>18,382,195</u>	\$ <u>13,204,207</u>	\$ <u>14,846,869</u>	\$ <u>8,763,112</u>	\$ <u>10,544,423</u>
Expenditures	\$ <u>115,011,219</u>	\$ <u>114,874,950</u>	\$ <u>113,134,168</u>	\$ <u>116,321,940</u>	\$ <u>109,369,944</u>
% Reserved/Total Expenditures	4.5%	2.9%	2.2%	3.0%	2.4%
% Unreserved/Total Expenditures	11.4%	8.5%	11.0%	4.6%	7.2%



Proprietary Operations

Enterprise Funds

Pertinent information concerning the City's four enterprise funds is summarized below:

Municipal and Regional Airports

The combined operating revenues for the Municipal and Regional Airports were \$5,603,914 in 1998 which were in line with 1997. Operating expenses were \$4,902,609 and 1.7% under 1997. There was a net income of \$1,584,270 in 1998 compared to a net income of \$1,218,802 in 1997. The increase in net income was due primarily to increased interest income from 1998 bond proceeds.

Transit System

Revenues from the Transit System operations were \$2,098,113 in 1998 which is 6.2% over 1997. Operating expenses of \$7,524,422 were 5.5% over 1997. There was a net loss of \$1,019,360 which is depreciation expense, a non-cash item which has not been reimbursed through subsidies. Operating subsidies by the City, State and Federal Government totaled \$4,408,457 in 1998. The City's portion of the subsidies was \$2,377,102.

Water and Sewerage System

Operating revenues were \$39,687,543 which is a 7.6% increase over 1997. Operating expenses were \$29,535,249 and 1.5% under 1997. The increase in water sales and sewer charges are primarily due to an unusually hot summer. Expenses were under 1997 due to reduced transfers to the General Fund relative to Water and Sewer employees transferred back to Water and Sewer from Public Works in 1998. Also, there was less use of professional services in 1998. The system had net income of \$8,155,770 in 1998 compared to a net income in 1997 of \$4,579,958.

Golf

The combined operating revenues for the City's three golf courses were \$1,409,283 and 13.3% over 1997 primarily due to increased golf cart rental revenues and increased memberships being sold in 1998. Operating expenses were \$1,316,100 and 14.4% over 1997 primarily due to increased costs for rental of golf carts and increased building and grounds maintenance services. There was a net income of \$104,960 compared to a net income of \$97,223 in 1997 before transfers in from the General Fund. After General Fund transfers, there was a net income of \$204,960 in 1998 compared to a net income of \$97,223 in 1997.

Internal Service Funds

The City has three internal service funds. Their operating results are summarized below:

Employees Health Care

Revenues were \$1,222,214 and operating expenses were \$1,263,369. Net income for 1998 was \$182,318 which was a decrease of \$28,965 from 1997 is primarily due to an increase in claim expenses for 1998. The fund has \$4,287,207 in retained earnings at December 31, 1998.

Retained Risk

Operating revenues were \$8,544,152 and transfers in were \$500,000 in 1998. Premiums revenue was received from the General Fund, the Department of Water and Sewerage and the Municipal and Regional Airports. Operating expenses were \$11,344,269. Net loss for 1998 was \$1,879,226. The loss is due to an increase in claims in 1998 which are payable in installments and have been discounted to a present value. The fund has \$2,269,164 in retained earnings at December 31, 1998.

Fleet Services

Operating revenues were \$3,662,631 and operating expenses were \$4,035,706. The fund had a net loss of \$390,863 in 1998 which was the first year of operation. Charges to other departments in future years will be adjusted to compensate for this loss.

Fiduciary Operations

Pension Trust Funds

Substantially all City employees are eligible for and are covered by the following pension plans:

Firefighter Pension Plans

Full-time firefighters of the City participate in the Statewide Firefighters Retirement System. Covered employees are required to contribute 8% of compensation to the plan. The City's matching contribution is 9% of compensation, which was \$1,620,884 for the year ending December 31, 1998.

In addition to participating in the Statewide Firefighters Retirement System, certain firemen were guaranteed the benefits they enjoyed under the local firefighters retirement plan. The net pension obligation for the guaranteed benefits at December 31, 1998, was \$380,768. The actuarial value of assets was \$7,613,000. Available assets were sufficient to fund 59.4% of the actuarial accrued liability. The unfunded actuarial accrued liability was \$5,195,000.

Police Officer Pension Plans

Full-time police officers of the City participate in the Municipal Police Employees Retirement System. Covered employees are required to contribute 7.5% of compensation to the plan. The City's matching contribution is 9% of compensation, which was \$1,634,627 for the year ending December 31, 1998.

Certain police officers were also guaranteed the benefits they enjoyed under the local police retirement plan. The net pension asset for the guaranteed benefits at December 31, 1998, was \$1,017,003. The actuarial value of assets was \$4,996,000. Available assets were sufficient to fund 44.2% of the actuarial accrued liability. The unfunded actuarial accrued liability was \$6,307,000.

Employees' Retirement System

There are 2,203 City employees who are active and retired members of this plan. The Employees' Retirement System's funding policy provides for actuarially determined contributions at rates that, for individual employees, remain level as a percentage of compensation. Employees contribute at a rate of 9% of compensation. The City contributes at a rate of 9.15% of an individual employee's compensation, which was \$3,272,119 for the year ending December 31, 1998.

At December 31, 1998, the date of the actuarial valuation, the net pension asset was \$9,770,465. The actuarial value of assets was \$153,586,000. Available assets were sufficient to fund 106.3% of the actuarial accrued liability. There was an excess of \$9,138,000 over the accrued liability.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens, and investors. The data for the City at the end of the 1998 fiscal year were as follows:

	<u>Amount</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Debt per Capita</u>
Net direct general obligation bonded debt	\$218,954,113	25.6%	\$1,088

Outstanding bonded indebtedness of the City is summarized in the following table (in thousands):

	<u>January 1, 1998</u>	<u>1998 Activity</u>		<u>December 31, 1998</u>
		<u>Additions</u>	<u>Reductions</u>	
General obligation bonds/notes	\$175,121	\$ 95,575	\$27,799	\$242,897
Water and Sewer				
General obligation bonds/notes	1,612	111	474	1,249
Revenue bonds - other	120,187	2,722	7,381	115,528
Golf	22	-	22	-
Municipal and Regional Airports				
Revenue bonds	-	7,390	-	7,390
Revenue PFC bonds	-	18,610	-	18,610
Notes	6,000	-	300	5,700
Fleet Services	-	150	-	150
Total	<u>\$302,942</u>	<u>\$124,558</u>	<u>\$35,976</u>	<u>\$391,524</u>

State law allows a maximum of 10% of the assessed valuation for general obligation bonded debt for any purpose or 35% of the total assessed valuation for all general obligation purposes. A total of \$114,816,843 of additional general obligation bonded debt is available for issuance on a total assessed valuation of \$854,888,230 pursuant to the 35% limitation. Included in the total assessed valuation of property within the City is \$7,202,680 of assessed valuation which has been adjudicated to Caddo Parish.

Cash Management

The City maintains a pooled cash and investment account that is available for use by all funds, except those restricted by statutes or other legal reasons. At the end of each business day, collected balances in all City bank accounts are deposited into a Sweep Account. These funds are invested in U.S. Government and U.S. Agency securities under the terms of an overnight repurchase agreement. In addition, the City invests in other open repurchase agreements and U.S. treasury bills and notes. As of December 31, 1998, the City's cash resources were invested as follows:

U.S. Government Securities	59.6%
Open and Term Repurchase Agreements	36.9
Sweep Account at bank	<u>3.5</u>
Total	<u>100.0%</u>

The average yield on investments at December 31, 1998 was 5.42% as compared to 4.50% for three-month U.S. Treasury bills.

The City's investment policy is to exercise that judgment and care which men of prudence, discretion and intelligence exercise in the management of their own affairs. Investments are selected as investments, not for speculation, considering the probable safety of the capital, as well as the probable income to be derived. Accordingly, deposits are either insured by federal depository insurance or collateralized. Approximately 46.8% percent of the investments held by the City are classified in the category of lowest risk. Remaining investments were held by the fiscal agency bank as trustee for pension funds or in accordance with bond indentures. State statutes require that all public funds should be insured or collateralized. The City's policy is not to have uninsured/uncollateralized funds which it controls.

Risk Management

The City retains the risk for its automobile and general liability exposures. It also retains \$225,000 for City employees other than police, \$250,000 for police and \$500,000 for U.S. Longshoremen and Harbor Workers Act, Jones Act, and other Maritime Act benefits per occurrence on its worker's compensation coverage. The balance of the workers' compensation exposure is insured with a third party carrier. Property insurance is maintained with a third party carrier, subject to a \$75,000 per occurrence retention.

During 1998, our safety specialists have heavily concentrated their efforts in two areas. These areas are investigation and follow up on injury claims filed against the City under the Workers' Compensation Statutes of the State of Louisiana; and investigation and follow up on accidents involving City vehicles and property which have resulted in claims against the City. Additionally, they have provided training to the various departments on how to handle and how to avoid accidents involving hazardous materials, and other types of industrial claims. The safety specialists have also been directly involved in a large project involving the removal of underground fuel storage tanks and the remediation, if necessary, of any contamination caused by these tanks. The safety specialist also continued with driver education classes which are given to all employees who regularly use City vehicles and all new employees who are hired by the City whose job involves driving City vehicles.

The safety orientation program for new employees designed and implemented in 1997, was continued in 1998. The program increases the employee awareness of safety issues which should serve to continue to decrease losses. Also, in 1998, the Risk Management Division has continued with the administration of the Safety and Accident Review Board and the Risk Management Committee.

Other Relevant Information

Independent Audit

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 KPMG LLP was selected by the City to conduct its annual audit. The audit was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related Office of Management and Budget Circular A-133. The auditors' report on the general purpose financial statements, combining and individual fund statements and account groups is included in the financial section of the City's Comprehensive Annual Financial Report. The auditors' reports related specifically to the single audit are included in a separate Single Audit Report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Shreveport for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 1997. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by the City of Shreveport and its management. We are proud to have received this award each year for the past nineteen years (beginning with our Comprehensive Annual Financial Report for the fiscal year ended December 31, 1979).

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

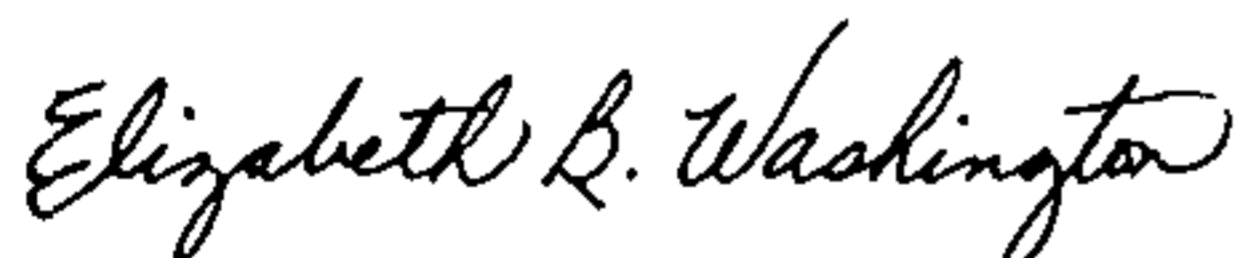
A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Shreveport, Louisiana for its Popular Annual Financial Report for the fiscal year ended December 31, 1997. We have received this award the past three years. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Acknowledgments

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 timely preparation of this report possible. Thanks to the Mayor and City Council for your support of excellence in financial reporting and fiscal integrity.

Sincerely,



Elizabeth B. Washington
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Shreveport,
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1997

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

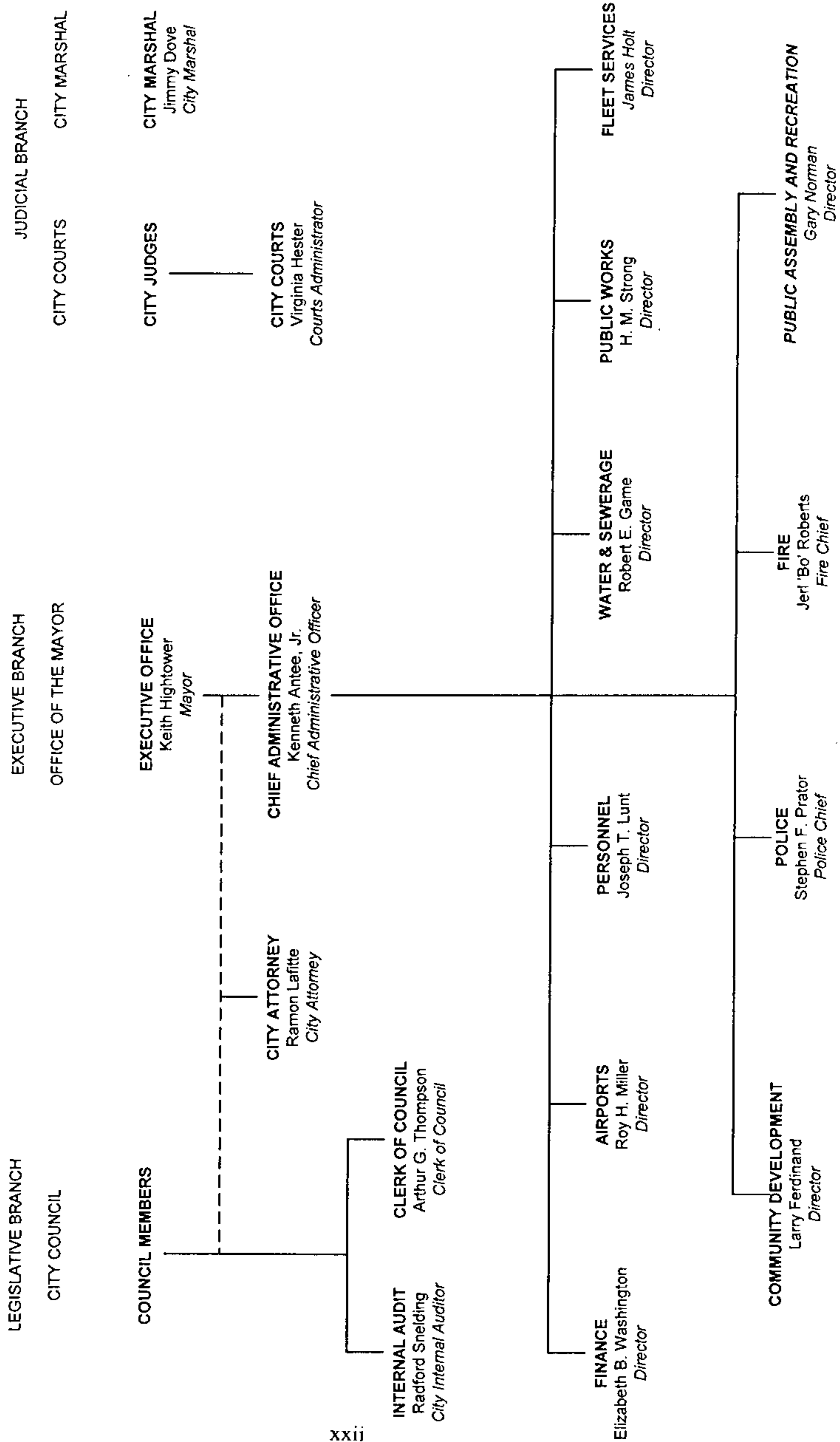


Douglas R. Ellsworth
President

Jeffrey L. Esler
Executive Director

CITY OF SHREVEPORT

Table of Organization
December 31, 1998



CITY OF SHREVEPORT, LOUISIANA

PRINCIPAL OFFICIALS

Keith Hightower
Mayor

Kenneth R. Antee, Jr.
Chief Administrative Officer

Members of City Council

Hilry Huckaby, III	District A
John David Stewart	District B
Thomas G. Carmody, Jr.	District C
Philip Serio	District D
Patricia G. Spigener	District E
Joe Shyne	District F
Roy Allen Burrell	District G

CITY OF SHREVEPORT, LOUISIANA

FINANCE DEPARTMENT

Department Director

Elizabeth B. Washington

Division Managers

John Pistorius
Dan Thomas
Anna Brown
Tom Mattox
Tom Cody

Accounting
Data Processing
Revenue Collection
Purchasing
Risk Management

Accounting Staff

Erma Johnson
David Pietsch
Wanda Lewis
James Rolfs
Sharon Penson
G-Ray Evans
Abigail Monette
Rosie Jacobs
Linda Long
Renee Moore
Evelyn Jones

Diane Pharr
Shirley Dupree
Danny Hawks
Mary Sylvie
Pamela Moore
Dorothy Cole
Virgil Cassel
Larry Phelps
Sammie Doggett
Lynn Petrey
Louise Broom



1900 Deposit Guaranty Tower
333 Texas Street
Shreveport, LA 71101-3692

Independent Auditors' Report

To the Members of the City Council and
Honorable Keith Hightower, Mayor
City of Shreveport, Louisiana:

We have audited the accompanying general purpose financial statements and the combining, individual fund, and individual account group financial statements and schedules of the City of Shreveport, Louisiana, as of and for the year ended December 31, 1998, as listed in the foregoing Table of Contents as Exhibits 1-8 and Statement/Schedules A-1 to J-1. These financial statements and schedules are the responsibility of the management of the City of Shreveport, Louisiana. Our responsibility is to express an opinion on these financial statements and schedules 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 16% of the assets of the component unit column on Exhibit 1 and 89% of the revenues of the component unit column on Exhibit 2. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the financial statements and schedules, 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. The reports of the other auditors for the City Marshal and Downtown Development Authority were qualified because the Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 issue and insufficient audit evidence existed to support the City Marshal and Downtown Development Authority's disclosures with respect to the Year 2000 issue.

We conducted our audit in accordance with generally accepted auditing standards 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. An audit also includes 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 opinion.

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Shreveport, Louisiana, as of December 31, 1998, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund, and individual account group financial statements and schedules referred to above, present fairly, in all material respects, the financial position of each of the individual funds and individual account groups of the City of Shreveport, Louisiana, as of December 31, 1998, and the results of operations of such funds and the cash flows of the individual proprietary funds for the year then ended in conformity with generally accepted accounting principles.



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In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 1999, on our consideration of the City of Shreveport, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

As described in note 20 to the financial statements, the City of Shreveport, Louisiana adopted the provisions of Governmental Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* in 1998.

The Year 2000 supplementary information listed as Required Supplementary Information in the Table of Contents is not a required part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that the City of Shreveport, Louisiana is or will become Year 2000 compliant, that the City of Shreveport, Louisiana's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Shreveport, Louisiana does business are or will become Year 2000 compliant.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund, and individual account group financial statements and schedules referred to in the first paragraph. The schedules of historical pension information listed as Required Supplemental Information in the Table of Contents are not a required part of the basic financial statements but are 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 supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying financial information listed in Statistical Tables 1-16 is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Shreveport, Louisiana. The information has not been audited by us, and accordingly we express no opinion on this information.

KPMG LLP

March 26, 1999

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GENERAL PURPOSE FINANCIAL STATEMENTS

The general purpose financial statements include all funds and account groups in order to provide an overview of the financial position and results of operation for the City as a whole. Detailed financial statements for each fund and account group are presented elsewhere in this report. Also included in the general purpose financial statements are the combining statements of the City's discretely presented component units.

CITY OF SHREVEPORT, LOUISIANA
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 1998

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
<u>ASSETS AND OTHER DEBITS</u>					
Assets:					
Cash and cash equivalents (note 3)	\$ 12,115,760	\$ 8,392,296	\$ 18,510,135	\$ 57,502,589	\$ 28,009,051
Investments, at fair value (note 3)	--	--	--	--	--
Interest receivable	--	--	--	--	--
Property taxes receivable (note 4)	4,916,475	--	7,118,960	--	--
Franchise taxes receivable	1,328,874	--	--	--	--
Accounts receivable, net (note 5)	1,832,899	876,169	--	--	4,723,835
Special assessments receivable	166	--	--	47,893	--
Due from other governmental units	9,396,020	3,508,407	--	971,941	2,266,158
Notes receivable	--	11,251,943	--	--	--
Due from other funds (note 12)	32,000	55,035	--	11,057,087	257,728
Due from component unit	200	--	--	11,949	--
Inventories, at cost	869,633	--	--	--	1,136,922
Prepaid items	--	--	--	--	36,586
Restricted assets (note 9):					
Cash and cash equivalents (note 3)	--	--	--	--	48,984,550
Investments (note 3):					
U.S. Government and agency securities	--	--	--	--	13,014,669
Interest receivable	--	--	--	--	78,887
Mortgage loans receivable	--	--	--	--	--
Note receivable	--	--	--	--	--
Fixed assets, net (note 7)	--	--	--	--	303,015,759
Other assets	--	--	--	--	2,930,535
Total assets	<u>30,492,027</u>	<u>24,083,850</u>	<u>25,629,095</u>	<u>69,591,459</u>	<u>404,454,680</u>
Other debits:					
Amount available in Debt Service Fund	--	--	--	--	--
Amount to be provided for payment of accrued vacation (note 8 and 9)	--	--	--	--	--
Amount to be provided for retirement of general obligation bonds/notes (note 9)	--	--	--	--	--
Amount to be provided for payment of net pension obligation (note 9 and 13)	--	--	--	--	--
Amount to be provided for post-closure care of landfill (notes 9 and 17)	--	--	--	--	--
Total other debits	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets and other debits	<u>\$ 30,492,027</u>	<u>\$ 24,083,850</u>	<u>\$ 25,629,095</u>	<u>\$ 69,591,459</u>	<u>\$ 404,454,680</u>

Fund Types	Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)	Component Units	Totals Reporting Entity (Memorandum Only)
		General Fixed Assets	General Long-term Debt			
\$ 8,801,474	\$ --	\$ --	\$ --	\$ 133,331,305	\$ 5,313,178	\$ 138,644,483
4,145,121	177,288,351	--	--	181,433,472	--	181,433,472
8,690	778,065	--	--	786,755	--	786,755
--	--	--	--	12,035,435	496,800	12,532,235
--	--	--	--	1,328,874	--	1,328,874
135,412	254,536	--	--	7,822,851	19,716	7,842,567
--	--	--	--	48,059	--	48,059
--	--	--	--	16,142,526	41,201	16,183,727
--	--	--	--	11,251,943	--	11,251,943
4,554,078	100,674	--	--	16,056,602	--	16,056,602
--	--	--	--	12,149	--	12,149
160,437	--	--	--	2,166,992	--	2,166,992
65,863	653,822	--	--	756,271	6,048	762,319
--	--	--	--	48,984,550	2,571,457	51,556,007
--	--	--	--	13,014,669	401,429	13,416,098
--	--	--	--	78,887	160,886	239,773
--	--	--	--	--	21,654,970	21,654,970
--	--	--	--	--	4,360,000	4,360,000
631,731	--	185,136,884	--	488,784,374	2,991,817	491,776,191
--	4,866,458	--	--	7,796,993	309,206	8,106,199
<u>18,502,806</u>	<u>183,941,906</u>	<u>185,136,884</u>	<u>--</u>	<u>941,832,707</u>	<u>38,326,708</u>	<u>980,159,415</u>
--	--	--	23,942,397	23,942,397	--	23,942,397
--	--	--	1,724,327	1,724,327	--	1,724,327
--	--	--	218,954,113	218,954,113	--	218,954,113
--	--	--	380,768	380,768	--	380,768
--	--	--	1,193,339	1,193,339	--	1,193,339
--	--	--	246,194,944	246,194,944	--	246,194,944
<u>\$ 18,502,806</u>	<u>\$ 183,941,906</u>	<u>\$ 185,136,884</u>	<u>\$ 246,194,944</u>	<u>\$ 1,188,027,651</u>	<u>\$ 38,326,708</u>	<u>\$ 1,226,354,359</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 1998

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>					
Liabilities:					
Accounts payable	\$ 2,202,803	\$ 933,619	\$ 633	\$ 4,674,529	\$ 5,444,490
Accrued liabilities	207,206	--	--	--	2,208,366
Accrued vacation (notes 8 and 9)	--	--	--	--	722,786
Due to other governmental units	311,783	--	--	--	--
Due to other funds (note 12)	7,600,899	5,842,426	--	245,273	192,218
Due to primary government	--	--	--	--	--
Long-term debt-current (note 9)	--	--	--	--	7,660,609
Liability and refund contracts payable-current	--	--	--	--	3,737
Deferred revenue	1,595,792	9,469,260	1,686,065	33,524	1,230,183
Notes payable	--	1,828,444	--	--	--
Liability and refund contracts payable-noncurrent	--	--	--	--	11,210
Deposits and deferred charges	191,349	--	--	--	476,456
Long-term debt (note 9)	--	--	--	--	140,816,427
Net pension obligation (note 9 and 13)	--	--	--	--	--
Landfill post-closure care liability (notes 9 and 17)	--	--	--	--	--
Total liabilities	12,109,832	18,073,749	1,686,698	4,953,326	158,766,482
Equity and other credits:					
Investment in general fixed assets	--	--	--	--	--
Contributed capital (note 11)	--	--	--	--	125,365,282
Retained earnings:					
Reserved for debt service	--	--	--	--	7,072,847
Unreserved	--	--	--	--	113,250,069
Fund balances:					
Reserved for:					
Prepaid items	--	--	--	--	--
Encumbrances	4,345,985	2,884,820	--	20,040,090	--
Inventories	869,633	--	--	--	--
Debt service	--	--	23,942,397	--	--
Employees' pension benefits	--	--	--	--	--
Endowments	14,719	--	--	--	--
Unreserved:					
Designated for:					
Subsequent years' expenditures	1,888,000	3,125,281	--	55,343,624	--
Landfill closure	1,193,339	--	--	--	--
Undesignated	10,070,519	--	--	(10,745,581)	--
Total retained earnings/fund balances	18,382,195	6,010,101	23,942,397	64,638,133	120,322,916
Total equity and other credits	18,382,195	6,010,101	23,942,397	64,638,133	245,688,198
Total liabilities, equity and other credits	\$ 30,492,027	\$ 24,083,850	\$ 25,629,095	\$ 69,591,459	\$ 404,454,680

See accompanying notes to the financial statements.

Fund Types	Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)	Component Units	Totals Reporting Entity (Memorandum Only)
		General Fixed Assets	General Long-term Debt			
\$ 247,368	\$ 142,200	\$ --	\$ --	\$ 13,645,642	\$ 29,715	\$ 13,675,357
9,402,832	16,284	--	--	11,834,688	317,506	12,152,194
--	--	--	1,724,327	2,447,113	--	2,447,113
--	--	--	--	311,783	10,540	322,323
146,058	2,029,728	--	--	16,056,602	--	16,056,602
--	--	--	--	--	12,149	12,149
27,600	--	--	--	7,688,209	1,604,000	9,292,209
--	--	--	--	3,737	--	3,737
--	--	--	--	14,014,824	--	14,014,824
122,400	--	--	--	1,950,844	--	1,950,844
--	--	--	--	11,210	--	11,210
--	922,244	--	--	1,590,049	831,740	2,421,789
--	--	--	242,896,510	383,712,937	25,855,792	409,568,729
--	--	--	380,768	380,768	--	380,768
--	--	--	1,193,339	1,193,339	--	1,193,339
9,946,258	3,110,456	--	246,194,944	454,841,745	28,661,442	483,503,187
--	--	185,136,884	--	185,136,884	2,991,817	188,128,701
2,391,040	--	--	--	127,756,322	--	127,756,322
--	--	--	--	7,072,847	1,505,198	8,578,045
6,165,508	--	--	--	119,415,577	913,784	120,329,361
--	--	--	--	--	6,048	6,048
--	--	--	--	27,270,895	13,285	27,284,180
--	--	--	--	869,633	--	869,633
--	--	--	--	23,942,397	--	23,942,397
--	180,831,450	--	--	180,831,450	--	180,831,450
--	--	--	--	14,719	--	14,719
--	--	--	--	60,356,905	884,780	61,241,685
--	--	--	--	1,193,339	--	1,193,339
--	--	--	--	(675,062)	3,350,354	2,675,292
6,165,508	180,831,450	--	--	420,292,700	6,673,449	426,966,149
8,556,548	180,831,450	185,136,884	--	733,185,906	9,665,266	742,851,172
<u>\$ 18,502,806</u>	<u>\$ 183,941,906</u>	<u>\$ 185,136,884</u>	<u>\$ 246,194,944</u>	<u>\$ 1,188,027,651</u>	<u>\$ 38,326,708</u>	<u>\$ 1,226,354,359</u>

CITY OF SHREVEPORT, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Governmental Fund Types					Totals	Totals
	General	Special Revenue	Debt Service	Capital Projects	Government (Memorandum Only)	Component Units	Reporting Entity (Memorandum Only)
Revenues:							
Taxes	\$ 91,475,997	\$ --	\$ 25,196,575	\$ --	\$ 116,672,572	\$ 505,129	\$ 117,177,701
Licenses and permits	5,104,946	1,289,769	--	--	6,394,715	--	6,394,715
Intergovernmental	7,189,281	11,394,445	--	8,328,788	26,912,514	303,000	27,215,514
Charges for services	14,310,216	--	--	--	14,310,216	19,500	14,329,716
Fines and forfeitures	3,387,230	213,937	--	--	3,601,167	912,549	4,513,716
Special assessments	--	--	--	6,640	6,640	--	6,640
Use of money and property	1,117,822	900,620	730,180	3,279,466	6,028,088	144,457	6,172,545
Gaming	--	6,779,360	--	--	6,779,360	--	6,779,360
Miscellaneous	903,763	996,654	980	98,690	2,000,087	113,265	2,113,352
Total revenues	123,489,255	21,574,785	25,927,735	11,713,584	182,705,359	1,997,900	184,703,259
Expenditures:							
Current:							
General government	26,966,957	2,427,209	--	--	29,394,166	3,596,839	32,991,005
Public safety	53,632,769	3,839,552	--	--	57,472,321	--	57,472,321
Highways and streets	9,814,932	--	--	--	9,814,932	--	9,814,932
Sanitation	14,868,813	--	--	--	14,868,813	--	14,868,813
Health and welfare	--	390,998	--	--	390,998	--	390,998
Cultural and recreation	9,727,748	241,114	--	--	9,968,862	--	9,968,862
Community development and housing	--	4,483,770	--	--	4,483,770	--	4,483,770
Economic development	--	3,831,019	--	--	3,831,019	776,503	4,607,522
Economic opportunity	--	3,361,290	--	--	3,361,290	--	3,361,290
Capital outlay	--	361,857	--	35,445,694	35,807,551	177,612	35,985,163
Debt service:							
Principal	--	--	14,175,866	--	14,175,866	--	14,175,866
Interest and fiscal charges	--	--	18,461,893	--	18,461,893	--	18,461,893
Bond issuance costs	--	--	1,025,368	103,634	1,129,002	--	1,129,002
Advance refunding escrow	--	--	200,732	--	200,732	--	200,732
Total expenditures	115,011,219	18,936,809	33,863,859	35,549,328	203,361,215	4,550,954	207,912,169

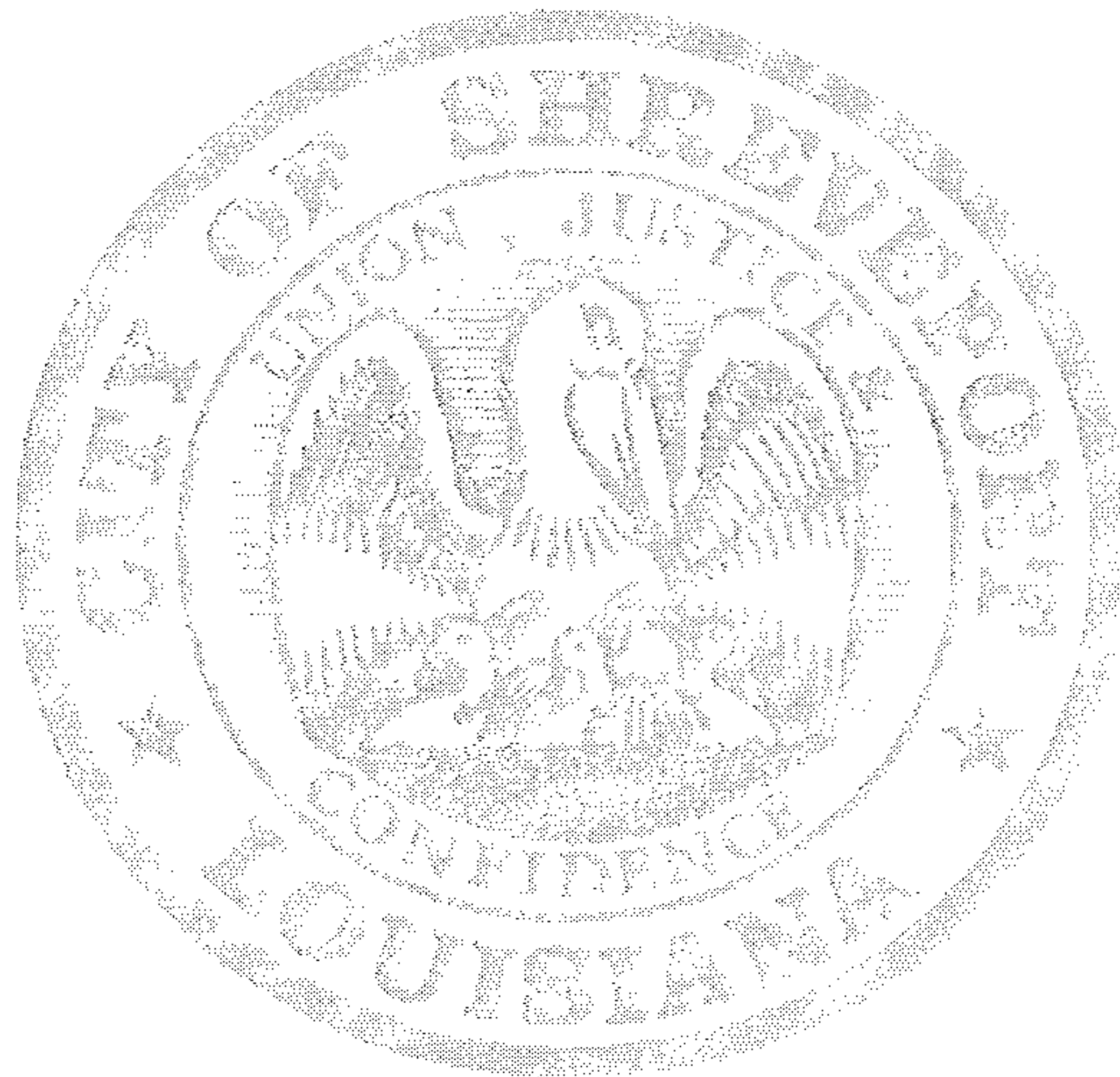
Excess (deficiency) of revenues over (under) expenditures	8,478,036	2,637,976	(7,936,124)	(23,835,744)	(20,655,856)	(2,553,054)	(23,208,910)
Other financing sources (uses):							
General obligation bonds proceeds	--	--	--	25,000,000	25,000,000	--	25,000,000
Operating transfers in	2,292,900	2,129,289	8,169,652	18,092,706	30,684,547	--	30,684,547
Operating transfers out	(9,898,070)	(9,036,671)	--	(11,397,906)	(30,332,647)	--	(30,332,647)
Transfers to component units	(2,922,930)	--	--	--	(2,922,930)	--	(2,922,930)
Transfers from primary government	--	--	--	--	--	2,922,930	2,922,930
Proceeds of refunding bonds	--	--	11,204,773	--	11,204,773	--	11,204,773
Payment to refunded bond escrow agent	--	--	(11,026,684)	--	(11,026,684)	--	(11,026,684)
Proceeds from certificates of indebtedness	7,338,290	--	52,526,099	--	59,864,389	--	59,864,389
Payment to retirement system	--	--	(51,624,035)	--	(51,624,035)	--	(51,624,035)
Total other financing sources (uses)	(3,189,810)	(6,907,382)	9,249,805	31,694,800	30,847,413	2,922,930	33,770,343
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	5,288,226	(4,269,406)	1,313,681	7,859,056	10,191,557	369,876	10,561,433
Fund balances, beginning of year	13,204,207	10,279,507	22,628,716	56,779,077	102,891,507	3,884,591	106,776,098
Increase in reserve for inventory	47,868	--	--	--	47,868	--	47,868
Residual equity transfers out	(158,106)	--	--	--	(158,106)	--	(158,106)
Fund balances, end of year	\$ 18,382,195	\$ 6,010,101	\$ 23,942,397	\$ 64,638,133	\$ 112,972,826	\$ 4,254,467	\$ 117,227,293

See accompanying notes to the financial statements.

CITY OF SHREVEPORT, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS -
 GENERAL AND CERTAIN SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1998

	General Fund			Certain Special Revenue Funds		
	Budget	Actual on Budgetary Basis	Variance	Budget	Actual on Budgetary Basis	Variance
Revenues:						
Taxes	\$ 91,867,800	\$ 94,110,477	\$ 2,242,677	\$ --	\$ --	\$ --
Licenses and permits	4,976,800	5,262,783	285,983	862,600	1,289,769	427,169
Intergovernmental	537,900	606,529	68,629	--	--	--
Charges for services	14,854,700	13,697,126	(1,157,574)	--	--	--
Fines and forfeitures	3,351,300	3,704,800	353,500	225,900	213,937	(11,963)
Use of money and property	258,100	372,421	114,321	450,000	726,784	276,784
Gaming	--	--	--	5,991,700	6,779,360	787,660
Miscellaneous	1,850,400	2,118,689	268,289	--	--	--
Total revenues	<u>117,697,000</u>	<u>119,872,825</u>	<u>2,175,825</u>	<u>7,530,200</u>	<u>9,009,850</u>	<u>1,479,650</u>
Expenditures:						
Current:						
General government	32,944,990	33,451,533	(506,543)	2,948,630	2,511,108	437,522
Public safety	56,649,231	56,004,703	644,528	--	--	--
Public works	33,259,547	31,972,305	1,287,242	--	--	--
Economic development	--	--	--	2,948,208	2,896,179	52,029
Total expenditures	<u>122,853,768</u>	<u>121,428,541</u>	<u>1,425,227</u>	<u>5,896,838</u>	<u>5,407,287</u>	<u>489,551</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,156,768)</u>	<u>(1,555,716)</u>	<u>3,601,052</u>	<u>1,633,362</u>	<u>3,602,563</u>	<u>1,969,201</u>
Other financing sources (uses):						
Proceeds from certificate of indebtedness	7,305,000	7,338,290	33,290	--	--	--
Operating transfers in	2,278,800	2,292,900	14,100	1,953,800	1,759,589	(194,211)
Operating transfers out	(3,931,200)	(4,277,777)	(346,577)	(9,068,000)	(9,036,671)	31,329
Transfers to component units	(2,879,009)	(2,930,165)	(51,156)	--	--	--
Total other financing sources (uses)	<u>2,773,591</u>	<u>2,423,248</u>	<u>(350,343)</u>	<u>(7,114,200)</u>	<u>(7,277,082)</u>	<u>(162,882)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,383,177)</u>	<u>867,532</u>	<u>3,250,709</u>	<u>(5,480,838)</u>	<u>(3,674,519)</u>	<u>1,806,319</u>
Fund balance, beginning of year	13,204,207	13,204,207	--	9,197,687	9,197,687	--
Decrease in reserve for inventory	47,868	47,868	--	--	--	--
Residual equity transfer out	(158,106)	(158,106)	--	--	--	--
Fund balances, end of year	<u>\$ 10,710,792</u>	<u>\$ 13,961,501</u>	<u>\$ 3,250,709</u>	<u>\$ 3,716,849</u>	<u>\$ 5,523,168</u>	<u>\$ 1,806,319</u>

See accompanying notes to the financial statements.



CITY OF SHREVEPORT, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Proprietary Fund Types		Totals		Component Unit - Shreveport Home Mortgage Authority	Totals Reporting Entity (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Primary Government (Memorandum Only)			
Operating revenues:						
Charges for sales and services	\$ 48,118,196	\$ 3,657,515	\$ 51,775,711	\$	--	\$ 51,775,711
Employer's contributions	--	682,054	682,054		--	682,054
Employees' contributions	--	538,771	538,771		--	538,771
Premiums revenue	--	8,351,867	8,351,867		--	8,351,867
Interest and dividends	--	--	--		2,394,208	2,394,208
Miscellaneous	680,657	198,790	879,447		102,030	981,477
Total operating revenues	48,798,853	13,428,997	62,227,850		2,496,238	64,724,088
Operating expenses:						
Claims	--	11,704,814	11,704,814		--	11,704,814
Costs of sales and services	33,399,812	4,896,656	38,296,468		2,428,454	40,724,922
Depreciation and amortization	9,878,568	41,874	9,920,442		19,620	9,940,062
Total operating expenses	43,278,380	16,643,344	59,921,724		2,448,074	62,369,798
Operating income (loss)	5,520,473	(3,214,347)	2,306,126		48,164	2,354,290
Nonoperating revenues (expenses):						
Operating subsidies	4,408,457	--	4,408,457		--	4,408,457
Interest income	5,240,509	644,364	5,884,873		--	5,884,873
Interest expense	(6,295,222)	(17,788)	(6,313,010)		--	(6,313,010)
Passenger facility charges	1,098,944	--	1,098,944		--	1,098,944
Net increase in the fair value of investments	62	--	62		--	62
Contribution to golf enterprise fund	(184,755)	--	(184,755)		--	(184,755)
Loss on disposal of fixed assets	(10,928)	--	(10,928)		--	(10,928)
Total nonoperating revenues (expenses)	4,257,067	626,576	4,883,643		--	4,883,643
Net income (loss) before operating transfers	9,777,540	(2,587,771)	7,189,769		48,164	7,237,933
Operating transfers in	100,000	500,000	600,000		--	600,000
Operating transfers out	(951,900)	--	(951,900)		--	(951,900)
Net income (loss)	8,925,640	(2,087,771)	6,837,869		48,164	6,886,033

Depreciation on assets acquired through grants, entitlements or shared revenue which reduces contributed capital	3,348,641	--	3,348,641	--	3,348,641
Retained earnings, beginning of year	108,048,635	8,253,279	116,301,914	2,370,818	118,672,732
Retained earnings, end of the year	<u>\$ 120,322,916</u>	<u>\$ 6,165,508</u>	<u>\$ 126,488,424</u>	<u>\$ 2,418,982</u>	<u>\$ 128,907,406</u>

See accompanying notes to the financial statements.

CITY OF SHREVEPORT, LOUISIANA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Proprietary Fund Types		Totals		Component Unit - Shreveport Home Mortgage Authority	Totals Reporting Entity (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Primary Government (Memorandum Only)			
Cash flows from operating activities:						
Receipts from operations	\$ 47,521,180	\$ 3,657,515	\$ 51,178,695	\$	--	\$ 51,178,695
Other operating revenues	--	8,099,850	8,099,850	--	--	8,099,850
Claims	--	(6,548,020)	(6,548,020)	--	--	(6,548,020)
Payments for goods and services	(12,429,769)	(2,471,171)	(14,900,940)	--	(122,059)	(15,022,999)
Payments for employee services	(16,733,475)	(2,101,783)	(18,835,258)	--	--	(18,835,258)
Payments in lieu of taxes	(750,000)	--	(750,000)	--	--	(750,000)
Payments for direct and indirect costs	(2,894,581)	--	(2,894,581)	--	--	(2,894,581)
Interest received on loans	--	--	--	1,956,687	--	1,956,687
Principal payment on loans	--	--	--	2,960,013	--	2,960,013
New mortgage loans	--	--	--	(5,796,877)	--	(5,796,877)
Miscellaneous revenue	581,045	--	581,045	--	--	581,045
Other	--	--	--	89,831	--	89,831
Net cash provided by (used in) operating activities	15,294,400	636,391	15,930,791	(912,405)	--	15,018,386
Cash flows from noncapital financing activities:						
Operating subsidies	4,472,773	--	4,472,773	--	--	4,472,773
Operating transfers in	100,000	500,000	600,000	--	--	600,000
Operating transfers out	(951,900)	--	(951,900)	--	--	(951,900)
Interest paid on operations	(1,508)	(13,618)	(15,126)	--	--	(15,126)
Principal paid on bonds	--	--	--	(3,181,849)	--	(3,181,849)
Interest paid on bonds	--	--	--	(1,924,125)	--	(1,924,125)
Contribution to golf enterprise fund	(184,755)	--	(184,755)	--	--	(184,755)
Cash bond received in lieu of performance bond	735	--	735	--	--	735
Net cash provided by (used in) noncapital financing activities	3,435,345	486,382	3,921,727	(5,105,974)	--	(1,184,247)
Cash flows from capital and related financing activities:						
Proceeds from issuance of debt	25,436,480	150,000	25,586,480	--	--	25,586,480
Acquisition and construction of capital assets	(22,896,177)	(138,173)	(23,034,350)	--	--	(23,034,350)
Payment on liability and refund contracts	(3,737)	--	(3,737)	--	--	(3,737)
Principal paid on debt	(7,795,877)	--	(7,795,877)	--	--	(7,795,877)
Interest paid on debt	(6,485,414)	(2,599)	(6,488,013)	--	--	(6,488,013)
Capital contributed by others	1,063,099	--	1,063,099	--	--	1,063,099
Capital grants	3,108,313	--	3,108,313	--	--	3,108,313
Payment of debt issuance costs	(119,987)	--	(119,987)	--	--	(119,987)
Refund of debt issuance costs	635	--	635	--	--	635
Passenger facility charges	1,098,944	--	1,098,944	--	--	1,098,944

Net cash provided by (used in) capital and related financing activities	9,228	(6,584,493)	--	(6,584,493)
Cash flows from investing activities:				
Purchase of investments	(4,145,121)	(30,173,718)	(879,992)	(31,053,710)
Proceeds from sale and maturity of investments	4,021,406	28,906,406	8,271,110	37,177,516
Interest on investments	652,153	5,149,704	354,964	5,504,668
Net cash provided by investing activities	528,438	3,882,392	7,746,082	11,628,474
Net increase in cash and cash equivalents	1,660,439	17,150,417	1,727,703	18,878,120
Cash and cash equivalents, beginning of year	7,141,035	68,644,658	1,673,576	70,318,234
Cash and cash equivalents, end of year	<u>\$ 8,801,474</u>	<u>\$ 85,795,075</u>	<u>\$ 3,401,279</u>	<u>\$ 89,196,354</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (3,214,347)	\$ 2,306,126	\$ 48,164	\$ 2,354,290
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	41,874	9,920,442	19,620	9,940,062
Provision for uncollectible accounts	--	344,879	--	344,879
(Increase) Decrease in assets:				
Accounts receivable	105,930	(517,812)	155,684	(362,128)
New mortgage loans	(98,167)	--	(5,796,877)	(5,796,877)
Due from other funds	130,109	(1,907,429)	--	(1,907,429)
Inventory	(11,132)	118,977	--	118,977
Prepaid items	3,100	(3,598)	--	(3,598)
Other assets	--	--	20,281	20,281
Increase (Decrease) in liabilities:				
Accounts payable	179,631	669,894	--	669,894
Accrued liabilities	5,194,539	5,205,078	--	5,205,078
Due to other funds	146,058	(321,434)	--	(321,434)
Deferred revenue	858	858	--	858
Customer deposits	23,773	23,773	--	23,773
Retainage	66,643	66,643	--	66,643
Other liabilities	23,690	23,690	--	23,690
Unclaimed meter deposits	704	704	(7,322)	704
Interest on investments	--	--	(354,964)	(354,964)
Interest on bonds payable	--	--	2,279,346	2,279,346
Loan discount accretion	--	--	(235,656)	(235,656)
Gain on sale of investments	--	--	(694)	(694)
Principal reductions on mortgage loans	--	--	2,960,013	2,960,013
Total adjustments	<u>3,850,738</u>	<u>13,624,665</u>	<u>(960,569)</u>	<u>12,664,096</u>
Net cash provided by (used in) operating activities	<u>\$ 636,391</u>	<u>\$ 15,930,791</u>	<u>\$ (912,405)</u>	<u>\$ 15,018,386</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
PROPRIETARY FUND TYPES
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998

Non-cash investing, capital and financing activities:

Enterprise Funds:

Fixed assets in the amount of \$764,317 were donated to the department.

Non-cash bond proceeds of \$697,294 recorded were recorded as debt issuance costs.

The Golf Fund had \$184,755 and \$8,800 of non-cash construction in progress contributed from Water and Sewer and SPAR during 1998 for the Querbes Golf Sprinkler System.

Internal Service Funds:

Inventories were contributed from the General Fund to Fleet Services in the amount of \$149,306.

Fixed assets were contributed from the General Fixed Assets Account Group to Fleet Services with a net book value of \$526,134.

See accompanying notes to the financial statements.

CITY OF SHREVEPORT, LOUISIANA
PENSION TRUST FUNDS
COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Total
ADDITIONS	
Contributions:	
Employer	\$ 4,606,105
Member	3,233,488
Total contributions	7,839,593
Investment income:	
Net appreciation in the fair value of investments	16,692,580
Interest	4,541,881
Dividends	1,578,520
Total investment income	22,812,981
Less investment expense	727,869
Net investment income	22,085,112
Life insurance proceeds	210,000
Miscellaneous	21,018
Total additions	30,155,723
DEDUCTIONS	
Pensions	7,988,953
Refund of member contribution	1,877,238
Administrative expense	150,991
Life insurance	45,237
Total deductions	10,062,419
NET INCREASE	20,093,304
FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS	
BEGINNING OF YEAR	160,738,146
END OF YEAR	\$ 180,831,450

See accompanying notes to the financial statements.

CITY OF SHREVEPORT, LOUISIANA
 COMBINING BALANCE SHEET - COMPONENT UNITS
 ALL FUND TYPES
 DECEMBER 31, 1998

	City Courts	City Marshal	Downtown Development Authority	Metropolitan Planning Commission	Shreveport Home Mortgage Authority	Totals
<u>ASSETS</u>						
Cash and cash equivalents	\$ 2,667,999	\$ 1,494,077	\$ 321,240	\$ 40	\$ 829,822	\$ 5,313,178
Property taxes receivable	--	--	496,800	--	--	496,800
Accounts receivable	--	--	19,716	--	--	19,716
Due from other governmental units	--	--	9,201	32,000	--	41,201
Prepaid items	--	--	6,048	--	--	6,048
Restricted assets:						
Cash and cash equivalents	--	--	--	--	2,571,457	2,571,457
Investments - U.S. Government and agency securities	--	--	--	--	401,429	401,429
Interest receivable	--	--	--	--	160,886	160,886
Mortgage loans receivable	--	--	--	--	21,654,970	21,654,970
Note receivable	--	--	--	--	4,360,000	4,360,000
Fixed assets, net	480,767	445,608	199,919	1,865,523	--	2,991,817
Other assets	--	--	400	--	308,806	309,206
Total assets	\$ 3,148,766	\$ 1,939,685	\$ 1,053,324	\$ 1,897,563	\$ 30,287,370	\$ 38,326,708
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>						
Liabilities:						
Accounts payable	\$ --	\$ --	\$ 20,364	\$ 9,351	\$ --	\$ 29,715
Accrued liabilities	--	--	2,468	--	315,038	317,506
Due to other governmental units	--	--	--	10,540	--	10,540
Due to primary government	--	--	--	12,149	--	12,149
Long-term debt-current	--	--	--	--	1,604,000	1,604,000
Deposits and other	593,968	144,214	--	--	93,558	831,740
Long-term debt	--	--	--	--	25,855,792	25,855,792
Total liabilities	\$ 593,968	\$ 144,214	\$ 22,832	\$ 32,040	\$ 27,868,388	\$ 28,661,442
Equity and other credits:						
Investment in general fixed assets	480,767	445,608	199,919	1,865,523	--	2,991,817

Retained earnings:									
Reserved for debt service	--	--	--	--	--	--	--	1,505,198	1,505,198
Unreserved	--	--	--	--	--	--	--	913,784	913,784
Fund balances:									
Reserved for:									
Prepaid items	--	--	6,048	--	--	--	--	--	6,048
Encumbrances	--	--	--	--	13,285	--	--	--	13,285
Unreserved:									
Designated for subsequent years' expenditures	--	834,780	50,000	--	--	--	--	--	884,780
Undesignated	2,074,031	515,083	774,525	(13,285)	--	--	--	--	3,350,354
Total retained earnings/fund balances	<u>2,074,031</u>	<u>1,349,863</u>	<u>830,573</u>	<u>--</u>	<u>--</u>	<u>2,418,982</u>	<u>2,418,982</u>	<u>2,418,982</u>	<u>6,673,449</u>
Total equity and other credits	<u>2,554,798</u>	<u>1,795,471</u>	<u>1,030,492</u>	<u>1,865,523</u>	<u>--</u>	<u>2,418,982</u>	<u>2,418,982</u>	<u>2,418,982</u>	<u>9,665,266</u>
Total liabilities, equity and other credits	<u>\$ 3,148,766</u>	<u>\$ 1,939,685</u>	<u>\$ 1,053,324</u>	<u>\$ 1,897,563</u>	<u>\$ --</u>	<u>\$ 30,287,370</u>	<u>\$ --</u>	<u>\$ 38,326,708</u>	<u>\$ --</u>

See accompanying notes to the financial statements.

CITY OF SHREVEPORT, LOUISIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 COMPONENT UNITS
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998

	City Courts	City Marshal	Downtown Development Authority	Metropolitan Planning Commission	Totals
Revenues:					
Taxes	\$ --	\$ --	\$ 505,129	\$ --	\$ 505,129
Intergovernmental	--	--	175,000	128,000	303,000
Charges for services	--	--	19,500	--	19,500
Fines and forfeitures	626,078	286,471	--	--	912,549
Use of money and property	73,413	54,199	16,845	--	144,457
Miscellaneous	--	--	22,938	90,327	113,265
Total revenues	<u>699,491</u>	<u>340,670</u>	<u>739,412</u>	<u>218,327</u>	<u>1,997,900</u>
Expenditures:					
Current:					
General government	1,737,996	864,733	--	994,110	3,596,839
Economic development	--	--	776,503	--	776,503
Capital outlay	88,146	89,466	--	--	177,612
Total expenditures	<u>1,826,142</u>	<u>954,199</u>	<u>776,503</u>	<u>994,110</u>	<u>4,550,954</u>
Deficiency of revenues under expenditures	(1,126,651)	(613,529)	(37,091)	(775,783)	(2,553,054)
Other financing sources					
Transfers from primary government	1,475,067	672,080	--	775,783	2,922,930
Total other financing sources	<u>1,475,067</u>	<u>672,080</u>	<u>--</u>	<u>775,783</u>	<u>2,922,930</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	348,416	58,551	(37,091)	--	369,876
Fund balances, beginning of year	<u>1,725,615</u>	<u>1,291,312</u>	<u>867,664</u>	<u>--</u>	<u>3,884,591</u>
Fund balances, end of year	<u>\$ 2,074,031</u>	<u>\$ 1,349,863</u>	<u>\$ 830,573</u>	<u>\$ --</u>	<u>\$ 4,254,467</u>

See accompanying notes to the financial statements.

**CITY OF SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998**

(1) 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. 67. 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 general purpose 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 combined 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 Metropolitan Planning Commission does not issue separate financial statements. Their financial statements are included in this report within the General Purpose Financial Statements and under the subsection 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
1234 Texas Avenue
Shreveport, Louisiana 71101

Shreveport Home Mortgage Authority
1400 Youree Drive
Shreveport, Louisiana 71101

City Marshal
1234 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. Basis of Presentation - Fund Accounting

The financial transactions of the City are recorded in individual funds and account groups. The various funds and account groups are reported by generic fund type in the financial statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The account groups are financial reporting devices designed to provide accountability for certain assets and liabilities of governmental funds that are not recorded in these funds. Account groups do not measure results of operations.

The following fund categories, fund types, and account groups are used by the City:

GOVERNMENTAL FUNDS

General Fund

This is the principal fund of the City and is used to account for all activities of the City not included in other specified funds. The General Fund is used to account for the normal recurring activities of the City including police, fire, public works and general government.

Special Revenue Funds

These funds are utilized to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government.

Debt Service Fund

This fund is used to account for the payment of interest and principal on general obligation debt including debt payable from special assessments with governmental commitment. It does not include debt issued for services provided by proprietary funds. This fund is funded principally from ad valorem taxes levied by the City.

Capital Projects Funds

These funds are used to account for resources derived principally from proceeds of bonds and grants and designated to construct or acquire capital facilities and improvements. These funds are also used to account for the construction of public improvements which are to be ultimately financed through assessments made on property owned by individuals.

In addition to the resources accounted for in the Capital Projects Funds, some of the City's capital projects receive additional funding from resources accounted for in other City funds. For financial statement presentation purposes, the expenditures of these resources have been reflected in the respective funds.

PROPRIETARY FUNDS

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City's Enterprise Funds are the Municipal and Regional Airports, Shreveport Area Transit System, Department of Water and Sewerage and Golf Funds.

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, and to other governments, on a cost-reimbursement basis. The City's Internal Service Funds are the Employees Health Care, Retained Risk and Fleet Services Funds.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Trust Funds

The Pension Trust Funds are operated by carrying out specific terms of statutes, ordinances, and other governing regulations. The Pension Trust Funds are accounted for and reported in a manner similar to proprietary funds.

ACCOUNT GROUPS

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the City except those accounted for in the Proprietary Funds.

General Long-Term Debt Account Group

This account group is established to account for all long-term obligations of governmental fund types, including special assessment debt for which the government is obligated in some manner.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Their fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Basis of accounting refers to the time at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund types and agency funds use the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (when they become measurable and available as net current assets). Measurable means the amount of the transaction can be determined. Available means that revenues are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For property taxes, available means that revenues have been collected before the current fiscal year end or within 60 days thereafter. Ad valorem taxes are considered "measurable" at the time of levy, whereas sales taxes are considered "measurable" when in the hands of intermediary collecting agencies and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Licenses and permits, charges for general governmental services, fines and forfeitures, and miscellaneous other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Taxes, charges for services and investment earnings are recorded as earned since they are measurable and available.

Revenues which are susceptible to accrual are property taxes, franchise taxes, intergovernmental, special assessments and interest. Sales taxes in the hands of the intermediary collecting agency are

recognized as revenue. Licenses and permits, charges for general governmental services (except landfill fees), fines and forfeitures, and miscellaneous other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is the principal and interest on general long-term debt which is recognized when due.

Proprietary funds and pension funds use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements in accounting and reporting for its proprietary operations as well as the following pronouncements issued on or before November 30, 1989: Financial Accounting Standards Board Statements and Interpretations, APB opinions, and ARBS (unless those pronouncements conflict with or contradict GASB pronouncements).

D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

<u>Action Taken</u>	<u>City Charter Requirements</u>	<u>Louisiana State Statutes Requirements</u>
<p>1. The Mayor files with the Clerk of Council before October 1 a proposed operating budget for the fiscal year commencing the following January. The operating budget includes proposed expenditures and related financing sources along with a budget message from the Mayor outlining the rationale for requested appropriations. A five year capital program and one year capital budget are presented simultaneously with the operating budget.</p>	<p>1. Proposed operating budget ordinances must be filed with the Clerk of Council prior to October 1 of each year. Section 7.02(b).</p> <p>Proposed capital program and budget must be filed with the clerk by October 1 of each year. Section 7.03.</p>	<p>1. R.S. 39:1304 - The Budget message shall include a summary description of the proposed financial plan, policies, objectives, assumptions, budgetary basis, and a discussion of the most important features.</p> <p>R.S. 39:1305 - Proposed budgets must be filed no later than 15 days prior to the beginning of the fiscal year. (In this case, the City Charter requirement is more stringent, therefore it should be followed.)</p>
<p>2. The Chief Administrative Officer maintains a complete copy of the proposed budgets in his/her office for public inspection. The Clerk of Council publishes a summary of the proposed budgets in the official journal.</p>	<p>2. Complete copy of the proposed budget must be made available as a public record, open to inspection every business day until final adoption. Section 7.02(d).</p> <p>Publication of summary of budget and notice of public hearing in the official journal of the City must be made before November 15th of each year. Section 7.02(d) and 4.18.</p>	<p>2. R.S. 39:1306 requires the same as the City Charter.</p> <p>R.S. 39:1306 requires the same as the City Charter, except does not require it to be made before November 15th. Also requires publication of notice of public hearing on the budgets.</p>

<u>Action Taken</u>	<u>City Charter Requirements</u>	<u>Louisiana State Statutes Requirements</u>
3. The City Council conducts public hearings and proposes adoption of the various budget ordinances.	3. Section 4.18 requires the City Council to hold a public hearing, not less than five days after publication of the notice set forth above.	3. R.S. 39:1306 requires the public hearing to be held not less than ten days after publication. R.S. 39:1306(e) additionally requires the City to certify completion of the requirements for publication of the public hearing by publishing another notice that it has done so.
4. The City Council adopts the final budgets controlling the financial operations of the City for the ensuing fiscal year.	4. Prior to December 15, the budgets are legally enacted through passage of ordinances. Section 7.02.	4. R.S. 39:1308 requires adoption of the budget prior to the end of the fiscal year. (In this case, the City Charter requirement is more stringent and should be followed.) R.S. 39:1308(d) requires the Chief Administrative Officer to retain certified copies of the budget and adoption instrument.
5. 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.	5. Section 7.02(a) requires the operating budget to be in accordance with generally accepted accounting principles.	5. R.S. 39:1310(a) provides that the adopted budget and any adopted amendments shall form the framework to control expenditures.

<u>Action Taken</u>	<u>City Charter Requirements</u>	<u>Louisiana State Statutes Requirements</u>
<p>6. The City Charter allows the Mayor to authorize the <i>transfer of budgeted</i> 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 <i>approves several</i> amendments to the budget. The City Charter provides that expenditures may not <i>legally exceed</i> appropriations.</p>	<p>6. Section 7.02(f) provides that no funds shall be expended <i>other than in accordance</i> with the operating budget ordinances and allotments. Section 7.04 prohibits expenditures exceeding appropriations.</p>	<p>6. R.S. 39:1310(c) provides that the adopted budget <i>constitutes the authority to</i> incur liabilities and expenditures from the respective budgeted fund. R.S. 39:1308(b) provides that expenditures shall not exceed the total of estimated funds available.</p>
<p>7. Formal budgetary integration is employed as a management control device during the year for the General, certain Special Revenue, Capital Projects Funds and Enterprise Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.</p>		
<p>8. The budget and actual comparison presented in Exhibit 3 in the accompanying financial report includes the General Fund and certain Special Revenue Funds (Community Development and Riverfront Development) which are included in the annual operating budget. The Community Development Fund is comprised of several divisions. An annual operating budget is adopted for business development and services and for permits and inspections and code enforcement. The workforce development portion of the fund, which is financed with Jobs Training Partnership Act monies and the Community Development Block Grant funds, are controlled through restrictive grant provisions, and they are on a different fiscal year. The Enrichment Fund does not adopt an annual operating budget. Effective control for the expenditures for the Police Grants Fund is achieved through restrictive grant provisions. The Capital Projects Funds adopt project length budgets. Annual budgets are adopted for the Municipal and Regional Airports, Shreveport Area Transit, the Department of Water and Sewerage and Golf, Enterprise Funds. In addition, annual budgets are adopted for Retained Risk and Fleet Services, Internal Service Funds.</p>		
<p>9. All appropriations which are not expended or encumbered lapse at year end.</p>		
<p>10. The budgets for governmental funds are adopted on a basis substantially consistent with generally accepted accounting principles with the following exceptions: (1) encumbrances are treated as budgeted expenditures in the year of the commitment to purchase and (2) capital leases are not budgeted as expenditures at the inception of the leases. The adjustments necessary to convert governmental fund actual expenditures in accordance with generally accepted accounting principles</p>		

to the budgetary basis in Exhibit 3 are disclosed in Note 2. Budgeted amounts reflected in the accounting budget and actual comparison have been legally amended by the City Council during the fiscal year. The effect of the amendments on the original budget is disclosed in Note 2.

E. Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation. Encumbrances outstanding at year end are reported as reservations of fund balances and are carried forward.

F. Pooled Cash 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" 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 Statement of Investment Policy approved by the Mayor and Chief Administrative Officer authorizes the City to invest in the following types of securities:

1. Direct obligations of the U.S. government, including such instruments as treasury bills, treasury notes and treasury bonds.
2. Money market mutual funds registered with the Securities and Exchange Commission.
3. Fully-collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana (classified as deposits for this footnote).
4. Repurchase agreements in government securities in (1) above made with the primary dealers that report and are regulated by the Federal Reserve Bank of New York.
5. Louisiana Asset Management Pool which is authorized under Louisiana Revised Statute 33:1321.

The City is prohibited from investing in derivatives.

In addition to the above types of securities, the pension trust funds are authorized by the City's Statement of Investment Policies to invest in the following types of securities:

1. Corporate bonds - no lower than Baa rated.
2. Investment contracts and pooled accounts maintained by trust companies, banks and investment managers.

3. Stocks traded on a national stock exchange.
4. Short-term money market securities.

Investment policies require that securities underlying repurchase agreements must have a minimum excess of market value of securities over the principal amount of the investment. Securities must have a maturity of less than 10 years.

G. Unbilled Accounts Receivable

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.

H. Interfund Transactions

There are several types of transactions that are reported in the financial statements as interfund items. Interfund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being reimbursed. Nonrecurring or nonroutine transfers of equity between funds are treated as residual equity transfers and are reported as additions to or reductions from fund balance. In the case of proprietary funds, residual equity transfers are recorded as additions to contributed capital and retained earnings. All other transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds. Reference should be made to Note 12 regarding interfund transactions.

I. Inventories

Inventories are valued at cost using the first in, first out (FIFO) method. Inventory in the General Fund consists of materials and supplies held for consumption. Inventories are accounted for using the purchase method in the General Fund. Individual items are recorded as expenditures when they are acquired. Reported inventories in the General Fund are equally offset by a reservation of fund balance which indicates that although inventories are a component of net current 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. These inventories are accounted for using the consumption method.

J. Bond Discounts and Issuance Costs

In governmental funds, bond discounts related to capital appreciation bonds are presented as a direct reduction of the face value of the debt. The net value of the bonds is accreted (the discount reduced) over the life of the bonds. In proprietary funds, bond discounts are amortized over the term of the bonds using the effective interest method.

In proprietary funds, bond issuance costs are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. The issuance costs are recorded as an asset. In governmental funds, bond issuance costs are recognized as expenditures when incurred.

K. Deferred Revenues

Deferred revenue represents amounts that have been collected or billed in advance of the revenue recognition criteria. The following items are collected or billed in advance; therefore, the recognition of revenue is deferred until future periods:

<u>Fund</u>	<u>Type of Revenue</u>
General Fund	Liquor licenses and grants
Special Revenue Fund	Grants
Capital Projects Fund	Paving assessments
Enterprise Fund	Building rental, unredeemed transit tickets and memberships

In addition, it also represents amounts that have been recognized as receivable, but are not available to finance current operations. Such revenues are described below:

<u>Fund</u>	<u>Type of Revenue</u>
General Fund	Property taxes not collected within 60 days of year end
Special Revenue Fund	Program income from loans financed by grants or City funds
Debt Service Fund	Property taxes not collected within 60 days of year end

L. Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Such assets are valued at historical cost, if purchased, and at fair market value at date of gift, if donated. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized as general fixed assets.

Fixed assets of the Proprietary Funds are recorded at cost, if purchased, and at fair market value at date of gift, if donated. Major additions are capitalized while maintenance and repairs which do not improve or extend the life of the respective assets are charged to expense.

Assets in the General Fixed Assets Account Group are not depreciated. Depreciation is computed on the straight-line method for the fixed assets of the Enterprise Funds and the Internal Service Funds. That portion of depreciation expense applicable to assets acquired with grants, entitlements and shared revenues is reflected as a reduction of the respective contribution account. The following average useful lives are used for depreciation purposes:

<u>Classification</u>	<u>Range of Lives</u>
Buildings	10-50 years
Water plant	10-50 years
Wastewater treatment plant	50 years
Revenue vehicles	12 years
Runways, aprons and taxiways	20 years
Machinery, equipment and other	3-25 years

For proprietary fund assets, interest is capitalized on construction costs incurred with tax-exempt debt using the interest rate on the borrowed funds. The amount of interest cost incurred is reduced by the amount of interest earnings for the year. The capitalization period is from the date of the borrowing until the construction project is substantially complete.

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed with expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group. Long-term liabilities of all proprietary funds are accounted for in the respective funds.

M. Compensated Absences

For financial reporting purposes, the City does not accrue vacation earned but not paid in the governmental funds since the liability will be funded from future resources. Vacation and sick leave are recorded as an expenditure when paid in governmental funds. Accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as it is earned by the employees. The estimated liability for unused vacation for governmental funds is recorded in the General Long-Term Debt Account Group.

N. Claims and Judgments

Claims and judgments are recorded as expenditures in governmental funds for the amount that will be liquidated with expendable available financial resources. The remainder of the liability is recorded in the Retained Risk Fund. Proprietary funds follow FASB Statement 5 without modification. An expense and liability are recorded in the fund when both of the following conditions have been met: (1) information is available prior to the issuance of the financial statements that it is probable that a liability has been incurred and (2) the amount of loss can be reasonably estimated.

O. Capital Leases

Capital leases are recorded as expenditures and other financing sources at inception in governmental funds at an amount equal to the present value of minimum lease payments. The asset is recorded in the General Fixed Assets Account Group and the related debt in the General Long-Term Debt Account Group. In proprietary funds, capital leases are recorded as assets and liabilities at inception within the funds at an amount equal to the present value of minimum lease payments.

P. Reserves and Designation of Equity

Use of the term "reserve" in describing fund balances/retained earnings indicates that a portion of the fund balances/retained earnings is not appropriable for expenditure or is legally segregated for a specific future use. Designated portions of fund balance indicate tentative future spending plans, which may be changed and are subject to subsequent authorization before expenditures can be made. The nature and purpose of these reserves and designations are explained below.

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 Inventories

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

Reserved for Debt Service

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

Reserved for Employees' Pension Benefits

Pension trust fund balances are reserved for future payments to beneficiaries of the Employees' Retirement System, Firemen's Pension and Relief Fund and the Policemen's Pension and Relief Fund.

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.

Designated for Subsequent Year's Expenditures

The unreserved portion of fund balance designated for subsequent years' expenditures is the amount that has been legally authorized to make up the following years' budget.

Q. Discretely Presented Component Unit - Reserves for Prepaid Items

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

R. Municipal Solid Waste Closure and Post-Closure Care Costs

The liability for municipal solid waste closure and post-closure care cost is recorded in the General Long-Term Debt Account Group. A complete explanation of the liability and its calculation is referenced in Note 17.

S. Memorandum Only - Total Columns

Amounts in the "Totals (Memorandum Only)" columns on the general purpose financial statements are presented for analytical purposes only. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. The data in these columns are not comparable to a consolidation and interfund eliminations have not been made in the aggregation of this data.

(2) Compliance, Stewardship, and Accountability

A. Excess of Expenditures over Appropriations

During 1998, based on the legally adopted level of control for budgetary purposes, the following departments had excess expenditures over appropriations:

General Fund

Public Assembly and Recreation	
Other Charges	\$ 69
Finance General Government	
Claims	2,970,803

Public Works
Other Charges

32,630

B. Deficit Retained Earnings/Fund Balance

The 1996 General Obligation Bond Fund, capital projects fund has a negative unreserved undesignated portion of fund balance in the amount of \$10,745,581. Projects are budgeted in this fund with obligations encumbered that will be financed in part by other capital projects funds.

The Police Grants fund has a negative unreserved undesignated portion of fund balance in the amount of \$241,978. Obligations have been encumbered which will be financed through intergovernmental revenues.

The Fleet Services fund had a deficit retained earnings of \$390,863 which is expected to be funded through operations. This was the first year of operations for this internal service fund.

C. Discretely Presented Component Unit - Deficit Fund Balance

The Metropolitan Planning Commission has a negative unreserved undesignated portion of fund balance in the amount of \$13,285. Expenditures are budgeted in this component unit with obligations encumbered that will be financed through intergovernmental revenues and operating transfers from the primary government.

D. Budgets and Budget Basis of Accounting

Annual expenditure budgets are adopted for the General Fund, the Community Development Fund, and Riverfront Development Special Revenue Funds. Revisions made to the original budget for each fund were as follows:

	<u>Original Budget</u>	<u>Total Revision</u>	<u>Revised Budget</u>
General Fund	\$127,229,700	\$(4,375,932)	\$122,853,768
Special Revenue Funds:			
Community Development	3,031,499	323,131	3,354,630
Riverfront Development	2,242,208	300,000	2,542,208

All budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) except that: (1) encumbrances are treated as budgeted expenditures in the year of the commitment to purchase and (2) capital leases are not budgeted as expenditures at the inception of the leases.

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

	<u>General Fund</u>	<u>Special Revenue Funds</u>
<u>Revenues</u>		
Budgetary basis	\$119,872,825	\$9,009,850
Adjustment for State Supplemental Pay	3,616,430	-
Revenues from divisions of Community Development Fund with different fiscal years	-	9,541,732
Special Revenue Funds without operating budgets	-	<u>3,023,203</u>
GAAP basis	<u>\$123,489,255</u>	<u>\$21,574,785</u>
<u>Expenditures</u>		
Budgetary basis	\$121,428,541	\$ 5,407,287
Encumbrances outstanding at December 31, 1998 for funds with operating budgets	(4,413,459)	(115,399)
Adjustment for State Supplemental Pay	3,616,430	-
Transfer to Debt Service Fund for Fire and Police merger payments	(5,620,293)	-
Special Revenue Funds without operating budgets	-	<u>13,644,921</u>
GAAP basis	<u>\$115,011,219</u>	<u>\$18,936,809</u>

(3) Cash and Investments

A. Deposits

All deposits of the City are held by one financial institution. At year-end, the carrying amount of the City's deposits was \$8,746,607 and the collected bank balances were \$3,951,291. The cash balance and certificates of deposit were all categorized as being insured by federal depository insurance or collateralized with securities held by the City's agent in the City's name.

Banks holding deposits and/or investments of the City 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.

B. Investments

The City's investments are categorized below to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured, registered, or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution, or by its trust department or agent but not in the City's name.

	Category			Carrying Amount and Fair Value
	1	2	3	
Repurchase agreements	\$ 92,000,000	\$ -	\$ -	\$ 92,000,000
U.S. Government securities	80,283,297	-	68,274,066	148,557,363
Common stock	-	-	90,634,801	90,634,801
Corporate bonds	-	-	28,076,589	28,076,589
	<u>\$172,283,297</u>	<u>\$ -</u>	<u>\$186,985,456</u>	359,268,753
Mutual funds				7,462,090
Louisiana Asset Management Pool (LAMP)				<u>1,286,546</u>
Total investments				368,017,389
Total deposits				<u>8,746,607</u>
Cash, cash equivalents and investments including restricted assets				<u>\$376,763,996</u>

The investments in category 3 are owned by the following funds:

Employees Health Care Fund	\$ 4,145,121	2.2%
Pension Trust Fund	169,825,666	90.8
Department of Water and Sewerage	11,245,891	6.0
Municipal and Regional Airports	<u>1,768,778</u>	<u>1.0</u>
	<u>\$186,985,456</u>	<u>100.0%</u>

The pension trust funds are managed by fixed income and equity managers. Investments are held by the City's fiscal agent bank as trustee. The Department of Water and Sewerage and Municipal and Regional Airports' investments in category 3 are the result of bond indentures which outline the requirements of accounts which hold funds for the benefit of bondholders.

Investments in mutual funds and LAMP are not categorized above because they are not evidenced by securities that exist in physical or book entry form. LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. 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 2-a-7, which governs registered money market funds. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. 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 market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give participants immediate access to their account balances.

A reconciliation of cash and investments as shown on the Combined Balance Sheet for the primary government follows:

Cash and cash equivalents	\$133,331,305
Investments, at fair value	181,433,472
Restricted assets:	
Cash and cash equivalents	48,984,550
Investment -	
U.S. Government and agency securities	<u>13,014,669</u>
Total	<u>\$376,763,996</u>

C. Discretely Presented Component Units - Deposits

	<u>City Courts</u>	<u>City Marshal</u>	<u>Shreveport Home Mortgage Authority</u>
Deposits - Carrying Amount	<u>\$2,667,999</u>	<u>\$1,494,077</u>	<u>\$3,401,279</u>
Deposits - Bank Balances			
Insured by federal depository insurance	1,063,381	300,000	-
Collateralized with securities held by pledging financial institution's trust department in the City Court's/City Marshal's name	1,641,658	1,548,685	-
Uncollateralized	<u> -</u>	<u> -</u>	<u>3,401,279</u>
Total Deposits-Bank Balances	<u>\$2,705,039</u>	<u>\$1,848,685</u>	<u>\$3,401,279</u>

D. Discretely Presented Component Units - Investments

Shreveport Home Mortgage Authority had the following Category 2 investments recorded at carrying amount/fair value at December 31, 1998:

	<u>Amount</u>
1984 Issue (Single Family) - Bank One, MBank Investment Agreements	\$ 58,363
1995 Issue (Single Family - Refunding) - Bayerische Landesbank Investment Agreements	<u>343,066</u>
	<u>\$401,429</u>

(4) 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.

Property Tax Calendar

Assessment date	January 1, 1998
Levy date	Not later than June 1, 1998
Tax bills mailed	On or about November 15, 1998
Total taxes are due	December 31, 1998
Penalties and interest are added	January 1, 1999
Lien date	January 1, 1999
Tax sale - 1998 delinquent property	July 1, 1999

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 93.6% of the property taxes due were collected within 60 days after the due date. Historically, within 60 days after the due date, the City collects an average of 94% of adjusted taxes levied. 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
 10% Residential Improvements
 15% Industrial Improvements

15% Machinery
 15% Commercial 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, 1996.

Property taxes receivable are net of allowances for uncollectible taxes of \$1,637,554 and \$1,355,157 in 1998 and 1997, respectively.

(5) Receivables

An allowance for uncollectible accounts has been recorded in the enterprise funds in the amount of \$423,564 for 1998 and \$410,583 in 1997. Within the City's Water and Sewerage Fund, unbilled accounts receivable have been recorded in the amount of \$1,296,824 for 1998 and \$1,193,111 in 1997.

(6) 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.

During 1998 and 1997, the following amounts under various grants and entitlements are recorded as revenues, subsidies or contributions in the accompanying financial statements:

Grants from Other Governmental Units

<u>Fund</u>	<u>1998</u>	<u>1997</u>
General Fund	\$ 4,018,115	\$ 3,859,317
Special Revenue Funds:		
Community Development	8,640,769	6,891,935
Riverfront Development	-	-
Police Grants	2,753,676	2,036,614
Capital Projects Funds:		
1980 General Obligation Bond	24,015	-
1983 General Obligation Bond	1,217,500	95,486
1990 General Obligation Bond	-	-
1993 General Obligation Bond	125,384	44,214
1996 General Obligation Bond	56,621	-
Miscellaneous Capital Projects	6,905,268	2,917,585
Enterprise Funds:		
Municipal and Regional Airports	3,858,220	3,756,376
Shreveport Area Transit System	1,252,549	1,726,994
Department of Water and Sewerage	-	<u>20,392</u>
Totals	<u>\$28,852,117</u>	<u>\$21,348,913</u>

Supplementary salary payments are made by the State to certain groups of employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and

expenditure payments is the actual contribution from the State. For 1998 and 1997 respectively, the State paid supplemental salaries to the following groups of employees: Fire Department \$1,724,284 and \$1,675,818, Police Department \$1,842,114 and \$1,792,426 and City Marshal (a component unit) \$50,032 and \$42,626.

(7) Changes in Fixed Assets

Summaries of changes in general fixed assets of the Primary Government governmental funds and Component Unit governmental fund and fixed assets of the Enterprise Funds follow:

	Balance January 1, 1998	Additions	Deletions	Balance December 31, 1998
A. Primary Government				
General Fixed Assets Account Group				
Land	\$ 17,878,893	\$ -	\$ 62,000	\$ 17,816,893
Buildings	52,286,122	161,512	4,359,524	48,088,110
Improvements	22,868,484	335,069	3,820	23,199,733
Equipment	53,618,576	10,332,314	8,790,372	55,160,518
Construction in progress	<u>20,674,310</u>	<u>21,379,127</u>	<u>1,181,807</u>	<u>40,871,630</u>
Totals	<u>\$167,326,385</u>	<u>\$32,208,022</u>	<u>\$14,397,523</u>	<u>\$185,136,884</u>
B. Discretely Presented Component Unit				
Metropolitan Planning Commission				
General Fixed Asset Account Group				
Land	\$ 704,514	\$ -	\$ -	\$ 704,514
Improvements	999,234	-	-	999,234
Equipment	<u>175,048</u>	<u>3,049</u>	<u>16,322</u>	<u>161,775</u>
Totals	<u>\$ 1,878,796</u>	<u>\$ 3,049</u>	<u>\$ 16,322</u>	<u>\$ 1,865,523</u>
C. Fixed Assets of Enterprise Funds				
Land	\$ 6,607,703	\$ -	\$ -	\$ 6,607,703
Buildings	26,778,661	962,903	-	27,741,564
Improvements	211,212	5,354	-	216,566
Water plant	129,941,510	2,640,656	-	132,582,166
Wastewater treatment plant	161,964,977	9,847,894	4,785	171,808,086
Revenue vehicles	9,728,921	-	199,360	9,529,561
Runways, aprons and taxiways	39,888,174	-	-	39,888,174
Machinery, equipment and other	15,416,342	701,112	468,938	15,648,516
Leased facilities	238,840	-	34,120	204,720
Construction in progress	<u>38,367,082</u>	<u>27,064,694</u>	<u>11,519,760</u>	<u>53,912,016</u>
	429,143,422	41,222,613	12,226,963	458,139,072
Less accumulated depreciation	<u>146,109,928</u>	<u>9,675,608</u>	<u>662,223</u>	<u>155,123,313</u>
Fixed assets (net of accumulated depreciation)	<u>\$283,033,494</u>	<u>\$ 31,547,005</u>	<u>\$ 11,564,740</u>	<u>\$303,015,759</u>
D. Fixed Assets of Internal Service Funds				
Land	\$ -	\$ 62,000	\$ -	\$ 62,000
Building	-	913,088	-	913,088
Machinery, equipment and other	<u>14,192</u>	<u>966,578</u>	<u>-</u>	<u>980,770</u>
	14,192	1,941,666	-	1,955,858
Less accumulated depreciation	<u>4,894</u>	<u>1,319,233</u>	<u>-</u>	<u>1,324,127</u>
Fixed assets (net of accumulated depreciation)	<u>\$ 9,298</u>	<u>\$ 622,433</u>	<u>\$ -</u>	<u>\$ 631,731</u>

Included in construction in progress for the enterprise funds are the following major projects as of December 31, 1998:

Airports:

Extend Runway 14/31 - Downtown Airport	\$ 453,789
Cargo Apron Expansion - Regional	2,206,548
Terminal Building Renovation - Regional	12,301,431
ARFF Station Construction - Regional	1,954,961
FAR Part 150 Property Acquisition - Regional	3,462,524
Safety Area Drainage Improvement - Regional	567,966

Water and Sewerage:

Water Treatment Plant Renovations	2,272,613
Water Main Maintenance and Replacement	5,480,738
Inflow and Infiltration Project	790,750
Water and Sewer Master Plan	546,417
Pierremont Water and Sewer	902,599
Water and Sewer Mains - Shreve Park	466,113
Sewer Main Rehabilitation Replacement Program	4,783,362
Amiss Water Treatment Plant - Lab Improvements	790,507
Amiss Water Treatment Plant - Washwater and Sludge	7,319,669
Wildwood and Home Acres Subdivision Sewer System	1,135,985
Stoner Relief Sewer - Phase II	689,156
Lucas Wastewater Upgrade	620,107
Twelve Mile Pump Station Modifications	867,662

For the year ended December 31, 1998, the Department of Water and Sewerage capitalized interest totaling \$2,167,104 in construction in progress. Total interest expense was \$7,529,350.

For the year ended December 31, 1998, the Municipal and Regional Airports capitalized interest totaling \$332,611 in construction in progress. Total interest expense was \$1,263,422.

(8) Compensated Absences

Compensated Absences

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. At December 31, 1998, unpaid vacation was \$1,724,327 for governmental funds, and it is included in the General Long-Term Debt Account Group. The enterprise funds had \$722,786 in accrued vacation at December 31, 1998.

(9) **Changes in Long-Term Debt**

The following is a summary of debt transactions of the City for the year ended December 31, 1998 (in thousands of dollars):

	Balance as restated January 1, <u>1998</u>	<u>Additions</u>	Debt Retired/ <u>Payments</u>	Balance December 31, <u>1998</u>
<u>General Long-Term Debt</u>				
<u>Account Group</u>				
General obligation bonds/notes	\$175,121	\$95,575	\$27,799	\$242,897
Pension liability	52,522	—	52,522	—
Net pension obligation	226	155	—	381
Accrued vacation	1,673	51	—	1,724
Landfill post-closure care liability	<u>1,094</u>	<u>99</u>	<u>—</u>	<u>1,193</u>
Total General Long-Term Debt Account Group	<u>230,636</u>	<u>95,880</u>	<u>80,321</u>	<u>246,195</u>
Enterprise Funds				
Water and Sewer				
General obligation bonds, net	1,612	111	474	1,249
Revenue bonds	<u>120,187</u>	<u>2,722</u>	<u>7,381</u>	<u>115,528</u>
Total Water and Sewer	121,799	2,833	7,855	116,777
Municipal and Regional Airports				
Revenue bonds	—	7,390	—	7,390
Revenue PFC bonds	—	18,610	—	18,610
Notes	<u>6,000</u>	<u>—</u>	<u>300</u>	<u>5,700</u>
Total Municipal and Regional Airports	6,000	26,000	300	31,700
Golf	22	—	22	—
Total Enterprise Funds	<u>127,821</u>	<u>28,833</u>	<u>8,177</u>	<u>148,477</u>
Internal Service Fund				
Fleet Services	<u>—</u>	<u>150</u>	<u>—</u>	<u>150</u>
Total Changes in Long-Term Debt	<u>\$358,457</u>	<u>\$124,863</u>	<u>\$88,498</u>	<u>\$394,822</u>

The Pension Liability beginning balance under the General Long-Term Debt Account Group was restated as explained in Note 20.

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 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 \$114,816,843 of additional general

obligation bonded debt is available for issuance on a total assessed valuation of \$854,888,230 pursuant to the 35% limitation. Included in the total assessed valuation of property within the City is \$7,202,680 of assessed valuation which has been adjudicated to Caddo Parish. The table below shows the computation of the City's legal debt margin calculated at 10% of assessed valuation as of December 31, 1998.

	<u>Debt limit - 10% of assessed value for any one purpose</u>	<u>Deduct - Amount of debt applicable to debt limit</u>	<u>Legal Debt margin</u>
Street Improvements	\$85,488,823	\$89,584,656	\$(4,095,833)
Police and Fire	85,488,823	15,740,495	69,748,328
Water and Sewer Improvements	85,488,823	1,187,855	84,300,968
Parks and Recreation	85,488,823	21,259,623	64,229,200
Public Buildings	85,488,823	1,136,738	84,352,085
Drainage	85,488,823	49,928,585	35,560,238
Sanitation and Incinerator	85,488,823	1,528,633	83,960,190
Industrial Bond	85,488,823	175,257	85,313,566
Airports	85,488,823	752,145	84,736,678
Sportran	85,488,823	717,610	84,771,213
Riverfront Park	85,488,823	2,382,441	83,106,382

The annual requirements to amortize all debt outstanding as of December 31, 1998, including interest requirements are as follows:

	Maturities (thousands of dollars)					
	Total	1999	2000	2001	2002	2003
PRINCIPAL REQUIREMENTS:						
GENERAL OBLIGATION DEBT:						
General Obligation Bonds Applicable to:						
All Purposes other than Water and Sewerage:						
1985 Refunding Issue - 5.00-9.375%	\$30,481	\$5,745	\$5,569	\$5,408	\$3,439	\$3,429
Less: Unamortized Discount	(6,139)	(42)	(511)	(923)	(840)	(1,068)
	<u>24,342</u>	<u>5,703</u>	<u>5,058</u>	<u>4,485</u>	<u>2,599</u>	<u>2,361</u>
1987A Refunding Issue - 5.00-8.30%	46,905 (1)	--	4,865	4,865	4,860	4,855
Less: Unamortized Discount	(15,887)	--	(363)	(706)	(1,025)	(1,321)
	<u>31,018</u>	<u>--</u>	<u>4,502</u>	<u>4,159</u>	<u>3,835</u>	<u>3,534</u>
1990A Issue - 6.60-10.00%	1,555	745	810	--	--	--
1991 Issue - 6.20-9.00%	1,970	615	655	700	--	--
1993 Issue - 5.00-9.00%	13,515	560	595	635	675	720
1993 Refunding Issue - 2.70-5.50%	7,630	185	590	625	665	700
1993B Issue - 2.70%-5.50%	15,960	710	750	790	835	880
1995 Refunding Issue - 3.90-5.43%	13,560	135	140	1,010	1,065	1,125
1996 Issue - 8.00-5.95%	14,385	455	485	515	550	580
1997 Issue - 8.00-5.40%	24,315	725	770	815	860	915
1998 Issue - 8.00-5.00%	25,000	705	745	785	830	880
1998 Refunding Issue - 3.65-4.85%	11,145	95	100	100	850	895
Water and Sewerage						
1985A Refunding Issue - 5.00-9.375%	1,564	295	286	277	176	176
Less: Unamortized Discount	(315)	(2)	(26)	(47)	(43)	(55)
	<u>1,249</u>	<u>293</u>	<u>260</u>	<u>230</u>	<u>133</u>	<u>121</u>
Total General Obligation Bonds	<u>185,644</u>	<u>10,926</u>	<u>15,460</u>	<u>14,849</u>	<u>12,897</u>	<u>12,711</u>
General Obligation Notes						
1998A Certificate of Indebtedness - 4.65-5.00%	30,270	--	--	--	--	--
1998B Certificate of Indebtedness - 5.79-6.48%	20,445	2,130	2,260	2,395	2,545	2,700
1998C Certificate of Indebtedness - 3.90-4.45%	7,350	1,352	1,406	1,465	1,530	1,597
General Fund - 4.77%	437	32	36	40	43	47
Municipal Airport	5,700	300	300	300	300	300
Fleet Services - 3.90%-4.45%	150	28	29	30	31	32
Total General Obligation Debt	<u>249,996</u>	<u>14,768</u>	<u>19,491</u>	<u>19,079</u>	<u>17,346</u>	<u>17,387</u>
REVENUE BONDS --						
Municipal and Regional Airports						
1997-A Issue - 5.375%	7,390	--	--	--	--	--
1997-B PFC Issue - 4.20-5.375%	18,610	--	430	445	465	485
Total Revenue Bonds - Airports	<u>26,000</u>	<u>--</u>	<u>430</u>	<u>445</u>	<u>465</u>	<u>485</u>
Water and Sewerage						
1986A Refunding Issue - 5.95%	40,940	--	--	--	--	--
Less: Deferred Amount on Refunding	(1,538)	(97)	(97)	(97)	(97)	(97)
Plus: Deferred Amount on Restructuring Escrow	1,043	66	66	66	66	66
	<u>40,445</u>	<u>(31)</u>	<u>(31)</u>	<u>(31)</u>	<u>(31)</u>	<u>(31)</u>
1992B Refunding Issue - 4.25-7.05%	52,845	5,980	5,980	5,980	5,985	5,980
Less: Unamortized Discount	(16,652)	(327)	(674)	(1,017)	(1,343)	(1,654)
	<u>36,193</u>	<u>5,653</u>	<u>5,306</u>	<u>4,963</u>	<u>4,642</u>	<u>4,326</u>
1993B Issue - 4.25-9.00%	8,745	370	390	415	440	470
1994A Issue - 5.13-9.00%	24,605	1,000	1,055	1,110	1,175	1,235

2004- 2008	2009- 2013	2014- 2018	2019- 2023	2024- 2028
\$6,891	\$ --	\$ --	\$ --	\$ --
(2,755)	--	--	--	--
4,136	--	--	--	--
21,000	6,460	--	--	--
(8,765)	(3,707)	--	--	--
12,235	2,753	--	--	--
--	--	--	--	--
--	--	--	--	--
4,360	5,970	--	--	--
4,030	835	--	--	--
5,205	6,790	--	--	--
6,705	3,380	--	--	--
3,490	4,720	3,590	--	--
5,450	7,265	7,515	--	--
5,200	6,845	9,010	--	--
5,230	3,875	--	--	--
354	--	--	--	--
(142)	--	--	--	--
212	--	--	--	--
56,253	42,433	20,115	--	--
7,825	17,840	4,605	--	--
8,415	--	--	--	--
--	--	--	--	--
239	--	--	--	--
1,500	1,500	1,200	--	--
--	--	--	--	--
74,232	61,773	25,920	--	--
--	--	--	--	7,390
2,785	3,510	4,490	5,820	180
2,785	3,510	4,490	5,820	7,570
23,640	14,000	3,300	--	--
(483)	(483)	(87)	--	--
329	329	55	--	--
23,486	13,846	3,268	--	--
7,600	15,340	--	--	--
(2,979)	(8,658)	--	--	--
4,621	6,682	--	--	--
2,830	3,830	--	--	--
7,275	9,525	2,230	--	--

	Maturities (thousands of dollars)					
	Total	1999	2000	2001	2002	2003
1997A Issue - 4.00-5.40%	6,015	45	50	50	50	55
Less: Deferred Amount on Refunding	(475)	(30)	(30)	(30)	(30)	(30)
	<u>5,540</u>	<u>15</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>25</u>
Total Revenue Bonds -- Water and Sewerage	<u>115,528</u>	<u>7,007</u>	<u>6,740</u>	<u>6,477</u>	<u>6,246</u>	<u>6,025</u>
Total Principal	<u>391,524</u>	<u>21,775</u>	<u>26,661</u>	<u>26,001</u>	<u>24,057</u>	<u>23,897</u>
INTEREST REQUIREMENTS:						
General Obligation Debt	49,682	3,188	3,030	2,854	2,638	2,421
Revenue Bonds						
Water and Sewerage	63,154	5,028	5,251	5,464	5,648	5,830
Municipal and Regional Airports	25,907	699	1,338	1,320	1,300	1,280
Total Interest Requirements	<u>138,743</u>	<u>8,915</u>	<u>9,619</u>	<u>9,638</u>	<u>9,586</u>	<u>9,531</u>
Total Future Debt Requirements	<u>\$530,267</u>	<u>\$30,690</u>	<u>\$36,280</u>	<u>\$35,639</u>	<u>\$33,643</u>	<u>\$33,428</u>

(1) The principal and interest for the 1987A General Obligation Bond Issues which were due January 1, 1999 were paid as of December 31, 1998. Thus there were no requirement for 1999.

<u>2004- 2008</u>	<u>2009- 2013</u>	<u>2014- 2018</u>	<u>2019- 2023</u>	<u>2024- 2028</u>
3,565	1,815	385	--	--
(149)	(149)	(27)	--	--
<u>3,416</u>	<u>1,666</u>	<u>358</u>	<u>--</u>	<u>--</u>
41,628	35,549	5,856	--	--
<u>118,645</u>	<u>100,832</u>	<u>36,266</u>	<u>5,820</u>	<u>7,570</u>
8,848	21,630	5,073	--	--
19,942	15,561	430	--	--
6,048	5,315	4,338	3,006	1,263
<u>34,838</u>	<u>42,506</u>	<u>9,841</u>	<u>3,006</u>	<u>1,263</u>
<u>\$153,483</u>	<u>\$143,338</u>	<u>\$46,107</u>	<u>\$8,826</u>	<u>\$8,833</u>

The Shreveport Home Mortgage Authority has debt that is significant in proportion to the total debt of all component units. The annual requirements to amortize all debt outstanding as of December 31, 1998, including interest requirements are as follows:

	Maturities (thousands of dollars)											
	1999	2000	2001	2002	2003	2004- 2008	2009- 2013	2014- 2018	2019- 2023	2024- 2028		
Bond Issues:												
1984 Single Family	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$6,480	\$ --	\$ --	\$ --	
1988 Refunding	1,678	1,808	1,949	2,100	2,263	4,836	--	--	--	--	--	
1995 Multi-Family	--	--	--	--	--	--	--	--	--	--	4,360	
1995 Single Family	135	140	145	150	160	525	1,450	--	--	--	6,615	
Total principal on bonds	1,813	1,948	2,094	2,250	2,423	5,361	1,450	6,480	--	--	10,975	
Less:												
Unamortized discount	(209)	(226)	(243)	(262)	(283)	(604)	--	(5,508)	--	--	--	
Net principal	1,604	1,722	1,851	1,988	2,140	4,757	1,450	972	--	--	10,975	
Total Interest	1,755	1,631	1,498	1,354	1,199	4,129	3,757	3,380	3,380		2,450	
Total Future Debt Requirements	<u>\$3,359</u>	<u>\$3,353</u>	<u>\$3,349</u>	<u>\$3,342</u>	<u>\$3,339</u>	<u>\$8,886</u>	<u>\$5,207</u>	<u>\$4,352</u>	<u>\$3,380</u>		<u>\$13,425</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. As discussed in the following paragraphs, certain of the bond issues are currently being paid from sources other than ad valorem tax levies; however, ad valorem taxes are pledged should payment not be made from those other sources.

Certain of the general obligation bonds were issued for capital improvements of the Department of Water and Sewerage. The entire amount of future debt service relating to these bond issues will be paid from the operations of the Department of Water and Sewerage. Accordingly, this debt has been included in the financial statements of the Enterprise Funds.

On December 1, 1985, the City issued \$125,781,623 in General Obligation Refunding Bonds-Series 1985 of which \$6,660,000 were recorded on the financial statements of the Department of Water and Sewerage Fund. The proceeds, along with other monies from the City, were used to refund all prior outstanding general obligation bonds except for one series of the 1962 bonds which were issued to finance an industrial plant which was leased to a private entity. The refunded bonds are considered to be defeased and have been removed from the City's financial statements. The principal outstanding at December 31, 1998 on the bonds refunded was \$24,375,000.

On July 17, 1987, the City issued \$17,203,141 in General Obligation Refunding Bonds to advance refund \$17,100,000 of outstanding 1986 Series A Bonds. The City advance refunded the 1986 Series A Bonds to reorganize its debt structure in anticipation of future bond issues. The 1986 Series A Bonds are considered to be defeased and have been removed from the City's financial statements. The principal outstanding at December 31, 1998 on the bonds refunded was \$9,830,000.

In September 1993, the City issued \$8,200,000 in General Obligation Refunding Bonds to advance refund a portion of the outstanding 1987 and 1989A bonds. The bonds refunded were \$1,025,000 of the 1987 bonds which mature February 1, 1998 to February 1, 2007 inclusive and \$6,060,000 of the 1989A bonds which mature January 1, 2000 to January 1, 2009 inclusive. Those portions of the 1987 and 1989A bonds are considered to be defeased and have been removed from the City's financial statements. The principal outstanding at December 31, 1998 on the bonds refunded was \$7,015,000.

In January 1996, the City issued \$13,805,000 in General Obligation Refunding Bonds to advance refund a portion of the outstanding 1990A bonds. The bonds refunded were \$12,765,000 of the 1990A bonds which mature February 1, 2001 to February 1, 2010. That portion of the 1990A bonds are considered to be defeased and have been removed from the City's financial statements. The principal outstanding at December 31, 1998 on the bonds refunded was \$12,765,000.

In April 1998, the City issued \$25,000,000 in general obligation bonds. The bonds were issued for various public safety, parks and recreation, streets, riverfront park extension and drainage projects. Principal payments range from \$705,000 to \$2,005,000 with interest rates of 4.3% - 8.0% with maturity dates from 1999 to 2018. The bonds are secured by and payable from ad valorem taxation. The 1998 bond issue was the third series of a total of one hundred and four million, nine hundred and eighty-five thousand dollars (\$104,985,000) of general obligation bonds approved on April 20, 1996. The City plans to issue the remaining \$39,985,000 in authorized general obligation bonds in 1999.

In July 1998, the City issued \$11,145,000 in general obligation refunding bonds to advance refund a portion of the outstanding 1991 bonds. Principal payments range from \$95,000 to \$1,370,000 with interest rates of 3.65% to 5.00% with maturity dates from 1999 to 2011. The bonds refunded were \$10,545,000 of the 1991 bonds which mature March 1, 2002 to March 1, 2011. Existing sinking funds of \$200,732 along with the net proceeds of the bonds of \$11,026,684 (after payment and deductions of \$178,089 for underwriters discount and issuance costs and additions of \$59,773 for original issue premium) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for the future payments, as described

above, for the 1991 bonds. The principal and interest of the securities will be sufficient to pay the principal and interest on the Refunded Bonds through their redemption on March 1, 2001. That portion of the 1991 bonds are considered to be defeased and have been removed from the City's financial statements. The principal outstanding at December 31, 1998 on the bonds refunded was \$10,545,000.

The City advance refunded a portion of the 1991 bonds to reduce the annual debt service and produce a present value savings. Total debt service payments over the next 13 years will decrease by \$805,903 and an economic gain (difference between the net present values of the old and new debt service payments) of \$614,521 will be realized.

General Obligation Note

During 1988, the City executed an agreement for a \$7,000,000 loan for the purpose of constructing facilities at the regional airport. The loan is noninterest bearing and has a 30-year term. Payments on the loan are payable from a twenty-five year lease. Current assets will be set aside to cover payments during the last five years of the loan. The note is recorded in the financial statements of the Municipal and Regional Airports in the Enterprise Funds.

In June 1998, the City issued Certificates of Indebtedness, Series 1998A in the amount of \$30,270,000, Series 1998B in the amount of \$21,810,000, and Series 1998C in the amount of \$7,500,000. The Series 1998A Certificates were issued for the purpose of refunding the City's Police Pension obligations and the City's 1983 Firefighters' Pension Obligations and paying for the costs of issuance. The Series 1998B Certificates were issued for the purpose of refunding the City's 1987 Firefighters' Pension Obligations and paying for the costs of issuance. The Series 1998C Certificates were issued for the purpose of acquiring garbage trucks, residential containers and other vehicles and paying for the costs of issuance. Principal payments range from \$1,365,000 to \$3,055,000 with interest rates of 3.9% - 6.48% with maturity dates from 1998 to 2016. The certificates are payable from a pledge and dedication of the excess of the annual General Fund revenues above statutory, necessary and usual charges in each of the fiscal years during which the certificates are outstanding.

The net proceeds of the Series 1998A and 1998B of \$52,017,766 (after deductions of \$508,333 for underwriters discount and the addition of \$446,099 in premiums) were used to pay for issuance costs of \$338,567 and payments to the Police and Firefighters Retirement Systems of \$51,624,035.

The City refunded the pension obligations to reduce debt service and produce a present value savings. Total debt service payments will decrease by \$6,807,235 and an economic gain (difference between the net present values of the old and new debt service payments) of \$4,313,766 will be realized.

The net proceeds of the Series 1986C of \$7,488,290 (after deducting discounts of \$11,710) were used to pay for issuance costs of \$33,970 and for purchases of equipment. The net proceeds were distributed between the General Fund and the Fleet Services Fund in the amounts of \$7,338,290 and \$150,000, respectively.

Pension Liability

The City had a contractual agreement with the Statewide Firefighters Retirement System to pay \$39,941,783 over a 30-year period to fund an accrued liability for active and retired firemen and beneficiaries who were merged into the state system from the local plan. In addition, there was a contractual agreement to pay \$28,568,685 over a 30-year period to the Municipal Police Employees Retirement System to fund the liability for active and retired policemen who were merged into the state system. These pension liabilities were retired in June 1998 with the proceeds of the 1998A and 1998B Refunding Certificates of Indebtedness.

Municipal and Regional Airports Revenue Bonds

In January 1998, the City issued \$7,390,000 in airports system revenue bonds (Series 1997A) and \$18,610,000 (Series 1997B) in airport system passenger facility charge revenue bonds. The bonds

were issued for the purpose of financing a portion of the costs of certain capital improvements at the Greater Shreveport Regional Airport, funding certain interest and bond reserve fund requirements, and paying the costs of issuance. The Series 1997A term bonds principal payment of \$7,390,000 is due January 1, 2028 with an interest rate of 5.375%. The Series 1997B bonds consist of \$6,615,000 in serial bonds with principal payments ranging from \$430,000 to \$700,000 with interest rates of 4.2% - 5.0% and term bonds with a principal payment of \$3,165,000 due January 1, 2015 with an interest rate of 5.0% and a principal payment of \$8,830,000 due January 1, 2024 with an interest rate of 5.375%. The bonds are secured by net revenues of the airport system, a debt service reserve account and the net proceeds of a \$3.00 passenger facility charge imposed by the Airport.

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. Retained earnings of the Municipal and Regional Airport fund have been restricted in accordance with the provisions of the respective bond indentures in the amount of \$2,252,226 at December 31, 1998, 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, 1998 follows:

<u>Fund</u>	<u>Amount</u>
1997A Revenue Bond Construction Fund	\$ 2,988,698
1997B PFC Revenue Bond Construction Fund	17,662,528
Debt Service Reserve Funds	2,173,071
Bond and Interest Sinking Funds	<u>439,155</u>
Total restricted assets	<u>\$ 23,263,452</u>

Department of Water and Sewerage Revenue Bonds

During September 1986, the City issued \$31,080,000 in Water and Sewer Revenue Bonds (1986 Series B) to advance refund \$23,715,000 of the 1984 Series A Bonds. The proceeds, net of issuance costs, along with additional City funds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1984 Series A Bonds. Payment of the principal and interest on the bonds when due is insured by a municipal bond new issue insurance policy. Under current federal tax law, the interest earned by the 1986 Series B bondholders is taxable. The interest is not taxable under Louisiana state tax law. The 1984 Series A Bonds are considered to be defeased and have been removed from the City's financial statements. The principal outstanding at December 31, 1998 on the bonds refunded was \$6,475,883.

The City has authorization for \$6,610,000 of unissued water and sewer revenue bonds. These bonds are from a total of \$45 million of water and sewer bonds authorized on March 23, 1993.

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. Retained earnings of the Department of Water and Sewerage have been restricted in accordance with the provisions of the respective bond indentures in the amount of \$4,820,621 at December 31, 1998, which represents the restricted assets included in the various debt service reserve funds and bond principal and interest sinking funds at that date less current liabilities payable from these restricted assets of \$7,463,122.

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, 1998 and 1997 follows:

<u>Fund</u>	<u>1998</u>	<u>1997</u>
Miscellaneous Bond Construction Fund	\$ 282,009	\$ 246,446
1989 Bond Construction Fund	1,150,605	1,054,864
1990A Bond Construction Fund	1,414,411	2,505,535
1991A Bond Construction Fund	4,580,676	4,430,241
1992A Bond Construction Fund	1,033,002	980,680
1992B Bond Construction Fund	191,483	191,647
1993B Bond Construction Fund	3,120,139	3,128,033
Debt Service Reserve Funds	11,280,865	11,341,889
Bond and Interest Sinking Funds	1,002,879	1,038,692
1994A Bond Construction Fund	<u>14,758,585</u>	<u>19,814,393</u>
Total restricted assets	<u>\$38,814,654</u>	<u>\$44,732,420</u>

Shreveport Home Mortgage Authority Bonds

On March 14, 1995, the Authority issued \$4,435,000 in bonds, the 1995 Issue (Multi-Family Refunding), to advance refund the \$4,360,000 1983-B Issue bearing interest at 6.4% and pay part of the issuance costs of the new bonds. The 1983-B Bonds are considered defeased and have been removed from the Authority's financial statements. At December 31, 1998, the principal outstanding on the refunded bonds was \$4,360,000.

The 1979 issue bonds are considered defeased and have been removed from the Authority's financial statements. At December 31, 1998, \$39,300,000 of bonds in the 1979 issue are still outstanding.

(10) 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, 1999. Based on terms of the agreement, management fees included in operating expenses for 1998 and 1997 were \$164,157 and \$154,802 respectively. 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. During 1998 and 1997 respectively, the City reimbursed the Transit System \$2,377,102 and \$2,761,668. Bossier City reimbursed the Transit System \$203,869 and \$213,897 in 1998 and 1997, respectively.

(11) Changes in Contributed Capital

The following changes in contributed capital occurred during the year:

	Enterprise Funds				Total
	Municipal and Regional Airports	Shreveport Area Transit System	Department of Water and Sewerage	Golf	
Balance:					
January 1, 1998	\$29,230,516	\$10,466,982	\$83,462,022	\$398,656	\$123,558,176
Contributions:					
Federal and state grants	3,858,220	81,616	-	-	3,939,836
City funds	-	258,039	-	193,555	451,594
Contractor/other	-	-	764,317	-	764,317
	<u>3,858,220</u>	<u>339,655</u>	<u>764,317</u>	<u>193,555</u>	<u>5,155,747</u>
Amortization of contribution	(985,212)	(1,019,360)	(1,344,069)	-	\$(3,348,641)
Balance:					
December 31, 1998	<u>\$32,103,524</u>	<u>\$ 9,787,277</u>	<u>\$ 82,882,270</u>	<u>\$592,211</u>	<u>\$125,365,282</u>

	Internal Service Funds		
	Retained Risk	Fleet Services	Total
Balance at January 1, 1998	\$1,715,600	\$ -	\$1,715,600
Contributions:			
City funds	-	675,440	675,440
Balance at December 31, 1998	<u>\$1,715,600</u>	<u>\$ 675,440</u>	<u>\$2,391,040</u>

(12) Other Individual Fund Disclosures

A. Interfund Receivables and Payables

The following balances at December 31, 1998 represent individual interfund receivables and payables:

	Interfund Receivables	Interfund Payable
General Fund	\$ 32,000	\$ 7,600,899
Special Revenue Funds:		
Community Development	55,035	-
Riverfront Development	-	5,206,124
Police Grants	-	636,302
Capital Projects Funds:		
1983 General Obligation Bond	-	744
1993 General Obligation Bond	111,680	-
1993B General Obligation Bond	2,780,088	111,680
1997 General Obligation Bond	744	132,849
1998 General Obligation Bond	132,849	-
Miscellaneous Capital Projects	8,031,726	-

Enterprise Funds:		
Shreveport Area Transit	257,728	-
Department of Water and Sewerage	-	151,392
Municipal and Regional Airports	-	40,826
Internal Service Funds:		
Fleet Services	-	114,058
Retained Risk	4,554,078	32,000
Pension Trust Funds:		
Employees' Retirement System	-	1,529,555
Policemen's Pension Fund	50,660	88,773
Firemen's Pension Fund	50,014	411,400
Totals	<u>\$16,056,602</u>	<u>\$16,056,602</u>

B. Operating transfers in and out by fund for the year 1998:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 2,292,900	\$ 9,898,070
Special Revenue Funds:		
Community Development	1,589,589	-
Riverfront Development	170,000	9,036,671
Police Grants	369,700	-
Debt Service	8,169,652	-
Capital Projects Funds:		
1968 General Obligation Bond	25,751	-
1978 General Obligation Bond	13,693	-
1980 General Obligation Bond	34,189	58,000
1983 General Obligation Bond	1,238,735	535,755
1989 General Obligation Bond	1,454,387	-
1990 General Obligation Bond	23,028	-
1993 General Obligation Bond	-	312,423
1993B General Obligation Bond	219,064	1,608,914
1996 General Obligation Bond	8,335,503	-
1997 General Obligation Bond	137,125	8,086,502
1998 General Obligation Bond	-	796,312
Capital Projects	43,431	-
Miscellaneous Capital Projects	6,567,800	-
Enterprise Funds:		
Municipal and Regional Airports	-	951,900
Golf	100,000	-
Internal Service Fund:		
Retained Risk	500,000	-
Total	<u>\$31,284,547</u>	<u>\$31,284,547</u>

C. Residual equity transfers

A residual equity transfer of \$149,306 was made from the General Fund to the new Fleet Services Fund for inventories on hand.

A residual equity transfer of \$8,800 was made from the General Fund to the Golf Enterprise Fund for a portion of a new sprinkler system.

Residual equity transfers out will not agree with residual equity transfers in within the combined statements-overview. This is due to the transfers from the General Fund to the Fleet Services and Golf Funds which are reported as contributed capital in these funds.

D. Segment Information

The City maintains four Enterprise Funds which provide airport, transit, water and sewerage services and operation of three golf courses. Segment information for the years ended December, 31, 1998 and 1997 is as follows:

	Municipal and Regional Airports	Shreveport Area Transit System		Department of Water and Sewerage		Golf		Totals	
								1998	1997
OPERATING REVENUES	\$ 5,603,914	2,098,113	39,687,543	1,409,283	\$ 48,798,853	\$ 45,741,203			
DEPRECIATION AND AMORTIZATION EXPENSE	\$ 1,733,496	1,019,360	7,091,937	33,775	\$ 9,878,568	\$ 9,719,707			
OPERATING INCOME (LOSS)	\$ 701,305	(5,426,309)	10,152,294	93,183	\$ 5,520,473	\$ 2,476,632			
OPERATING SUBSIDIES	\$ --	4,408,457	--	--	\$ 4,408,457	\$ 4,186,855			
OPERATING TRANSFERS IN	\$ --	--	--	100,000	\$ 100,000	\$ --			
OPERATING TRANSFERS OUT	\$ 951,900	--	--	--	\$ 951,900	\$ 937,800			
NET INCOME (LOSS)	\$ 1,584,270	(1,019,360)	8,155,770	204,960	\$ 8,925,640	\$ 4,920,704			
CONTRIBUTED CAPITAL	\$ 3,858,220	339,655	764,317	193,555	\$ 5,155,747	\$ 4,992,378			
TOTAL ASSETS	\$ 75,833,330	11,875,658	315,813,885	931,807	\$ 404,454,680	\$ 364,853,257			
BONDS AND OTHER LONG-TERM LIABILITIES PAYABLE FROM OPERATING REVENUES	\$ 31,700,000	--	116,777,036	--	\$ 148,477,036	\$ 127,820,752			
TOTAL EQUITY	\$ 40,479,244	9,787,277	194,628,441	793,236	\$ 245,688,198	\$ 231,606,811			
NET WORKING CAPITAL EXCLUDES LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 2,973,483	1,019,137	23,492,195	176,381	\$ 27,661,196	\$ 25,525,073			
FIXED ASSETS:									
ADDITIONS	\$ 15,168,626	419,672	13,770,506	344,049	\$ 29,702,853	\$ 15,367,174			
DELETIONS	\$ --	199,360	507,843	--	\$ 707,203	\$ 187,964			

(13) Retirement Commitments - Defined Benefit Pension Plans

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.

A. Summary of Significant Accounting Policies

Basis of Accounting - The three City administered pension plans' financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period in which employees provide services to the entity. 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 an other asset 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.

B. 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.

C. Plan Descriptions and Contribution Information

Membership of each plan consisted of the following at December 31, 1998:

	<u>FPRF</u>	<u>PPRF</u>	<u>ERS</u>
Retirees and beneficiaries receiving benefits	331	169	613
Terminated plan members entitled to but not yet receiving benefits	-	-	49
Active plan members:			
Vested	147	47	563
Nonvested	-	-	978
Total	<u>478</u>	<u>216</u>	<u>2,203</u>
Number of participating employers	1	1	6

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.

Contributions - 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 9.4% 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	\$ 811,986
Interest on net pension obligation	20,370
Adjustment to annual required contribution	(25,849)
Annual pension cost	806,507
Contributions made	<u>652,067</u>
Increase in net pension obligation	154,440
Net pension obligation beginning of year	<u>226,328</u>
Net pension obligation end of year	<u>\$ 380,768</u>

The pension obligation is \$380,768 at December 31, 1998, and it is recorded in the General Long-Term Debt Account Group.

The annual required contribution for the current year was determined as part of the December 31, 1998 actuarial valuation using the entry age normal actuarial cost method.

Three-Year Trend Information

Fiscal Year <u>Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/96	\$1,051,903	77.9%	\$1,349,426
12/31/97	960,712	216.9	226,328
12/31/98	806,507	80.9	380,768

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 become 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.

Contributions - 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 28.4% 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	\$ 681,918
Interest on net pension asset	(93,801)
Adjustment to annual required contribution	<u>119,036</u>
Annual pension cost	707,153
Contributions made	<u>681,919</u>
Decrease in net pension asset	(25,234)
Net pension asset beginning of year	<u>1,042,237</u>
Net pension asset end of year	\$ <u>1,017,003</u>

The annual required contribution for the current year was determined as part of the December 31, 1998 actuarial valuation using the entry age normal actuarial cost method.

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>
12/31/96	\$648,799	111.2%	\$1,042,656
12/31/97	708,636	99.9	1,042,237
12/31/98	707,153	96.4	1,017,003

Employees' Retirement System

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

Membership in the system excludes any employee of the City who was an employee on February 6, 1954, and who elected not to join the plan. 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 Parish Communications District No. 1 (E911), 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.

To be eligible for regular retirement benefits, employees 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 employees must be 55 years of age with 25 years of service or age 60 with 20 years of service. Disability retirement from the Employees' Retirement System requires five years or more of creditable service in order for an employee to be eligible to receive benefits. Death benefit requirements specify that an employee must have been in active service with ten years or more of creditable service in the Employees' Retirement System. Employees 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 employees 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. For a service retirement benefit prior to age 65 with less than twenty but more than ten years of service, the benefit is reduced by 1/4% for each month below age 65. If a member dies after retirement and leaves a surviving spouse to whom he/she had been married for at least one year immediately preceding death, such spouse receives 50% of the member's retirement benefit for the rest of his/her life. A disability benefit is available if a member is unable to engage in any substantial, gainful activity by reason of medically determined physical or mental impairment which is likely to be permanent. The escrow balance of \$922,244 at December 31, 1998 consists of payments by members into the Deferred Retirement Option Plan. This plan allows members who have met eligibility requirements to defer receipt of benefits. Upon termination of employment, the participant will be eligible to receive the deferred benefits.

Contributions - Plan members are required by City ordinance to contribute 9% of compensation to the Plan. The City or other employers are required by the same ordinance to contribute 9.15% of compensation. Contribution amounts from plan members, the City and other employers may be amended by City ordinance. Contributions are made from the fund that the employee is paid from and from the organizations noted above. The contribution rate is currently 9.7% of annual covered payroll.

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

Annual required contribution	\$ 936,312
Interest on net pension asset	(600,070)
Adjustment to annual required contribution	<u>666,283</u>
Annual pension cost	1,002,525
Contributions made	<u>3,272,119</u>
Increase in net pension asset	2,269,594
Net pension asset beginning of year	<u>7,500,871</u>
Net pension asset end of year	<u>\$ 9,770,465</u>

The annual required contribution for the current year was determined as part of the December 31, 1998 actuarial valuation using the entry age normal actuarial cost method.

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>
12/31/96	\$2,306,756	137.8%	\$6,051,744
12/31/97	1,761,469	182.3	7,500,871
12/31/98	1,002,525	326.4	9,770,465

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 required to contribute 9% 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, 1998, 1997 and 1996 were \$1,620,884, \$1,481,012 and \$1,340,508, respectively, equal to the required contributions for each year.

Municipal Police Employees Retirement System (MPERS)

Plan Description

The City of Shreveport contributes to the Municipal Police Employees Retirement System Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Municipal Police Employees' Retirement System. MPERS covers any full-time police officer, empowered to make arrests, employed by a municipality of the State and engaged in law enforcement, earning at

least \$375 per month excluding state supplemental pay, or an elected Chief of Police whose salary is at least \$100 per month, and any employee of this system may participate in the MPERS. Benefits are established and may be amended by State statutes. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Room 305, Baton Rouge, Louisiana 70806 or by calling 1-800-443-4248.

Funding Policy

Plan members are required to contribute 7.5% of their annual compensation and the City is required to contribute 9% 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, 1998, 1997 and 1996 were \$1,634,627 \$1,448,173 and \$1,233,049, respectively, equal to the required contributions for each year.

(14) Post-Employment Health Care Benefits

In addition to providing pension benefits, the City provides dental and medical care coverage for any retiree who receives a monthly retirement check from one of the City's retirement plans. Retirees may also continue to cover their dependents after their retirement. Currently, there are 1,633 retirees who are eligible to receive benefits. Retirees are given a choice of either a Health Maintenance Organization or a Preferred Provider Organization. The City's contribution is equal to 50% of the cost of the least expensive plan which is the HMO. Provisions of the plan and obligations to contribute are established in the City Charter.

The post-employment dental care benefits are accounted for in the City's Health Care Internal Service Fund along with dental benefits for active employees. The benefits are recognized as expenses when claims are incurred. At year-end, an estimate is made for incurred but not reported claims. The actual cost of the post-employment benefits is based directly on the amount of claims actually incurred. The costs are funded on a pay-as-you-go basis. For 1998, the total costs to the City for the retirees' medical premium and dental benefits were approximately \$1,282,903.

(15) 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 Jobs Training Partnership 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.

(16) Lease and Construction Commitments

Lease Commitments

The City has commitments under operating lease agreements for various facilities and equipment used in the City's operations. Generally, these lease agreements provide for cancellation in the event the City Council does not appropriate funding in subsequent fiscal years. Therefore, the City is not obligated beyond the end of each fiscal year. However, management expects that in the normal course of business, leases that expire for data processing and duplicating equipment will be renewed or replaced by other leases. Total rent expense under operating leases was approximately \$189,097 and \$174,482 for 1998 and 1997, respectively.

Construction Commitments

At December 31, 1998, the City had major contractual commitments of \$35,879,049 for design and construction of various projects:

<u>Type of Project</u>	<u>Remaining Construction Committed</u>	<u>Financing Sources</u>
Streets	\$ 5,449,438	General Obligation Bonds
Drainage	819,815	General Obligation Bonds
Public Safety	790,865	General Obligation Bonds
Buildings-City Hall Campus Plan	5,622,412	City Court, General Fund, State Grant, Riverfront Development
Terminal Building Renovation	16,752,888	Airport Authority Revenue and Bond Funds
Regional Airports Drainage Improvements	771,670	FAA and State of Louisiana Grants
Sportran Maintenance Facility	2,822,377	FTA and General Obligation Bonds
Water and Sewer Mains - Shreve Park	943,134	Water and Sewer Revenue Bonds
SSO Abatement Program	1,117,500	Water and Sewer Revenue Bonds
Inflow and Infiltration Project	<u>788,950</u>	Water and Sewer Revenue Bonds
Total	<u>\$35,879,049</u>	

(17) Landfill 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.

Since post-closure care costs will not be paid with expendable, available resources and not until after the date that the landfill stops accepting waste, the City reports in the General Long-Term Debt Account Group the amount to be provided for post-closure care costs. Additionally, the City has designated \$1,193,339 of the General Fund fund balance for landfill post-closure care costs. The City expects to close the landfill in the year 2021 which is an estimated remaining life of 23 years. The \$1,193,339 reported at December 31, 1998 represents the cumulative costs reported based on 31%

of the capacity of the landfill having been used to date. The estimated total current cost of post-closure care remaining to be recognized is \$2,656,141. Actual costs may be higher due to inflation, changes in technology, or changes in regulation.

The City is the permit holder for the landfill, 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.

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

The City is retaining the risk for its automobile and general liability exposures. Liability policies are maintained with third-party insurance carriers for the City's fire vehicles, the drivers, and attendants. The Municipal and Regional Airports are insured with a third-party carrier with liability limits to \$20 million combined single limit. In 1998, the liability for worker's compensation was insured with a third-party insurance carrier with statutory limits in excess of the City's self-insured retention. The City retains \$225,000 for City employees other than police, \$250,000 for police and \$500,000 for U.S. Longshoremen and Harbor Workers Act, Jones Act, and Other Maritime Act benefits per occurrence on its worker's compensation coverage. Blanket property insurance was maintained during 1998 with a third-party carrier subject to a \$75,000 per occurrence retention. Property coverage was also maintained with third-party carriers on heavy equipment and on boilers and machinery.

There were no reductions in insurance coverage from coverage in the prior year. One property damage claim 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 operating transfers. At December 31, 1998, \$3,984,764 is 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 \$8,940,268 reported in the fund at December 31, 1998 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. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using an expected future yield assumption of 5%. These liabilities are reported at their present value of \$2,537,150 at December 31, 1998. Changes in the fund's claims liability amount in fiscal years 1997 and 1998 were:

Retained Risk 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>
1997	\$3,602,085	\$ 6,284,031	\$6,183,191	\$3,702,925
1998	3,702,925	10,570,394	5,333,051	8,940,268

The City also maintains a self-insurance program to cover dental care claims of City employees. This program is accounted for in the Employees Health Care Fund. Employees are given a choice of a Health Maintenance Organization or a Preferred Provider Organization to choose from, with the City retaining the dental care claims. 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.

Changes in the fund's claims liability amount in fiscal years 1997 and 1998 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>
1997	\$ 675,804	\$1,079,615	\$1,213,877	\$541,542
1998	541,542	1,134,420	1,214,969	460,993

(19) Change in Reporting

The Fleet Services Fund, an internal service fund, was created in 1997 by an act of the City Council and became operational in 1998. The Fleet Services Department provides repair and maintenance of the fleet for certain City departments. The financing of the Fleet Services Fund is on a cost-reimbursement basis by the user departments. The activities of the Fleet Services Department were previously reported in the General Fund. The change in reporting resulted in a residual equity transfer in the amount of \$149,306 from the General Fund to the Fleet Services Fund for inventories on hand. This transfer is reported as contributed capital in the Fleet Services Fund.

(20) Prior-Year Adjustments and Accounting Changes

A. Prior-Year Adjustments

The pension liability merger payments as discussed in Note (9) were incorrectly allocated to the principal amount in prior years. The payments in prior years were recorded as expenditures in the General Fund. These liabilities to the state were retired in 1998 with the issuance of the 1998 A and B Refunding Certificates of Indebtedness.

<u>Account Group</u>	<u>Pension Liability</u>
General Long-Term Debt, Beginning of year as previously reported	\$33,725,454
Adjustment	<u>18,796,634</u>
General Long-Term Debt, Beginning of year as restated	<u>\$52,522,088</u>

B. Accounting Changes

The City elected to early implement GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. This statement establishes accounting and financial reporting standards for Internal Revenue Code Section 457 deferred compensation plans of state and local government employers. In addition, this statement amends the investment guidance for Section 457 plans in GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

Under this statement, plans that meet the criteria in NCGA Statement 1, Governmental Accounting and Financial Reporting Principles, should be reported as an expendable trust fund in the financial statements of the government. Because the plan did not meet this criteria, the effect of adoption for the City was the removal of the assets and liabilities previously reported by the City for the plan as an agency fund. The balances in assets and liabilities were not presented as of December 31, 1998 and the previously reported assets and liabilities as of December 31, 1997 in the amount of \$12,675,682 were removed from the agency funds comparative statements.

(21) Subsequent Events

In March 1999, the City opened bids on \$39,985,000 in General Obligation Bonds. The bonds will be delivered in April 1999.

In March 1999, the City issued \$10,875,000 in General Obligation Refunding Bonds.

**CITY OF SHREVEPORT, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
DISCLOSURE ABOUT YEAR 2000 ISSUES
FOR THE YEAR ENDED DECEMBER 31, 1998
(UNAUDITED)**

The City is currently addressing year 2000 issues relating to its computer systems and other electronic equipment. The year 2000 issue refers to the fact that many computer programs use only the last two digits to refer to a year. Therefore, both 1900 and 2000 would be referred to as "00". *Computer programs have to be adjusted to recognize the difference between those two years or the programs will fail or create errors.* Also, some programs may not be able to recognize that 2000 is a leap year. Further, the year 2000 issue could affect electronic equipment containing computer chips that have date recognition features.

The City has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting City operations. The City has identified public safety, financial administration and water and sewerage as mission critical systems.

The City has completed the awareness and assessment stage of work with respect to its mission critical systems whereby a plan has been established for dealing with these issues and systems have been identified which are in need of year 2000 compliance work. The City is currently within the remediation stage, during which changes are being made to systems and equipment. The costs associated with these changes are being funded on a pay-as-you-go basis. As of December 31, 1998, the City had no significant amount of resources committed. The validation and testing phase of the work is targeted to be completed by the third quarter of 1999.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City is or will be year 2000 ready, that the City's remediation efforts will be successful in whole or in part, or that parties with whom the City does business will be year 2000 ready.

CITY OF SHREVEPORT, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 1998
(UNAUDITED)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	FPRF	PPRF	ERS
Valuation date	12/31/98	12/31/98	12/31/98
Actuarial cost method	Projected unit credit	Projected unit credit	Entry age normal cost
Amortization method	Level dollar	Level dollar	Level dollar
Remaining amortization period	17 years closed	17 years closed	30 years open
Asset valuation method	Market value	Market value	Five-year smoothed market
Actuarial assumptions: Investment rate of return*	9%	9%	8%
Projected salary increases*	5%	5%	5%
*Includes inflation at	3.5%	3.5%	3.5%
Cost-of-living adjustments	3.5%	3.5%	N/A

CITY OF SHREVEPORT, LOUISIANA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS
 FISCAL YEARS ENDED DECEMBER 31, 1993 THROUGH DECEMBER 31, 1998
 (UNAUDITED)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) -Entry Age	(3) Unfunded AAL (UAAL) (2-1)	(4) Funded Ratio (1/2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3/5)
EPRF						
12/31/93	\$4,255,122	\$11,741,447	\$7,486,325	36.2%	\$7,624,566	98.2%
12/31/94	5,480,000	13,090,000	7,610,000	41.9	5,652,429	134.6
12/31/95	3,518,000	12,715,000	9,197,000	27.7	5,704,329	161.2
12/31/96	4,248,000	12,619,000	8,371,000	33.7	7,248,848	115.5
12/31/97	6,351,241	13,006,880	6,655,639	48.8	7,614,000	87.4
12/31/98	7,613,000	12,808,000	5,195,000	59.4	6,926,000	75.0
PPRF						
12/31/93	3,746,485	7,864,731	4,118,246	47.6	3,769,430	109.3
12/31/94	4,603,000	8,330,000	3,727,000	55.3	3,417,868	109.0
12/31/95	3,379,000	8,737,000	5,358,000	38.7	3,352,718	159.8
12/31/96	3,540,000	9,223,000	5,683,000	38.4	3,152,894	180.2
12/31/97	4,313,648	9,889,000	5,575,352	43.6	3,121,000	178.6
12/31/98	4,996,000	11,303,000	6,307,000	44.2	2,401,000	262.7
ERS						
12/31/93	92,690,000	108,490,000	15,800,000	85.4	28,037,687	56.4
12/31/94	96,250,000	114,110,000	17,860,000	84.3	31,439,551	56.8
12/31/95	109,574,000	124,369,000	14,795,000	88.1	32,498,922	45.5
12/31/96	122,835,000	136,193,000	13,358,000	90.2	32,342,108	41.3
12/31/97	141,335,000	145,250,000	3,915,000	97.3	32,806,000	11.9
12/31/98	153,586,000	144,448,000	(9,138,000)	106.3	33,780,000	(27.1)

See accompanying notes to the required supplementary information.

CITY OF SHREVEPORT, LOUISIANA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF EMPLOYER CONTRIBUTIONS
 FISCAL YEARS ENDED DECEMBER 31, 1993 THROUGH DECEMBER 31, 1998
 (UNAUDITED)

Year Ended December 31,	Employer Contributions						
	FPRF			PPRF			ERS
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	
1993	\$866,000	94.0%	\$892,000	140.5%	\$2,001,290	136.2%	
1994	1,273,000	70.8	919,000	111.3	1,680,000	181.9	
1995	1,415,000	60.4	775,000	106.1	2,221,000	143.1	
1996	1,065,000	76.9	641,000	112.5	2,285,660	139.1	
1997	990,036	210.5	685,979	103.2	1,708,048	188.0	
1998	811,986	80.3	681,918	100.0	936,312	349.0	

See accompanying notes to the required supplementary information.

GENERAL FUND

The General Fund is the principal fund of the City and is used to account for all activities of the City not included in other specified funds. The General Fund accounts for the normal recurring activities of the City (i.e. police, recreation, public works, general government, etc.) These activities are funded principally by property and sales taxes on individuals and businesses and charges for services.

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 12,115,760	\$ 7,645,386
Property taxes receivable, less Allowance for uncollectible taxes of \$668,857 in 1998 and \$553,582 in 1997	4,916,475	5,046,343
Franchise taxes receivable	1,328,874	1,385,243
Accounts receivable	1,832,899	1,464,118
Special assessments receivable	166	290
Due from other governmental units	9,396,020	8,295,854
Due from other funds	32,000	171,459
Due from component unit	200	35,000
Inventories, at cost	869,633	971,071
 Total assets	 <u>\$ 30,492,027</u>	 <u>\$ 25,014,764</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 2,202,803	\$ 1,961,970
Accrued liabilities	207,206	179,176
Due to other governmental units	311,783	260,874
Due to other funds	7,600,899	7,296,470
Due to component unit	--	35,829
Deferred revenue (property taxes of \$1,164,426 in 1998 and \$1,104,302 in 1997)	1,595,792	1,511,305
Deposits and other	191,349	564,933
 Total liabilities	 <u>12,109,832</u>	 <u>11,810,557</u>
Fund balance:		
Reserved for:		
Encumbrances	4,345,985	2,398,165
Inventories	869,633	971,071
Endowments	14,719	14,719
Unreserved :		
Designated for:		
Subsequent years' expenditures	1,888,000	190,600
Landfill closure	1,193,339	999,000
Undesignated	10,070,519	8,630,652
 Total fund balance	 <u>18,382,195</u>	 <u>13,204,207</u>
 Total liabilities and fund balance	 <u>\$ 30,492,027</u>	 <u>\$ 25,014,764</u>

See accompanying notes to combined financial statements.

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>Revenues:</u>		
Taxes:		
Property taxes	\$ 17,403,327	\$ 16,883,610
Penalty and interest on delinquent taxes	425,416	347,237
Sales taxes	67,778,596	63,815,812
Franchise taxes	5,868,658	5,860,234
Total taxes	<u>91,475,997</u>	<u>86,906,893</u>
Licenses and permits:		
Retail and occupational licenses	5,100,721	4,939,658
Other permits	4,225	6,615
Total licenses and permits	<u>5,104,946</u>	<u>4,946,273</u>
Intergovernmental:		
Tobacco tax	723,885	723,884
Beer tax	296,561	297,671
State highway maintenance	536,686	513,457
State and federal grants	4,018,115	3,859,317
Video poker	1,614,034	1,242,864
Total intergovernmental	<u>7,189,281</u>	<u>6,637,193</u>
Charges for services:		
Parks and recreation	399,323	431,031
Public works, design and engineering	1,115,440	1,006,970
Emergency medical service	2,430,975	2,242,000
Internal service charges	3,136,564	4,247,493
Landfill fees	5,300,848	5,511,021
Other charges	1,927,066	1,880,035
Total charges for services	<u>14,310,216</u>	<u>15,318,550</u>
Fines and forfeitures	<u>3,387,230</u>	<u>3,471,593</u>
Use of money and property:		
Interest	372,421	507,392
Buildings and property	745,401	1,001,272
Total use of money and property	<u>1,117,822</u>	<u>1,508,664</u>
Miscellaneous:		
Courts and marshal	430,509	260,954
Other	473,254	307,266
Total miscellaneous	<u>903,763</u>	<u>568,220</u>
Total revenues	<u>123,489,255</u>	<u>119,357,386</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	1998	1997
<u>Expenditures:</u>		
General government:		
Office of the mayor:		
Salaries, wages and employee benefits	2,025,156	1,907,935
Materials and supplies	56,272	42,262
Contractual services	143,171	178,284
Other charges	21,598	8,259
Improvements and equipment	31,581	14,492
Total office of the mayor	2,277,778	2,151,232
City council:		
Salaries, wages and employee benefits	729,833	707,629
Materials and supplies	10,747	9,291
Contractual services	143,181	102,991
Improvements and equipment	13,622	8,576
Total city council	897,383	828,487
Finance:		
Salaries, wages and employee benefits	3,584,225	3,626,927
Materials and supplies	187,563	400,659
Contractual services	941,370	956,266
Improvements and equipment	180,035	203,705
Total finance	4,893,193	5,187,557
Finance general government:		
Salaries, wages and employee benefits	3,335,098	3,952,704
Materials and supplies	42,103	54,527
Contractual services	2,473,964	774,927
Interest and civic appropriations	5,197,004	5,340,139
Improvements and equipment	81,131	71,498
Claims	7,769,303	5,397,179
Total finance general government	18,898,603	15,590,974
Total general government	26,966,957	23,758,250
Public safety:		
Police:		
Salaries, wages and employee benefits	24,525,791	25,785,969
Materials and supplies	756,264	891,395
Contractual services	1,686,241	650,530
Other charges	45,572	58,050
Improvements and equipment	64,932	343,164
Total police	27,078,800	27,729,108

(continued)

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Fire:		
Salaries, wages and employee benefits	24,508,271	26,293,706
Materials and supplies	637,827	705,555
Contractual services	1,272,781	1,312,365
Other charges	1,658	1,500
Improvements and equipment	133,432	511,361
Total fire	<u>26,553,969</u>	<u>28,824,487</u>
Total public safety	<u>53,632,769</u>	<u>56,553,595</u>
Highways and streets:		
Salaries, wages and employee benefits	4,116,736	4,031,813
Materials and supplies	950,301	927,679
Contractual services	2,337,389	2,439,414
Improvements and equipment	2,410,506	2,961,860
Total highways and streets	<u>9,814,932</u>	<u>10,360,766</u>
Sanitation:		
Salaries, wages and employee benefits	3,715,781	5,463,197
Materials and supplies	347,421	1,491,112
Contractual services	6,142,844	7,194,370
Improvements and equipment	4,662,767	549,685
Total sanitation	<u>14,868,813</u>	<u>14,698,364</u>
Public assembly and recreation:		
Salaries, wages and employee benefits	6,232,956	6,209,849
Materials and supplies	794,670	782,160
Contractual services	2,056,862	2,119,326
Improvements and equipment	643,260	392,640
Total cultural and recreation	<u>9,727,748</u>	<u>9,503,975</u>
Total expenditures	<u>115,011,219</u>	<u>114,874,950</u>
Excess of revenues over expenditures	<u>8,478,036</u>	<u>4,482,436</u>
Other financing sources (uses):		
Proceeds from certificate of indebtedness	7,338,290	--
Operating transfers in:		
Municipal and Regional Airports	951,900	937,800
Riverfront Development Fund	1,341,000	1,361,000
Total operating transfers in	<u>2,292,900</u>	<u>2,298,800</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Operating transfers out:		
Community Development	(1,589,589)	(1,757,558)
Debt Service Fund	(6,200,981)	(569,761)
Capital Projects Fund	(967,800)	(1,612,200)
Retained Risk Fund	(500,000)	(500,000)
Golf	(100,000)	--
Pensions	--	(1,344,400)
Police Grants	(369,700)	(301,500)
Riverfront	(170,000)	--
Total operating transfers out	<u>(9,898,070)</u>	<u>(6,085,419)</u>
Transfers to component units	<u>(2,922,930)</u>	<u>(2,476,908)</u>
Total other financing uses	<u>(3,189,810)</u>	<u>(6,263,527)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	5,288,226	(1,781,091)
Fund balance, beginning of year	13,204,207	14,846,869
Residual equity transfer out	(158,106)	--
Decrease in reserve for inventory	47,868	138,429
Fund balance, end of year	<u>\$ 18,382,195</u>	<u>\$ 13,204,207</u>

See accompanying notes to combined financial statements.

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL ON BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance
Revenues:					
Taxes:					
Sales taxes	\$ 67,778,596	\$ --	\$ 67,778,596	\$ 67,275,000	\$ 503,596
Ad valorem taxes and penalties	17,828,743	--	17,828,743	16,834,500	994,243
Franchise taxes	5,868,658	--	5,868,658	5,313,600	555,058
Local share state taxes	1,020,446	--	1,020,446	994,700	25,746
Hotel sales tax rebate	--	--	--	50,000	(50,000)
Video poker	1,614,034	--	1,614,034	1,400,000	214,034
Total taxes	94,110,477	--	94,110,477	91,867,800	2,242,677
Licenses and permits:					
Business licenses	5,024,286	--	5,024,286	4,790,000	234,286
Construction permits, licenses and penalties	162,062	--	162,062	111,100	50,962
Vehicle licenses and permits	76,435	--	76,435	75,700	735
Total licenses and permits	5,262,783	--	5,262,783	4,976,800	285,983
Intergovernmental - Grants	4,222,959	(3,616,430)	606,529	537,900	68,629
Charges for services:					
External service charges:					
Parking and rentals	217,121	--	217,121	196,400	20,721
Parks and recreation	189,240	--	189,240	166,100	23,140
Public works	6,468,302	--	6,468,302	7,300,500	(832,198)
Buildings and property	308,521	--	308,521	326,100	(17,579)
Other	580,963	--	580,963	387,400	193,563
Total external charges	7,764,147	--	7,764,147	8,376,500	(612,353)
Internal service charges	3,502,004	--	3,502,004	4,328,200	(826,196)
Emergency medical service	2,430,975	--	2,430,975	2,150,000	280,975
Total charges for services	13,697,126	--	13,697,126	14,854,700	(1,157,574)
Fines and forfeitures:					
Parking tickets	195,975	--	195,975	157,600	38,375
Courts and marshal	3,508,825	--	3,508,825	3,193,700	315,125
Total fines and forfeitures	3,704,800	--	3,704,800	3,351,300	353,500
Interest	372,421	--	372,421	258,100	114,321
Miscellaneous	2,118,689	--	2,118,689	1,850,400	268,289
Total revenues	123,489,255	(3,616,430)	119,872,825	117,697,000	2,175,825

(continued)

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL ON BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance
Expenditures:					
General government:					
Office of the mayor:					
Salaries, wages and employee benefits	2,025,156	105	2,025,261	2,131,450	106,189
Materials and supplies	56,272	3,394	59,666	74,505	14,839
Contractual services	143,171	24,714	167,885	239,761	71,876
Other charges	21,598	--	21,598	26,096	4,498
Improvements and equipment	31,581	32,872	64,453	74,800	10,347
Total office of the mayor	<u>2,277,778</u>	<u>61,085</u>	<u>2,338,863</u>	<u>2,546,612</u>	<u>207,749</u>
Public assembly and recreation:					
Salaries, wages and employee benefits	6,232,956	10,025	6,242,981	6,530,885	287,904
Materials and supplies	726,826	69,692	796,518	821,526	25,008
Contractual services	2,124,249	120,778	2,245,027	2,436,567	191,540
Other charges	121,260	31,529	152,789	152,720	(69)
Improvements and equipment	661,598	209,858	871,456	874,505	3,049
Total public buildings	<u>9,866,889</u>	<u>441,882</u>	<u>10,308,771</u>	<u>10,816,203</u>	<u>507,432</u>
Finance operations:					
Salaries, wages and employee benefits	3,584,225	275	3,584,500	3,732,290	147,790
Materials and supplies	187,563	17,198	204,761	305,549	100,788
Contractual services	941,370	32,386	973,756	999,765	26,009
Improvements and equipment	180,035	123,210	303,245	738,883	435,638
Total finance operations	<u>4,893,193</u>	<u>173,069</u>	<u>5,066,262</u>	<u>5,776,487</u>	<u>710,225</u>
Finance general government:					
Salaries, wages and employee benefits	1,400,425	792	1,401,217	1,498,213	96,996
Materials and supplies	937	--	937	1,100	163
Contractual services	350,397	28,455	378,852	688,110	309,258
Interest and civic appropriations	5,196,664	35,350	5,232,014	5,673,417	441,403
Improvements and equipment	--	--	--	100,000	100,000
Claims	7,769,303	--	7,769,303	4,798,500	(2,970,803)
Total finance general government	<u>14,717,726</u>	<u>64,597</u>	<u>14,782,323</u>	<u>12,759,340</u>	<u>(2,022,983)</u>
City council:					
Salaries, wages and employee benefits	729,833	--	729,833	793,800	63,967
Materials and supplies	10,747	1,233	11,980	12,000	20
Contractual services	143,181	28,920	172,101	194,748	22,647
Improvements and equipment	13,622	27,778	41,400	45,800	4,400
Total city council	<u>897,383</u>	<u>57,931</u>	<u>955,314</u>	<u>1,046,348</u>	<u>91,034</u>
Total general government	<u>32,652,969</u>	<u>798,564</u>	<u>33,451,533</u>	<u>32,944,990</u>	<u>(506,543)</u>

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL ON BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance
Public safety:					
Police:					
Salaries, wages and employee benefits	24,525,794	475,423	25,001,217	25,061,298	60,081
Materials and supplies	756,264	36,307	792,571	985,622	193,051
Contractual services	1,686,241	14,961	1,701,202	1,918,141	216,939
Coroner and criminal investigation	45,572	5	45,577	73,100	27,523
Improvements and equipment	64,932	43,975	108,907	109,013	106
Total police	<u>27,078,803</u>	<u>570,671</u>	<u>27,649,474</u>	<u>28,147,174</u>	<u>497,700</u>
Fire:					
Salaries, wages and employee benefits	24,508,268	1,624,777	26,133,045	26,156,394	23,349
Materials and supplies	637,827	44,528	682,355	722,565	40,210
Contractual services	1,272,781	17,736	1,290,517	1,354,220	63,703
Other charges	1,658	--	1,658	2,000	342
Improvements and equipment	133,432	114,222	247,654	266,878	19,224
Total fire	<u>26,553,966</u>	<u>1,801,263</u>	<u>28,355,229</u>	<u>28,502,057</u>	<u>146,828</u>
Total public safety	<u>53,632,769</u>	<u>2,371,934</u>	<u>56,004,703</u>	<u>56,649,231</u>	<u>644,528</u>
Public works:					
Salaries, wages and employee benefits	9,767,190	958	9,768,148	10,182,309	414,161
Materials and supplies	1,252,182	76,128	1,328,310	1,392,407	64,097
Contractual services	10,536,413	452,538	10,988,951	11,167,342	178,391
Other charges	33,630	--	33,630	1,000	(32,630)
Improvements and equipment	7,136,066	2,717,200	9,853,266	10,516,489	663,223
Total public works	<u>28,725,481</u>	<u>3,246,824</u>	<u>31,972,305</u>	<u>33,259,547</u>	<u>1,287,242</u>
Total expenditures	<u>115,011,219</u>	<u>6,417,322</u>	<u>121,428,541</u>	<u>122,853,768</u>	<u>1,425,227</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,478,036</u>	<u>(10,033,752)</u>	<u>(1,555,716)</u>	<u>(5,156,768)</u>	<u>3,601,052</u>
Other financing sources (uses):					
Proceeds from certificate of indebtedness	7,338,290	--	7,338,290	7,305,000	33,290
Operating transfers in	2,292,900	--	2,292,900	2,278,800	14,100
Operating transfers out	(9,898,070)	5,620,293	(4,277,777)	(3,931,200)	(346,577)
Transfers to component units	(2,922,930)	(7,235)	(2,930,165)	(2,879,009)	(51,156)
Total other financing sources (uses)	<u>(3,189,810)</u>	<u>5,613,058</u>	<u>2,423,248</u>	<u>2,773,591</u>	<u>(350,343)</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL ON BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	5,288,226	(4,420,694)	867,532	(2,383,177)	(3,250,709)
Fund balance, beginning of year	13,204,207	--	13,204,207	13,204,207	--
Residual equity transfer out	(158,106)	--	(158,106)	(158,106)	--
Decrease in reserve for inventory	47,868	--	47,868	47,868	--
Fund balance, end of year	\$ <u>18,382,195</u>	\$ <u>(4,420,694)</u>	\$ <u>13,961,501</u>	\$ <u>10,710,792</u>	\$ <u>(3,250,709)</u>

See accompanying notes to combined financial statements.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues from specified taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses.

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

Community Development Fund - This fund is used to account for receipts and disbursements under the Community Development Block Grant program and the Jobs Training Partnership Act program. The fund accounts for other funds used to assist in the creation and expansion of businesses, employment opportunities and expansion of the local tax base. Receipts and disbursements of permits and inspections and code enforcement are accounted for in this fund.

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.

CITY OF SHREVEPORT, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	<u>Enrichment</u>	<u>Community Development</u>	<u>Riverfront Development</u>	<u>Police Grants</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 633,525	\$ 247,495	\$ 7,511,276	\$ --
Accounts receivable	--	300,595	574,704	870
Due from other governmental units	--	2,791,074	--	717,333
Notes receivable	--	11,251,943	--	--
Due from other funds	--	55,035	--	--
	<u>633,525</u>	<u>14,646,142</u>	<u>8,085,980</u>	<u>718,203</u>
Total assets	<u>\$ 633,525</u>	<u>\$ 14,646,142</u>	<u>\$ 8,085,980</u>	<u>\$ 718,203</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 4,124	\$ 747,123	\$ 124,250	\$ 58,122
Due to other funds	--	--	5,206,124	636,302
Deferred revenue	--	9,445,481	--	23,779
Notes payable	--	1,828,444	--	--
	<u>4,124</u>	<u>12,021,048</u>	<u>5,330,374</u>	<u>718,203</u>
Total liabilities	<u>4,124</u>	<u>12,021,048</u>	<u>5,330,374</u>	<u>718,203</u>
Fund balances:				
Reserved for encumbrances	5,339	2,606,003	31,500	241,978
Unreserved:				
Designated for subsequent years' expenditures	624,062	19,091	2,724,106	--
Undesignated	--	--	--	(241,978)
	<u>629,401</u>	<u>2,625,094</u>	<u>2,755,606</u>	<u>--</u>
Total fund balances	<u>629,401</u>	<u>2,625,094</u>	<u>2,755,606</u>	<u>--</u>
Total liabilities and fund balances	<u>\$ 633,525</u>	<u>\$ 14,646,142</u>	<u>\$ 8,085,980</u>	<u>\$ 718,203</u>

See accompanying notes to combined financial statements.

Totals	
<u>1998</u>	<u>1997</u>
\$ 8,392,296	\$ 11,103,879
876,169	825,162
3,508,407	1,711,496
11,251,943	9,530,854
55,035	43,500
<u>\$ 24,083,850</u>	<u>\$ 23,214,891</u>
\$ 933,619	\$ 277,186
5,842,426	3,117,994
9,469,260	8,380,277
1,828,444	1,159,927
<u>18,073,749</u>	<u>12,935,384</u>
2,884,820	1,888,642
3,367,259	8,390,865
(241,978)	--
<u>6,010,101</u>	<u>10,279,507</u>
<u>\$ 24,083,850</u>	<u>\$ 23,214,891</u>

CITY OF SHREVEPORT, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	Enrichment	Community Development	Riverfront Development	Police Grants
Revenues:				
Licenses and permits	\$ --	\$ 1,289,769	\$ --	\$ --
Intergovernmental	--	8,640,769	--	2,753,676
Fines and forfeitures	--	213,937	--	--
Use of money and property	38,505	111,877	726,784	23,454
Gaming	--	--	6,779,360	--
Miscellaneous:				
Program income	--	716,006	--	--
Seizures	85,935	--	--	--
Donations	66,151	46,150	--	--
Other	55,482	26,930	--	--
Total miscellaneous	<u>207,568</u>	<u>789,086</u>	<u>--</u>	<u>--</u>
Total revenues	<u>246,073</u>	<u>11,045,438</u>	<u>7,506,144</u>	<u>2,777,130</u>
Expenditures:				
Current:				
General government	--	2,427,209	--	--
Public safety	259,400	--	--	3,580,152
Health and welfare	--	390,998	--	--
Cultural and recreation	5,770	235,344	--	--
Community development and housing	--	4,483,770	--	--
Economic development	--	1,367,040	2,463,979	--
Economic opportunity	--	3,361,290	--	--
Capital outlay	--	361,857	--	--
Total expenditures	<u>265,170</u>	<u>12,627,508</u>	<u>2,463,979</u>	<u>3,580,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,097)</u>	<u>(1,582,070)</u>	<u>5,042,165</u>	<u>(803,022)</u>
Other financing sources (uses):				
Operating transfers in -				
General Fund	--	1,589,589	170,000	369,700
Total operating transfers in	<u>--</u>	<u>1,589,589</u>	<u>170,000</u>	<u>369,700</u>
Operating transfers out:				
General Fund	--	--	(1,341,000)	--
Debt Service Fund	--	--	(1,968,671)	--
Capital Projects Funds	--	--	(5,727,000)	--
Total operating transfers out	<u>--</u>	<u>--</u>	<u>(9,036,671)</u>	<u>--</u>
Total other financing sources (uses)	<u>--</u>	<u>1,589,589</u>	<u>(8,866,671)</u>	<u>369,700</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(19,097)</u>	<u>7,519</u>	<u>(3,824,506)</u>	<u>(433,322)</u>
Fund balances, beginning of year	648,498	2,617,575	6,580,112	433,322
Residual equity transfers out	--	--	--	--
Fund balances, end of year	<u>\$ 629,401</u>	<u>\$ 2,625,094</u>	<u>\$ 2,755,606</u>	<u>\$ --</u>

See accompanying notes to combined financial statements.

Totals	
1998	1997
\$ 1,289,769	\$ 1,113,056
11,394,445	8,928,549
213,937	228,377
900,620	1,122,636
6,779,360	7,420,610
716,006	593,437
85,935	83,030
112,301	141,895
82,412	117,217
<u>996,654</u>	<u>935,579</u>
<u>21,574,785</u>	<u>19,748,807</u>
2,427,209	2,477,921
3,839,552	2,503,719
390,998	191,991
241,114	41,476
4,483,770	3,285,455
3,831,019	1,744,973
3,361,290	3,269,045
361,857	353,402
<u>18,936,809</u>	<u>13,867,982</u>
<u>2,637,976</u>	<u>5,880,825</u>
2,129,289	2,059,058
<u>2,129,289</u>	<u>2,059,058</u>
(1,341,000)	(1,361,000)
(1,968,671)	(1,957,120)
(5,727,000)	(1,100,000)
<u>(9,036,671)</u>	<u>(4,418,120)</u>
<u>(6,907,382)</u>	<u>(2,359,062)</u>
(4,269,406)	3,521,763
10,279,507	15,051,788
--	(8,294,044)
<u>\$ 6,010,101</u>	<u>\$ 10,279,507</u>

CITY OF SHREVEPORT, LOUISIANA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL ON BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance
Revenues:					
Licenses and permits	\$ 1,289,769	\$ --	\$ 1,289,769	\$ 862,600	\$ 427,169
Intergovernmental	8,640,769	(8,640,769)	--	--	--
Fines and forfeitures	213,937	--	213,937	225,900	(11,963)
Miscellaneous	900,963	(900,963)	--	--	--
Total revenues	<u>11,045,438</u>	<u>(9,541,732)</u>	<u>1,503,706</u>	<u>1,088,500</u>	<u>415,206</u>
Expenditures:					
Current:					
General government:					
Permits and inspection:					
Personal services	674,427	375	674,802	710,200	35,398
Materials and supplies	31,031	1,080	32,111	45,880	13,769
Contractual services	43,817	--	43,817	102,300	58,483
Improvements and equipment	192,707	18,254	210,961	280,954	69,993
Total permits and inspections	<u>941,982</u>	<u>19,709</u>	<u>961,691</u>	<u>1,139,334</u>	<u>177,643</u>
Code enforcements:					
Personal services	778,955	4,729	783,684	803,530	19,846
Materials and supplies	45,973	1,169	47,142	52,969	5,827
Contractual services	414,317	18,098	432,415	439,697	7,282
Other charges	185,769	31,300	217,069	366,006	148,937
Improvements and equipment	60,213	8,894	69,107	147,094	77,987
Total codes enforcements	<u>1,485,227</u>	<u>64,190</u>	<u>1,549,417</u>	<u>1,809,296</u>	<u>259,879</u>
Total general government	<u>2,427,209</u>	<u>83,899</u>	<u>2,511,108</u>	<u>2,948,630</u>	<u>437,522</u>
Community development and housing:					
Housing projects	3,173,965	(3,173,965)	--	--	--
Economic development:					
Community services:					
Personal services	1,021,258	(888,958)	132,300	132,300	--
Materials and supplies	27,138	(27,138)	--	--	--
Contractual services	36,217	(36,217)	--	--	--
Other charges	--	--	--	--	--
Improvements and equipment	46,183	(46,183)	--	--	--
Loan program	375,325	(375,325)	--	--	--
Business development projects	18	(18)	--	--	--
Professional service sales tax	--	--	--	--	--
Workforce development program	2,829,462	(2,829,462)	--	--	--
Total community services	<u>4,335,601</u>	<u>(4,203,301)</u>	<u>132,300</u>	<u>132,300</u>	<u>--</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL ON BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance
Administration:					
Personal services	813,919	(627,919)	186,000	186,000	--
Materials and supplies	19,743	(19,743)	--	--	--
Contractual services	55,715	(55,715)	--	--	--
Other charges	1,798	(1,798)	--	--	--
Improvements and equipment	57,195	(57,195)	--	--	--
Indirect cost	377,800	(377,800)	--	--	--
Capital projects	361,857	(361,857)	--	--	--
Fleet services	82,400	--	82,400	87,700	5,300
Emergency shelter grants	292,261	(292,261)	--	--	--
Public facility and improvements	76,703	(76,703)	--	--	--
Public services	551,342	(551,342)	--	--	--
Total administration	<u>2,690,733</u>	<u>(2,422,333)</u>	<u>268,400</u>	<u>273,700</u>	<u>5,300</u>
Total economic development	<u>7,026,334</u>	<u>(6,625,634)</u>	<u>400,700</u>	<u>406,000</u>	<u>5,300</u>
Total expenditures	<u>12,627,508</u>	<u>(9,715,700)</u>	<u>2,911,808</u>	<u>3,354,630</u>	<u>442,822</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,582,070)</u>	<u>173,968</u>	<u>(1,408,102)</u>	<u>(2,266,130)</u>	<u>858,028</u>
Other financing sources:					
Operating transfers in - General Fund	1,589,589	--	1,589,589	1,783,800	(194,211)
Total other financing sources (uses)	<u>1,589,589</u>	<u>--</u>	<u>1,589,589</u>	<u>1,783,800</u>	<u>(194,211)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	7,519	173,968	181,487	(482,330)	663,817
Fund balance, beginning of year	<u>2,617,575</u>	<u>--</u>	<u>2,617,575</u>	<u>2,617,575</u>	<u>--</u>
Fund balance, end of year	<u>\$ 2,625,094</u>	<u>\$ 173,968</u>	<u>\$ 2,799,062</u>	<u>\$ 2,135,245</u>	<u>\$ 663,817</u>

See accompanying notes to combined financial statements.

(continued)

CITY OF SHREVEPORT, LOUISIANA
RIVERFRONT DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL ON BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance
Revenues:					
Use of money and property	\$ 726,784	\$ --	\$ 726,784	\$ 450,000	\$ 276,784
Gaming	6,779,360	--	6,779,360	5,991,700	787,660
Total revenues	<u>7,506,144</u>	<u>--</u>	<u>7,506,144</u>	<u>6,441,700</u>	<u>1,064,444</u>
Expenditures:					
Salaries, wages and employee benefits	68,196	--	68,196	105,500	37,304
Materials and supplies	1,319	--	1,319	3,908	2,589
Contractual services	709,464	1,500	710,964	717,800	6,836
Other charges	1,685,000	30,000	1,715,000	1,715,000	--
Total expenditures	<u>2,463,979</u>	<u>31,500</u>	<u>2,495,479</u>	<u>2,542,208</u>	<u>46,729</u>
Excess of revenues over expenditures	5,042,165	(31,500)	5,010,665	3,899,492	1,111,173
Other financing sources (uses):					
Operating transfers in:					
General fund	170,000	--	170,000	170,000	--
Total operating transfers in	<u>170,000</u>	<u>--</u>	<u>170,000</u>	<u>170,000</u>	<u>--</u>
Operating transfers out:					
General fund	(1,341,000)	--	(1,341,000)	(1,341,000)	--
Debt service	(1,968,671)	--	(1,968,671)	(2,000,000)	31,329
Capital projects	(5,727,000)	--	(5,727,000)	(5,727,000)	--
Total operating transfers out	<u>(9,036,671)</u>	<u>--</u>	<u>(9,036,671)</u>	<u>(9,068,000)</u>	<u>31,329</u>
Total other financing sources (uses)	<u>(8,866,671)</u>	<u>--</u>	<u>(8,866,671)</u>	<u>(8,898,000)</u>	<u>31,329</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,824,506)	(31,500)	(3,856,006)	(4,998,508)	1,142,502
Fund balance, beginning of year	<u>6,580,112</u>	<u>--</u>	<u>6,580,112</u>	<u>6,580,112</u>	<u>--</u>
Fund balance, end of year	<u>\$ 2,755,606</u>	<u>\$ (31,500)</u>	<u>\$ 2,724,106</u>	<u>\$ 1,581,604</u>	<u>\$ 1,142,502</u>

See accompanying notes to combined financial statements.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the payment of interest and principal on all general obligation debt including that payable from special assessments with governmental commitment. It does not include debt issued and serviced by an Enterprise Fund.

CITY OF SHREVEPORT, LOUISIANA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
DECEMBER 31, 1998 AND 1997

<u>ASSETS</u>	<u>1998</u>	<u>1997</u>
Cash and cash equivalents	\$ 18,510,135	\$ 16,917,823
Property taxes receivable, less allowance for uncollectible taxes of \$968,697 in 1998 and \$801,575 in 1997	<u>7,118,960</u>	<u>7,307,005</u>
Total assets	<u>\$ 25,629,095</u>	<u>\$ 24,224,828</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Accounts payable	\$ 633	\$ --
Deferred revenue	<u>1,686,065</u>	<u>1,596,112</u>
Total liabilities	1,686,698	1,596,112
Fund balance - reserved for debt service	<u>23,942,397</u>	<u>22,628,716</u>
Total liabilities and fund balance	<u>\$ 25,629,095</u>	<u>\$ 24,224,828</u>

See accompanying notes to combined financial statements.

CITY OF SHREVEPORT, LOUISIANA
DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Property taxes	\$ 25,196,575	\$ 24,450,881
Use of money and property	730,180	614,600
Miscellaneous	980	827
Total revenues	<u>25,927,735</u>	<u>25,066,308</u>
Expenditures:		
Debt service:		
Principal	14,175,866	11,407,584
Interest and fiscal charges	18,461,893	14,345,094
Bond issuance cost	1,025,368	--
Advance refunding escrow	200,732	--
Total expenditures	<u>33,863,859</u>	<u>25,752,678</u>
Deficiency of revenues under expenditures	(7,936,124)	(686,370)
Other financing sources (uses):		
Proceeds of refunding bonds	11,204,773	--
Payments to refunded bond escrow agent	(11,026,684)	--
Proceeds of refunding certificate of indebtedness	52,526,099	--
Payment to retirement systems	(51,624,035)	--
Operating transfers in:		
General Fund	6,200,981	569,761
Riverfront Development	1,968,671	1,957,120
Total operating transfers in	<u>8,169,652</u>	<u>2,526,881</u>
Total other financing sources	<u>9,249,805</u>	<u>2,526,881</u>
Excess of revenues and other financing sources over expenditures and other financing uses	1,313,681	1,840,511
Fund balance, beginning of year	<u>22,628,716</u>	<u>20,788,205</u>
Fund balance, end of year	<u>\$ 23,942,397</u>	<u>\$ 22,628,716</u>

See accompanying notes to combined financial statements.



CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for all resources used for the acquisition and/or construction of capital facilities by the City, including those financed by special assessments. These funds do not include acquisitions and/or construction for Enterprise Funds.

Miscellaneous General Obligation Bond Funds - These funds are used to account for bonds issued for the purpose of constructing and/or improving streets, incinerators, fire department stations and drainage systems, waste disposal, parks, an industrial park and a stadium.

1991, 1993, 1993B General Obligation Bond Funds - These funds are used to account for bonds issued for the purpose of constructing and/or improving streets and drainage systems.

1996 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, Sportran maintenance facility, Riverfront Park Extension and drainage systems.

1997 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, Sportran maintenance facility, the Riverfront and drainage systems.

1998 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.

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

CITY OF SHREVEPORT, LOUISIANA
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 1998
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	<u>Miscellaneous General Obligation Bonds Fund</u>	<u>1991 General Obligation Bond Fund</u>	<u>1993 General Obligation Bond Fund</u>	<u>1993B General Obligation Bond Fund</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 3,952,262	\$ 399,580	\$ 1,273,427	\$ 844,778
Special assessments receivable, less allowance for uncollectible accounts of \$357,429 in 1998 and \$370,723 in 1997	47,893	--	--	--
Due from other governmental units	--	--	--	--
Due from other funds	--	--	111,680	2,780,088
Due from component unit	--	--	--	11,949
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ <u>4,000,155</u>	\$ <u>399,580</u>	\$ <u>1,385,107</u>	\$ <u>3,636,815</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 486,893	\$ --	\$ --	\$ 48,496
Due to other funds	744	--	--	111,680
Deferred revenue	33,524	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	521,161	--	--	160,176
Fund balances:				
Reserved for encumbrances	3,104,237	--	--	252,853
Unreserved:				
Designated for subsequent years' expenditures	374,757	399,580	1,385,107	3,223,786
Undesignated	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	3,478,994	399,580	1,385,107	3,476,639
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ <u>4,000,155</u>	\$ <u>399,580</u>	\$ <u>1,385,107</u>	\$ <u>3,636,815</u>

See accompanying notes to combined financial statements.

1996 General Obligation Bond Fund	1997 General Obligation Bond Fund	1998 General Obligation Bond Fund	Miscellaneous Capital Projects Fund	Totals	
				1998	1997
\$ 4,475,989	\$ 18,163,931	\$ 24,308,923	\$ 4,083,699	\$ 57,502,589	\$ 48,777,975
--	--	--	--	47,893	52,466
--	--	--	971,941	971,941	1,426,211
--	744	132,849	8,031,726	11,057,087	10,711,660
--	--	--	--	11,949	--
<u>\$ 4,475,989</u>	<u>\$ 18,164,675</u>	<u>\$ 24,441,772</u>	<u>\$ 13,087,366</u>	<u>\$ 69,591,459</u>	<u>\$ 60,968,312</u>
\$ 2,109,741	\$ 41,885	\$ 13,708	\$ 1,973,806	\$ 4,674,529	\$ 3,688,795
--	132,849	--	--	245,273	462,516
--	--	--	--	33,524	37,924
<u>2,109,741</u>	<u>174,734</u>	<u>13,708</u>	<u>1,973,806</u>	<u>4,953,326</u>	<u>4,189,235</u>
13,111,829	1,111,374	199,645	2,260,152	20,040,090	21,459,574
--	16,878,567	24,228,419	8,853,408	55,343,624	36,806,803
(10,745,581)	--	--	--	(10,745,581)	(1,487,300)
<u>2,366,248</u>	<u>17,989,941</u>	<u>24,428,064</u>	<u>11,113,560</u>	<u>64,638,133</u>	<u>56,779,077</u>
<u>\$ 4,475,989</u>	<u>\$ 18,164,675</u>	<u>\$ 24,441,772</u>	<u>\$ 13,087,366</u>	<u>\$ 69,591,459</u>	<u>\$ 60,968,312</u>

CITY OF SHREVEPORT, LOUISIANA
 CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 1998
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

	Miscellenous General Obligation Bond Fund	1991 General Obligation Bond Fund	1993 General Obligation Bond Fund	1993B General Obligation Bond Fund
Revenues:				
Intergovernmental	\$ 1,241,515	\$ --	\$ 125,384	\$ --
Special assessments	6,640	--	--	--
Use of money and property	264,850	21,730	90,815	238,437
Miscellaneous	98,440	--	--	--
Total revenues	<u>1,611,445</u>	<u>21,730</u>	<u>216,199</u>	<u>238,437</u>
Expenditures:				
Capital outlay	6,721,013	--	58,337	333,635
Bond issuance costs	--	--	--	--
Total expenditures	<u>6,721,013</u>	<u>--</u>	<u>58,337</u>	<u>333,635</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,109,568)</u>	<u>21,730</u>	<u>157,862</u>	<u>(95,198)</u>
Other financing sources (uses):				
General obligation bond proceeds	--	--	--	--
Operating transfers in:				
General Fund	120,000	--	--	--
Riverfront Development Fund	--	--	--	--
Capital Projects Funds	2,713,214	--	--	219,064
Total operating transfers in	<u>2,833,214</u>	<u>--</u>	<u>--</u>	<u>219,064</u>
Operating transfers out:				
Capital Projects Funds	(593,755)	--	(312,423)	(1,608,914)
Total operating transfers out	<u>(593,755)</u>	<u>--</u>	<u>(312,423)</u>	<u>(1,608,914)</u>
Transfers from component units	--	--	--	--
Proceeds from sale of building	--	--	--	--
Total other financing sources (uses)	<u>2,239,459</u>	<u>--</u>	<u>(312,423)</u>	<u>(1,389,850)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,870,109)</u>	<u>21,730</u>	<u>(154,561)</u>	<u>(1,485,048)</u>
Fund balances, beginning of year	6,349,103	377,850	1,539,668	4,961,687
Residual equity transfer in	--	--	--	--
Fund balances, end of year	<u>\$ 3,478,994</u>	<u>\$ 399,580</u>	<u>\$ 1,385,107</u>	<u>\$ 3,476,639</u>

See accompanying notes to combined financial statements.

1996 General Obligation Bond Fund	1997 General Obligation Bond Fund	1998 General Obligation Bond Fund	Miscellaneous Capital Projects Fund	Totals	
				1998	1997
\$ 56,621	\$ --	\$ --	\$ 6,905,268	\$ 8,328,788	\$ 3,057,285
--	--	--	--	6,640	10,202
277,951	1,336,406	1,006,189	43,088	3,279,466	2,357,281
--	--	--	250	98,690	60,949
<u>334,572</u>	<u>1,336,406</u>	<u>1,006,189</u>	<u>6,948,606</u>	<u>11,713,584</u>	<u>5,485,717</u>
13,535,963	497,443	678,179	13,621,124	35,445,694	28,557,625
--	--	103,634	--	103,634	101,671
<u>13,535,963</u>	<u>497,443</u>	<u>781,813</u>	<u>13,621,124</u>	<u>35,549,328</u>	<u>28,659,296</u>
<u>(13,201,391)</u>	<u>838,963</u>	<u>224,376</u>	<u>(6,672,518)</u>	<u>(23,835,744)</u>	<u>(23,173,579)</u>
--	--	25,000,000	--	25,000,000	25,000,000
7,000	--	--	840,800	967,800	1,612,200
--	--	--	5,727,000	5,727,000	1,100,000
<u>8,328,503</u>	<u>137,125</u>	<u>--</u>	<u>--</u>	<u>11,397,906</u>	<u>5,183,097</u>
<u>8,335,503</u>	<u>137,125</u>	<u>--</u>	<u>6,567,800</u>	<u>18,092,706</u>	<u>7,895,297</u>
--	(8,086,502)	(796,312)	--	(11,397,906)	(5,183,097)
--	(8,086,502)	(796,312)	--	(11,397,906)	(5,183,097)
--	--	--	--	--	110,000
--	--	--	--	--	3,215,804
<u>8,335,503</u>	<u>(7,949,377)</u>	<u>24,203,688</u>	<u>6,567,800</u>	<u>31,694,800</u>	<u>31,038,004</u>
(4,865,888)	(7,110,414)	24,428,064	(104,718)	7,859,056	7,864,425
7,232,136	25,100,355	--	11,218,278	56,779,077	40,620,608
--	--	--	--	--	8,294,044
<u>\$ 2,366,248</u>	<u>\$ 17,989,941</u>	<u>\$ 24,428,064</u>	<u>\$ 11,113,560</u>	<u>\$ 64,638,133</u>	<u>\$ 56,779,077</u>



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.

The following activities of the City are reported in this section:

Municipal and Regional Airports - This fund is used to account for the administration, operations and maintenance of the municipal and regional airports.

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

Department of Water and Sewerage Fund - This fund is used to account for water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and financing and related debt service.

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.

CITY OF SHREVEPORT, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	<u>Municipal and Regional Airports</u>	<u>Shreveport Area Transit System</u>	<u>Department of Water and Sewerage</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 4,139,956	\$ 1,319,047	\$ 22,297,771
Accounts receivable (net of \$423,564 in 1998 and \$410,583 in 1997 for uncollectible accounts)	498,677	114,419	4,110,137
Due from other governmental units	2,246,610	19,548	--
Due from other funds	--	257,728	--
Inventories, at cost	974	230,739	878,482
Prepaid items	--	36,586	--
Total current assets	<u>6,886,217</u>	<u>1,978,067</u>	<u>27,286,390</u>
Restricted assets:			
Cash and cash equivalents	21,450,452	--	27,534,098
Investments - U.S. Government and agency securities	1,768,778	--	11,245,891
Interest receivable	44,222	--	34,665
Total restricted assets	<u>23,263,452</u>	<u>--</u>	<u>38,814,654</u>
Fixed assets:			
Land	3,635,018	1,940,408	1,032,277
Buildings	23,122,021	4,394,346	--
Improvements	--	--	--
Water plant	--	--	132,582,166
Wastewater treatment plant	--	--	171,808,086
Revenue vehicles	--	9,529,561	--
Runways, aprons and taxiways	39,888,174	--	--
Machinery, equipment and other	6,372,073	1,438,561	7,624,645
Leased facilities	--	--	204,720
Construction in progress	22,376,698	490,214	30,827,549
	<u>95,393,984</u>	<u>17,793,090</u>	<u>344,079,443</u>
Less accumulated depreciation	<u>(50,499,499)</u>	<u>(7,895,499)</u>	<u>(96,507,961)</u>
Fixed assets (net of accumulated depreciation)	<u>44,894,485</u>	<u>9,897,591</u>	<u>247,571,482</u>
Other assets:			
Deferred bond costs, net of amortization	789,176	--	2,141,359
Total assets	<u>\$ 75,833,330</u>	<u>\$ 11,875,658</u>	<u>\$ 315,813,885</u>

<u>Golf</u>	<u>Totals</u>	
	<u>1998</u>	<u>1997</u>
\$ 252,277	\$ 28,009,051	\$ 23,704,419
602	4,723,835	4,398,684
--	2,266,158	836,782
--	257,728	159,561
26,727	1,136,922	1,267,031
--	36,586	29,888
<u>279,606</u>	<u>36,430,280</u>	<u>30,396,365</u>
--	48,984,550	37,799,204
--	13,014,669	11,291,539
--	78,887	49,926
<u>--</u>	<u>62,078,106</u>	<u>49,140,669</u>
--	6,607,703	6,607,703
225,197	27,741,564	26,778,661
216,566	216,566	211,212
--	132,582,166	129,941,510
--	171,808,086	161,964,977
--	9,529,561	9,728,921
--	39,888,174	39,888,174
213,237	15,648,516	15,416,342
--	204,720	238,840
217,555	53,912,016	38,367,082
872,555	458,139,072	429,143,422
<u>(220,354)</u>	<u>(155,123,313)</u>	<u>(146,109,928)</u>
<u>652,201</u>	<u>303,015,759</u>	<u>283,033,494</u>
--	2,930,535	2,282,729
<u>\$ 931,807</u>	<u>\$ 404,454,680</u>	<u>\$ 364,853,257</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	<u>Municipal and Regional Airports</u>	<u>Shreveport Area Transit System</u>	<u>Department of Water and Sewerage</u>
LIABILITIES, CONTRIBUTED CAPITAL AND RETAINED EARNINGS (DEFICIT)			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 2,958,488	\$ 251,723	\$ 2,213,830
Accrued liabilities	545,551	607,213	1,033,036
Accrued vacation	67,869	99,994	494,713
Due to other funds	40,826	--	151,392
Long-term debt - current (net of unamortized discounts)	300,000	--	7,360,609
Liability and refund contracts payable - current	--	--	3,737
Total current liabilities	<u>3,912,734</u>	<u>958,930</u>	<u>11,257,317</u>
Other noncurrent liabilities:			
Deferred revenue	37,562	1,129,451	27,824
Liability and refund contracts payable	--	--	11,210
Customer deposits	3,790	--	472,666
Total other noncurrent liabilities	<u>41,352</u>	<u>1,129,451</u>	<u>511,700</u>
Long-term debt, excluding current portion above:			
Notes payable	5,400,000	--	--
Revenue bonds payable (net of unamortized discounts)	7,390,000	--	62,520,550
Revenue bonds payable -PFC (net of unamortized discounts)	18,610,000	--	--
General obligation bonds payable (net of unamortized discounts)	--	--	956,183
Revenue bonds 1986A (net of deferred amount on refunding)	--	--	40,444,677
Revenue bonds 1997A (net of deferred amount on refunding)	--	--	5,495,017
Total long-term debt	<u>31,400,000</u>	<u>--</u>	<u>109,416,427</u>
Total liabilities	<u>35,354,086</u>	<u>2,088,381</u>	<u>121,185,444</u>
Contributed capital and retained earnings:			
Contributed capital	32,103,524	9,787,277	82,882,270
Retained earnings:			
Reserved for debt service	2,252,226	--	4,820,621
Unreserved	6,123,494	--	106,925,550
Total retained earnings	<u>8,375,720</u>	<u>--</u>	<u>111,746,171</u>
Total contributed capital and retained earnings	<u>40,479,244</u>	<u>9,787,277</u>	<u>194,628,441</u>
Total liabilities, contributed capital and retained earnings	<u>\$ 75,833,330</u>	<u>\$ 11,875,658</u>	<u>\$ 315,813,885</u>

See accompanying notes to combined financial statements.

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(continued)

Golf	Totals	
	1998	1997
\$ 20,449	\$ 5,444,490	\$ 1,452,622
22,566	2,208,366	1,713,850
60,210	722,786	653,703
--	192,218	659,710
--	7,660,609	7,795,877
--	3,737	3,737
<u>103,225</u>	<u>16,232,206</u>	<u>12,279,499</u>
35,346	1,230,183	474,442
--	11,210	14,947
--	476,456	452,683
<u>35,346</u>	<u>1,717,849</u>	<u>942,072</u>
--	5,400,000	5,700,000
--	69,910,550	67,259,629
--	18,610,000	--
--	956,183	1,141,514
--	40,444,677	40,413,557
--	5,495,017	5,510,175
--	<u>140,816,427</u>	<u>120,024,875</u>
<u>138,571</u>	<u>158,766,482</u>	<u>133,246,446</u>
<u>592,211</u>	<u>125,365,282</u>	<u>123,558,176</u>
--	7,072,847	4,939,718
<u>201,025</u>	<u>113,250,069</u>	<u>103,108,917</u>
<u>201,025</u>	<u>120,322,916</u>	<u>108,048,635</u>
<u>793,236</u>	<u>245,688,198</u>	<u>231,606,811</u>
<u>\$ 931,807</u>	<u>\$ 404,454,680</u>	<u>\$ 364,853,257</u>

CITY OF SHREVEPORT, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>Municipal and Regional Airports</u>	<u>Shreveport Area Transit System</u>	<u>Department of Water and Sewerage</u>
Operating revenues:			
Charges for sales and services:			
Water sales	\$ --	\$ --	\$ 22,665,814
Sewer charges	--	--	16,477,203
Golf cart rentals	--	--	--
Green fees	--	--	--
Concessions	--	--	--
Memberships	--	--	--
Passenger charges	--	2,079,696	--
Landing fees	1,349,688	--	--
Terminal and maintenance buildings and other rentals	2,173,496	--	--
Parking, car rental and other concessions	2,062,628	--	--
Total charges for sales and services	<u>5,585,812</u>	<u>2,079,696</u>	<u>39,143,017</u>
Miscellaneous	18,102	18,417	544,526
Total operating revenues	<u>5,603,914</u>	<u>2,098,113</u>	<u>39,687,543</u>
Operating expenses:			
Costs of sales and services:			
Salaries, wages and employee benefits	1,488,553	4,172,269	10,314,776
Materials and supplies	247,981	632,632	3,123,661
Services and other expenses	623,933	1,151,946	4,972,303
Utilities	523,992	65,110	2,569,509
Repairs and maintenance	284,654	483,105	1,463,063
Total cost of sales and services	<u>3,169,113</u>	<u>6,505,062</u>	<u>22,443,312</u>
Depreciation and amortization	<u>1,733,496</u>	<u>1,019,360</u>	<u>7,091,937</u>
Total operating expenses	<u>4,902,609</u>	<u>7,524,422</u>	<u>29,535,249</u>

Golf	Totals	
	1998	1997
\$ --	\$ 22,665,814	\$ 20,442,086
--	16,477,203	15,971,970
400,772	400,772	358,062
555,059	555,059	528,954
206,777	206,777	159,921
147,063	147,063	123,672
--	2,079,696	1,958,639
--	1,349,688	1,365,932
--	2,173,496	2,064,934
--	2,062,628	2,057,660
<u>1,309,671</u>	<u>48,118,196</u>	<u>45,031,830</u>
99,612	680,657	709,373
<u>1,409,283</u>	<u>48,798,853</u>	<u>45,741,203</u>
767,969	16,743,567	15,836,301
196,181	4,200,455	3,866,044
167,135	6,915,317	8,643,962
98,284	3,256,895	3,205,507
52,756	2,283,578	1,993,050
<u>1,282,325</u>	<u>33,399,812</u>	<u>33,544,864</u>
33,775	9,878,568	9,719,707
<u>1,316,100</u>	<u>43,278,380</u>	<u>43,264,571</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>Municipal and Regional Airports</u>	<u>Shreveport Area Transit System</u>	<u>Department of Water and Sewerage</u>
Operating income (loss)	701,305	(5,426,309)	10,152,294
Nonoperating revenues (expenses):			
Operating subsidies	--	4,408,457	--
Interest income	1,666,670	--	3,561,405
Interest expense	(930,811)	(1,508)	(5,362,246)
Passenger facility charges	1,098,944	--	--
Net increase in the fair value of investments	62	--	--
Contribution to golf enterprise fund	--	--	(184,755)
Loss on disposal of fixed assets	--	--	(10,928)
Total nonoperating revenues (expenses)	<u>1,834,865</u>	<u>4,406,949</u>	<u>(1,996,524)</u>
Net income (loss) before operating transfers	2,536,170	(1,019,360)	8,155,770
Operating transfer in- General Fund	--	--	--
Operating transfers out- General Fund	<u>(951,900)</u>	<u>--</u>	<u>--</u>
Net income (loss)	1,584,270	(1,019,360)	8,155,770
Depreciation on assets acquired with externally restricted capital contributions which reduces contributed capital	985,212	1,019,360	1,344,069
Retained earnings (deficit), beginning of year	<u>5,806,238</u>	<u>--</u>	<u>102,246,332</u>
Retained earnings, end of year	<u>\$ 8,375,720</u>	<u>\$ --</u>	<u>\$ 111,746,171</u>

See accompanying notes to combined financial statements.

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(continued)

Golf	Totals	
	1998	1997
<u>93,183</u>	<u>5,520,473</u>	<u>2,476,632</u>
--	4,408,457	4,186,855
12,434	5,240,509	3,945,278
(657)	(6,295,222)	(5,821,478)
--	1,098,944	1,074,304
--	62	45,764
--	(184,755)	--
--	(10,928)	(48,851)
<u>11,777</u>	<u>4,257,067</u>	<u>3,381,872</u>
104,960	9,777,540	5,858,504
100,000	100,000	--
--	(951,900)	(937,800)
<u>204,960</u>	<u>8,925,640</u>	<u>4,920,704</u>
--	3,348,641	3,462,399
(3,935)	108,048,635	99,665,532
<u>\$ 201,025</u>	<u>\$ 120,322,916</u>	<u>\$ 108,048,635</u>

CITY OF SHREVEPORT, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>Municipal and Regional Airports</u>	<u>Shreveport Area Transit System</u>	<u>Department of Water and Sewerage</u>
Cash flows from operating activities:			
Receipts from operations	\$ 5,578,560	\$ 1,978,638	\$ 38,534,959
Payments for goods and services	(522,075)	(2,344,943)	(9,088,229)
Payment for employee services	(1,493,428)	(4,269,631)	(10,215,874)
Payment in lieu of taxes	--	--	(750,000)
Payment for direct and indirect costs	(1,128,300)	--	(1,741,281)
Miscellaneous revenue	18,102	18,417	544,526
Net cash provided by (used in) operating activities	<u>2,452,859</u>	<u>(4,617,519)</u>	<u>17,284,101</u>
Cash flows from noncapital financing activities:			
Operating subsidies	--	4,472,773	--
Operating transfers in	--	--	--
Operating transfers out	(951,900)	--	--
Interest paid on operations	--	(1,508)	--
Contribution to golf enterprise fund	--	--	(184,755)
Cash bond received in lieu of performance bond	--	--	735
Net cash provided by (used in) noncapital financing activities	<u>(951,900)</u>	<u>4,471,265</u>	<u>(184,020)</u>
Cash flows from capital and related financing activities:			
Proceeds from issuance of debt	25,436,480	--	--
Acquisition and construction of capital assets	(11,874,807)	(1,026,990)	(9,851,386)
Payment on liability and refund contracts	--	--	(3,737)
Principal paid on debt	(300,000)	--	(7,473,729)
Interest paid on debt	(1,397,196)	--	(5,087,230)
Capital contributed by others	--	1,063,099	--
Capital grants	2,382,146	726,167	--
Payment of debt issuance costs	(119,987)	--	--
Refund of debt issuance costs	--	--	635
Refund received from restructuring	--	--	--
Deposit to defease bonds	--	--	--
Passenger facility charges	1,098,944	--	--
Net cash provided by (used in) capital and related financing activities	<u>15,225,580</u>	<u>762,276</u>	<u>(22,415,447)</u>

Golf	Totals	
	1998	1997
\$ 1,429,023	\$ 47,521,180	\$ 44,815,744
(474,522)	(12,429,769)	(12,467,486)
(754,542)	(16,733,475)	(15,860,961)
--	(750,000)	(605,000)
(25,000)	(2,894,581)	(4,134,374)
--	581,045	635,746
<u>174,959</u>	<u>15,294,400</u>	<u>12,383,669</u>
--	4,472,773	4,344,965
100,000	100,000	--
--	(951,900)	(937,800)
--	(1,508)	(3,094)
--	(184,755)	--
--	735	856
<u>100,000</u>	<u>3,435,345</u>	<u>3,404,927</u>
--	25,436,480	5,865,991
(142,994)	(22,896,177)	(13,663,074)
--	(3,737)	(3,737)
(22,148)	(7,795,877)	(13,194,700)
(988)	(6,485,414)	(5,248,427)
--	1,063,099	292,599
--	3,108,313	4,577,413
--	(119,987)	(241)
--	635	9,800
--	--	1,135,396
--	--	(165,000)
--	1,098,944	1,074,304
<u>(166,130)</u>	<u>(6,593,721)</u>	<u>(19,319,676)</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>Municipal and Regional Airports</u>	<u>Shreveport Area Transit System</u>	<u>Department of Water and Sewerage</u>
Cash flows from investing activities:			
Purchase of investments	(3,537,321)	--	(22,491,276)
Proceeds from sale and maturity of investments	1,807,000	--	23,078,000
Interest on investments	1,584,053	--	2,901,064
Net cash provided by (used in) investing activities	<u>(146,268)</u>	<u>--</u>	<u>3,487,788</u>
Net increase(decrease) in cash and cash equivalents	16,580,271	616,022	(1,827,578)
Cash and cash equivalents, beginning of year	9,010,137	703,025	51,659,447
Cash and cash equivalents, end of year	<u>\$ 25,590,408</u>	<u>\$ 1,319,047</u>	<u>\$ 49,831,869</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	<u>\$ 701,305</u>	<u>\$ (5,426,309)</u>	<u>\$ 10,152,294</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,733,496	1,019,360	7,091,937
Provision for uncollectible accounts	--	--	344,879
(Increase) Decrease in assets:			
Accounts receivable	(7,616)	(2,891)	(613,153)
Due from other funds	--	(98,167)	--
Inventories	932	(7,425)	140,362
Prepaid items	--	(6,698)	--
Increase (Decrease) in liabilities:			
Accounts payable	(1,951)	1,973	471,647
Accrued liabilities	(4,875)	(97,362)	98,902
Due to other funds	29,972	--	(497,464)
Deferred revenue	858	--	--
Customers' deposits	738	--	23,035
Retainage	--	--	66,643
Other liabilities	--	--	4,315
Unclaimed meter deposits	--	--	704
Total adjustments	<u>1,751,554</u>	<u>808,790</u>	<u>7,131,807</u>
Net cash provided by (used in) operating activities	<u>\$ 2,452,859</u>	<u>\$ (4,617,519)</u>	<u>\$ 17,284,101</u>

Non-cash investing, capital and financing activities:

Fixed assets in the amount of \$764,317 were donated to the department.

Non-cash bond proceeds of \$697,294 recorded were recorded as debt issuance costs.

The Golf Fund had \$184,755 and \$8,800 of non-cash construction in progress contributed from Water and Sewer and SPAR during 1998 for the Querbes Golf Sprinkler System.

See accompanying notes to combined financial statements.

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(continued)

Golf	Totals	
	1998	1997
--	(26,028,597)	(22,694,936)
--	24,885,000	23,068,000
12,434	4,497,551	3,550,359
<u>12,434</u>	<u>3,353,954</u>	<u>3,923,423</u>
121,263	15,489,978	392,343
131,014	61,503,623	61,111,280
\$ <u>252,277</u>	\$ <u>76,993,601</u>	\$ <u>61,503,623</u>
\$ 93,183	\$ 5,520,473	\$ 2,476,632
33,775	9,878,568	9,719,707
--	344,879	340,067
(82)	(623,742)	(290,155)
--	(98,167)	18,522
(3,760)	130,109	201,817
--	(6,698)	9,664
18,594	490,263	(506,727)
13,874	10,539	(24,072)
--	(467,492)	456,766
--	858	(1,747)
--	23,773	(5,002)
--	66,643	--
19,375	23,690	(12,987)
--	704	1,184
<u>81,776</u>	<u>9,773,927</u>	<u>9,907,037</u>
\$ <u>174,959</u>	\$ <u>15,294,400</u>	\$ <u>12,383,669</u>



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, and to other governments, on a cost-reimbursement basis.

Employees Health Care Fund - This fund is used to account for dental care claims by the employees.

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.

CITY OF SHREVEPORT, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1998

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

<u>ASSETS</u>	Employees Health Care	Retained Risk	Fleet Services	<u>Totals</u>	
	1998	1998	1997	1998	1997
Cash and cash equivalents	\$ 458,977	\$ 8,342,467	\$ 30	\$ 8,801,474	\$ 7,141,035
Investments, at fair value -					
U.S. government securities	4,145,121	--	--	4,145,121	4,021,404
Interest receivable	8,690	--	--	8,690	16,481
Accounts receivable	135,412	--	--	135,412	241,342
Due from other funds	--	4,554,078	--	4,554,078	2,744,816
Inventories, at cost	--	--	160,437	160,437	--
Prepaid items	--	65,863	--	65,863	68,963
Total current assets	<u>4,748,200</u>	<u>12,962,408</u>	<u>160,467</u>	<u>17,871,075</u>	<u>14,234,041</u>
Fixed assets					
Land	--	--	62,000	62,000	--
Building	--	--	913,088	913,088	--
Equipment	--	14,192	966,578	980,770	14,192
	--	14,192	1,941,666	1,955,858	14,192
Less accumulated depreciation	--	(5,953)	(1,318,174)	(1,324,127)	(4,894)
Fixed assets (net of accumulated depreciation)	--	8,239	623,492	631,731	9,298
Total assets	<u>\$ 4,748,200</u>	<u>\$ 12,970,647</u>	<u>\$ 783,959</u>	<u>\$ 18,502,806</u>	<u>\$ 14,243,339</u>
<u>LIABILITIES, CONTRIBUTED CAPITAL, AND RETAINED EARNINGS</u>					
Liabilities:					
Accounts payable	--	\$ 13,615	\$ 233,753	\$ 247,368	\$ 67,737
Accrued liabilities	460,993	8,940,268	1,571	9,402,832	4,206,723
Due to other funds	--	32,000	114,058	146,058	--
Long-term debt-current	--	--	27,600	27,600	--
Notes payable	--	--	122,400	122,400	--
Total liabilities	<u>460,993</u>	<u>8,985,883</u>	<u>499,382</u>	<u>9,946,258</u>	<u>4,274,460</u>

Contributed capital and retained earnings:					
Contributed capital	--	1,715,600	675,440	2,391,040	1,715,600
Retained earnings (deficit) - unreserved	<u>4,287,207</u>	<u>2,269,164</u>	<u>(390,863)</u>	<u>6,165,508</u>	<u>8,253,279</u>
Total contributed capital and retained earnings (deficit)	<u>4,287,207</u>	<u>3,984,764</u>	<u>284,577</u>	<u>8,556,548</u>	<u>9,968,879</u>
Total liabilities, contributed capital and retained earnings (deficit)	\$ <u>4,748,200</u>	\$ <u>12,970,647</u>	\$ <u>783,959</u>	\$ <u>18,502,806</u>	\$ <u>14,243,339</u>

See accompanying notes to combined financial statements.

CITY OF SHREVEPORT, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	Employees Health Care	Retained Risk	Fleet Services	Totals	
				1998	1997
Operating revenues:					
Employer's contributions	\$ 682,054	\$ --	--	\$ 682,054	\$ 667,097
Employees' contributions	538,771	--	--	538,771	518,301
Charges for sales and services	--	--	3,657,515	3,657,515	--
Premiums revenue	--	8,351,867	--	8,351,867	6,792,416
Miscellaneous:					
Other operating income	--	15,426	5,116	20,542	--
Prior year expense refunds	1,389	7,490	--	8,879	34,780
Insurance subrogations	--	169,369	--	169,369	83,338
Total miscellaneous	1,389	192,285	5,116	198,790	118,118
Total operating revenues	1,222,214	8,544,152	3,662,631	13,428,997	8,095,932
Operating expenses:					
Claims	1,134,420	10,570,394	--	11,704,814	7,363,646
Cost of sales and services:					
Salaries, wages and employee benefits	42,742	229,854	1,829,490	2,102,086	304,844
Insurance premiums	--	516,423	--	516,423	489,352
Materials and supplies	640	5,544	1,177,126	1,183,310	10,641
Services and other expenses	85,567	20,996	370,876	477,439	96,918
Utilities	--	--	42,127	42,127	--
Repairs and maintenance	--	--	575,271	575,271	--
Total cost of sales and services	128,949	772,817	3,994,890	4,896,656	901,755
Depreciation	--	1,058	40,816	41,874	1,491
Total operating expenses	1,263,369	11,344,269	4,035,706	16,643,344	8,266,892
Operating loss	(41,155)	(2,800,117)	(373,075)	(3,214,347)	(170,960)
Nonoperating revenues (expenses):					
Interest income	223,473	420,891	--	644,364	--
Interest expense	--	--	(17,788)	(17,788)	608,999
Total nonoperating revenues (expenses)	223,473	420,891	(17,788)	626,576	608,999
Net income (loss) before operating transfers	182,318	(2,379,226)	(390,863)	(2,587,771)	438,039
Operating transfers in:					
General Fund	--	500,000	--	500,000	500,000

Net income (loss)	182,318	(1,879,226)	(390,863)	(2,087,771)	938,039
Retained earnings, beginning of year	<u>4,104,889</u>	<u>4,148,390</u>	<u>--</u>	<u>8,253,279</u>	<u>7,315,240</u>
Retained earnings (deficit), end of year	\$ <u><u>4,287,207</u></u>	\$ <u><u>2,269,164</u></u>	\$ <u><u>(390,863)</u></u>	\$ <u><u>6,165,508</u></u>	\$ <u><u>8,253,279</u></u>

See accompanying notes to combined financial statements.

CITY OF SHREVEPORT, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
DECEMBER 31, 1998

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	Employees Health Care	Retained Risk	Fleet Services	Totals
				1998
Cash flows from operating activities:				1997
Other operating revenues	\$ 1,327,844	\$ 6,766,890	\$ 5,116	\$ 8,099,850
Claims	(1,214,969)	(5,333,051)	--	(6,548,020)
Receipts from operations	--	--	3,657,515	3,657,515
Payments for goods and services	(86,207)	(556,243)	(1,828,721)	(2,471,171)
Payments for employee services	(42,742)	(229,551)	(1,829,490)	(2,101,783)
Net cash provided by (used in) operating activities	(16,074)	648,045	4,420	636,391
Cash flows from noncapital financing activities:				
Operating transfers in	--	500,000	--	500,000
Interest paid on operations	--	--	(13,618)	(13,618)
Net cash provided by (used in) noncapital financing activities	--	500,000	(13,618)	486,382
Cash flows from capital and related financing activities				
Acquisition of capital assets	--	--	(138,173)	(138,173)
Interest paid on debt	--	--	(2,599)	(2,599)
Proceeds from issuance of debt	--	--	150,000	150,000
Net cash provided by capital and related financing activities	--	--	9,228	9,228
Cash flows from investing activities:				
Purchase of investments	(4,145,121)	--	--	(4,145,121)
Proceeds from sale and maturity of investments	4,021,406	--	--	4,021,406
Interest on investments	231,262	420,891	--	652,153
Net cash provided by (used in) investing activities	107,547	420,891	--	528,438
Net increase in cash and cash equivalents	91,473	1,568,936	30	1,660,439
Cash and cash equivalents, beginning of year	367,504	6,773,531	--	7,141,035
Cash and cash equivalents, end of year	\$ 458,977	\$ 8,342,467	\$ 30	\$ 8,801,474
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	\$ (41,155)	\$ (2,800,117)	\$ (373,075)	\$ (3,214,347)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	--	1,058	40,816	41,874
(Increase) decrease in assets:				
Accounts receivable	105,630	300	--	105,930
Inventories	--	--	(11,132)	(11,132)
Due from other funds	--	(1,809,262)	--	(1,809,262)
Prepaid items	--	3,100	--	3,100
				1,491
				(39,475)
				--
				817,009
				883

Increase (decrease) in liabilities:					
Accounts payable	--	(54,122)	233,753	179,631	(181,514)
Accrued liabilities	(80,549)	5,275,088	--	5,194,539	42,420
Due to other funds	--	32,000	114,058	146,058	--
Total adjustments	25,081	3,448,162	377,495	3,850,738	640,814
Net cash provided by (used in) operating activities	<u>\$ (16,074)</u>	<u>\$ 648,045</u>	<u>\$ 4,420</u>	<u>\$ 636,391</u>	<u>\$ 469,854</u>

Non-cash investing, capital and financing activities:

Inventories were contributed from the General Fund to Fleet Services in the amount of \$149,306. Fixed assets were contributed from the General Fixed Assets Account Group to Fleet Services with a net book value of \$526,134.

See accompanying notes to combined financial statements.



TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Pension Trust Funds - This fund is used to account for assets held by the City in a fiduciary capacity. Such funds are operated by carrying out specific terms of statutes, ordinances and other governing regulations.

CITY OF SHREVEPORT, LOUISIANA
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1998

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	Pension Trust Funds			Totals
	Firemen's Pension and Relief Fund	Policemen's Pension and Relief Fund	Employees' Retirement System	
	1998	1997	1998	1997
<u>ASSETS</u>				
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 876,262
Investments, at fair value:				
U.S. government securities				
Mutual funds	167	428	51,114,276	26,568,782
Common stock	5,068,376	2,393,714	7,462,090	3,864,984
Corporate bonds	--	--	90,634,801	76,807,776
Total investments	5,068,543	2,394,142	169,825,666	157,414,473
Interest receivable	5,771	2,770	769,524	812,782
Accounts receivable	--	25,885	228,651	27,275
Due from other funds	50,014	50,660	100,674	165,292
Prepaid items	350,400	303,422	653,822	659,985
Other assets:				
Cash surrender value of life insurance policies	2,554,393	2,312,065	4,866,458	4,173,247
Total assets	<u>\$ 8,029,121</u>	<u>\$ 5,088,944</u>	<u>\$ 170,823,841</u>	<u>\$ 164,129,316</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Accounts payable	\$ 4,429	\$ 4,429	\$ 133,342	\$ 3,429
Accrued liabilities	--	--	16,284	--
Due to other funds	411,400	88,773	1,529,555	2,459,598
Employees' deposits held in escrow	--	--	922,244	928,143
Total liabilities	<u>415,829</u>	<u>93,202</u>	<u>2,601,425</u>	<u>3,391,170</u>
Fund balances -				
Reserved for employees' retirement systems	7,613,292	4,995,742	168,222,416	160,738,146
Total liabilities and fund balances	<u>\$ 8,029,121</u>	<u>\$ 5,088,944</u>	<u>\$ 170,823,841</u>	<u>\$ 164,129,316</u>

See accompanying notes to combined financial statements.

CITY OF SHREVEPORT, LOUISIANA
PENSION TRUST FUNDS
COMBINING STATEMENTS OF PLAN NET ASSETS
DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	Firemen's Pension and Relief Fund	Policemen's Pension and Relief Fund	Employees' Retirement System	Totals
	1998	1998	1997	1997
<u>ASSETS</u>				
Cash and short-term investments	\$ --	\$ --	\$ --	\$ 876,262
Receivables:				
Interest receivable	5,771	2,770	769,524	812,782
Accounts receivable	--	25,885	228,651	27,275
Due from other funds	50,014	50,660	--	165,292
Prepaid items	350,400	303,422	--	659,985
Investments, at fair value:				
U.S. government securities	167	428	51,114,276	26,568,782
Mutual funds	5,068,376	2,393,714	--	3,864,984
Domestic corporate bonds	--	--	28,076,589	50,172,931
Domestic common stock	--	--	90,634,801	76,807,776
Total investments	<u>5,068,543</u>	<u>2,394,142</u>	<u>169,825,666</u>	<u>157,414,473</u>
Other assets:				
Cash surrender value of life insurance policies	2,554,393	2,312,065	--	4,866,458
Total assets	<u>8,029,121</u>	<u>5,088,944</u>	<u>170,823,841</u>	<u>164,129,316</u>
<u>LIABILITIES</u>				
Accounts payable	4,429	4,429	133,342	3,429
Accrued liabilities	--	--	16,284	--
Due to other funds	411,400	88,773	1,529,555	2,459,598
Employees' deposits held in escrow	--	--	922,244	928,143
Total liabilities	<u>415,829</u>	<u>93,202</u>	<u>2,601,425</u>	<u>3,391,170</u>
FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS (A SCHEDULE OF FUNDING PROGRESS FOR EACH PLAN IS PRESENTED ON PAGE 71.)	\$ 7,613,292	\$ 4,995,742	\$ 168,222,416	\$ 160,738,146

See accompanying notes to combined financial statements.

CITY OF SHREVEPORT, LOUISIANA
PENSION TRUST FUNDS
COMBINING STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

	Firemen's Pension and Relief Fund	Policemen's Pension and Relief Fund	Employees' Retirement System	Totals	
				1998	1997
ADDITIONS					
Contributions:					
Employer	\$ 652,067	\$ 681,919	\$ 3,272,119	\$ 4,606,105	\$ 4,658,223
Member	--	--	3,233,488	3,233,488	3,157,906
Total contributions	<u>652,067</u>	<u>681,919</u>	<u>6,505,607</u>	<u>7,839,593</u>	<u>7,816,129</u>
Investment income:					
Net appreciation in fair value of investments	543,693	309,419	15,839,468	16,692,580	19,787,813
Interest	40,762	2,277	4,498,842	4,541,881	4,302,075
Dividends	223,301	119,531	1,235,688	1,578,520	1,463,452
Total investment income	<u>807,756</u>	<u>431,227</u>	<u>21,573,998</u>	<u>22,812,981</u>	<u>25,553,340</u>
Less investment expense	<u>13,526</u>	<u>13,526</u>	<u>700,817</u>	<u>727,869</u>	<u>567,475</u>
Net investment income	<u>794,230</u>	<u>417,701</u>	<u>20,873,181</u>	<u>22,085,112</u>	<u>24,985,865</u>
Life insurance proceeds	210,000	--	--	210,000	220,000
Operating transfer in - General Fund	--	--	--	--	1,344,400
Miscellaneous	--	21,018	--	21,018	6,983
Total additions	<u>1,656,297</u>	<u>1,120,638</u>	<u>27,378,788</u>	<u>30,155,723</u>	<u>34,373,377</u>
DEDUCTIONS					
Pensions	332,465	420,278	7,236,210	7,988,953	7,682,439
Refund of member contribution	--	--	1,877,238	1,877,238	1,642,421
Administrative expenses	16,544	18,266	116,181	150,991	178,018
Life insurance	45,237	--	--	45,237	158,166
Total deductions	<u>394,246</u>	<u>438,544</u>	<u>9,229,629</u>	<u>10,062,419</u>	<u>9,661,044</u>
NET INCREASE	1,262,051	682,094	18,149,159	20,093,304	24,712,333
FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS					
BEGINNING OF YEAR	<u>6,351,241</u>	<u>4,313,648</u>	<u>150,073,257</u>	<u>160,738,146</u>	<u>136,025,813</u>
END OF YEAR	<u>\$ 7,613,292</u>	<u>\$ 4,995,742</u>	<u>\$ 168,222,416</u>	<u>\$ 180,831,450</u>	<u>\$ 160,738,146</u>

See accompanying notes to combined financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group represents a summary of the fixed assets of the City, other than assets of the Enterprise Funds. Capital outlay in funds other than Enterprise Funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded, at cost, for control purposes in the General Fixed Assets Account Group. In accordance with generally accepted accounting principles for municipalities, depreciation is not recorded on general fixed assets.

CITY OF SHREVEPORT, LOUISIANA
COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS BY SOURCES
DECEMBER 31, 1998 AND 1997

	1998	1997
<u>GENERAL FIXED ASSETS</u>		
Land	\$ 17,816,893	\$ 17,878,893
Buildings	48,088,110	52,286,122
Improvements	23,199,733	22,868,484
Equipment	55,160,518	53,618,576
Construction in progress	40,871,630	20,674,310
Total general fixed assets	\$ 185,136,884	\$ 167,326,385
 <u>INVESTMENT IN GENERAL FIXED ASSETS</u>		
General Fund	\$ 65,171,679	\$ 72,220,271
Federal and State Revenue Sharing	10,056,479	12,394,396
Federal and State Grants	1,850,054	425,669
Riverfront Development Revenue	11,206	11,978,177
Community Development Block Grant	7,601,171	7,670,637
General Obligation Bonds	68,239,040	62,224,029
Economic Development Grants	69,076	--
Miscellaneous Capital Projects Revenue	31,451,018	--
Enrichment Fund	210,695	--
Donations	476,466	413,206
Total investment in general fixed assets	\$ 185,136,884	\$ 167,326,385

See accompanying notes to combined financial statements.

CITY OF SHREVEPORT, LOUISIANA
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY SOURCES
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Land	Buildings	Improvements	Equipment	Construction in Progress	Total
General fixed assets, January 1, 1998	\$ 17,878,893	\$ 52,286,122	\$ 22,868,484	\$ 53,618,576	\$ 20,674,310	\$ 167,326,385
Additions:						
General Fund	--	122,012	113,905	7,680,281	--	7,916,198
Federal and State Grants	--	--	--	1,446,126	--	1,446,126
Community Development Block Grant	--	--	--	21,358	--	21,358
General Obligation Bonds	--	--	221,164	919,345	7,340,586	8,481,095
Miscellaneous Capital Project Revenue	--	29,500	--	--	14,038,541	14,068,041
Enrichment Fund	--	--	--	210,695	--	210,695
Donations	--	10,000	--	54,509	--	64,509
Total additions	--	161,512	335,069	10,332,314	21,379,127	32,208,022
Deductions:						
Jobs completed	--	--	--	--	(1,181,807)	(1,181,807)
Fixed assets sold or retired:						
General Fund	(62,000)	(4,320,982)	--	(8,428,360)	--	(12,811,342)
Community Development Block Grant	--	--	--	(9,950)	--	(9,950)
Federal Revenue Sharing	--	--	--	(349,112)	--	(349,112)
General Obligation Bonds	--	(11,439)	(3,820)	--	--	(15,259)
Miscellaneous Capital Project Revenue	--	(27,103)	--	--	--	(27,103)
Donations	--	--	--	(2,950)	--	(2,950)
Total assets sold or retired	(62,000)	(4,359,524)	(3,820)	(8,790,372)	(1,181,807)	(14,397,523)
General fixed assets, December 31, 1998	\$ 17,816,893	\$ 48,088,110	\$ 23,199,733	\$ 55,160,518	\$ 40,871,630	\$ 185,136,884

See accompanying notes to combined financial statements.

CITY OF SHREVEPORT, LOUISIANA
 SCHEDULE OF GENERAL FIXED ASSETS
 BY FUNCTION AND ACTIVITY
 DECEMBER 31, 1998

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Equipment</u>	<u>Total</u>
General government:					
Mayor	\$ --	\$ --	\$ --	\$ 96,764	\$ 96,764
Chief administrative officer	--	--	165,539	27,514	193,053
City attorney	--	--	--	108,950	108,950
Finance	--	12,152	--	3,976,328	3,988,480
City council	--	--	--	5,391	5,391
Internal audit	--	--	--	21,420	21,420
Public works:					
Administration and engineering	7,695,286	1,458,669	2,030,685	3,585,789	14,770,429
Total general government	<u>7,695,286</u>	<u>1,470,821</u>	<u>2,196,224</u>	<u>7,822,156</u>	<u>19,184,487</u>
Public safety:					
Police	6,000	536,675	--	9,494,161	10,036,836
Fire	234,260	4,865,946	77,331	11,613,128	16,790,665
Police and fire academy	72,000	1,424,802	--	76,400	1,573,202
Total public safety	<u>312,260</u>	<u>6,827,423</u>	<u>77,331</u>	<u>21,183,689</u>	<u>28,400,703</u>
Highways and streets	93,000	170,200	158,621	2,874,639	3,296,460
Sanitation	627,056	297,753	784,763	13,138,994	14,848,566
Community, cultural and recreation	9,089,291	39,321,913	19,982,794	10,141,040	78,535,038
Total general fixed assets allocated to functions	<u>\$ 17,816,893</u>	<u>\$ 48,088,110</u>	<u>\$ 23,199,733</u>	<u>\$ 55,160,518</u>	144,265,254
Construction in progress					<u>40,871,630</u>
Total general fixed assets					<u>\$ 185,136,884</u>

See accompanying notes to combined financial statements.

CITY OF SHREVEPORT, LOUISIANA
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
 BY FUNCTION AND ACTIVITY
 FOR THE YEAR ENDED DECEMBER 31, 1998

<u>Function and Activity</u>	<u>General Fixed Assets January 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>General Fixed Assets December 31, 1998</u>
<u>General government:</u>				
Mayor	\$ 56,247	\$ 51,820	\$ 11,303	\$ 96,764
Chief administrative officer	444,007	--	250,954	193,053
City attorney	112,297	--	3,347	108,950
Finance	4,220,590	150,341	382,451	3,988,480
City council	5,391	--	--	5,391
Internal audit	29,789	--	8,369	21,420
<u>Public works:</u>				
Administration and engineering	15,574,802	279,535	1,083,908	14,770,429
	<u>20,443,123</u>	<u>481,696</u>	<u>1,740,332</u>	<u>19,184,487</u>
<u>Public safety:</u>				
Police	9,591,097	1,717,274	1,271,535	10,036,836
Fire	16,717,814	997,997	925,146	16,790,665
Police and fire academy	1,569,334	3,868	--	1,573,202
	<u>27,878,245</u>	<u>2,719,139</u>	<u>2,196,681</u>	<u>28,400,703</u>
Highways and streets	3,288,210	283,661	275,411	3,296,460
Sanitation	18,704,547	3,305,361	7,161,342	14,848,566
Community, cultural and recreation	76,337,950	4,039,038	1,841,950	78,535,038
Construction in progress	20,674,310	21,379,127	1,181,807	40,871,630
Total general fixed assets	<u>\$167,326,385</u>	<u>\$ 32,208,022</u>	<u>\$ 14,397,523</u>	<u>\$185,136,884</u>

See accompanying notes to combined financial statements.



GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-Term Debt Account Group represents a summary of the general debt of the City including special assessment debt with governmental commitment; additional debt is outstanding in the Enterprise Funds.

CITY OF SHREVEPORT, LOUISIANA
 SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Balance as restated January 1, 1998	Additions	Payments/ Reductions	Debt Service Fund Operations	Balance December 31, 1998
Amount available in Debt Service Fund	\$ 22,628,716	\$ --	\$ --	\$ 1,313,681	\$ 23,942,397
Amount to be provided for payment of accrued vacation	1,671,904	52,423	--	--	1,724,327
Amount to be provided for retirement of general obligation bonds/notes	152,491,879	95,575,000	27,799,085	(1,313,681)	218,954,113
Amount to be provided for payment of pension liability	52,522,088	--	52,522,088	--	--
Amount to be provided for payment of net pension obligation	226,328	154,440	--	--	380,768
Amount to be provided for post-closure care of landfill	1,094,460	98,879	--	--	1,193,339
Totals	<u>\$ 230,635,375</u>	<u>\$ 95,880,742</u>	<u>\$ 80,321,173</u>	<u>\$ --</u>	<u>\$ 246,194,944</u>
Long-term obligations payable:					
Accrued vacation	\$ 1,671,904	\$ 52,423	\$ --	\$ --	\$ 1,724,327
General obligation bonds/notes	175,120,595	95,575,000	27,799,085	--	242,896,510
Pension liability	52,522,088	--	52,522,088	--	--
Net pension obligation	226,328	154,440	--	--	380,768
Landfill post-closure care liability	1,094,460	98,879	--	--	1,193,339
Totals	<u>\$ 230,635,375</u>	<u>\$ 95,880,742</u>	<u>\$ 80,321,173</u>	<u>\$ --</u>	<u>\$ 246,194,944</u>

See accompanying notes to combined 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
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1998

	<u>Governmental Fund Type Special Revenue Fund</u>	<u>Account Group General Fixed Assets</u>	<u>Totals (Memorandum Only)</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 40	\$ --	\$ 40
Due from other governmental units	32,000	--	32,000
Fixed assets	--	1,865,523	1,865,523
 Total assets	 \$ <u>32,040</u>	 \$ <u>1,865,523</u>	 \$ <u>1,897,563</u>
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>			
Liabilities:			
Accounts payable	\$ 9,351	\$ --	\$ 9,351
Due to other governmental units	10,540	--	10,540
Due to primary government	12,149	--	12,149
 Total liabilities	 <u>32,040</u>	 <u>--</u>	 <u>32,040</u>
Equity and other credits:			
Investment in general fixed assets	--	1,865,523	1,865,523
Fund balance:			
Reserved for encumbrances	13,285	--	13,285
Unreserved - Undesignated	(13,285)	--	(13,285)
 Total fund balance	 --	 --	 --
 Total equity and other credits	 <u>--</u>	 <u>1,865,523</u>	 <u>1,865,523</u>
 Total liabilities, equity and other credits	 \$ <u>32,040</u>	 \$ <u>1,865,523</u>	 \$ <u>1,897,563</u>

See accompanying notes to combined financial statements.

STATISTICAL SECTION

This section, which is composed of accounting and non-accounting data, is presented in order to provide the reader with additional information as an aid to understanding the financial activities of the City. Many of these tables present data from outside the accounting records; therefore, the Statistical Section data has not been subjected to independent audit.

CITY OF SHREVEPORT, LOUISIANA
 GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
 FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

Fiscal Year Ended	General Government	Public Safety	Highways and Streets	Sanitation	Health and Welfare	Cultural and Recreation
1989	\$24,459,774	\$30,282,507	\$6,950,907	\$8,857,853	\$ --	\$5,873,342
1990	25,585,833	33,668,860	7,747,561	8,309,273	--	6,867,031
1991	26,426,734	35,217,973	7,803,523	8,614,152	--	7,075,851
1992	25,890,352	35,495,047	8,440,969	9,678,326	262,026	7,574,686
1993	21,456,008 (1)	47,276,791 (2)	7,405,907	10,668,421	328,122	8,088,751
1994	27,358,947	48,624,309	10,818,984	14,420,615	403,518	9,238,424
1995	30,888,942	51,541,031	9,593,210	16,395,033	359,734	10,029,829
1996	26,545,711	55,035,600	9,646,202	15,933,476	419,927	10,472,199
1997	26,236,171	59,057,314	10,360,766	14,698,364	191,991	9,545,451
1998	29,394,166	57,472,321 (3)	9,814,932	14,868,813	390,998	9,968,862

Includes general, special revenue and debt service funds.

(1) In 1993, State merger payments for the Police and Firemen's Pension funds of \$5,344,453 were paid out of Public Safety. Previously, they were paid out of General Government.

(2) In addition to the increase noted in (1) above, Public Safety had a significant increase in salaries and wages between 1992 and 1993.

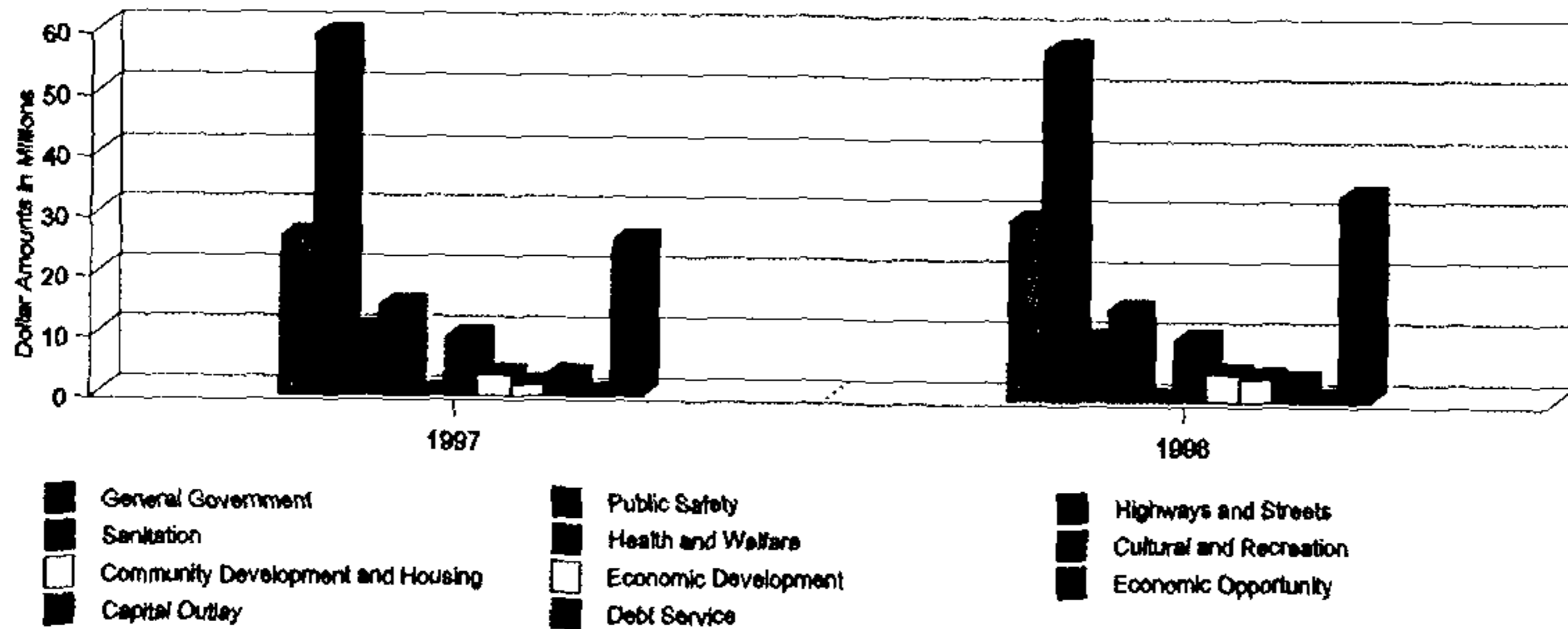
(3) From 1994 through 1997, State merger payments for the Police and Firemen's Pension funds were paid out of Public Safety. Beginning in 1998, these payments were paid out of Debt Service.

Unaudited - see accompanying audit report.

Table 1

<u>Community Development and Housing</u>	<u>Economic Development</u>	<u>Economic Opportunity</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
\$1,440,075	\$ --	\$4,849,736	\$2,609,064	\$18,745,133	\$104,068,391
1,827,032	39,259	5,543,879	3,199,359	18,405,802	111,193,889
1,792,839	490,595	5,199,626	724,347	20,078,580	113,424,220
2,335,806	834,242	5,711,997	1,461,051	21,565,904	119,250,406
3,183,606	1,088,307	4,023,777	1,439,455	18,565,685	123,524,830
6,297,506	1,745,045	3,674,523	8,150,156	20,145,759	150,877,786
3,598,589	2,267,197	3,366,535	2,295,908	21,350,303	151,686,311
2,226,544	1,488,155	3,131,617	3,149,422	20,403,603	148,452,456
3,285,455	1,744,973	3,269,045	353,402	25,752,678	154,495,610
4,483,770	3,831,019	3,361,290	361,857	33,863,859	167,811,887

EXPENDITURES BY FUNCTION

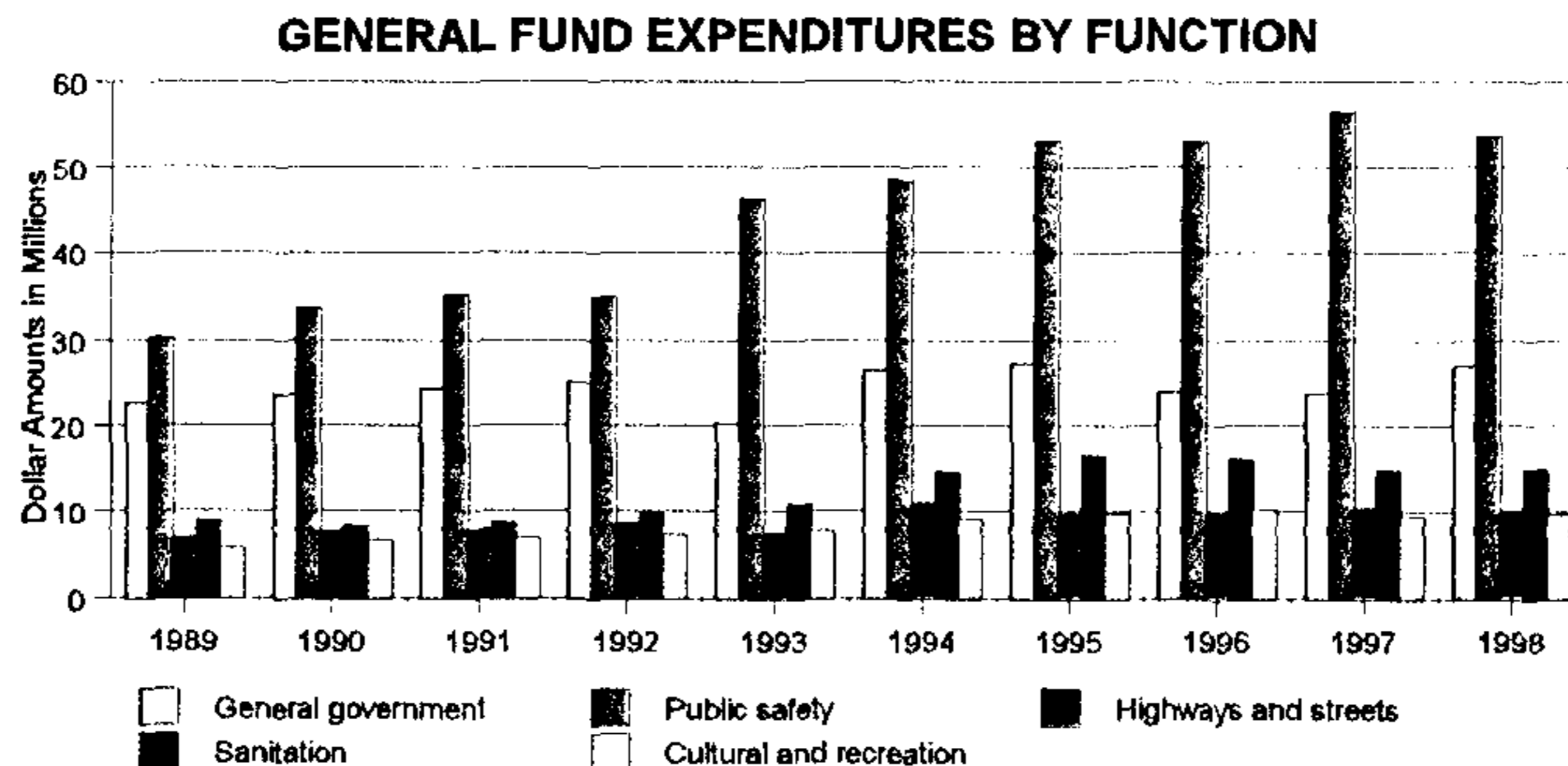


CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND EXPENDITURES BY FUNCTION
FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

Fiscal Year Ended	General Government	Public Safety	Highways and Streets	Sanitation	Cultural and Recreation	Total
1989	\$22,682,732	\$30,282,507	\$6,950,907	\$8,857,853	\$5,801,221	\$74,575,220
1990	23,598,901	33,668,860	7,747,561	8,309,273	6,713,043	80,037,638
1991	24,345,272	35,217,973	7,803,523	8,614,152	6,911,094	82,892,014
1992	25,164,032	35,048,042	8,440,969	9,678,326	7,404,459	85,735,828
1993	20,344,665 (1)	46,353,062 (2)	7,405,907	10,668,421	7,952,053	92,724,108
1994	26,520,075	48,516,948	10,818,984	14,420,615	9,093,322	109,369,944
1995	27,319,896	53,197,365	9,593,210	16,395,033	9,816,436	116,321,940
1996	24,014,575	53,172,987	9,646,202	15,933,476	10,366,928	113,134,168
1997	23,758,250	56,553,595	10,360,766	14,698,364	9,503,975	114,874,950
1998	26,966,957	53,632,769 (3)	9,814,932	14,868,813	9,727,748	115,011,219

- (1) In 1993, State merger payments for the Police and Firemen's Pension funds of \$5,344,453 were paid out of Public Safety. Previously, they were paid out of General Government.
- (2) In addition to the increase noted in (1) above, Public Safety had a significant increase in salaries and wages between 1992 and 1993.
- (3) From 1994 through 1997, State merger payments for the Police and Firemen's Pension funds were paid out of Public Safety. Beginning in 1998, these payments were paid out of Debt Service.

Unaudited - see accompanying audit report.



CITY OF SHREVEPORT, LOUISIANA
GENERAL GOVERNMENTAL REVENUES BY SOURCE
FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

Fiscal Year Ended	Use of										Total
	Taxes	Licenses and Permits	Inter-governmental	Charges for Services	Fines and Forfeitures	Special Assessments	Money and Property	Gaming	Miscellaneous		
1989	\$71,575,268	\$4,304,464	\$8,605,739	\$8,586,664	\$3,453,207	\$ --	\$824,038	\$ --	\$1,593,072	\$98,942,452	
1990	83,365,097	4,720,998	10,143,923	9,657,786	2,476,375	--	645,236	--	2,941,352	113,950,767	
1991	88,449,635	4,909,913	9,377,914	10,440,934	2,925,917	--	412,192	--	1,586,918	118,103,423	
1992	92,452,677	5,066,307	11,590,582	12,347,417	2,590,093	18,332	1,334,012	--	1,909,172	127,308,592	
1993	96,232,554	5,312,624	12,243,756	13,266,800	2,559,016	15,832	1,533,312	--	2,022,421	133,186,315	
1994	101,640,909	5,621,340	20,260,037	16,073,377	2,807,106	17,112	2,130,230	3,371,774	1,937,468	153,859,353	
1995	106,051,704	5,704,505	16,400,266	17,924,530	3,343,529	15,779	2,800,754	6,436,562	1,816,735	160,494,364	
1996	110,678,268	5,845,122	15,855,784	19,522,631	3,188,108	15,929	2,976,514	6,687,003	2,281,265	167,050,624	
1997	111,357,774	6,059,329	15,565,742	15,318,550	3,699,970	--	3,245,900	7,420,610	1,504,626	164,172,501	
1998	116,672,572	6,394,715	18,583,726	14,310,216	3,601,167	--	2,748,622	6,779,360	1,901,397	170,991,775	

Includes general, special revenue and debt service funds.

Unaudited - see accompanying audit report.

REVENUES BY SOURCE

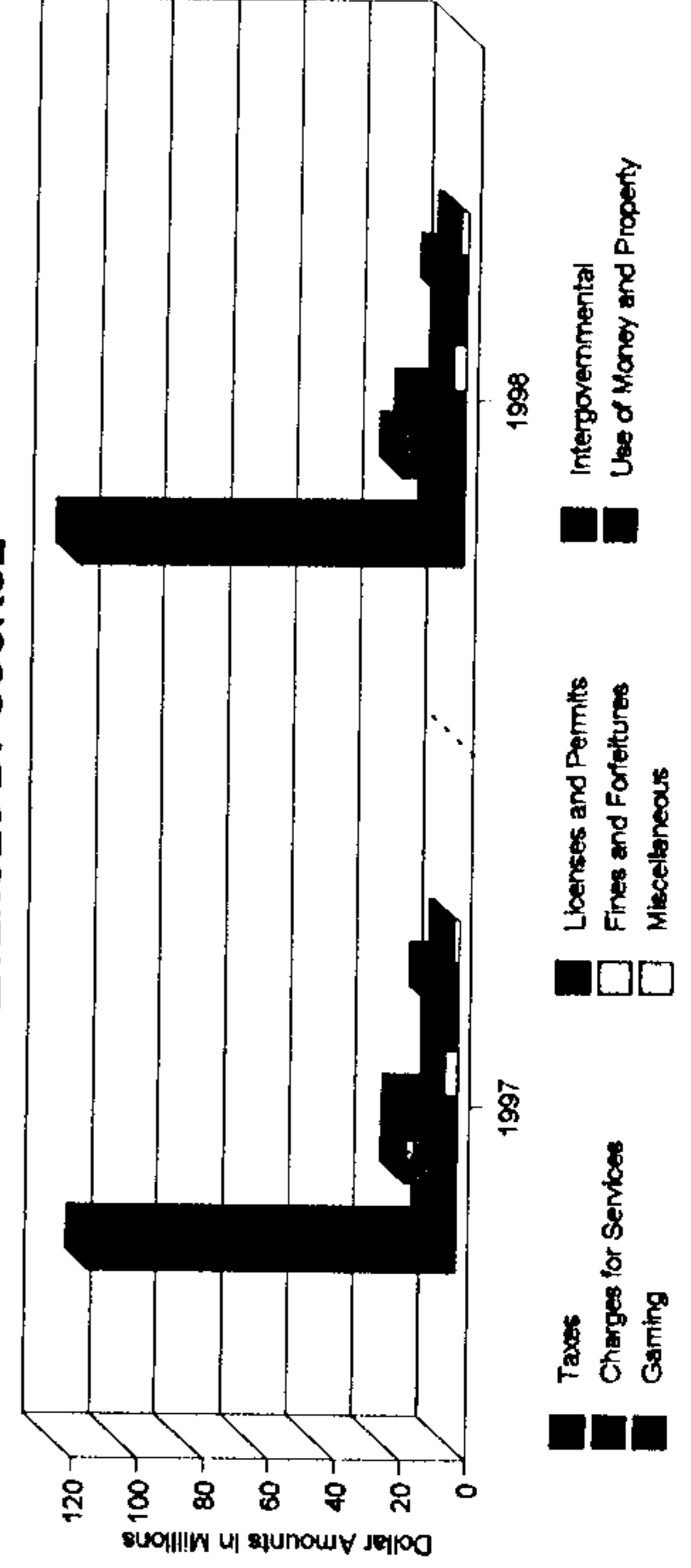


Table 2A

CITY OF SHREVEPORT, LOUISIANA
 GENERAL FUND REVENUES BY SOURCE
 FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

Fiscal Year Ended	Taxes	Licenses and Permits	Inter- governmental	Charges for Services	Fines and Forfeitures	Use of Money and Property	Miscellaneous	Total
1989	\$57,056,285	\$4,304,464	\$1,350,090	\$8,586,664	\$2,786,318	\$1,352,913	\$434,943	\$75,871,677
1990	67,367,378	4,720,998	1,662,743	9,637,786	2,069,816	1,119,745	1,041,042	87,619,508
1991	69,696,745	4,909,913	1,837,772	10,440,934	2,364,201	926,492	361,934	90,537,991
1992	72,566,178	5,066,307	1,769,422	12,347,417	2,590,093	1,197,517	544,337	96,081,271
1993	75,561,693	5,312,624	2,699,243	13,266,800	2,559,016	1,130,319	440,614	100,970,309
1994	80,169,690	5,621,340	3,807,412	16,073,377	2,807,106	1,425,668	1,175,950	111,080,543
1995	83,915,635	5,704,505	6,676,620	17,924,530	3,343,529	1,447,980	608,766	119,621,565
1996	87,089,172	5,845,122	7,139,002	19,522,631	3,188,108	1,476,357	901,157	125,161,549
1997	86,906,893	4,946,273	6,637,193	15,318,550	3,471,593	1,508,664	568,220	119,357,386
1998	91,475,997	5,104,946	7,189,281	14,310,216	3,387,230	1,117,822	903,763	123,489,255

Unaudited - see accompanying audit report.

Table 2B

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND TAX REVENUES BY SOURCE
FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

Fiscal Year Ended	Property Taxes	Sales Taxes	Franchise Taxes	Total
1989	\$13,356,180	\$37,506,890	\$6,193,215	\$57,056,285
1990	13,868,182	48,410,261	5,088,935	67,367,378
1991	14,593,316	50,319,300	4,784,129	69,696,745
1992	15,028,699	52,609,809	4,927,670	72,566,178
1993	15,471,677	54,896,273	5,193,743	75,561,693
1994	16,051,393	59,074,258	5,044,039	80,169,690
1995	16,470,366	62,230,417	5,214,852	83,915,635
1996	16,604,762	65,023,983	5,460,427	87,089,172
1997	17,230,847	63,815,812	5,860,234	86,906,893
1998	17,828,743	67,778,596	5,868,658	91,475,997

Unaudited-see accompanying audit report.

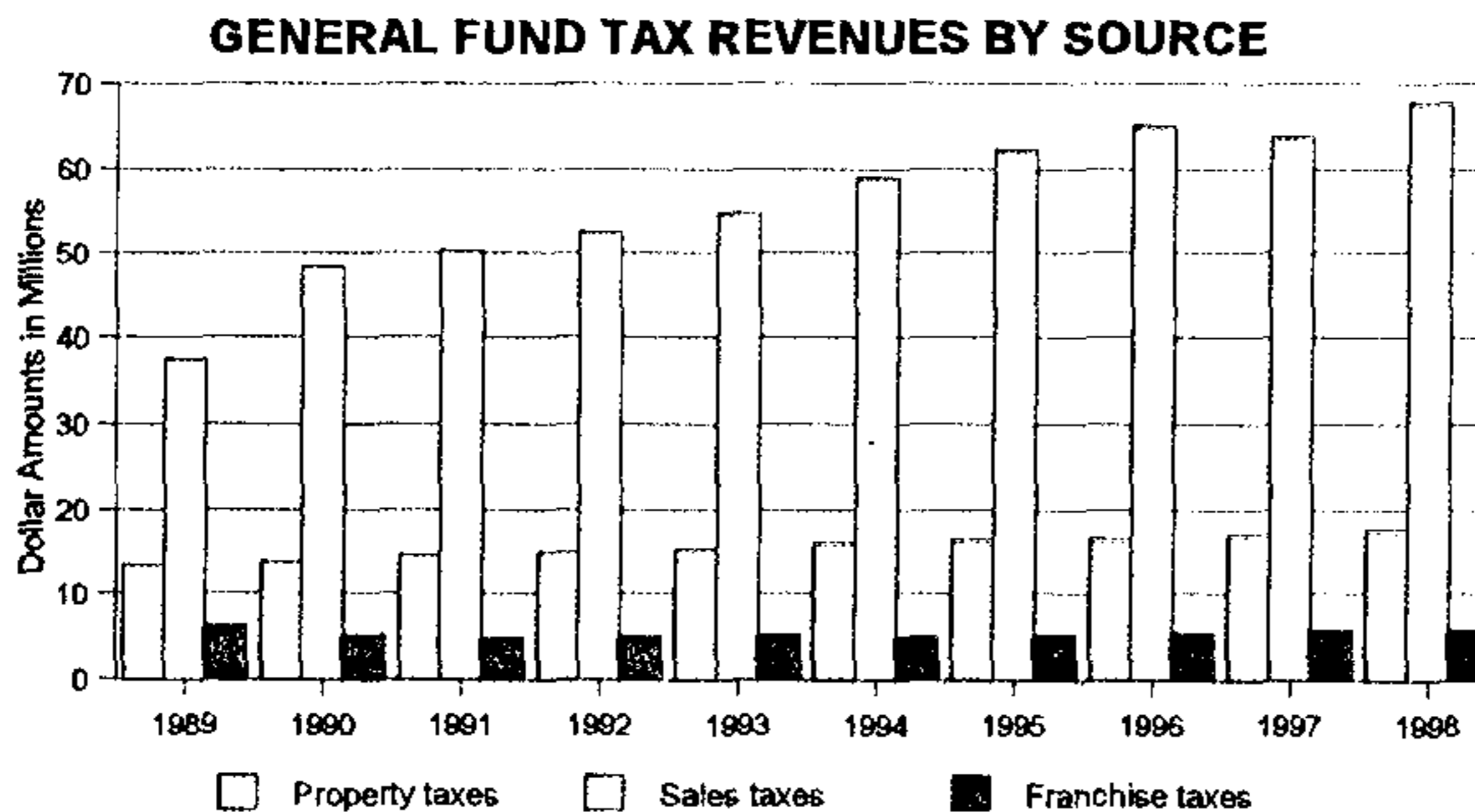


Table 3

CITY OF SHREVEPORT, LOUISIANA
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

Fiscal Year Ended	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collected	Ratio of Total Collections to Tax Levy
1989	\$30,313,713	\$28,041,235	92.5 %	\$1,777,434	\$29,818,669	98.4 %
1990	31,076,068	29,297,795	94.3	1,860,277	31,158,072	100.3
1991	33,551,881	31,363,220	93.5	1,779,745	33,142,965	98.8
1992	35,396,942	33,500,687	94.6	1,760,564	35,261,251	99.6
1993	36,402,501	34,560,589	94.9	1,670,651	36,231,240	99.5
1994	37,825,061	35,991,105	95.2	1,621,533	37,612,638	99.4
1995	39,316,657	37,490,472	95.4	1,090,247	38,580,719	98.1
1996	40,902,242	39,050,781	95.5	967,813	40,018,594	97.8
1997	42,905,989	40,262,770	93.8	1,333,580	41,596,350	97.0
1998	44,133,525	41,287,397 (1)	93.6	1,548,176	42,835,573	97.1

(1) Current collections through February 28, 1999. Taxes collected after 60 days from the year-end are recorded in the prior year's delinquent tax column. Collections for 1998 will continue until November, 1999 when 1999 taxes are billed.

Unaudited - see accompanying audit report.

CITY OF SHREVEPORT, LOUISIANA
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

Fiscal Year	Assessed Value	Estimated Actual Value	Ratio Assessed Value to Estimated Actual Value
1989	\$694,196,980	\$5,955,708,946	11.7%
1990	687,032,850	5,882,603,681	11.7
1991	694,128,660	5,922,191,186	11.7
1992	692,954,330	5,890,489,213	11.8
1993	711,696,460	6,027,866,720	11.8
1994	736,649,960	6,193,177,580	11.9
1995	763,224,730	6,430,617,133	11.9
1996	792,161,740	6,659,115,987	11.9
1997	832,135,880	6,943,578,693	12.0
1998	854,888,230 (1)	7,126,400,840	12.0

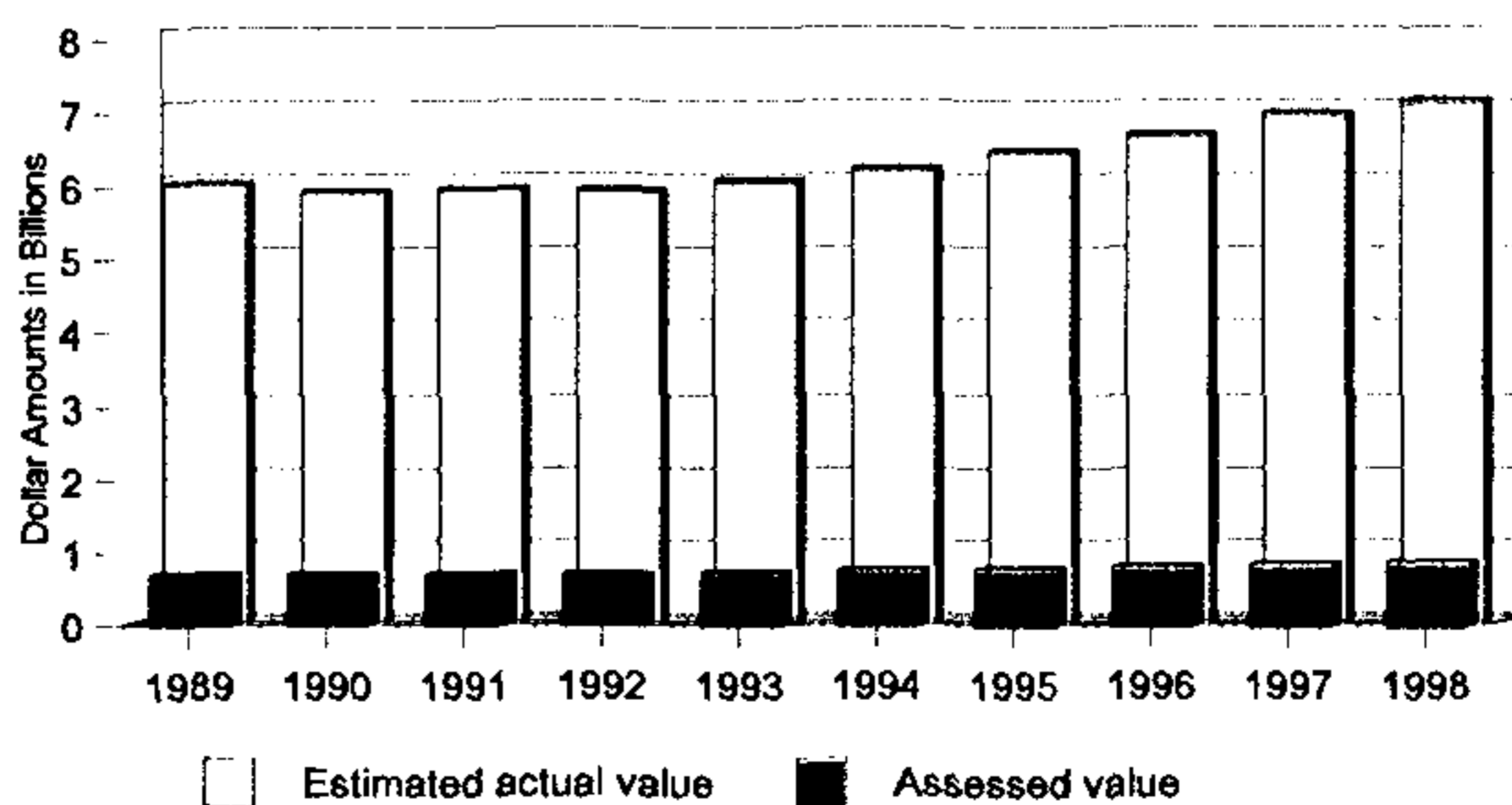
Note:

Assessed values are established by the Caddo Parish Tax Assessor on January 1 of each year at approximately 10-15% 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, 1996. The next revaluation will be completed as of January 1, 2000 for the 2000 tax roll.

(1) Included in the total assessed value of property within the City is \$7,202,680 of assessed value which has been adjudicated to Caddo Parish.

Unaudited - see accompanying audit report.

ASSESSED & ACTUAL VALUE OF TAXABLE PROPERTY



CITY OF SHREVEPORT, LOUISIANA
PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS
FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

Fiscal Year	Tax Rates (In Dollars Per \$1000 of Assessed Value)			Tax Levies			
	City	School	Parish	City	School	Parish	Total
1989	\$44.01	\$54.52	\$38.29	\$30,313,713	\$33,664,079	\$24,060,163	\$88,037,955
1990	45.51	53.27	38.29	31,076,068	32,081,416	23,461,921	86,619,405
1991	48.51	53.17	42.46	33,551,881	32,465,020	25,925,611	91,942,512
1992	51.34	56.13	41.93	35,396,942	35,019,949	26,615,158	97,032,049
1993	51.34	55.68	42.53	36,402,501	36,630,049	27,466,995	100,499,545
1994	51.34	54.98	38.72	37,825,061	37,720,491	25,711,970	101,257,522
1995	51.34	54.58	38.22	39,316,657	37,640,523	26,786,334	103,743,514
1996	51.63	53.31	41.90	40,902,242	38,451,509	30,349,226	109,702,977
1997	51.63	85.08	41.87	42,905,989	64,868,734	31,501,056	139,275,779
1998	51.63	84.48	41.17	44,133,525	65,806,519	32,541,850	142,481,894

Note: Property was revalued for January 1, 1996.

Unaudited - see accompanying audit report.

CITY OF SHREVEPORT, LOUISIANA
 SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
 FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

Fiscal Year	Amount of Installment Assessments Due	Total Revenue Collected	Percentage of Revenue To Assessments Due
1989	\$186,626	\$245,154	131.4%
1990	163,059	177,346	108.8
1991	148,318	155,264	104.7
1992	124,263	111,628	89.8
1993	68,619	79,173	115.4
1994	41,088	75,637	184.1
1995	26,034	58,564	225.0
1996	20,009	33,034	165.1
1997	2,800	19,758	705.6
1998	2,667	7,170	268.8

Unaudited - see accompanying audit report.

CITY OF SHREVEPORT, LOUISIANA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

Fiscal Year	Population (1)	Assessed Value	Gross Bonded Debt(2)	Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Debt Per Capita
1989	217,842	\$694,196,980	\$109,364,778	\$12,855,153	\$96,509,625	13.9%	\$443
1990	198,525	687,032,850	151,662,527	11,013,327	140,649,200	20.5	708
1991	198,782	694,128,660	150,364,324	9,731,195	140,633,129	20.3	707
1992	198,872	692,954,330	140,491,868	8,141,150	132,350,718	19.1	666
1993	194,186	711,696,460	150,795,449	10,563,368	140,232,081	19.7	722
1994	201,365	736,649,960	167,982,060	12,009,477	155,972,583	21.2	775
1995	195,815	763,224,730	158,594,682	15,273,631	143,321,051	18.8	732
1996	201,270	792,161,740	164,515,766	20,788,205	143,727,561	18.1	714
1997	201,568	832,135,880	175,120,595	22,628,716	152,491,879	18.3	757
1998	201,325	854,888,230 (3)	242,896,510	23,942,397	218,954,113	25.6	1,088

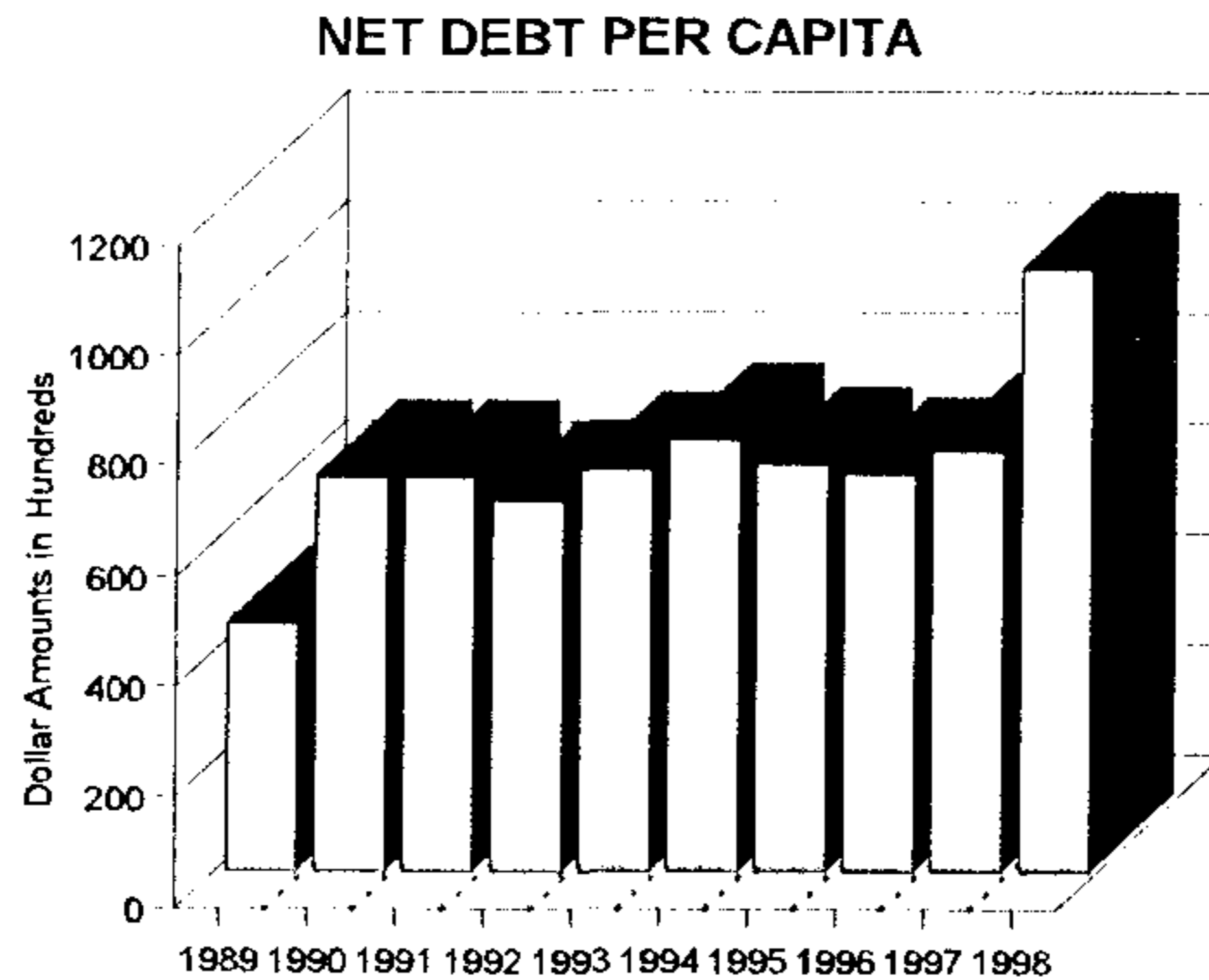
Note:

(1) Source: Greater Shreveport Chamber of Commerce

(2) Includes all general obligation debts payable from assessed property taxes.

(3) Included in the total assessed value of property within the City is \$7,202,680 of assessed value which has been adjudicated to Caddo Parish.

Unaudited - see accompanying audit report.



CITY OF SHREVEPORT, LOUISIANA
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 1998

	Street Improvements	Police and Fire	Water and Sewer Improvements	Parks and Recreation	Public Buildings	Drainage	Sanitation and Incinerator	Industrial Bond	Airports	Spottran	Riverfront Park
Assessed value	\$854,888,230(1)										
Debt limit - 10% of assessed value for any one purpose (2)	\$85,488,823	\$85,488,823	\$85,488,823	\$85,488,823	\$85,488,823	\$85,488,823	\$85,488,823	\$85,488,823	\$85,488,823	\$85,488,823	\$85,488,823
Deduct - Amount of debt applicable to debt limit	89,584,656	15,740,495	1,187,855	21,259,623	1,136,738	49,928,585	1,528,633	175,257	752,145	717,610	2,382,441
Legal debt margin	<u>(\$4,095,833)</u>	<u>\$69,748,328</u>	<u>\$84,300,968</u>	<u>\$64,229,200</u>	<u>\$84,352,085</u>	<u>\$35,560,238</u>	<u>\$83,960,190</u>	<u>\$85,313,566</u>	<u>\$84,736,678</u>	<u>\$84,771,213</u>	<u>\$83,106,382</u>

Note:

- (1) Included in the total assessed value of property within the City is \$7,202,680 of assessed value which has been adjudicated to Caddo Parish.
(2) 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 valuation. A total of \$114,816,843 of additional bonded debt is available for issuance pursuant to the 35% limitation.

Unaudited - see accompanying audit report.

Table 9

CITY OF SHREVEPORT, LOUISIANA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 1998

Direct Debt City of Shreveport	Gross Debt	Exclusions(1)	Amount Available Debt Service Fund	Net Debt	Percentage of Debt Applicable to the City(2)	City's Share of Debt
General Obligation Bonds	\$185,643,134	\$1,249,096	\$23,942,397	\$160,451,641	100%	\$160,451,641
General Obligation Notes	64,352,472	5,850,000	--	58,502,472	100	58,502,472
Total Direct Debt	<u>249,995,606</u>	<u>7,099,096</u>	<u>23,942,397</u>	<u>218,954,113</u>		<u>218,954,113</u>
<u>Overlapping Debt</u>						
Caddo Parish Commission	20,620,000	--	5,134,215	15,485,785	80	12,388,628
Caddo Parish School Board	24,085,000	--	2,483,213	21,601,787	76	16,417,358
Total Overlapping Debt	<u>44,705,000</u>	<u>--</u>	<u>7,617,428</u>	<u>37,087,572</u>		<u>28,805,986</u>
Total Direct and Overlapping Debt	<u>\$294,700,606</u>	<u>\$7,099,096</u>	<u>\$31,559,825</u>	<u>\$256,041,685</u>		<u>\$247,760,099</u>

Note:

- (1) Exclusions represent general obligation bonds and notes issued for enterprise fund purposes which are payable from those funds.
(2) Based on 1996 assessed valuation.

Unaudited - see accompanying audit report.

CITY OF SHREVEPORT, LOUISIANA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

Fiscal Year	Principal	Interest and Other Costs	Total Debt Service	Total General Governmental Expenditures(1)	Debt Service as a Percentage of General Expenditures
1989	\$15,018,155	\$3,726,978	\$18,745,133	\$74,575,220	25.1%
1990	15,655,171	2,750,631	18,405,802	80,037,638	23.0
1991	16,698,204	3,380,376	20,078,580	82,892,014	24.2
1992	11,347,935	10,217,969	21,565,904	85,735,828	25.2
1993	8,881,482	9,684,203	18,565,685	92,724,108	20.0
1994	9,028,328	11,117,431	20,145,759	109,369,944	18.4
1995	9,783,852	11,566,450	21,350,302	116,171,156	18.4
1996	9,673,370	10,730,233	20,403,603	113,134,168	18.0
1997	11,407,584	14,345,094	25,752,678	114,874,950	22.4
1998	14,175,866	19,000,204	33,176,070	115,011,219	28.8

(1) Includes General Fund only.

Unaudited - see accompanying audit report.

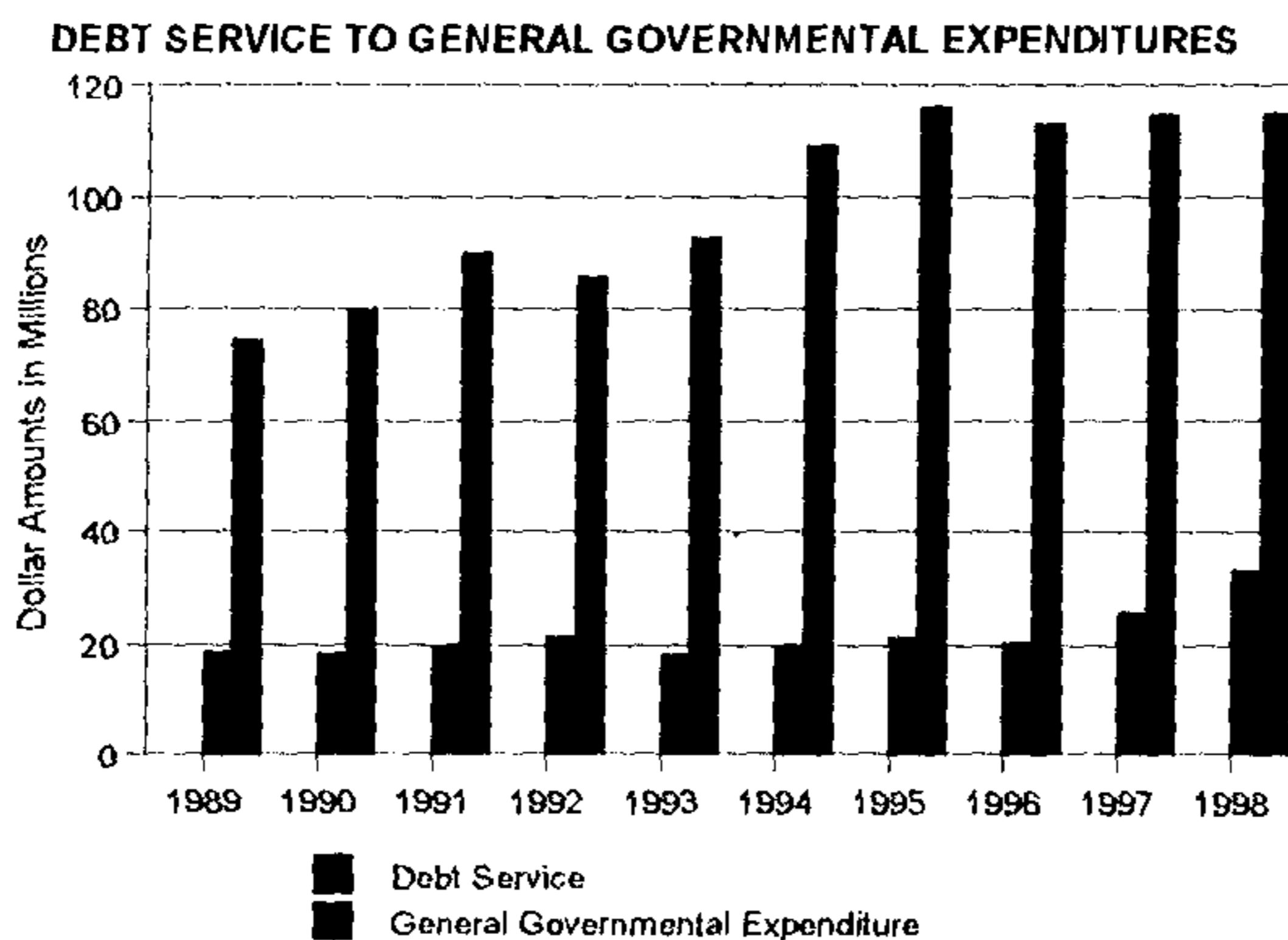


Table 11

CITY OF SHREVEPORT, LOUISIANA
 REVENUE BOND COVERAGE
 WATER AND SEWER BONDS
 FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

Fiscal Year	Gross Revenue(1)	Operating Expenses(2)	Net Revenue Available for Debt Service	Debt Service Requirement		Times Coverage
				Principal	Interest	
1989	\$28,175,649	\$16,202,258	\$11,973,391	\$4,013,737	\$5,025,183	1.32
1990	29,382,104	16,795,895	12,586,209	4,065,486	4,989,710	1.39
1991	29,178,129	17,567,346	11,610,783	4,042,240	4,953,408	1.29
1992	28,659,087	17,577,833	11,081,254	4,267,780	4,582,820	1.25
1993	34,161,489	18,779,341	15,382,148	5,035,633	4,026,227	1.70
1994	39,876,054	19,378,537	20,497,517	6,088,491	4,790,666	1.88
1995	42,554,739	21,434,807	21,119,932	6,102,241	4,769,601	1.94
1996	44,453,224	20,818,488	23,634,736	6,063,347	4,727,790	2.19
1997	40,440,600	23,190,429	17,250,171	6,371,625	4,874,574	1.53
1998	43,248,948	22,443,312	20,805,636	6,419,766	4,782,788	1.86

Notes:

- (1) Includes operating revenues and interest income and net appreciation in fair value of investments.
 (2) Before depreciation and amortization expenses.

Unaudited - see accompanying audit report.

Table 11A

CITY OF SHREVEPORT, LOUISIANA
 REVENUE BOND COVERAGE
 MUNICIPAL AND REGIONAL AIRPORTS
 FISCAL YEAR ENDED DECEMBER 31, 1998

Fiscal Year	Gross Revenue(1)	Operating Expenses(2)	Net Revenue Available for Debt Service	Debt Service Requirement		Times Coverage
				Principal	Interest	
1998	\$8,369,590	\$4,121,013	\$4,248,577	\$866,666	\$886,842	2.42
					\$1,753,508	

Notes:

- (1) Includes operating revenues, interest income, passenger facility charges and net increase in the fair value of investments.
- (2) Before depreciation and amortization expenses but including operating transfers out.

Unaudited - see accompanying audit report.

CITY OF SHREVEPORT, LOUISIANA
 DEMOGRAPHIC STATISTICS
 FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

<u>Fiscal Year</u>	<u>Population(1)</u>	<u>Median Age(2)</u>	<u>School Enrollment(3)</u>	<u>Unemployment Rate(4)</u>
1989	217,842	31.8	50,643	9.8%
1990	198,525	31.7	49,797	7.6
1991	198,782	32.5	50,554	7.4
1992	198,872	32.5	49,154	6.5
1993	194,186	33.2	48,795	6.3
1994	201,365	33.4	49,310	6.7
1995	195,815	33.3	49,139	5.6
1996	201,270	33.3	48,843	6.3
1997	201,568	34.3	48,018	5.8
1998	201,325	34.3	46,832	4.7

Sources:

- (1) Greater Shreveport Chamber of Commerce
- (2) Greater Shreveport Chamber of Commerce
- (3) Caddo Parish School Board
- (4) Louisiana Department of Labor

Unaudited - see accompanying audit report.



CITY OF SHREVEPORT, LOUISIANA
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

Fiscal Year	Commercial Construction(1)		Residential Construction(1)		Property Value(2)	
	Number of Units	Value	Number of Units	Value	Commercial	Residential
1989	129	\$19,794,437	60	\$9,427,464	\$3,072,296,946	\$2,883,412,000
1990	127	26,844,915	69	9,875,490	2,962,610,681	2,919,993,000
1991	200	12,222,854	97	12,215,040	3,011,757,988	2,910,433,200
1992	24	14,125,672	272	21,873,965	3,083,061,213	2,807,428,000
1993	42	24,778,625	184	24,360,780	3,234,028,120	2,793,838,600
1994	64	28,406,873	233	33,893,896	3,400,207,880	2,792,969,700
1995	79	33,923,714	249	34,100,257	3,530,817,633	2,899,799,500
1996	79	43,539,539	276	37,707,516	3,624,132,887	3,034,983,100
1997	114	119,502,459	235	37,121,897	3,848,666,193	3,094,912,500
1998	157	114,443,170	258	40,088,629	3,980,958,240	3,145,442,600

Bank deposits are not disclosed. Several banks in the City are part of statewide banking operations, and they are not able to isolate the deposits within the City of Shreveport.

Sources:

Permit and Inspection's Annual Reports

Estimated appraised value from the City of Shreveport Revenue Division's Tax Summary

Not audited - see accompanying audit report.

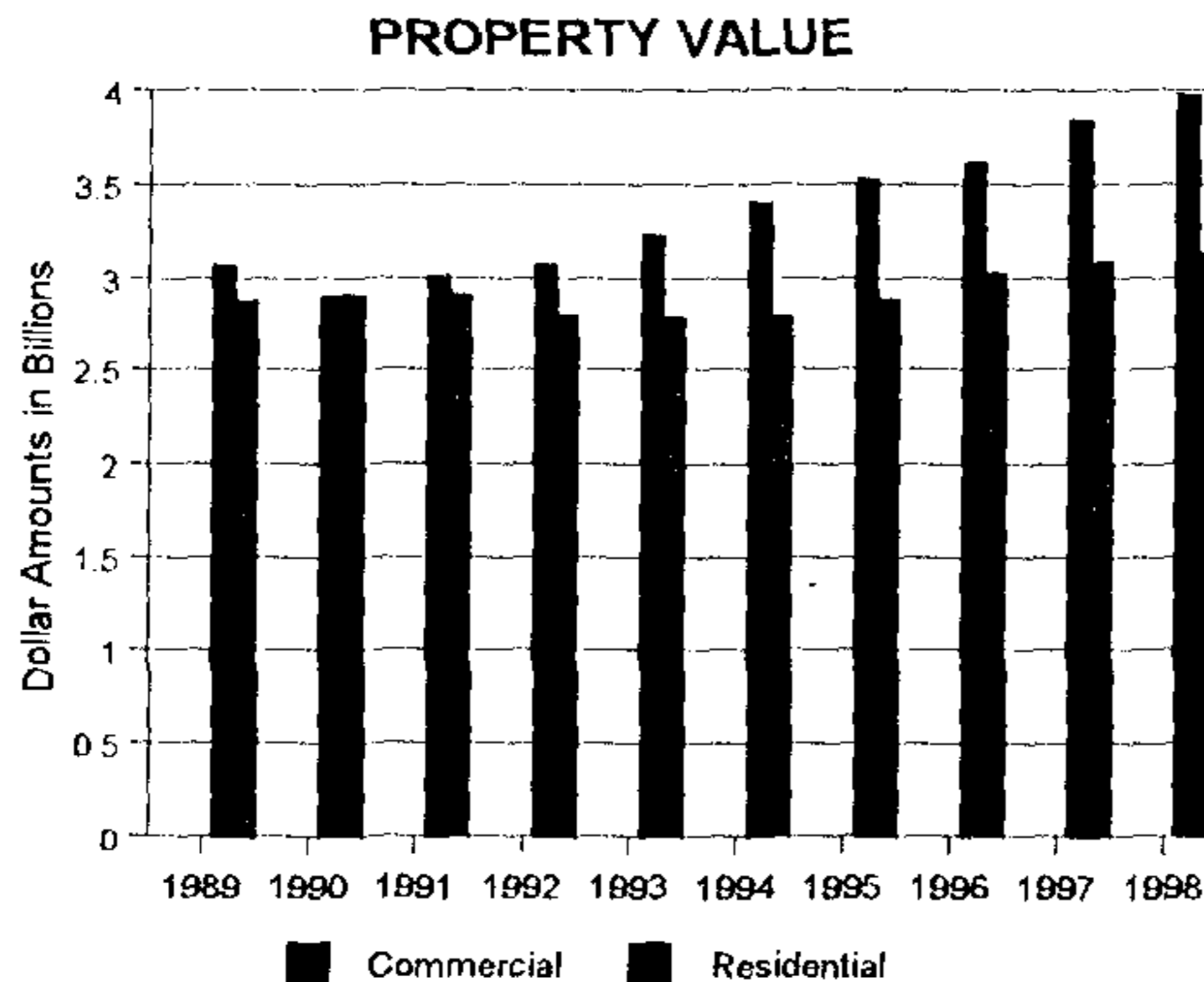


Table 14

CITY OF SHREVEPORT, LOUISIANA
PRINCIPAL TAXPAYERS
DECEMBER 31, 1998

Name	<u>Assessed Value</u>	<u>Tax Amount</u>	<u>Percentage of Assessed Value to Total Assessment</u>
1. Southwestern Electric Power Company	\$37,075,830	\$1,914,225	4.3%
2. BellSouth	27,860,150	1,438,420	3.3
3. Atlas Processing Company	21,917,720	1,131,612	2.6
4. Bank One	14,892,360	768,893	1.7
5. Deposit Guaranty National Bank	12,585,600	649,795	1.5
6. Lucent Technologies	12,290,740	634,571	1.4
7. Hibernia National Bank	10,447,580	539,409	1.2
8. Casino Magic	7,918,060	408,809	.9
9. NorAm Energy Corporation	7,728,150	399,003	.9
10. Harrahs Casino	<u>7,395,320</u>	<u>381,820</u>	<u>.9</u>
Total amount for ten principal taxpayers	160,111,510	8,266,557	18.7
Total for remaining taxpayers	<u>694,776,720</u>	<u>34,639,432</u>	<u>81.3</u>
Total amount for all taxpayers	<u><u>\$854,888,230</u></u>	<u><u>\$42,905,989</u></u>	<u><u>100.0%</u></u>

Unaudited - see accompanying audit report.

CITY OF SHREVEPORT, LOUISIANA
SUMMARY OF AD VALOREM TAX MILLAGE RATES
(TAX RATE PER \$1,000 ASSESSED VALUE)
FISCAL YEARS ENDED DECEMBER 31, 1989 THROUGH DECEMBER 31, 1998

	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
Debt Service (1)	\$30.54	\$30.54	\$30.54	\$29.67	\$29.67	\$29.67	\$29.67	\$27.67	\$24.67	\$23.17
General Alimony (2)	12.32	12.32	12.32	12.65	12.65	12.65	12.65	12.16	12.16	12.16
Police Three-Platoon System (2)	1.76	1.76	1.76	1.81	1.81	1.81	1.81	1.74	1.74	1.74
Police and Fire Uniforms & Equipment (3)	1.33	1.33	1.33	1.37	1.37	1.37	1.37	1.32	1.32	1.32
Salary & Wage Schedule (3)	1.33	1.33	1.33	1.37	1.37	1.37	1.37	1.32	1.32	1.32
Street Improvements (3)	1.33	1.33	1.33	1.37	1.37	1.37	1.37	1.32	1.32	1.32
Employee Benefits (3)	2.02	2.02	2.02	2.07	2.07	2.07	2.07	1.99	1.99	1.99
Parks & Recreational Facilities (3)	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.03</u>	<u>1.03</u>	<u>1.03</u>	<u>1.03</u>	<u>.99</u>	<u>.99</u>	<u>.99</u>
Total	<u>\$51.63</u>	<u>\$51.63</u>	<u>\$51.63</u>	<u>\$51.34</u>	<u>\$51.34</u>	<u>\$51.34</u>	<u>\$51.34</u>	<u>\$48.51</u>	<u>\$45.51</u>	<u>\$44.01</u>

- (1) Political subdivisions in Louisiana are required to levy without limitation taxes 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 July 19, 1997).

Unaudited - see accompanying audit report.

CITY OF SHREVEPORT, LOUISIANA
MISCELLANEOUS STATISTICS
DECEMBER 31, 1998

Date of settlement	1835
Date of incorporation	1839
Form of government	Mayor-Council
Date established	1978
Area-square miles	118
Lane miles of paved streets	1,563
Police protection:	Municipal
Number of policemen & officers	580
Fire protection:	Municipal
Number of firemen & officers	534
Employees:	
Classified, appointed, elected, and exempt (exclusive of fire and police)	2,014
Recreation:	
Parks - Number of acres	3,180
Number of playgrounds	43
Number of picnic areas	34
Number of municipal golf courses	3
Number of street lights	29,569
Water storage tanks:	
Number of storage tanks	10
Total capacity of water storage tanks	32,000,000 gallons
Municipal water plant:	
Number of accounts	65,205
Daily average consumption	34,400,000 gallons
Miles of water mains	1,041
Sewers:	
Number of accounts	63,195
Daily average influent flow	44,000,000
Miles of sewer mains	1,011
Miles of drainage ditches:	
Paved	408
Non-paved	930

Unaudited - see accompanying audit report.