



CADDO PARISH COMMISSION
Shreveport, Louisiana

Primary Government Financial Report

Year Ended December 31, 2005

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

Release Date 7-12-06

CADDO PARISH COMMISSION

**Primary Government Financial Statements and
Individual Fund Statements**

Year Ended December 31, 2005

(With Independent Auditors' Report Thereon)

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CADDO PARISH COMMISSION
Shreveport, Louisiana

**Primary Government Financial Statements and
Individual Fund Statements**

Year ended December 31, 2005

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May 19, 2006

The Honorable Ronald Webb, President
and Members of the Caddo Parish Commission
Government Plaza
505 Travis Street
Shreveport, Louisiana 71101-5409

Dear Commissioners:

In compliance with Section 3-09 of the Home Rule Charter for Caddo Parish, we are pleased to submit the Primary Government Financial Report of the Caddo Parish Commission (the Commission) for the year ended December 31, 2005. These financial statements present the primary government only and do not include the data of the discrete component units necessary for reporting in conformity with generally accepted accounting principles (GAAP). These financial statements were audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in government auditing standards, issued by the Comptroller General of the United States by a firm of licensed certified public accountants. I believe this report presents comprehensive information about the Commission's financial and operating activities during 2005 that is useful to taxpayers, citizens, and other interested persons.

This report was prepared by the Department of Finance and consists of management's representations concerning the finances of the Commission. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Commission has established an internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Commission's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Commission's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Section 3-09 of the Home Rule Charter for Caddo Parish requires that the Commission provide for an annual independent audit of all accounts and financial transactions of the Commission 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 Commission to conduct its annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Commission for the fiscal year ended December 31, 2005 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the Commission's governmental activities, each major fund, and the aggregate remaining fund information for the primary government. However, because the financial statements do not include financial data for the Commission's legally separate component units, which U.S. generally accepted accounting principles require to be reported with the financial data of the Commission's primary government, the Commission's financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Commission as of December 31, 2005. The independent auditors' report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Commission's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CADDO PARISH COMMISSION

The Commission is the governing authority for Caddo Parish and is a political subdivision of the state of Louisiana. The Commission, under the provisions of Louisiana Revised Statutes 33:1271-1285, enacts ordinances, sets policy, and establishes programs in such fields as criminal and juvenile justice, highways and streets, sanitation, planning and zoning, public health and welfare, libraries, culture and recreational facilities, economic development, and general administrative services.

The Commission was established December 10, 1984, after voter approval of the Home Rule Charter for Caddo Parish on April 7, 1984. The Commission replaced the Caddo Parish Police Jury which was established January 18, 1838.

These financial statements present the Commission (the primary government) and do not include the data of the discrete component units necessary for reporting in conformity with GAAP.

Several agencies provide public services to Caddo Parish residents and should be included in the financial statements of the Commission as discrete component units. Financial data for these entities is not included in this report. Louisiana statutes do not require annual audited financial statements to be prepared for a majority of these units. GAAP does not allow us to present unaudited or out-of-date information in our basic financial statements. Since annually audited financial statements are generally not available from these units, we have elected to issue a report covering only the Commission (the primary government). The entities thus excluded are:

- Caddo Parish Sheriff's Office and Tax Collector
- Caddo Parish Clerk of Court
- Caddo Parish Tax Assessor
- Caddo Community Action Agency
- Caddo Parish Communications District Number 1
- Waterworks District Number 1
- Waterworks District Number 7
- Waterworks District Number 8
- Sewerage District Number 2
- Sewerage District Number 7
- Fire District Number 1
- Fire District Number 2
- Fire District Number 3
- Fire District Number 4
- Fire District Number 5
- Fire District Number 6
- Fire District Number 7
- Fire District Number 8
- Fire District Number 9
- North Caddo Hospital Service District

BUDGETARY CONTROL

The Commission maintains a system of budgetary controls, the objective of which is to ensure compliance with the annual appropriated budget. The annual budget serves as the foundation for the Commission's financial planning and control. Prior to November 1, the Parish Administrator submits to the Commission a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is then conducted, after proper official journal notification, to obtain taxpayer comments. Prior to December 27, the budget is legally enacted through passage of an ordinance.

The budget ordinance is structured such that revenues are budgeted by source, and appropriations are budgeted by department (function) or program expenditures. The Home Rule Charter provides that expenditures may not legally exceed appropriations on a functional (departmental or program) basis. Expenditures approved on a functional level are detailed by object account by the Parish Administrator and Finance Director. Revisions to the budget as enacted at the department (function) or program level require Commission action. Revisions at the object level can be approved by the Parish Administrator without seeking approval of the Commissioners. Several such revisions were made during the year ended December 31, 2005.

LOCAL ECONOMY

The effects of Hurricanes Katrina and Rita are expected to have a major impact on the economic outlook for most of Louisiana's major metropolitan areas but not Shreveport and Caddo Parish. Most economists predict an excellent economic outlook for North Louisiana. The level of commercial and industrial construction is expected to continue to increase in 2006 which will result in increased property tax revenue. The film industry will continue to expand in the area with several productions lined up for 2006. "The Guardian" starring Kevin Costner is the largest production to settle in the area. Many of scenes for "The Guardian" will be filmed in buildings owned by Caddo Parish.

In 2005, Steelscape, Inc. announced it would open one of the largest steel plants in North America on the Port of Shreveport and be operational in March 2006. Once the plant is completed, it should produce about 240 jobs. Steelscape will be located outside the city limits of Shreveport and therefore all sales taxes paid by Steelscape will go to the Caddo Parish Commission. Sales taxes are the main revenue source for the Road Construction Fund and the Solid Waste Disposal Fund.

Although the economic outlook is bright, there is one area of concern. The gaming industry continues to be vulnerable with the increased competition from Oklahoma's Indian casinos that have stressed the local gambling market. The Parish's riverboat revenue again declined in 2005 from \$2,250,040 in 2004 to \$2,089,014 in 2005. Gaming revenues are expected to remain stable for 2006. Although the gaming industry is experiencing a difficult period, the industry remains a vital part of the local economy.

LONG-TERM FINANCIAL PLANNING

During the 2006 budget process, the Commission addressed long-term financial concerns to ensure resources are available to meet future needs and allow for continuity of services. Once again, this analysis revealed an immediate concern in the area of criminal justice, primarily juvenile justice. Costs related to the juvenile justice system, which includes the court operations and the juvenile detention center, continue to rise at an alarming rate. The property tax millage dedicated to juvenile justice has not been increased since 1957.

For 2006, expenditures for Juvenile Court and Juvenile Detention were reduced by more than \$500,000. This was primarily a result of job reduction through attrition. The Commission is currently addressing the future of Juvenile operations and how to fund these operations. The Juvenile Justice Committee meets on a regular basis and is researching several alternatives to address the juvenile funding crisis.

CASH MANAGEMENT AND INVESTMENTS

The Commission has a cash management program, which consists of pooling cash and investments for all funds of the Commission except the Shreve Memorial Library. Available cash was invested in a special bank "sweep account" collateralized by obligations of United States government agencies or insured by the Federal Deposit Insurance Corporation. Additional investments are accomplished through purchases of obligations of the United States Treasury, obligations of United States government agencies, and by participation in the Louisiana Asset Management Pool.

RISK MANAGEMENT

The Commission maintains limited risk management programs for general liability and workers' compensation. As part of this plan, workers are trained in accident prevention and hazard avoidance techniques. Third-party coverage of \$3,000,000 is maintained for general liability claims. Retention limits are \$50,000 per claim with an annual aggregate total of \$250,000. Third-party coverage is also maintained for workers' compensation cases above \$300,000. In addition to the revenues collected in the General Insurance Fund, resources are designated within the General Fund for payment of potential claims. The Commission is partially self-insured for employee

medical and life insurance with third-party coverage for occurrences over \$150,000 and aggregate stop-loss coverage for losses in excess of 125% of expected claims.

PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Substantially all Commission employees are members of the Parochial Employees' Retirement System of Louisiana. Employee payroll deductions of 9.5% of gross pay are partially matched by the Commission at a rate of 12.75% of gross wages. All deducted and matched funds are remitted to the retirement system. Retirement benefits are administered by the statewide plan and are not guaranteed by the Commission.

The Commission provides postretirement healthcare benefits and life insurance, in accordance with state statutes, to all retiring employees who were participating in the group insurance plan prior to their retirement date. The Commission is partially self-insured for medical benefits including postretirement healthcare benefits and life insurance.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the dedicated and efficient services of the entire Department of Finance staff and the assistance of the Commission's independent auditors, KPMG LLP. Substantial recognition should also be given to the Commission and our Parish Administrator, Mr. William T. Hanna, Jr., for their interest and support in conducting the financial operations of the Commission in a responsible and progressive manner.

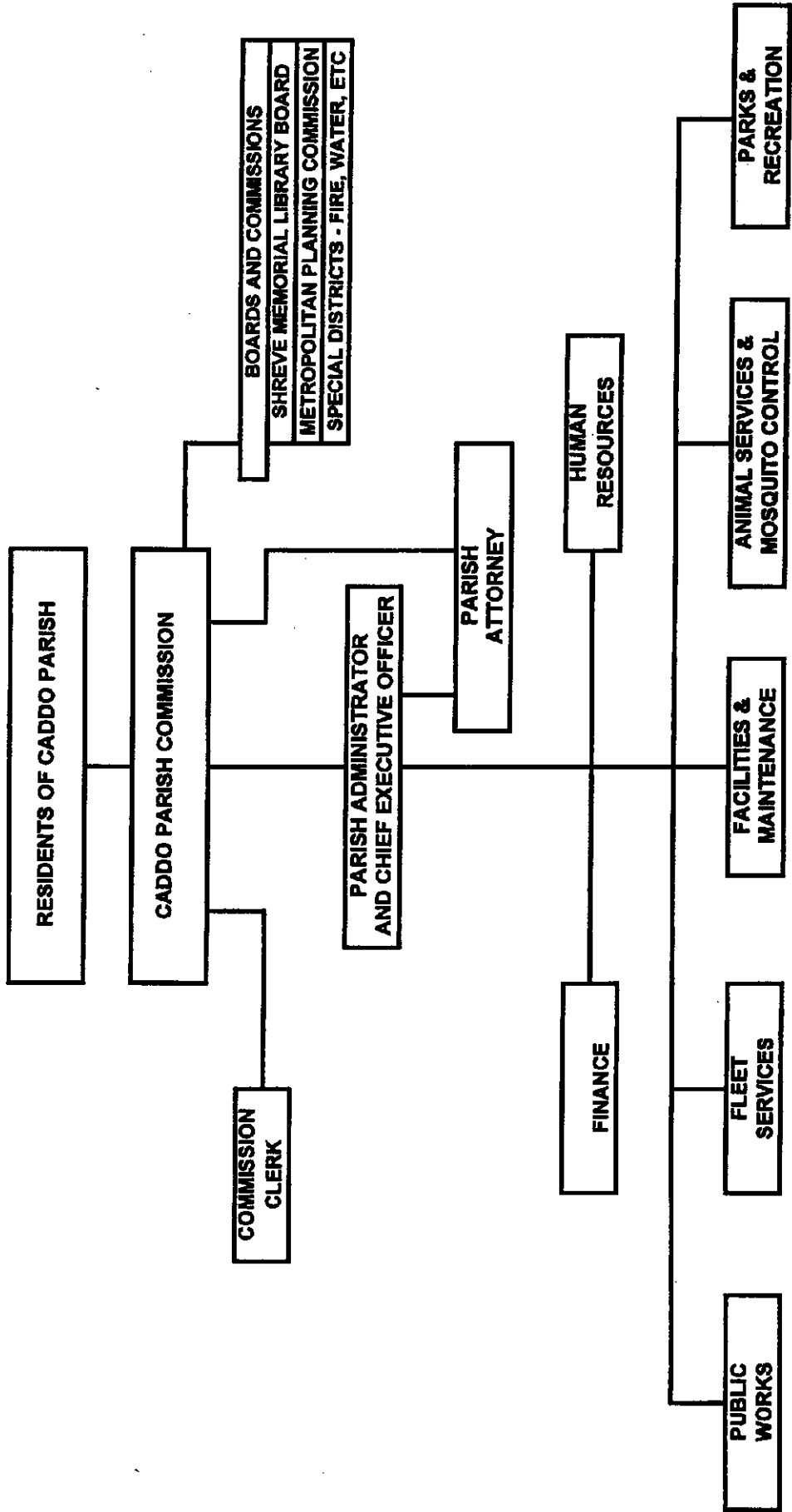
Sincerely,



Erica R. Bryant
Director of Finance and Human Resources

ORGANIZATION CHART

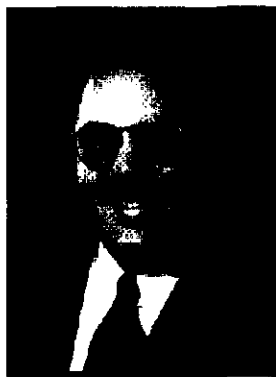
**CADDO PARISH COMMISSION
SHREVEPORT, LOUISIANA**



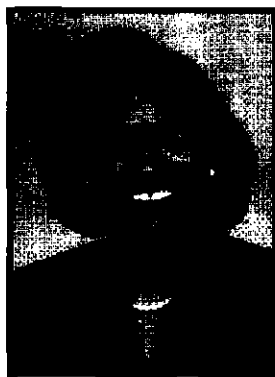
Caddo Parish Commission

Shreveport, Louisiana

COUNCIL-MANAGER FORM OF GOVERNMENT



James H. "Jim" Morris
District 1



Rose Wilson McCulloch
District 2



Carl A. Pierson, Sr.
District 3



Gliford L. "Gif" Gillen
District 4



Joyce Bowman
District 5



Lindora Baker
District 6



Stephanie Lynch
District 7



Michael Long
District 8



Bob Brown
District 9



David Cox
District 10



Ron Webb
District 11



Clifford R. Collins
District 12

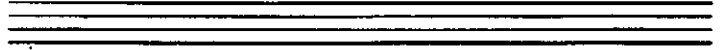
CADDO PARISH COMMISSION

Shreveport, Louisiana

Appointed Officials Per Home Rule Charter

Mr. William T. Hanna, Jr.	Parish Administrator and Chief Executive Officer
Ms. Erica R. Bryant	Director of Finance and Human Resources
Mr. Woodrow "Woody" Wilson, Jr.	Director of Public Works
Mr. Norman "Keith" McClung	Director of Facilities and Maintenance
Mr. Larry R. Raymond	Director of Parks and Recreation
Mr. Todd Hopkins	Director of Fleet Services
Dr. Michael B. Dale, Sr.	Director of Animal Services and Mosquito Control
Mr. Jerry C. Spears	Commission Clerk
Mr. Charles Grubb	Parish Attorney

**FINANCIAL
SECTION**





KPMG LLP
Suite 1900
333 Texas Street
Shreveport, LA 71101-3692

Independent Auditors' Report

Members of the Caddo Parish Commission
Shreveport, Louisiana:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Parish Commission (the Commission) as of and for the year ended December 31, 2005, which collectively comprise the basic financial statements of the Commission's primary government as listed in the table of contents. We have also audited the financial statements of each of the Commission's nonmajor governmental, internal service, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2005, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data for the Commission's legally separate discrete component units. U.S. generally accepted accounting principles require the financial data for those component units to be reported with the financial data of the Commission's primary government unless the Commission also issues financial statements for the financial reporting entity that include the financial data for its component units. The Commission has not issued such reporting entity financial statements. It is unknown the amount of the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units that would have been presented.

In our opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the aggregate discretely presented component units of the Commission, as of December 31, 2005, or the changes in financial position thereof for the year then ended.

Further, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Commission, as of December 31, 2005, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, internal service, and fiduciary funds of the Commission as of December 31, 2005, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in note 2 to the basic financial statements, the Commission adopted the provisions of Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosure* in 2005.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2006 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, and budgetary comparison information listed as Required Supplementary Information in the table of contents are not a required part of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information; however, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements and on each nonmajor governmental, internal service, and fiduciary fund of the Commission. The introductory section, the individual fund schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section, the individual fund schedules, and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly we express no opinion on them.

KPMG LLP

May 19, 2006

CADDO PARISH COMMISSION
Shreveport, Louisiana
Management's Discussion and Analysis
December 31, 2005

We offer readers of the Caddo Parish Commission's financial statements this narrative overview and analysis of the financial activities of the Caddo Parish Commission (the Commission) for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

Key financial highlights for the 2005 fiscal year include the following:

- The assets of the Commission exceeded its liabilities at the close of the fiscal year by \$311,534,825 (net assets). Of this amount, approximately \$17.2 million (unrestricted net assets) may be used to meet the Commission's obligations to citizens and creditors.
- The total net assets of the Commission decreased by \$1,189,712 for the year ended December 31, 2005.
- As of the close of the fiscal year, the Commission's governmental funds reported a combined ending fund balance of \$74,901,982, an increase of \$4,168,360 in comparison with the prior fiscal year. Of this amount, \$47.9 million was unreserved, undesignated, and available for spending; \$13.0 million was unreserved, but designated for capital projects; \$1.3 million was unreserved but designated for subsequent years' expenditures and for future claims; \$7.4 million was reserved for contingencies, industrial development, and prepaids; \$1.6 million reserved for debt service; \$2.5 million reserved for encumbrances; and \$1.2 million is held in a permanent trust and can only be used to make revolving loans to the General Fund.
- At the end of the fiscal year, unreserved, undesignated fund balance for the General Fund was \$5.5 million or 96% of total General Fund expenditures.
- The Commission's total long-term liabilities decreased \$4.2 million (18.8%) during the fiscal year primarily as a result of principal payments made during the year.

Overview of the Financial Statements

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Management's Discussion and Analysis
December 31, 2005

The Statement of Activities presents information showing how the Commission's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The Statement of Net Assets and the Statement of Activities distinguish functions of the Commission that are principally supported by taxes, intergovernmental revenues, and charges for services (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Commission's governmental activities include general government, criminal justice, health and welfare, highways and streets, building facilities, drainage, sanitation, cultural and recreation, and economic development. The Commission did not report any business-type activities for the current fiscal year.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Commission can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the Commission's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Commission's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains 25 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Detention Facilities Fund, Juvenile Court Fund, Shreve Memorial Library Fund, Road Construction Fund, Head Start Fund, and the Capital Outlay Fund, all of which are considered to be major funds. Data for the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Commission adopts an annual appropriated budget for its General Fund and certain special revenue funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Management's Discussion and Analysis
December 31, 2005

Proprietary funds. The Commission maintains only one type of proprietary fund, internal service funds, and therefore does not report any business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Commission's various functions. The Commission uses internal service funds to account for its healthcare, workers' compensation, and fleet services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside Caddo Parish. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Commission's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's compliance with budgets for its major funds.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on budgetary comparisons.

Financial Analysis of Government-wide Activities

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$311,534,825 at the close of the fiscal year.

The largest portion of the Commission's net assets totaling approximately \$233 million (74.8%) reflects its investment in capital assets (e.g., land, buildings, streets, drainage, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The Commission uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Commission's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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 Shreveport, Louisiana
 Management's Discussion and Analysis
 December 31, 2005

Net Assets

December 31, 2005 and 2004

	2005	2004
	Governmental	Governmental
	Activities	Activities
Current and other assets	\$ 84,346,956	80,910,816
Capital assets, net	251,004,829	261,011,858
Total assets	<u>335,351,785</u>	<u>341,922,674</u>
Current and other liabilities	4,574,304	5,875,659
Long-term liabilities	19,242,656	23,322,478
Total liabilities	<u>23,816,960</u>	<u>29,198,137</u>
Net assets:		
Invested in capital assets, net of related debt	233,084,164	238,938,385
Restricted	61,214,106	59,850,067
Unrestricted	17,236,555	13,936,085
Total net assets	<u>\$ 311,534,825</u>	<u>312,724,537</u>

There are 19.6% of net assets which represent resources that are subject to external restrictions on how they may be used. Debt Service Funds account for \$1,630,291 of the total of restricted net assets. The remaining balance is monies restricted for highways and streets (\$20.3 million), culture and recreation (\$15.1 million), drainage (\$5.1 million), sanitation (\$5.6 million), criminal justice (\$5 million), building facilities (\$4.4 million), and other restricted purposes (\$4.1 million).

The remaining balance of unrestricted net assets of \$17,236,555 is used to meet the Commission's ongoing obligations to citizens and creditors.

At the end of the fiscal year, the Commission is able to report positive balances in all three categories of net assets.

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Management's Discussion and Analysis
 December 31, 2005

The Commission's net assets decreased by \$1,189,712 during the fiscal year. The Commission's total revenues and expenses for governmental activities are reflected in the following chart:

	2005	2004
	Governmental	Governmental
	Activities	Activities
	<u> </u>	<u> </u>
Revenues:		
Program revenues:		
Charges for services	\$ 2,135,790	1,884,867
Grants and contributions	15,120,936	23,513,536
General revenues:		
Property taxes	40,112,057	37,795,387
Sales taxes	7,145,914	6,858,471
Gaming	2,376,208	2,498,311
Other general revenues	3,552,335	2,473,981
Total revenues	<u>70,443,240</u>	<u>75,024,553</u>
Expenses:		
General government	4,042,957	3,597,578
Criminal justice	14,354,593	14,492,251
Health and welfare	12,903,006	13,097,448
Highways and streets	21,161,982	19,792,017
Building facilities	3,614,931	3,771,771
Drainage	1,325,331	1,306,662
Sanitation	1,833,719	2,290,545
Culture and recreation	9,444,734	9,165,852
Economic development	2,277,366	1,807,679
Interest and fees on long-term debt	674,333	1,078,993
Total expenses	<u>71,632,952</u>	<u>70,400,796</u>
Increase (decrease) in net assets	(1,189,712)	4,623,757
Net assets, beginning of year	<u>312,724,537</u>	<u>308,100,780</u>
Net assets, end of year	<u>\$ 311,534,825</u>	<u>312,724,537</u>

Program revenues decreased \$8.1 million in 2005 compared to 2004, primarily as a result of a decrease in capital grants and contributions resulting from a decrease in the acceptance of subdivision roads into the Commission maintenance system. Major additions were Boxco Extension, Whitfield Road, and Bruce Road.

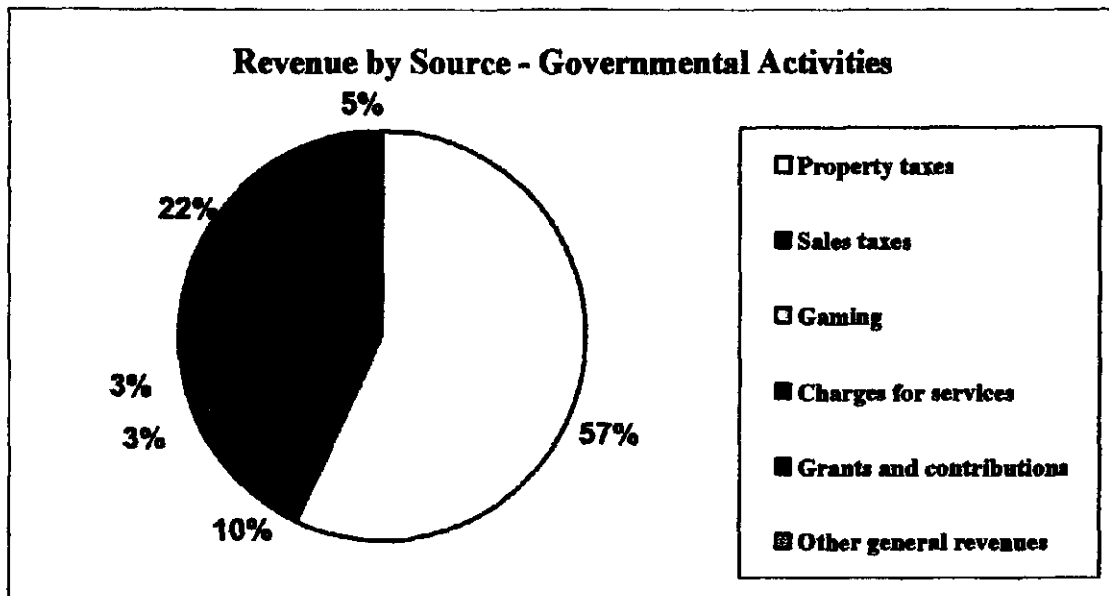
CADDO PARISH COMMISSION

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General revenues, specifically property taxes and sales taxes, are the largest component of revenues (67.1%). Property taxes represent 56.9% of revenues at \$40.1 million. Property taxes increased during the fiscal year due to an increase in the property tax assessment resulting from the completion of new construction projects. Sales tax revenue increased 4.2% due to an increase in the level of commercial and industrial construction, primarily the new shopping outlets on Youree Drive.



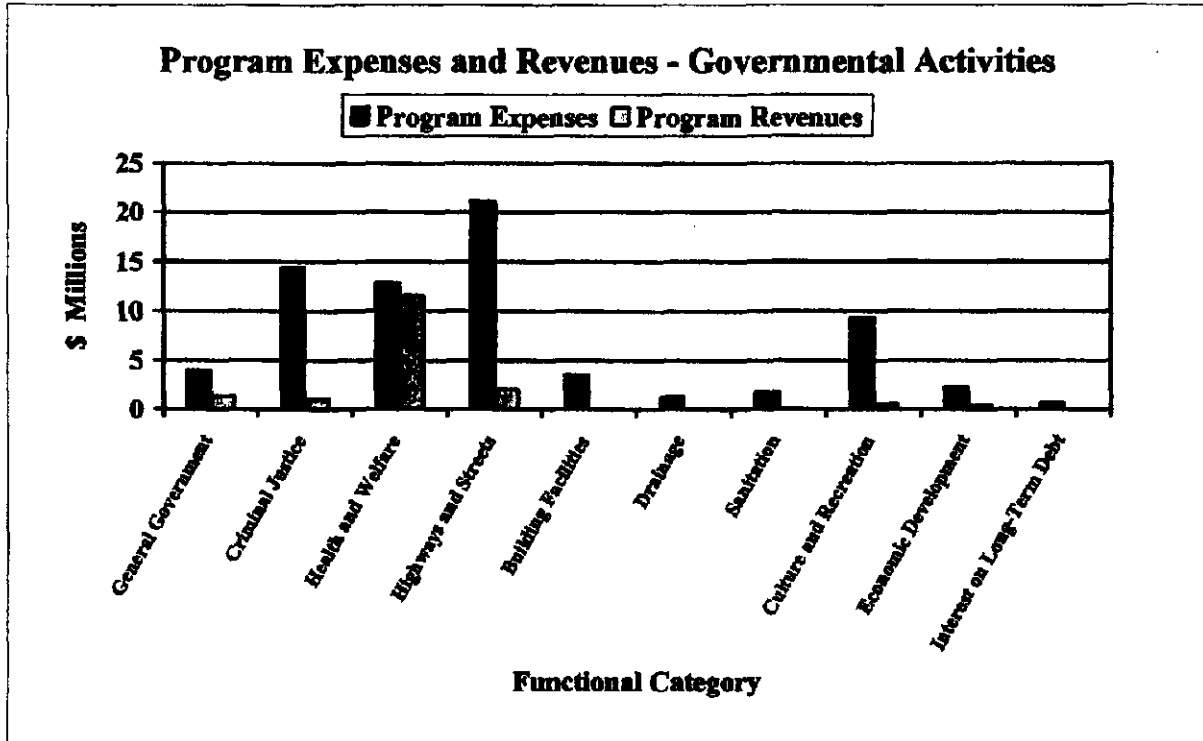
The Statement of Activities shows that \$2.1 million was financed by those who use the services, \$15.1 million by grants and contributions, and \$53.2 million with the Commission's general revenues.

CADDO PARISH COMMISSION
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The Commission's four largest programs are criminal justice, health and welfare, highways and streets, and culture and recreation. The graph below shows the expenses and program revenues generated by governmental activities:



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- Economic development expenses increased \$0.5 million (26%) due to a decrease in funding received from the State of Louisiana through the Economic Development Award Program. These funds are used to assist companies that are willing to establish operations in Caddo Parish with equipment and infrastructure purchases.
- Interest and fees and long-term debt decreased \$0.4 million (37.5%) as a result of a reduction in interest and principal payments resulting from the 2004 refunding of certain general obligation bonds.

Financial Analysis of the Caddo Parish Commission's Funds

Governmental Funds

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Commission's net resources available for spending at the end of the fiscal year.

- As of the close of the fiscal year, the Commission's governmental funds reported a combined ending fund balance of \$74,901,982, an increase of \$4,168,360 in comparison with the prior fiscal year. Of this amount, \$47,936,059 or 64.0% was unreserved, undesignated, and available for spending; \$13,011,045 or 17.4% was unreserved, but designated for capital projects; and \$1,203,036 or 1.6% was unreserved, but designated for subsequent years' expenditures and future claims. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: (1) to liquidate contracts and purchase orders of the prior period (\$2,542,952), (2) to pay debt service (\$1,630,291), (3) to provide financial resources in the event of a major interruption in services such as a natural disaster (\$7,039,811), or (4) for other restricted purposes (\$1,538,788).
- The General Fund is the chief operating fund of the Commission. At the end of the fiscal year, unreserved fund balance of the General Fund was \$6,001,851. The unreserved and undesignated portion is \$5.5 million. Therefore, it is available for spending at the Commission's discretion. The Commission has chosen to designate funds for future claims and subsequent years' expenditures. The fund balance of the Commission's General Fund increased by \$1,250,302. Key factors in this increase are a transfer of \$650,000 from the Criminal Justice Fund, an increase in ad valorem revenue, and a decrease in criminal justice expenditures resulting from a decrease in the appropriations to First Judicial District Court and the Caddo Parish District Attorney's Office.
- The Shreve Memorial Library Fund has a total fund balance of \$10,186,146. The majority of the fund balance (\$7.9 million) is unreserved, undesignated, and available for spending. The remainder of the fund balance is reserved to liquidate contracts and purchase orders of the prior period (\$2,188,611) and for prepaids (\$96,074). Fund balance decreased \$6,865, largely due to debt service payments for the library expansion program.

CADDO PARISH COMMISSION
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Management's Discussion and Analysis

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- The Detention Facilities Fund has a total fund balance of \$332,324 which is undesignated. This fund accounts for the proceeds of a special ad valorem tax and other revenues dedicated to the maintenance and operation of the Caddo Correctional Center (CCC) and Juvenile Detention Center if necessary. In 2004, the Detention Facilities Fund included expenditures for both CCC and the Juvenile Detention Center. For 2005, the expenditures in the Detention Facilities Fund only related to CCC, which resulted in a significant decrease in expenditures from \$7.6 million in 2004 to \$6.1 million in 2005. The Juvenile Court Fund accounts for expenditures related to the Juvenile Detention Center. Fund balance decreased \$65,123, largely due to an increase in prescription drug costs for inmates housed at CCC.
- The Juvenile Court Fund has a total fund balance of \$861,541. Thirty-five percent of the fund balance (\$305,559) is designated for subsequent year's expenditures. The remainder of the fund balance is undesignated. Fund balance increased \$149,271, largely due to the remaining balance of a transfer in of \$1,375,000 from the Criminal Justice Fund. As previously noted, in 2005, the Juvenile Court Fund began to account for expenditures related to the Juvenile Detention Center which resulted in a significant increase in expenditures from \$2.7 million in 2004 to \$4.1 million in 2005.
- The Head Start Fund accounts for federal monies received by the Commission that are passed through to the Caddo Community Action Agency. No fund balance is maintained. The funds passed through increased from the prior year by \$449,791.
- The Capital Outlay Fund has a total fund balance of \$7,275,060, of which, \$7.0 million is unreserved, but designated for subsequent capital project expenditures. A net decrease of \$1,037,055 occurred during the fiscal year. Expenditures in this fund are for specific projects, as outlined in the Commission's capital projects budget and are not expected to be similar from year to year.
- The Road Construction Fund has a total fund balance of \$9,813,909. The majority of the fund balance (98%) is unreserved, undesignated, and available for spending. The fund balance of the Road Construction Fund increased by \$1,523,254, due primarily to a 4% increase in sales tax revenue and a decrease of 86% in expenditures resulting from a decrease in a sales tax rebate paid to General Motors.

Proprietary Funds

The only proprietary funds the Commission maintains are the three internal service funds for healthcare, workers' compensation, and fleet services. The total net assets of the internal service funds were \$4,116,619, which was an increase of \$248,618 from the prior year. The increase is due to an increase in interest income and an increase in contributions for the employer's portion of life insurance. Expenditures of the internal service funds increased from \$4.4 million in 2004 to \$5.2 million in 2005 as a result of increased claims costs related to the group health plan.

General Fund Budgetary Highlights

The budget policy of the Commission complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.).

CADDO PARISH COMMISSION
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 Management's Discussion and Analysis
 December 31, 2005

The original budget for the General Fund of the Caddo Parish Commission was adopted on December 2, 2004. No amendments were made. Differences between the budget and the actual results of the General Fund are as follows:

Revenues

- Ad valorem taxes exceeded the budget by \$329,191 due to increased property assessments.
- Licenses and permits exceeded the budget by \$83,783 as a result of increased collections of insurance license fees primarily due to an increase in the number of insurance providers.
- Intergovernmental revenues exceeded the budget by \$101,569 primarily due to an increase in timber sales.

Expenditures

- Total 2005 General Fund expenditures did not exceed the budget; however, there were two functions that exceeded the individual budget. The Coroner's Office exceeded its budget by \$17,024 due to increased costs for autopsies. Statutory appropriations were \$16,763 over budget due to increased costs for transportation of bodies for autopsies and an increase in the retirement contribution deducted from ad valorem taxes.

Capital Assets and Debt Administration

Capital Assets: The Commission's investment in capital assets as of December 31, 2005 was \$251,004,829 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, streets, drainage, furniture and equipment, and construction in progress. The table below shows the value at the end of the fiscal year.

Capital Assets		
December 31, 2005 and 2004		
(net of depreciation)		
	2005	2004
	Governmental	Governmental
	activities	activities
Land and land improvements	\$ 14,138,566	14,172,159
Buildings and structures	55,202,887	56,872,355
Equipment and vehicles	7,533,966	7,458,992
Infrastructure	167,163,597	178,625,395
Construction in progress	6,965,813	3,882,957
Total	\$ 251,004,829	261,011,858

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Management's Discussion and Analysis
 December 31, 2005

Major additions to capital assets during the fiscal year included the following:

- Purchased new street and drainage equipment (\$.9 million)
- Purchased new library books and library equipment (\$1.0 million)
- Completed major rehabilitation on three roads (\$1.1 million)
- Continued construction on new library branches (\$2 million)

Long-term debt: At the end of the fiscal year, the Commission had total debt outstanding of \$17,944,057. The following table summarizes debt outstanding at December 31, 2005:

Outstanding Debt		
December 31, 2005 and 2004		
	2005	2004
	Governmental	Governmental
	activities	activities
General obligation bonds, net of deferred loss	\$ 8,322,000	10,051,000
Certificates of indebtedness, net of deferred loss	9,622,057	12,053,038
Total	\$ 17,944,057	22,104,038

The Commission's general obligation bonds continue to maintain a rating of AA3 by Moody's Investors Service.

For additional information regarding capital assets and long-term debt, see the notes to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for fiscal year 2006 was presented to the Caddo Parish Commission:

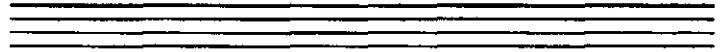
- An expected 2% increase in property tax assessments
- Sales tax revenue increase with increased commercial construction at the Port of Shreveport, net of any sales tax rebates associated with the new construction projects
- The continued increase in mandated costs from the state of Louisiana primarily in the criminal justice area. Criminal justice expenditures represent 64% of the 2006 budget for the General Fund.
- A decrease in appropriations from the State of Louisiana as a result of Hurricanes Katrina and Rita
- An increase in the consumer price index (CPI) as of August 31, 2005 of 3% which would provide the basis of employee raises for 2006

CADDO PARISH COMMISSION
Shreveport, Louisiana
Management's Discussion and Analysis
December 31, 2005

Requests for Information

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance and Human Resources, Caddo Parish Commission, 505 Travis Street, Suite 850, Shreveport, Louisiana 71101.

**BASIC FINANCIAL
STATEMENTS**



CADDO PARISH COMMISSION

Shreveport, Louisiana

Statement of Net Assets

December 31, 2005

Assets	Governmental activities
Cash and cash equivalents	\$ 1,587,349
Investments	40,130,976
Receivables, net	39,765,542
Due from other governments	2,702,392
Inventories	41,231
Bond issue costs	23,392
Other assets	96,074
Capital assets:	
Land and construction in progress	21,104,379
Other capital assets, net of depreciation	229,900,450
Total assets	<u>335,351,785</u>
Liabilities	
Accounts payable	2,679,951
Accrued liabilities	427,578
Accrued interest payable	210,332
Retainages payable	208,575
Claims payable	342,902
Due to other governmental agencies	683,106
Deferred revenue	21,860
Noncurrent liabilities:	
Due within one year	4,754,764
Due in more than one year	14,487,892
Total liabilities	<u>23,816,960</u>
Net Assets	
Invested in capital assets, net of related debt	233,084,164
Restricted for:	
Criminal justice	4,999,196
Highways and streets	20,279,735
Building facilities	4,442,733
Drainage	5,072,637
Sanitation	5,612,336
Culture and recreation	15,142,580
Other purposes	5,664,889
Unrestricted	17,236,555
Total net assets	<u>\$ 311,534,825</u>

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Statement of Activities

Year ended December 31, 2005

Functions/programs	Expenses	Program Revenues			Net (expense)
		Charges for services	Operating grants and contributions	Capital grants and contributions	revenues and changes in net assets
Primary government:					Governmental activities
Governmental activities:					
General government	\$ 4,042,957	1,364,866	—	—	(2,678,091)
Criminal justice	14,354,593	232,485	883,345	—	(13,238,763)
Health and welfare	12,903,006	237,145	10,587,312	675,216	(1,403,333)
Highways and streets	21,161,982	186,202	1,741,875	161,891	(19,072,014)
Building facilities	3,614,931	—	117,860	—	(3,497,071)
Drainage	1,325,331	—	49,173	—	(1,276,158)
Sanitation	1,833,719	—	7,490	—	(1,826,229)
Culture and recreation	9,444,734	113,292	488,366	—	(8,843,076)
Economic development	2,277,366	1,800	76,590	331,818	(1,867,158)
Interest and fees on long-term debt	674,333	—	—	—	(674,333)
Total governmental activities	71,632,952	2,135,790	13,952,011	1,168,925	(54,376,226)
General revenues:					
Taxes:					
Property taxes levied for general purposes					38,008,612
Property taxes levied for debt service					2,103,445
Sales taxes					7,145,914
Franchise taxes					196,667
Gaming					2,376,208
Grants and contributions not restricted to specific programs					1,141,569
Investment earnings					1,617,847
Miscellaneous					596,252
Total general revenues					53,186,514
Change in net assets					(1,189,712)
Net assets, beginning					312,724,537
Net assets, ending					\$ 311,534,825

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Balance Sheet

Governmental Funds
December 31, 2005

Assets	General	Shreve Memorial Library Fund	Detection Facilities Fund	Juvenile Court Fund	Head Start Fund	Capital Outlay Fund	Road Construction Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	56,680	636,549	—	3,040	—	143,662	182,887	488,042	1,510,860
Investments	2,190,485	—	—	129,991	—	6,064,577	7,720,893	20,594,980	36,900,926
Receivables, net:									
Ad valorem taxes	4,056,079	9,560,879	5,447,596	2,016,513	—	—	—	17,075,151	38,136,218
Paving assessments	—	—	—	—	—	—	221,668	19,272	239,940
Other	34,282	—	344	1,018	—	—	518,183	467,279	1,021,066
Accrued interest	16,973	—	—	910	—	43,920	54,766	149,711	265,380
Due from other funds	612,875	—	—	—	—	1,894,880	1,509,924	5,279,039	9,299,733
Due from other governments	230,226	405,482	173,639	641,235	—	324,510	233,806	671,495	2,702,393
Other assets	—	96,074	—	—	—	—	—	—	96,074
Total assets	7,420,580	10,698,984	5,621,579	2,792,707	—	8,470,689	10,444,127	44,743,989	90,192,615
Liabilities and Fund Balance									
Liabilities:									
Accounts payable	100,413	7,759	318,649	92,589	—	931,440	606,530	546,035	2,603,415
Accrued liabilities	45,069	197,415	7,178	62,401	—	—	—	109,505	421,568
Retainage payable	—	—	—	—	—	208,575	—	—	208,575
Due to other funds	1,100,000	—	4,261,546	1,574,913	—	—	—	3,157,624	10,094,083
Deferred revenue	160,596	307,664	232,803	64,801	—	—	23,688	490,334	1,278,886
Due to other governments	12,651	—	469,079	136,462	—	55,574	—	9,540	683,106
Total liabilities	1,418,729	512,838	5,289,255	1,931,166	—	1,195,589	630,218	4,212,838	15,290,633
Fund balance:									
Reserved for:									
Debt service	—	—	—	—	—	—	—	1,630,291	1,630,291
Encumbrances	12,742	2,188,611	20,285	—	—	285,434	—	35,880	2,542,952
Contingencies	—	—	—	—	—	—	—	7,039,811	7,039,811
Industrial development	—	—	—	—	—	—	—	226,377	226,377
Revolving loans to general fund	—	—	—	—	—	—	—	1,216,337	1,216,337
Prepaid items	—	96,074	—	—	—	—	—	—	96,074
Unreserved:									
Designated for subsequent year's expenditures	59,811	—	—	305,559	—	6,988,626	215,143	—	7,590,139
Designated for future claims	400,000	—	—	—	—	—	—	—	400,000
Designated for subsequent year's expenditure in nonmajor special revenue funds	—	—	—	—	—	—	—	437,666	437,666
Designated for subsequent year's expenditure in nonmajor capital projects funds	—	—	—	—	—	—	—	5,796,276	5,796,276
Undesignated, reported in nonmajor special revenue funds	—	—	—	—	—	—	—	—	—
Undesignated	5,529,298	7,901,461	312,039	555,982	—	—	9,581,766	24,048,513	24,048,513
Total fund balance	6,001,851	10,186,146	332,324	861,541	—	7,275,650	9,813,909	40,431,151	74,901,982
Total liabilities and fund balance	7,420,580	10,698,984	5,621,579	2,792,707	—	8,470,689	10,444,127	44,743,989	90,192,615

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets

Year ended December 31, 2005

Fund balances – total governmental funds		\$	74,901,982
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds			
Governmental capital assets			477,836,540
Less accumulated depreciation			<u>(227,148,745)</u>
			250,687,795
Other assets used in governmental activities that are not financial resources and, therefore are not reported in the governmental funds			
Unamortized bond issuance costs			23,392
Some of the Commission's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore are deferred in the governmental funds			
			1,258,026
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the governmental funds			
Accrued interest payable			(210,332)
Compensated absences			(1,298,599)
Deferred loss on refunding			195,943
Bonds, notes, and loans payable			<u>(18,140,000)</u>
			(19,452,988)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities.			
			<u>4,116,618</u>
Net assets of governmental activities		\$	<u><u>311,534,825</u></u>

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year ended December 31, 2005

Revenues	Shreve		Detention Facilities Fund	Juvenile Court Fund	Head Start Fund	Capital Outlay Fund	Road Construction Fund	Other Governmental Funds	Total Governmental Funds
	General	Memorial Library Fund							
Taxes	\$ 4,257,273	9,962,411	5,640,774	2,108,051	—	—	4,785,452	20,280,607	47,034,568
Licenses and permits	468,533	—	—	—	—	—	—	28,797	497,330
Intergovernmental	1,141,569	451,774	231,047	581,192	9,996,000	1,007,034	1,344,835	1,347,163	16,180,614
Charges for services	239,624	—	—	205,024	—	—	—	276,527	721,225
Fines and forfeitures	—	99,542	—	—	—	—	—	484	100,026
Gaming	143,597	—	—	—	—	—	—	2,232,611	2,376,206
Use of money and property:									
Rental, camping fees, and other	—	—	—	—	—	—	—	160,550	160,550
Investment earnings	104,314	94,425	—	5,442	—	224,438	246,277	827,378	1,502,274
Net increase in the fair value of investments	54	—	—	94	—	3,316	2,260	8,024	13,748
Other revenues	108,660	192,260	3,849	7,906	—	—	37,084	283,578	633,337
Total revenues	6,463,674	10,800,412	5,875,620	2,907,709	9,996,000	1,234,788	6,415,908	25,445,719	69,139,880
Expenditures									
Current:									
General government	1,941,475	—	—	—	—	—	—	164,069	2,105,544
Criminal justice	3,662,942	—	6,065,793	3,742,640	—	—	—	216,122	13,687,517
Health and welfare	—	—	—	—	9,996,000	—	—	2,738,068	12,734,068
Highways and streets	—	—	—	—	—	—	155,666	4,476,479	4,632,145
Building facilities	153,955	—	—	390,778	—	—	—	2,565,059	3,089,772
Drainage	—	—	—	—	—	—	—	527,801	527,801
Sanitation	—	—	—	—	—	—	—	1,802,395	1,802,395
Culture and recreation	—	7,786,130	—	—	—	—	—	825,322	8,611,452
Economic development	—	—	—	—	—	—	—	2,180,245	2,180,245
Debt service:									
Principal	—	2,065,000	—	—	—	—	—	2,150,000	4,215,000
Interest	—	316,676	—	—	—	—	—	321,000	637,676
Fees and charges	—	—	—	—	—	—	—	104,056	104,056
Capital outlay	—	2,352,879	—	—	—	8,248,926	—	—	10,601,805
Total expenditures	5,738,372	12,520,685	6,065,793	4,133,438	9,996,000	8,248,926	155,666	18,070,596	64,929,476
Excess (deficiency) of revenues over (under) expenditures	725,302	(1,720,273)	(190,123)	(1,225,729)	—	(7,014,138)	6,260,242	7,375,123	4,210,404
Other Financing Sources (Uses)									
Transfers in	650,000	1,713,408	125,000	1,375,000	—	6,107,700	54,712	1,175,905	11,201,725
Transfers out	(125,000)	—	—	—	—	(130,617)	(4,791,700)	(6,196,452)	(11,243,769)
Total other financing sources and uses	525,000	1,713,408	125,000	1,375,000	—	5,977,083	(4,736,988)	(5,020,547)	(42,044)
Net change in fund balances	1,250,302	(6,865)	(65,123)	149,271	—	(1,037,055)	1,523,254	2,354,576	4,168,360
Fund balances, beginning	4,751,549	10,193,011	397,447	712,270	—	8,312,115	8,290,655	38,076,575	70,733,622
Fund balances, ending	\$ 6,001,851	\$ 10,186,146	\$ 332,324	\$ 861,541	\$ —	\$ 7,275,060	\$ 9,813,909	\$ 40,431,151	\$ 74,901,982

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities

Year ended December 31, 2005

Net change in fund balances – total governmental funds	\$	4,168,360
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	6,548,503	
Depreciation expense	<u>(14,384,885)</u>	(7,836,382)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial revenues.		
		161,891
Revenues reported in the statement of activities are not reported in governmental funds because they do not provide current financial resources. This adjustment is to recognize the net change in unavailable revenues (property taxes and special assessments).		
		186,318
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:		
Principal payments		4,215,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Amortization of deferred loss on advance refunding	(55,019)	
Amortization of bond issue costs	(7,173)	
Increase in compensated absences	(80,159)	
Decrease in accrued interest	130,438	
Loss on disposal of capital assets	<u>(2,321,604)</u>	(2,333,517)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.		
		<u>248,618</u>
Change in net assets of governmental activities	\$	<u><u>(1,189,712)</u></u>

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Statement of Net Assets

Proprietary Funds

December 31, 2005

	Assets		Governmental Activities Internal Service Funds
Current assets:			
Cash and cash equivalents		\$	76,489
Investments			3,230,050
Receivables, net			60,013
Accrued interest receivable			22,905
Due from other funds			806,907
Inventories			41,231
Total current assets			<u>4,237,595</u>
Noncurrent assets:			
Capital assets:			
Land			163,475
Sewer line			107,541
Buildings			134,428
Vehicles			14,579
Equipment			23,322
Less accumulated depreciation			<u>(126,311)</u>
Total capital assets (net of accumulated depreciation)			<u>317,034</u>
Total assets			<u>4,554,629</u>
	Liabilities		
Current liabilities:			
Accounts payable			76,537
Accrued liabilities			6,010
Accrued insurance claims payable			342,902
Due to other funds			12,562
Total current liabilities			<u>438,011</u>
	Net Assets		
Invested in capital assets			317,034
Unrestricted			<u>3,799,584</u>
Total net assets		\$	<u><u>4,116,618</u></u>

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

Year ended December 31, 2005

	Governmental Activities Internal Service Funds
Operating Revenues	
Employer's contributions	\$ 2,078,353
Employees' contributions	694,436
Charges for sales and services	2,478,581
Miscellaneous	24,088
Total operating revenues	<u>5,275,458</u>
Operating Expenses	
Claims	2,529,226
Cost of sales and service	1,388,143
Insurance premiums	856,106
General and administrative	360,918
Depreciation	10,934
Other	24,537
Total operating expenses	<u>5,169,864</u>
Operating income	<u>105,594</u>
Nonoperating Revenues (Expenses)	
Investment earnings	101,825
Interest expense	(845)
Total nonoperating revenues	<u>100,980</u>
Income before transfers	206,574
Transfers in	42,044
Change in net assets	248,618
Total net assets, beginning	<u>3,868,000</u>
Total net assets, ending	<u>\$ 4,116,618</u>

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Statement of Cash Flows
 Proprietary Funds
 Year ended December 31, 2005

	Governmental Activities Internal Service Funds
Cash flows from operating activities:	
Contributions	\$ 2,313,073
Receipts from operations	2,259,531
Payments to suppliers	(2,660,179)
Claims paid	(2,480,261)
	(567,836)
Net cash used in operating activities	(567,836)
Cash flows from noncapital financing activities:	
Interest paid	(845)
Transfers in	42,044
	41,199
Net cash provided by capital and related financing activities	41,199
Cash flows from investing activities:	
Purchase of investments	(484,526)
Interest received	94,227
	(390,299)
Net cash used in investing activities	(390,299)
Net decrease in cash and cash equivalents	(916,936)
Cash and cash equivalents, beginning of year	993,425
Cash and cash equivalents, end of year	\$ 76,489
Reconciliation of operating income to net cash used in operating activities:	
Operating income	\$ 105,594
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	10,934
(Increase) decrease in assets:	
Receivables	31,910
Inventory	(3,984)
Due from other funds	(734,764)
Increase (decrease) in liabilities:	
Accrued insurance claims payable	48,965
Accounts payable	32,918
Accrued liabilities	172
Due to other funds	(59,581)
	(673,430)
Total adjustments	(673,430)
Net cash used in operating activities	\$ (567,836)
Noncash items:	
Net increase in the fair value of investments	905

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2005

Assets	
Cash and cash equivalents	\$ 4,021
Investments	170,487
Receivables	3,611
Due from other government agencies	<u>143,218</u>
Total assets	<u><u>321,337</u></u>
Liabilities	
Accounts payable and accrued liabilities	68,300
Due to other governmental agencies	<u>253,037</u>
Total liabilities	<u><u>\$ 321,337</u></u>

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2005

(1) Summary of Significant Accounting Policies

The Caddo Parish Commission (the Commission) is the governing authority for Caddo Parish and is a political subdivision of the state of Louisiana. The Commission, under the provisions of Louisiana Revised Statutes 33:1271-1285, enacts ordinances, sets policy, and establishes programs in such fields as criminal and juvenile justice, highways and streets, sanitation, planning and zoning, public health and welfare, libraries, culture and recreational facilities, economic development, and general administrative services.

The Commission was established December 10, 1984, after voter approval of the Home Rule Charter for Caddo Parish on April 7, 1984. The Commission replaced the Caddo Parish Police Jury which was established January 18, 1838.

(a) Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for government-wide 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.

These financial statements present only the Caddo Parish Commission (the primary government) and do not include the data of the discrete component units necessary for reporting in conformity with accounting principles generally accepted in the United States of America.

Other than the exclusion of the data of the discrete component units, the accounting policies of the Commission conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies:

(b) Government-wide and Fund Financial Statements

The government-wide financial statements (GWFS) (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Commission.

The statement of net assets presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2005

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense is identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements (FFS) are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the FFS.

(c) *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The GWFS are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary FFS. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental FFS are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes are considered "measurable" at the time of levy, whereas items such as beer taxes are considered "measurable" when in the hands of intermediary collecting agencies and are recognized as revenue at that time. Substantially all other non-intergovernmental revenues are susceptible to accrual and are recognized when earned or the underlying transaction occurs. Sales taxes are accrued in the individual funds to which they pertain. For intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Grants and similar items are recognized as revenues as soon as all eligibility requirements have been met. In reimbursement-type programs, monies must be expended on the specific purpose or project before any amounts will be paid to the Commission; therefore, revenues are recognized based upon the expenditures recorded. In other programs in which monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements, the resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

CADDO PARISH COMMISSION

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Notes to Basic Financial Statements

December 31, 2005

The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses. The various funds are summarized by type in the financial statements. The following fund types are used by the Commission:

Governmental Funds

Governmental funds are those through which most governmental functions of the Commission are financed. The acquisition, use, and balances of the Commission's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The Commission reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

Detention Facilities Fund – The Detention Facilities Fund accounts for the proceeds of a special ad valorem tax and other revenues dedicated to the maintenance and operation of the Caddo Correctional Center.

Juvenile Court Fund – The Juvenile Court Fund accounts for the proceeds of a special ad valorem tax dedicated to the maintenance and operation of the parish juvenile court and detention facilities.

Head Start – The Head Start Fund accounts for federal monies received by the Commission that are passed through to the Caddo Community Action Agency.

Shreve Memorial Library Fund – The Shreve Memorial Library Fund accounts for the proceeds of a special ad valorem tax and other revenues dedicated to the operation of the Shreve Memorial Library system.

Road Construction Fund – The Road Construction Fund accounts for the proceeds of a sales tax approved by the voters in 1989. The tax was dedicated to capital improvement of roads and bridges. The fund also accounts for the proceeds of a portion of the gasoline tax levied by the state of Louisiana. These funds are dedicated to road and bridge improvement by the state.

Capital Outlay Fund – The Capital Outlay Fund was established to account for capital expenditures and capital projects still in progress. Monies for the Capital Outlay Fund are provided through transfers from various funds of the Commission.

Additionally, the Commission reports the following governmental fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2005

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Fund receives a dedicated portion of ad valorem taxes paid to the Commission.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. These funds are also used to account for the construction of public improvements, which are to be ultimately financed through assessments to individual property owners.

Permanent Funds – In accordance with GASB Statement No. 34, Nonexpendable Trust Funds are now referred to as Permanent Funds. The Jail Site Permanent Fund was established in accordance with a government mandate by the legislature to account for the proceeds from the sale of certain property in downtown Shreveport. The fund is nonexpendable and may only be utilized for the purpose of making revolving loans to the General Fund.

Proprietary Fund Type

The Proprietary Fund type is used to account for the Commission's ongoing organizations and activities which are similar to those often found in the private sector. The Internal Service Funds are the only Proprietary Funds maintained by the Commission. The Internal Service Funds are used to account for the financing of services provided by one fund of the Commission to other funds on a cost-reimbursement basis. The following are the Commission's Internal Service Funds:

Group Insurance Fund – The Group Insurance Fund is used to account for employee medical and life insurance coverage.

General Insurance Fund – The General Insurance Fund is used to account for casualty and workmen's compensation insurance coverage and claims.

Fleet Services – The Fleet Services Fund is used to account for the vehicle and equipment repair services provided by the Commission's Central Garage location.

Fiduciary Funds

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

Agency Funds – Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The Criminal Court Fund was established in accordance with a government mandate by the legislature to account for the proceeds from the operations of the First Judicial District Court. All fines, court costs, and bond forfeitures imposed by the Court are dedicated to trial costs and other operating expenditures. The Jury Fund was established in accordance with a government mandate by the legislature to account for the proceeds from a special fee assessed on criminal cases. The fees are used to provide compensation of jurors in criminal matters.

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Notes to Basic Financial Statements
 December 31, 2005

(d) Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the GWFS. Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. The Commission maintains a threshold level for capitalization of capital assets except land. All land is capitalized, regardless of the amount. All other capital assets are capitalized utilizing a threshold of \$5,000 for land improvements, buildings and building improvements, furniture, equipment, vehicles, and construction in progress. Infrastructure is capitalized utilizing a threshold of \$200,000 for roads, \$75,000 for bridges, \$50,000 for drainage ditches, and \$5,000 for solid waste. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are not reported in the FFS.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is calculated based on the following estimated useful lives:

Land improvements	20 years
Buildings	40 – 45 years
Building improvements	20 years
Sewer line	50 years
Drainage	15 – 30 years
Roadways	20 – 40 years
Bridges	40 years
Solid waste	15 years
Vehicles	5 years
Equipment	5 – 20 years

(e) Long-Term Liabilities

In the GWFS, and proprietary fund types in the FFS, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund-type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount.

In the FFS, governmental fund-types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources

CADDO PARISH COMMISSION
Shreveport, Louisiana
Notes to Basic Financial Statements
December 31, 2005

while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(f) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the Commission's governmental funds. Every appropriation, except an appropriation for a capital expenditure, will lapse at the close of the fiscal year to the extent it has not been expended. Open encumbrances are reported as reservations of fund balances since the commitments will be honored through subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities.

(g) Investments

State statutes authorize the Commission to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the state of Louisiana, which operates a local government investment pool. Investments of the Commission are stated at fair value. Investments, excluding the LAMP investments, are held in the Commission's name through a book-entry system at the Federal Reserve Bank.

(h) Inventories

Inventories are valued at cost using the first-in, first-out (FIFO) method. Inventory in the Internal Service Fund consists of parts, signs, and fuel. Inventories are accounted for using the purchase method.

(i) Deferred Revenues

Deferred revenues for ad valorem taxes represent those amounts of current year taxes not received within the 60-day period after December 31. Certain licenses are collected in advance; therefore, the recognition of revenue is deferred until the following year.

In addition, deferred revenues in the Road Construction Capital Projects Fund exist because paving assessments receivable are collected over several years. Revenue will be recognized as paving assessments receivable become current. As paving assessments become current but are not collected, the receivables then become delinquent. These receivables are secured by the property improved by the assessments and are, therefore, collectible. Delinquent receivables are immaterial.

(j) Vacation and Sick Leave

Full-time Commission employees may earn from 9 to 21 days of annual leave and 12 to 24 days of sick leave per year depending on length of service. Upon resigning, employees may be paid for accumulated annual leave. Retiring employees are not paid for accrued annual leave, but they are

CADDO PARISH COMMISSION

Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2005

given credit toward retirement length of service. Similarly, employees are not paid for accrued sick leave upon resigning or retiring, but accrued sick leave may be applied against total employment years at retirement.

Full-time Shreve Memorial Library employees may earn from 12 to 22 days of annual leave and 6 to 15 days of sick leave annually depending on length of service. Employees may accrue a maximum of 44 days of annual leave and 60 days of sick leave. Any accrual over the maximum is forfeited. Employees resigning or retiring from the Library with proper notice are paid for their accrued annual leave. Accumulated sick leave is canceled upon termination or retirement with no credit toward retirement length of service.

In the FFS, the matured liability for compensated absences, which includes salary and salary-related payments, is reported in the fund. The total liability is reported in the GWFS. Accrued sick leave benefits are not accrued due to the Commission's policy of not paying benefits upon termination. No accrual is made in the governmental funds because the liability is not matured.

(k) Pension Plans

The Commission participates in two pension plans, which are administered by other governmental entities. These plans cover substantially all employees who meet certain length of service requirements (see note 7 for details of these plans).

(l) Reserves

Use of the term "reserve" in describing governmental fund "fund balances" and proprietary fund "net assets" indicates that a portion of the fund balance or net assets is not appropriable for expenditure or is legally segregated for a specific future use. The nature and purpose of these reserves are explained as follows:

Debt Service

This amount represents the portion of fund balance that has been reserved in the Debt Service Fund for future payment of principal and interest on bonded debt and revenue bonds.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances.

Revolving Loans to General Fund

This amount represents the total fund balance of the Jail Site Permanent Fund, which as mandated by the Louisiana State Legislature, is reserved for and restricted to providing a source of funding for the purpose of making annual revenue anticipation loans to the General Fund.

CADDO PARISH COMMISSION
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Notes to Basic Financial Statements
December 31, 2005

Contingencies

This represents the fund balance of the Reserve Trust Fund, established to provide financial resources in the event of a major interruption in budgeted revenues, a catastrophic natural disaster, an extraordinary economic development opportunity, or other occasion requiring immediate emergency funding needs or cash flow loan demand.

Industrial Development

This amount represents the total fund balance of the Economic Development Special Revenue Fund, which is reserved for industrial development in Caddo Parish.

(m) Designations

Use of the term "designated" in describing governmental fund "fund balances" indicates that a portion of the fund balance has been segregated to indicate tentative plans for future financial resource use. The nature and purpose of these designations are explained as follows:

Designated for Future Claims

This amount represents a portion of fund balance that has been designated to fund possible claims and losses from lawsuits.

Designated for Subsequent Year Expenditures

This amount represents a portion of the current year fund balance that has been designated in the subsequent year budget to cover anticipated expenditures in excess of revenues.

(n) Interfund Receivables and Payables

All outstanding balances between funds are reported as due to/from other funds. There is no activity between funds that is representative of lending/borrowing arrangements at the end of the fiscal year.

The Criminal Court Agency Fund includes receipts and disbursements of the First Judicial District Court. The monies in the fund are not available for use by the Commission; however, state law requires that the Commission fund all deficits of the fund and entitles the Commission to one-half of any surplus. These transactions are accounted for as receipts or disbursements of the Criminal Court Fund and the General Fund as applicable.

(o) Grants From Other Governmental Agencies

Federal and state governmental agencies represent an important source of supplementary funding to finance housing, employment, construction programs, and other activities beneficial to the parish. These funds, primarily in the form of grants, are recorded in the General, Special Revenue, and Capital Projects Funds. A grant receivable is recorded when the Commission 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 approach as mandated in OMB Circular A-133.

CADDO PARISH COMMISSION
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Notes to Basic Financial Statements

December 31, 2005

(p) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Commission considers all highly liquid investments with an original maturity of three months or less when purchased and its investment in the Louisiana Asset Management Pool (LAMP) to be cash equivalents.

(2) Cash and Investments

The Commission maintains a consolidated cash management pool that is available for use by all funds. Each fund type's portion of the consolidated cash pool is displayed on the Statement of Net Assets as "Cash and cash equivalents" or "Investments." The Commission adopted Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, during 2005.

(a) Deposits

Deposits (including demand deposit accounts and certificates of deposits) at December 31, 2005 had a carrying amount of \$610,367 and a bank balance of \$2,623,600.

The Commission's bank balance of deposits at December 31, 2005, is not exposed to any custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned. The Commission does not have a written policy for custodial credit risk.

The carrying amount of deposits does not include a cash on hand balance of \$375 which is not on deposit with a financial institution. Cash on hand includes petty cash and cash received but not yet deposited at year-end.

(b) Investments

State statutes authorize the Commission to invest in direct obligations of the United States Treasury, United States government agency obligations and LAMP, a local government investment pool. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. 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 value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participant's shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give participants daily access to their account balances.

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Notes to Basic Financial Statements

December 31, 2005

The Commission's investment balance at December 31, 2005 consisted of the following:

Security	Standard & Poors Rating	Percentage of Total Portfolio	Fair Market Value	Months to Maturity			
				0 - 6	6 - 12	12 - 24	Over 24
Louisiana Asset Management Pool - cash	N/A	2%	\$ 980,628	980,628	—	—	—
Louisiana Asset Management Pool - securities	AAA	2%	618,440	618,440	—	—	—
U.S. Treasury	N/A	7%	2,956,562	500,469	1,483,906	—	972,187
U.S. Chartered Agencies:							
Federal National Mortgage Association	AAA	23%	9,397,738	1,032,482	3,508,288	2,941,968	1,915,000
Federal Home Loan Mortgage Corporation	AAA	20%	8,014,337	523,013	1,848,435	5,326,603	316,286
Federal Home Loan Bank	AAA	38%	15,891,574	1,372,172	10,885,200	2,166,812	1,467,390
Federal Farm Credit Bank	AAA	8%	3,422,812	—	1,479,062	976,250	967,500
Total		100%	\$ 41,282,091	5,027,204	19,204,891	11,411,633	5,638,363
Percentage of Portfolio Value			100%	12%	47%	27%	14%

The investments with original maturities of three months or more when purchased totaling \$40,130,976 and \$170,487 are classified as "Investments" on the Statement of Net Assets and the Statement of Fiduciary Assets and Liabilities, respectively. The balance of cash in the Louisiana Asset Management Pool totaling \$980,628 is classified as "Cash and cash equivalents" on the Statement of Net Assets as these funds operate similar to a money market fund.

The Commission's investment policy requires all securities to be investment grade obligations, but does not address specific credit quality ratings. The Commission does not limit the amount that may be invested in securities of any one issuer. In accordance with the investment policy, the maximum permitted maturity of any individual security in the Commission's portfolio is five years. It is a further requirement that the overall portfolio be structured to provide a minimum cash flow, through maturities, equal to 20% of the portfolio balance on an annual basis. Applicable state statutes do not address credit quality ratings, concentration of credit risk by issuer, or investment maturity limitations.

(3) Ad Valorem Taxes

The Commission levies taxes on real and business personal property located within Caddo Parish's boundaries. Property taxes are levied by the Commission on property values assessed by the Caddo Parish Tax Assessor and approved by the state of Louisiana Tax Commission.

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Notes to Basic Financial Statements

December 31, 2005

The Caddo Parish Sheriff's Office bills and collects property taxes for the Commission. Collections are remitted to the Commission monthly. In the fund level statements, the Commission property tax revenues are recognized when levied to the extent that they are collected within 60 days after year-end.

Property Tax Calendar

Assessment date	January 1
Levy date	Not later than June 1
Tax bills mailed	On or about November 25
Total taxes are due	December 31
Penalties and interest are added	January 1
Lien date	January 1
Tax sale – 2005 delinquent property	On or about May 17, 2006

The Commission is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose, or, in the aggregate for all purposes, 35% of the assessed valuation for the payment of principal and interest on long-term debt after approval by the voters of the parish. A total of approximately \$482,223,468 of additional bonded debt is available for issuance pursuant to the 35% limitation. Property taxes are recorded as receivables and revenues in the year assessed, net of combined estimated allowance for uncollectible accounts of \$1,335,546. Taxes totaling \$1,258,026 not collected within 60 days have been deferred in the FFS.

Assessed values are established by the Caddo Parish Tax Assessor each year on a uniform basis at the following ratios to fair value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2004. Total assessed value was \$1,401,867,050 in 2005. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$321,918,880 of the assessed value in 2005.

CADDO PARISH COMMISSION

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Notes to Basic Financial Statements

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The distribution of the Commission's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 2005:

<u>Fund</u>	<u>Property within Shreveport or Vivian</u>	<u>Property outside Shreveport and Vivian</u>
General Fund	\$ 3.32%	6.65%
Road and Bridge	4.54%	4.54%
Courthouse Maintenance	2.77%	2.77%
Detention Facilities	5.43%	5.43%
Parks and Recreation	0.86%	0.86%
Solid Waste Disposal	0.18%	0.18%
Drainage	1.18%	1.18%
Juvenile Court	2.01%	2.01%
Criminal Justice	1.68%	1.68%
Health Unit	2.06%	2.06%
Shreve Memorial Library	9.53%	9.53%
Biomedical	1.80%	1.80%
Debt Service	1.95%	1.95%
	<u>\$ 37.31%</u>	<u>40.64%</u>

CADDO PARISH COMMISSION
Shreveport, Louisiana
Notes to Basic Financial Statements
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(4) Capital Assets

A summary of changes in capital assets is as follows:

	<u>Balance, December 31, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, December 31, 2005</u>
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 14,172,159	1,007	(34,600)	14,138,566
Construction in progress	<u>3,882,957</u>	<u>3,267,630</u>	<u>(184,774)</u>	<u>6,965,813</u>
Total capital assets not being depreciated	<u>18,055,116</u>	<u>3,268,637</u>	<u>(219,374)</u>	<u>21,104,379</u>
Capital assets being depreciated:				
Buildings and structures	75,215,013	184,775	—	75,399,788
Equipment and vehicles	22,746,003	2,202,243	(461,372)	24,486,874
Infrastructure	<u>359,937,724</u>	<u>1,239,513</u>	<u>(3,888,393)</u>	<u>357,288,844</u>
Total capital assets being depreciated	<u>457,898,740</u>	<u>3,626,531</u>	<u>(4,349,765)</u>	<u>457,175,506</u>
Less accumulated depreciation for:				
Buildings and structures	(18,342,658)	(1,854,243)	—	(20,196,901)
Equipment and vehicles	(15,287,011)	(2,127,269)	461,372	(16,952,908)
Infrastructure	<u>(181,312,329)</u>	<u>(10,414,307)</u>	<u>1,601,389</u>	<u>(190,125,247)</u>
Total accumulated depreciation	<u>(214,941,998)</u>	<u>(14,395,819)</u>	<u>2,062,761</u>	<u>(227,275,056)</u>
Total capital assets being depreciated, net	<u>242,956,742</u>	<u>(10,769,288)</u>	<u>(2,287,004)</u>	<u>229,900,450</u>
Capital assets, net	<u>\$ 261,011,858</u>	<u>(7,500,651)</u>	<u>(2,506,378)</u>	<u>251,004,829</u>

At December 31, 2005, construction in progress largely consisted of approximately \$3,554,230 in a construction project related to a fireproof stairwell at the Caddo Parish Courthouse and \$2,572,350 in construction projects related to two Shreve Memorial Libraries.

In 2005, the City of Shreveport annexed certain parish roads. The costs of those roads and associated land were removed from the Commission's capital assets.

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Notes to Basic Financial Statements

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The Commission leases the Shreveport Regional Lab to the State Department of Health and Hospitals under an operating lease expiring in June of 2010. The building being leased has a cost of \$1,496,340. Minimum future rentals to be received are as follows:

	Amount
Years ending December 31:	
2006	\$ 145,000
2007	145,000
2008	145,000
2009	145,000
2010	145,000

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

Governmental activities:	
General Government	\$ 55,954
Criminal Justice	952,658
Health and Welfare	228,838
Highways and Streets	10,594,656
Building Facilities	331,664
Drainage	578,251
Sanitation	102,787
Economic Development	86,267
Culture and Recreation	1,464,744
Total depreciation expense – governmental activities	\$ 14,395,819

(5) Long-Term Debt

The following is a summary of the long-term obligation activity for the year ended December 31, 2005:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds payable	\$ 10,195,000	—	1,765,000	8,430,000	1,800,000
Certificates of indebtedness	12,160,000	—	2,450,000	9,710,000	2,375,000
Deferred loss	(250,962)	55,019	—	(195,943)	—
Claims and judgments payable	293,937	2,499,983	2,451,018	342,902	342,902
Compensated absences	1,218,440	652,129	571,970	1,298,599	579,764
Governmental activity long-term liabilities	\$ 23,616,415	3,207,131	7,237,988	19,585,558	5,097,666

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Long-term debt at December 31, 2005 is comprised of the following issues:

General obligation bonds – applicable to general parish operations:		
\$3,425,000 1998 Refunding Bonds, due in annual installments of \$40,000 to \$420,000 through February 1, 2011; interest at 3.75% to 4.65%	2,195,000	
\$6,365,000 2004 Refunding Bonds, due in annual installments of \$130,000 to \$1,640,000 through February 1, 2009; interest at 2.79%	6,235,000	
Total general obligation bonds payable	8,430,000	
\$7,000,000 Certificates of Indebtedness, Series 2001, due in annual installments of \$1,080,000 to \$1,800,000 through March 1, 2006; interest at 3.24% to 3.9%	1,080,000	
\$9,000,000 Certificates of Indebtedness, Series 2002, due in annual installments of \$360,000 to \$1,135,000 through March 1, 2012; interest at 2.875% to 3.7%	7,010,000	
\$2,060,000 Refunding Certificates of Indebtedness, Series 2003, due in annual installments of \$25,000 to \$420,000 through December 1, 2009; interest at 1.0% to 3.5%	1,620,000	
Total certificates of indebtedness	9,710,000	
Total long-term debt	\$ 18,140,000	

The annual requirements, excluding a deferred loss of \$195,943 to amortize all debt outstanding as of December 31, 2005 are as follows:

	Governmental activities		Total
	Principal	Interest	
Years ending December 31:			
2006	\$ 4,175,000	536,712	4,711,712
2007	3,170,000	421,209	3,591,209
2008	3,295,000	322,295	3,617,295
2009	3,425,000	216,601	3,641,601
2010	1,435,000	127,511	1,562,511
2011-2012	2,640,000	92,288	2,732,288
	\$ 18,140,000	1,716,616	19,856,616

Principal payments of \$1,765,000 plus interest of \$264,145 on the bonds payable were paid from the Debt Service Fund. Principal payments of \$2,450,000 plus interest of \$373,531 on the certificates of indebtedness were paid from the Riverboat Fund and the Shreve Memorial Library Fund.

CADDO PARISH COMMISSION
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There are a number of limitations and restrictions contained in the various bond indentures and the certificates. Management believes the Commission is in substantial compliance with all significant limitations and restrictions.

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

In 1995, the Commission issued \$13,685,000 in general obligation refunding bonds to advance refund a portion of the 1989 Series general obligation bonds in the amount of \$12,580,000. The outstanding principal balances on the 1989 series bonds from February 1, 2001 to February 1, 2009 were the balances subject to the advance refunding and are considered to be defeased. The outstanding balance of the defeased bonds at December 31, 2005 is \$6,215,000.

In March 1998, the Commission issued \$3,425,000 of general obligation refunding bonds to advance refund a portion of the Series 1991 A and the Series 1991 B general obligation bonds in the amounts of \$2,445,000 and \$695,000, respectively. The Series 1991 A and B bonds are considered defeased and the liability for those bonds has been removed from the general long-term obligation. At December 31, 2005, the outstanding balance on the 1991 A and 1991 B refunded bonds was \$1,690,000 and \$480,000, respectively.

In 2003, the Commission issued \$2,060,000 of Certificates of Indebtedness, Series 2003. The net proceeds of \$2,046,870 (after payment of \$13,130 in costs of issuance) were used to defease the 1999 Series Certificates of Indebtedness of \$1,915,000. The reacquisition price exceeded the net carrying amount of the old debt by \$145,000. This amount is being netted against the new debt and amortized over seven years, which is equal to the life of the old debt and the life of the new debt. Amortization for 2005 was \$19,019.

In 2004, the Commission issued \$6,365,000 of general obligation refunding bonds to advance refund a portion of the 1995 Series general obligation refunding bonds. The net proceeds of \$6,358,931 (after payment of \$26,484 in costs of issuance) were used to defease the 1995 Series general obligation refunding bonds of \$6,185,000. The reacquisition price exceeded the net carrying amount of the old debt by \$180,000. This amount is being netted against the new debt and amortized over five years, which is equal to the life of the old debt and the life of the new debt. Amortization for 2005 was \$36,000.

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Notes to Basic Financial Statements

December 31, 2005

(6) Other Required Individual Fund Disclosures

(a) Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at December 31, 2005 were as follows:

Due from Other Funds	Due to Other Funds						Total
	General Fund	Detention Facilities Fund	Juvenile Court Fund	Nonmajor Debt Service Fund	Nonmajor Special Revenue Fund	Internal Service Fund	
General Fund	\$ —	—	—	—	615,875	—	615,875
Road Construction Fund	—	—	—	—	1,509,924	—	1,509,924
Capital Outlay Fund	—	—	1,574,913	319,967	—	—	1,894,880
Nonmajor Special Revenue	—	3,215,525	—	—	—	—	3,215,525
Nonmajor Capital Outlay	—	251,676	—	6,048	680,910	—	938,634
Internal Service	—	794,345	—	—	—	12,562	806,907
Permanent Fund	1,100,000	—	—	—	24,900	—	1,124,900
	<u>\$ 1,100,000</u>	<u>4,261,546</u>	<u>1,574,913</u>	<u>326,015</u>	<u>2,831,609</u>	<u>12,562</u>	<u>10,106,645</u>

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

(b) Transfers

A reconciliation of operating transfers follows:

Transfers Out	Transfers In									Total
	General Fund	Detention Facilities Fund	Juvenile Court Fund	Shreve Memorial Library Fund	Capital Outlay Fund	Road Construction Fund	Nonmajor Special Revenue Fund	Nonmajor Capital Projects Fund	Internal Service Fund	
General Fund	\$ —	—	—	—	125,000	—	—	—	—	125,000
Road Construction Fund	—	—	—	—	4,791,700	—	—	—	—	4,791,700
Capital Outlay Fund	—	—	—	—	—	54,712	72,973	2,932	—	130,617
Nonmajor Special Revenue Fund	650,000	125,000	1,375,000	—	1,006,000	—	1,100,000	—	42,044	4,296,044
Nonmajor Capital Projects Fund	—	—	—	1,713,408	185,000	—	—	—	—	1,898,408
	<u>\$ 650,000</u>	<u>125,000</u>	<u>1,375,000</u>	<u>1,713,408</u>	<u>6,107,700</u>	<u>54,712</u>	<u>1,172,973</u>	<u>2,932</u>	<u>42,044</u>	<u>11,243,769</u>

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

The Capital Outlay Fund was established to budget and monitor the status of ongoing capital projects and expenditures. The funding for this fund is provided primarily through transfers from various other funds of the Commission.

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December 31, 2005

(7) Defined Benefit Pension Plans

(a) Description of Plans

The Commission provides retirement, death, and disability benefits to its employees through two pension plans administered by other governmental entities.

Parochial Employees' Retirement System of Louisiana (Parochial Plan)

Plan Description – Substantially all Commission employees are members of this cost-sharing multiple-employer public employee statewide plan administered by the Parochial Employees' Retirement System. All classified parish employees who work at least 28 hours per week and are under 60 years of age are required to become members of the plan on the date of employment. Benefit provisions are established in accordance with Louisiana State Statute. The Parochial Plan 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 Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898.

Funding Policy – Covered employees are required to contribute 9.5% of their salary. The Commission is required to contribute 11.75% of covered employees' salaries. The employer and employee contribution obligations are established and may be amended by Louisiana State Statute. The Commission's contributions for the years ended December 31, 2005, 2004, and 2003 were \$1,278,435, \$1,248,236, and \$816,716, respectively, equal to the required contributions for each year. The plan's pension liability was determined in accordance with GASB Statement No. 27 and equaled zero before and after the transition.

City of Shreveport Employees' Retirement System (City Plan)

Plan Description – Substantially all employees of the Shreve Memorial Library are members of this cost-sharing, multiple-employer defined benefit plan which is administered by the City of Shreveport. Enrollment is mandatory for full-time, permanent employees. Benefit provisions are established and may be amended by Shreveport City ordinance. The City of Shreveport issues a publicly available financial report that includes financial statements and required supplementary information of the City Plan. That report may be obtained by writing the City of Shreveport, P.O. Box 31109, Shreveport, Louisiana 71130.

Funding Policy – Plan members are required to contribute 5% of their salary. The Commission is required to contribute 9.15% of covered employees' salaries. This total contribution rate is allocated between the City Plan and the ERS Employer Contribution Plan, which is a savings plan for members. Under this employer allocation, 5.1% is contributed to the retirement plan and up to 4.05% is contributed to the savings plan, based on a matching of the member's contributions. Any amounts not matched are contributed to the retirement plan. These percentages can vary from year to year based on actuarial evaluations, but in no case will the employer total rate of 9.15% change. The employer and employee contribution obligations are established and may be amended by Shreveport City ordinance. The Commission's contributions for the years ended December 31, 2005, 2004, and

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2003, were \$248,508, \$249,190, and \$228,608, respectively, equal to the required contribution for each year. The plan's pension liability was determined in accordance with GASB Statement No. 27 and equaled zero before and after the transition.

(8) Post-Employment Healthcare Benefits

In addition to the pension benefits described in note 7, the Commission provides postretirement healthcare benefits and life insurance, in accordance with state statutes, to all retiring employees who were participating in the group insurance plan prior to their retirement date. The Commission is self-insured for medical benefits including postretirement healthcare benefits and life insurance. Currently, there are 89 retirees receiving life insurance coverage and 76 receiving healthcare benefits. The Commission reimburses 80% of the amount of validated claims for medical and hospitalization costs incurred by pre-Medicare employees and their dependents. The Commission also reimburses 80% of Medicare supplemental benefits for retirees over the age of 65. Expenditures for postretirement healthcare benefits are recognized in the year claims are incurred. During 2005, expenditures of \$450,387 were recognized for postretirement healthcare. In addition, expenditures of \$26,000 were recognized for life insurance benefits paid during 2005.

(9) Contingencies

Litigation

The Commission is a defendant in several lawsuits involving civil actions. In the opinion of legal counsel, the Commission's ultimate exposure is unknown at this time. It is the policy of the Commission to pay judgments against the Commission on a current basis from current revenues. Settlements from litigation, insurance, and liability claims are included in General Insurance Fund expenditures.

Grant Disallowances

The Commission participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Commission management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

(10) Risk Management

The Commission 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 Group Insurance Fund is used to account for self-insurance activities involving group medical and life insurance coverage for Commission employees. The General Insurance Fund is used to account for self-insurance activities involving workers' compensation and general liability claims.

The Commission maintains property, general, automobile, and excess liability insurance coverage. The limit of coverage on the general liability policy is \$1,000,000 per occurrence and \$3,000,000 in the aggregate. The excess liability policy contains an additional aggregate limit of \$1,000,000 for general liability claims. The Commission is self-insured for medical benefits and workers' compensation

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Notes to Basic Financial Statements

December 31, 2005

coverage. Employees contribute for medical benefits coverage, and each department that pays salaries contributes for both medical and workers' compensation coverage. The Commission maintains stop-loss coverage with an insurance company for medical claims in excess of \$150,000 per occurrence with an aggregate total of 125% of expected losses. Stop-loss coverage is also maintained for workers' compensation cases above \$300,000. Settlements have not exceeded insurance coverage for each of the past three fiscal years, and there were no reductions in insurance coverage from coverage in the prior year.

Payments to the Internal Service Funds 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 self-insurance programs. Payments in excess of actual expenses are recorded as transfers. At December 31, 2005, \$2,792,429 and \$1,007,155, respectively, are reported as Group Insurance Fund and General Insurance Fund net asset balance.

All self-insurance programs are accounted for within Internal Service Funds. The Commission has included incurred but not reported claims in determining its claims liability in both self-insurance programs.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors, including the effects of specific, incremental claim adjustment expenses, salvage, and subrogation. The claims liability of \$273,859 and \$69,043 reported in the Group Insurance and General Insurance Funds, respectively, at December 31, 2005 are based on the requirements of GASB Statement No. 10.

Changes in the Group Insurance Fund's claims liability amount in fiscal years 2004 and 2005 were:

	<u>Beginning of fiscal year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claim payments</u>	<u>Balance, fiscal year-end</u>
2004	\$ 243,270	1,724,455	1,697,292	270,433
2005	270,433	2,267,013	2,263,587	273,859

Changes in the General Insurance Fund's claims liability amount in fiscal years 2004 and 2005 were:

	<u>Beginning of fiscal year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claim payments</u>	<u>Balance, fiscal year-end</u>
2004	\$ 31,584	227,367	235,447	23,504
2005	23,504	262,213	216,674	69,043

**REQUIRED SUPPLEMENTARY
INFORMATION**

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual on a Budgetary Basis

General Fund

Year ended December 31, 2005
(unaudited)

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes:				
Ad valorem	\$ 3,843,190	3,843,190	4,204,113	360,923
Other taxes, penalties, and interest	57,800	57,800	53,160	(4,640)
	<u>3,900,990</u>	<u>3,900,990</u>	<u>4,257,273</u>	<u>356,283</u>
Charges for Services	155,000	155,000	239,674	84,674
Licenses and permits	384,750	384,750	468,533	83,783
Intergovernmental – state of Louisiana:				
Oil and gas severance tax	750,000	750,000	750,000	—
Beer tax	25,000	25,000	22,680	(2,320)
Timber severance pay	90,000	90,000	193,507	103,507
State revenue sharing	175,000	175,000	175,382	382
	<u>1,040,000</u>	<u>1,040,000</u>	<u>1,141,569</u>	<u>101,569</u>
Gaming	115,000	115,000	143,597	28,597
Use of money and property:				
Interest earned	45,000	45,000	104,314	59,314
Net increase in the fair value of investments	—	—	54	54
	<u>45,000</u>	<u>45,000</u>	<u>104,368</u>	<u>59,368</u>
Other revenues	13,500	13,500	108,660	95,160
Total revenues	<u>5,654,240</u>	<u>5,654,240</u>	<u>6,463,674</u>	<u>809,434</u>
Expenditures:				
General government:				
Commission	542,241	542,241	496,133	46,108
Administration	362,084	368,084	356,437	11,647
Human resources	133,913	133,913	76,206	57,707
Finance	263,057	263,057	233,118	29,939
Information systems	55,828	55,828	14,068	41,760
Elections	407,330	407,330	372,900	34,430
LSU extension	46,471	46,471	34,535	11,936
Allocations to other entities	209,076	209,076	209,076	—
Statutory appropriations	132,240	132,240	149,002	(16,762)
	<u>2,152,240</u>	<u>2,158,240</u>	<u>1,941,475</u>	<u>216,765</u>
Facilities and maintenance	152,802	152,802	133,955	18,847
Criminal justice	3,910,511	3,910,511	3,662,942	247,569
Total expenditures	<u>6,215,553</u>	<u>6,221,553</u>	<u>5,738,372</u>	<u>483,181</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(561,313)</u>	<u>(567,313)</u>	<u>725,302</u>	<u>(1,292,615)</u>
Other financing sources:				
Transfers in	650,000	650,000	650,000	—
Transfers out	—	(125,000)	(125,000)	—
	<u>650,000</u>	<u>525,000</u>	<u>525,000</u>	<u>—</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>88,687</u>	<u>(42,313)</u>	<u>1,250,302</u>	<u>1,292,615</u>
Fund balance, beginning of year	4,751,549	4,751,549	4,751,549	—
Fund balance, end of year	\$ <u>4,840,236</u>	<u>4,709,236</u>	<u>6,001,851</u>	<u>1,292,615</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Shreve Memorial Library Fund

Year ended December 31, 2005
(unaudited)

	<u>Original and final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Ad valorem taxes	\$ 8,653,620	9,962,411	1,308,791
Intergovernmental revenues:			
State grants	59,784	59,649	(135)
State revenue sharing	394,026	392,125	(1,901)
	<u>9,107,430</u>	<u>10,414,185</u>	<u>1,306,755</u>
Library fines	104,300	99,542	(4,758)
Use of money and property – interest	65,000	94,425	29,425
Other revenues	161,000	192,260	31,260
	<u>9,437,730</u>	<u>10,800,412</u>	<u>1,362,682</u>
Expenditures:			
Culture and recreation:			
Salaries, fringe benefits, and payroll taxes	4,941,886	5,001,211	(59,325)
Supplies	418,901	273,712	145,189
Utilities	596,500	542,481	54,019
Repairs and maintenance	345,000	523,272	(178,272)
Insurance	164,844	159,730	5,114
Books and library materials	850,000	855,721	(5,721)
Miscellaneous	923,394	430,003	493,391
	<u>8,240,525</u>	<u>7,786,130</u>	<u>454,395</u>
Capital outlay	4,405,294	2,352,879	2,052,415
Debt service:			
Interest	316,477	316,676	(199)
Principal	2,195,956	2,065,000	130,956
	<u>15,158,252</u>	<u>12,520,685</u>	<u>2,637,567</u>
Excess (deficiency) of revenues over (under) expenditures	(5,720,522)	(1,720,273)	4,000,249
Other financing sources – transfers in	4,200,000	1,713,408	(2,486,592)
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(1,520,522)	(6,865)	1,513,657
Fund balance, beginning of year	10,193,011	10,193,011	—
Fund balance, end of year	\$ <u>8,672,489</u>	<u>10,186,146</u>	<u>1,513,657</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Detention Facilities Fund

Year ended December 31, 2005
(unaudited)

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues:				
Ad valorem taxes	\$ 5,278,350	5,278,350	5,640,774	362,424
Intergovernmental – state revenue sharing	243,000	243,000	231,047	(11,953)
Other revenues	1,100	1,100	3,849	2,749
Total revenues	5,522,450	5,522,450	5,875,670	353,220
Expenditures:				
Criminal justice:				
Salaries, fringe benefits, and payroll taxes	633,029	633,029	644,455	(11,426)
Supplies	128,700	128,700	122,326	6,374
Education, training, and travel	4,000	4,000	1,267	2,733
Utilities	716,000	716,000	778,348	(62,348)
Repairs and maintenance	188,000	188,000	164,545	23,455
Insurance	190,837	190,837	192,194	(1,357)
Interest	35,000	35,000	18,515	16,485
Miscellaneous	321,684	321,684	299,179	22,505
Contracted services – prison operations	3,515,500	3,515,500	3,844,964	(329,464)
Total expenditures	5,732,750	5,732,750	6,065,793	(333,043)
Excess (deficiency) of revenues over (under) expenditures	(210,300)	(210,300)	(190,123)	20,177
Other financing sources – transfer in	225,000	125,000	125,000	—
Excess (deficiency) of revenues and other financing sources over (under) expenditures	14,700	(85,300)	(65,123)	20,177
Fund balance, beginning of year	397,447	397,447	397,447	—
Fund balance, end of year	\$ 412,147	312,147	332,324	20,177

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Juvenile Court Fund

Year ended December 31, 2005
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Ad valorem taxes	\$ 1,951,390	1,951,390	2,108,051	156,661
Intergovernmental:				
Federal grant	168,087	168,087	204,392	36,305
Other state funds	195,100	195,100	239,330	44,230
State revenue sharing	87,000	87,000	85,523	(1,477)
Electronic monitoring	60,000	60,000	51,947	(8,053)
	<u>510,187</u>	<u>510,187</u>	<u>581,192</u>	<u>71,005</u>
Fines and forfeitures	116,300	116,300	205,024	88,724
Use of money and property:				
Net increase in fair value of investments	—	—	94	94
Interest	2,100	2,100	5,442	3,342
Other revenues	—	—	7,906	7,906
	<u>—</u>	<u>—</u>	<u>7,906</u>	<u>7,906</u>
Total revenues	<u>2,579,977</u>	<u>2,579,977</u>	<u>2,907,709</u>	<u>327,732</u>
Expenditures – criminal justice:				
Court operations:				
Salaries, fringe benefits, and payroll taxes	2,043,041	2,051,791	1,929,065	122,726
Supplies	77,500	77,500	72,346	5,154
Utilities	20,000	20,000	34,851	(14,851)
Repairs and maintenance	28,000	28,000	19,439	8,561
Insurance	87,785	87,785	87,785	—
Interest	20,500	41,000	4,209	36,791
Reimbursements	(150,000)	(150,000)	(150,000)	—
Miscellaneous	(19,261)	(19,261)	44,003	(63,264)
Capital outlay	5,500	5,500	2,891	2,609
	<u>2,113,065</u>	<u>2,142,315</u>	<u>2,044,589</u>	<u>97,726</u>
Total court operations expenditures	<u>2,113,065</u>	<u>2,142,315</u>	<u>2,044,589</u>	<u>97,726</u>

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Juvenile Court Fund

Year ended December 31, 2005
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Juvenile Detention Center:				
Salaries, fringe benefits, and payroll taxes	\$ 1,276,036	1,276,036	1,330,899	(54,863)
Supplies	14,800	14,800	11,207	3,593
Repairs and maintenance	5,000	5,000	4,168	832
Insurance	40,611	40,611	40,611	—
Miscellaneous	87,590	87,590	74,597	12,993
Contracted services – prison operations	230,000	230,000	211,420	18,580
Capital outlay	8,500	8,500	3,435	5,065
Total juvenile detention	<u>1,662,537</u>	<u>1,662,537</u>	<u>1,676,337</u>	<u>(13,800)</u>
STAR Boot Camp	74,895	74,895	21,734	53,161
Total criminal justice expenditures	<u>3,850,497</u>	<u>3,879,747</u>	<u>3,742,660</u>	<u>137,087</u>
Building maintenance:				
Salaries, fringe benefits, and payroll taxes	114,013	114,013	94,989	19,024
Materials and supplies	2,250	2,250	838	1,412
Utilities	171,000	171,000	201,799	(30,799)
Repairs and maintenance	60,825	60,825	57,292	3,533
Miscellaneous	30,516	30,516	31,106	(590)
Insurance	4,459	4,459	4,459	—
Capital outlay	400	400	295	105
Total building maintenance expenditures	<u>383,463</u>	<u>383,463</u>	<u>390,778</u>	<u>(7,315)</u>
Total expenditures	<u>4,233,960</u>	<u>4,263,210</u>	<u>4,133,438</u>	<u>129,772</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,653,983)</u>	<u>(1,683,233)</u>	<u>(1,225,729)</u>	<u>(457,504)</u>
Other financing sources:				
Transfers in	1,660,000	1,375,000	1,375,000	—
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	6,017	(308,233)	149,271	(457,504)
Fund balance, beginning of year	712,270	712,270	712,270	—
Fund balance, end of year	\$ <u>718,287</u>	<u>404,037</u>	<u>861,541</u>	<u>(457,504)</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Notes to Budgetary Comparison Schedules
December 31, 2005
(unaudited)

Budgets and Budgetary Accounting

The Commission utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to November 1, the Parish Administrator submits to the Commission a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) A public hearing is then conducted, after proper official journal notification, to obtain taxpayer comments.
- (3) Prior to December 27, the budget is legally enacted through passage of an ordinance.
- (4) The budget ordinance is structured such that revenues are budgeted by source, and appropriations are budgeted by department (function) or program expenditures. The Home Rule Charter provides that expenditures may not legally exceed appropriations on a functional (departmental or program) basis. Expenditures approved on a functional level are detailed by object account by the Parish Administrator and Finance Director. Revisions to the budget as enacted at the department (function) or program level require Commission action. Revisions at the object level can be approved by the Parish Administrator without seeking approval of the Commissioners. Several such revisions were made during the year ended December 31, 2005.
- (5) The Commission utilizes formal budgetary integration as a management control device and annual budgets are legally adopted for the General Fund, certain Special Revenue Funds, and the Debt Service Fund.
- (6) Comparison of budgeted and actual amounts as shown in the accompanying financial statements includes the General Fund, those Special Revenue Funds which are included in the annual operating budget and for which a budget to actual comparison is required, and the Debt Service Fund. Annual operating budgets were not prepared for the Section 8 Housing Fund, Head Start, and Louisiana Community Development Block Grant Fund. Section 8 Housing prepares their budget on a grant entitlement basis rather than an annual basis. The budget is not readily convertible to an annual operating budget, and thus, is not included in the financial statements. The Head Start Fund and the Louisiana Community Development Block Grant Fund were established to account for transactions involving federal funds received by the Commission. An annual operating budget was not adopted for these funds.

The capital budget appropriations, which encompass the Capital Projects Funds, present cumulative (project length) as opposed to annual budget amounts, and thus, budget and actual comparisons are not reported in the accompanying financial report for these funds. Actual to budget comparison is not required for the Internal Service Fund and Fiduciary Funds.

- (7) The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for each fund type for which an annual budget is prepared. Appropriations which are not expended lapse at year-end.

CADDO PARISH COMMISSION

Notes to Budgetary Comparison Schedules

December 31, 2005

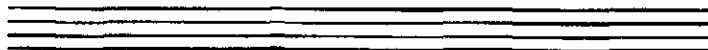
(unaudited)

Excess of Expenditures Over Budget – Major Funds

For those funds for which a budget to actual comparison was made, actual expenditures on a budgetary basis exceeded budgeted expenditures on a line item-basis as follows:

Fund	<u>Final budget</u>	<u>Actual on a budgetary basis</u>	<u>Negative variance</u>
General Fund			
Statutory appropriations	\$ 132,240	149,002	(16,762)
Shreve Memorial Library:			
Salaries, fringe benefits, and payroll taxes	4,941,886	5,001,211	(59,325)
Repairs and maintenance	345,000	523,272	(178,272)
Books and library materials	850,000	855,721	(5,721)
Juvenile Court Fund:			
Court operations:			
Utilities	20,000	34,851	(14,851)
Miscellaneous	(19,261)	44,003	(63,264)
Building maintenance:			
Utilities	171,000	201,799	(30,799)
Miscellaneous	30,516	31,106	(590)
Juvenile Detention Center:			
Salaries, fringe benefits, and payroll taxes	1,276,036	1,330,899	(54,863)
Detention Facilities Fund:			
Criminal Justice:			
Salaries, fringe benefits, and payroll taxes	633,029	644,455	(11,426)
Utilities	716,000	778,348	(62,348)
Insurance	190,837	192,194	(1,357)
Caddo Correctional Center – Contracted services – prison operations	3,515,500	3,844,964	(329,464)

**COMBINING FUND
FINANCIAL STATEMENTS**



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Courthouse Maintenance Fund – The Courthouse Maintenance Fund accounts for the proceeds of a special ad valorem tax dedicated for maintenance and operation of the parish courthouse and other public buildings.

Solid Waste Disposal Fund – The Solid Waste Disposal Fund accounts for the proceeds of a special ad valorem tax, sales tax, and other revenues dedicated for maintenance and operation of the parish solid waste system.

Road and Bridge Fund – The Road and Bridge Fund accounts for the proceeds of a special ad valorem tax, special assessments, and other revenues dedicated for road and bridge maintenance and improvement.

Parks and Recreation Fund – The Parks and Recreation Fund accounts for the proceeds of a special ad valorem tax and other revenues dedicated for maintenance and operation of the parish park system.

Louisiana Community Development Block Grant Fund – The Louisiana Community Development Block Grant Fund accounts for federal monies received by the Commission to provide funds for projects that allow for the development of viable urban communities by providing decent housing and a suitable living environment.

Drainage Fund – The Drainage Fund accounts for the proceeds of a special ad valorem tax and other revenues dedicated for maintenance of parish drainage facilities.

Health Tax Fund – The Health Tax Fund accounts for the proceeds of a special ad valorem tax dedicated to the maintenance and operation of the parish health unit and animal services.

Law Officers Witness Fund – The Law Officers Witness Fund accounts for the proceeds of a special case charge on criminal matters. The revenues generated are dedicated to the payment of a special witness fee to law officers who are called as witnesses to testify in district court.

Biomedical Fund – The Biomedical Fund accounts for the proceeds of a special ad valorem tax dedicated to economic development.

Section 8 Housing Fund – The Section 8 Housing Fund accounts for the proceeds of a federal grant program which is dedicated to housing assistance payments for the benefit of low income individuals. The program is funded by the United States Department of Housing and Urban Development.

Riverboat Fund – The Riverboat Fund accounts for revenues received by the Commission from boarding fees related to the riverboat casinos.

Reserve Trust Fund – This fund was established by the Caddo Parish Commission to provide financial resources in the event of a major interruption in budgeted revenues, a catastrophic natural disaster, an extraordinary economic development opportunity, or other occasion requiring immediate emergency funding needs or cash flow loan demand. This fund was established with a transfer from the Riverboat Fund.

Economic Development Fund – This fund was established by the Caddo Parish Commission to account for the proceeds from the sale of land at the old penal farm site, now known as the West Shreveport Industrial Park. The sale proceeds, as well as additional revenues, are dedicated to economic development.

Criminal Justice Fund – The Criminal Justice Fund accounts for the proceeds of a special ad valorem tax dedicated for criminal justice system expenditures.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Fund is funded by the proceeds of a dedicated ad valorem tax.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Commission has two nonmajor capital projects funds:

Criminal Justice Facilities Fund – The Criminal Justice Facilities Fund accounts for the proceeds of a bond issue approved by the voters in 1988. Additional construction funding was also provided by the state of Louisiana. The issue was dedicated to the construction and renovation of jail facilities.

Library Bond Fund – The Library Bond Fund accounts for the proceeds of certificates of indebtedness. The certificates are dedicated to acquiring, equipping, constructing, and improving the public library system.

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Combining Balance Sheet – By Fund Type
 Governmental Activities
 Nonmajor Governmental Funds
 December 31, 2005

Assets	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Permanent Fund (Jail Site Fund)	Total
Assets:					
Cash and cash equivalents	\$ 374,485	—	111,596	1,961	488,042
Investments	15,797,140	—	4,712,628	85,212	20,594,980
Receivables, net					
Ad valorem taxes	15,118,832	1,956,319	—	—	17,075,151
Paving assessments	18,272	—	—	—	18,272
Other	467,279	—	—	—	467,279
Accrued interest	112,029	—	33,418	4,264	149,711
Due from other funds	3,215,525	—	938,634	1,124,900	5,279,059
Due from other governmental agencies	671,495	—	—	—	671,495
Total assets	\$ 35,775,057	1,956,319	5,796,276	1,216,337	44,743,989
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 546,035	—	—	—	546,035
Accrued liabilities	109,505	—	—	—	109,505
Due to other governments	9,340	—	—	—	9,340
Due to other funds	2,831,609	326,015	—	—	3,157,624
Deferred revenue	490,321	13	—	—	490,334
Total liabilities	3,986,810	326,028	—	—	4,312,838
Fund balances:					
Reserved:					
Debt service	—	1,630,291	—	—	1,630,291
Encumbrances	35,880	—	—	—	35,880
Contingencies	7,039,811	—	—	—	7,039,811
Industrial development	226,377	—	—	—	226,377
Revolving loans to general fund	—	—	—	1,216,337	1,216,337
Unreserved:					
Designated for subsequent year's expenditure	437,666	—	5,796,276	—	6,233,942
Undesignated	24,048,513	—	—	—	24,048,513
Total fund balances	31,788,247	1,630,291	5,796,276	1,216,337	40,431,151
Total liabilities and fund balances	\$ 35,775,057	1,956,319	5,796,276	1,216,337	44,743,989

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances – By Fund Type

Nonmajor Governmental Funds

Governmental Activities

Year ended December 31, 2005

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Permanent Fund (Jail Site Fund)	Total
Revenues:					
Taxes	\$ 18,158,445	2,122,162	—	—	20,280,607
Intergovernmental	1,347,163	—	—	—	1,347,163
Charges for services	276,527	—	—	—	276,527
Licenses and permits	28,797	—	—	—	28,797
Fines and forfeitures	484	—	—	—	484
Gaming	2,232,611	—	—	—	2,232,611
Use of money and property					
Rental, camping fees, and other	160,550	—	—	—	160,550
Investment earnings	609,221	—	195,048	23,109	827,378
Net increase in the fair value of investments	4,110	—	3,901	13	8,024
Other revenues	282,301	1,277	—	—	283,578
Total revenues	23,100,209	2,123,439	198,949	23,122	25,445,719
Expenditures:					
Current:					
General government	164,069	—	—	—	164,069
Criminal justice	216,122	—	—	—	216,122
Health and welfare	2,738,068	—	—	—	2,738,068
Drainage	527,801	—	—	—	527,801
Building facilities	2,565,039	—	—	—	2,565,039
Highways and streets	4,476,479	—	—	—	4,476,479
Sanitation	1,802,395	—	—	—	1,802,395
Culture and recreation	816,315	—	9,007	—	825,322
Economic development	2,180,245	—	—	—	2,180,245
Debt service:					
Principal retirement	385,000	1,765,000	—	—	2,150,000
Fees and charges	—	104,056	—	—	104,056
Interest and fiscal charges	56,855	264,145	—	—	321,000
Total expenditures	15,928,388	2,133,201	9,007	—	18,070,596
Excess (deficiency) of revenues over (under) expenditures	7,171,821	(9,762)	189,942	23,122	7,375,123
Other financing sources (uses):					
Transfers in	1,172,973	—	2,932	—	1,175,905
Transfers out	(4,298,044)	—	(1,898,408)	—	(6,196,452)
Total other financing uses	(3,125,071)	—	(1,895,476)	—	(5,020,547)
Net change in fund balances	4,046,750	(9,762)	(1,705,534)	23,122	2,354,576
Fund balances, beginning of year	27,741,497	1,640,053	7,501,810	1,193,215	38,076,575
Fund balances, end of year	\$ 31,788,247	1,630,291	5,796,276	1,216,337	40,431,151

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2005

Assets	Courtroom Maintenance		Solid Waste Disposal		Road and Bridge		Parks and Recreation		Drainage		Health Tax		Law Officers Witness		Biomedical		Section 8 Housing		Riverboat		Reserve Trust		Economic Development		Criminal Justice		Total
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	
Cash and cash equivalents	\$ 20,331	106,202	51,804	6,867	43,403	—	4,119	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	374,485	
Investments	853,765	4,485,369	2,180,767	285,980	1,917,735	—	175,349	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	15,797,140	
Receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Ad valorem taxes	2,778,975	180,584	4,554,712	862,786	1,183,823	2,066,675	—	1,805,833	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	15,118,882	
Parking assessments	—	—	18,272	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	18,272	
Accrued interest	6,049	31,803	15,476	2,026	13,596	—	1,233	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	112,079	
Other	71	264,633	6,421	753	—	135	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	467,279	
Due from other funds	189,093	861,372	420,946	114,203	418,067	—	37,389	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,215,525	
Due from other governments	89,800	4,936	218,816	24,134	32,822	103,628	2,085	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	671,495	
Total assets	\$ 3,938,104	5,924,899	7,467,214	1,296,749	3,611,051	2,170,436	220,185	1,857,798	45,617	195,266	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	35,775,057	
Liabilities and Fund Balances																											
Liabilities																											
Accounts payable	\$ 51,059	353,478	30,522	1,596	49,280	8,375	1,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	546,035
Accrued liabilities	19,959	17,830	41,510	9,060	—	21,146	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	109,505
Due to other governments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	9,340
Due to other funds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,831,609
Deferred revenues	89,299	6,090	146,106	27,728	38,202	66,332	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	490,321	
Total liabilities	160,317	377,398	218,138	38,784	87,482	197,484	1,000	1,375,726	19,896	152,066	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,986,810
Fund balances:																											
Reserve:																											
Encumbrances	15,131	—	18,493	767	—	1,489	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	35,880
Contingencies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	7,039,811
Industrial development	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	226,377
Unreserved:																											
Designated for subsequent year's expenditures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Undesignated	3,762,656	5,557,501	7,230,383	1,257,198	3,523,569	1,971,463	207,223	150,539	25,721	43,200	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	24,048,513
Total fund balances	3,772,787	5,557,501	7,249,076	1,257,965	3,523,569	1,972,952	219,185	482,072	25,721	43,200	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	31,788,247
Total liabilities and fund balances	\$ 3,938,104	5,924,899	7,467,214	1,296,749	3,611,051	2,170,436	220,185	1,857,798	45,617	195,266	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	35,775,057

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
December 31, 2005

Revenues:	Solid Waste Disposal		Road and Bridge		Parks and Recreation		Community Development		Drainage		Health		Law Officers		Biomedical		Services		Reserve		Economic Development		Chemical		Total
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund		
Federal grants	184,941	4,700,463	902,004						1,327,853	2,161,383					1,832,833									1,784,463	15,797,982
State income sharing	2,250,463																								2,250,463
Other state funds		4,283,463	397,024						1,327,853	2,161,383					1,832,833										15,797,982
Charges for services																									15,797,982
Licenses and permits																									15,797,982
Fees and forfeitures																									15,797,982
Grants																									15,797,982
Use of money and property:																									15,797,982
Rental, camping fees, and other																									15,797,982
Net increase in fair value of investments																									15,797,982
Interest																									15,797,982
Other revenues																									15,797,982
Total revenues	3,120,787	2,765,787	5,577,441	977,928					1,327,853	2,161,383					1,832,833										21,109,209
Expenditures:																									
General government																									164,689
Criminal justice																									216,133
Health and welfare																									2,718,648
Drainage																									527,881
Building facilities																									2,560,039
Highways and streets																									4,478,479
Solid waste																									1,802,393
Culture and recreation																									4,678,479
Economic development																									1,802,393
Debt service:																									816,315
Principal retirement																									131,496
Interest																									1,488,315
Total expenditures																									15,797,982
Excess (deficiency) of revenues over expenditures	1,802,393	4,478,479	1,138,514	40					1,327,853	2,161,383					1,832,833										15,797,982
Other financing sources (uses):																									
Transfers in																									15,797,982
Transfers out																									15,797,982
Net change in fund balances																									15,797,982
Fund balances, beginning of year																									15,797,982
Fund balances, end of year																									15,797,982

See accompanying independent auditor's report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2005

Assets	Criminal Justice Facilities Fund	Library Bond Fund	Total
Cash and cash equivalents	\$ 51,189	60,407	111,596
Investments	2,163,481	2,549,147	4,712,628
Accrued interest	15,329	18,089	33,418
Due from other funds	403,737	534,897	938,634
Total assets	\$ 2,633,736	3,162,540	5,796,276
 Liabilities and Fund Balances			
Fund balances:			
Total fund balances –			
Unreserved – designated for capital projects	\$ 2,633,736	3,162,540	5,796,276
Total fund balances	2,633,736	3,162,540	5,796,276
Total liabilities and fund balances	\$ 2,633,736	3,162,540	5,796,276

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Capital Projects Funds

Year ended December 31, 2005

	<u>Criminal Justice Facilities Fund</u>	<u>Library Bond Fund</u>	<u>Total</u>
Revenues:			
Interest	\$ 73,115	121,933	195,048
Net increase in the fair value of investments	<u>815</u>	<u>3,086</u>	<u>3,901</u>
Total revenues	<u>73,930</u>	<u>125,019</u>	<u>198,949</u>
Expenditures:			
Culture and recreation	<u>—</u>	<u>9,007</u>	<u>9,007</u>
Total expenditures	<u>—</u>	<u>9,007</u>	<u>9,007</u>
Excess of revenues over expenditures	<u>73,930</u>	<u>116,012</u>	<u>189,942</u>
Other financing sources (uses):			
Transfers in	2,932	—	2,932
Transfers out	<u>(185,000)</u>	<u>(1,713,408)</u>	<u>(1,898,408)</u>
Total other financing uses	<u>(182,068)</u>	<u>(1,713,408)</u>	<u>(1,895,476)</u>
Net change in fund balances	<u>(108,138)</u>	<u>(1,597,396)</u>	<u>(1,705,534)</u>
Fund balances, beginning of year	<u>2,741,874</u>	<u>4,759,936</u>	<u>7,501,810</u>
Fund balances, end of year	\$ <u>2,633,736</u>	<u>3,162,540</u>	<u>5,796,276</u>

See accompanying independent auditors' report.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of services provided by one fund of the Commission to other funds on a cost-reimbursement basis. The Commission has three internal service funds:

Group Insurance Fund – The Group Insurance Fund accounts for the cost of providing group medical and life insurance coverage for Commission employees. The fund is used to account for contributions from Commission funds and withholdings from employees' payroll used to pay the costs of providing group coverage for Commission employees.

General Insurance Fund – The General Insurance Fund accounts for the costs of maintaining casualty and workmen's compensation insurance coverage.

Fleet Services Fund – The Fleet Services Fund accounts for the repairs and maintenance activities provided by the Commission's central garage location for the various departments of the Commission.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Statement of Net Assets

Internal Service Funds

December 31, 2005

Assets	Group Insurance Fund	General Insurance Fund	Fleet Service Fund	Total
Cash and cash equivalents	\$ 57,759	18,730	—	76,489
Investments	2,439,048	791,002	—	3,230,050
Receivables	47,744	—	12,269	60,013
Accrued interest receivable	17,296	5,609	—	22,905
Due from other funds	545,150	261,757	—	806,907
Inventory	—	—	41,231	41,231
Total current assets	3,106,997	1,077,098	53,500	4,237,595
Fixed assets:				
Land	—	—	163,475	163,475
Sewer line	—	—	107,541	107,541
Buildings	—	—	134,428	134,428
Vehicles	—	—	14,579	14,579
Equipment	—	—	23,322	23,322
	—	—	443,345	443,345
Less accumulated depreciation	—	—	(126,311)	(126,311)
Fixed assets, net	—	—	317,034	317,034
Total assets	\$ 3,106,997	1,077,098	370,534	4,554,629
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ 40,709	900	34,928	76,537
Accrued liabilities	—	—	6,010	6,010
Accrued insurance claims payable	273,859	69,043	—	342,902
Due to other funds	—	—	12,562	12,562
Total liabilities	314,568	69,943	53,500	438,011
Net assets:				
Invested in capital assets	—	—	317,034	317,034
Unrestricted	2,792,429	1,007,155	—	3,799,584
Total net assets	2,792,429	1,007,155	317,034	4,116,618
Total liabilities and net assets	\$ 3,106,997	1,077,098	370,534	4,554,629

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Internal Service Funds

Year ended December 31, 2005

	Group Insurance Fund	General Insurance Fund	Fleet Service Fund	Total
Operating revenues:				
Employer's contributions	\$ 2,078,353	—	—	2,078,353
Employees' contributions	694,436	—	—	694,436
Charges for sales and service	—	1,024,320	1,454,261	2,478,581
Miscellaneous	—	—	24,088	24,088
Total revenues	2,772,789	1,024,320	1,478,349	5,275,458
Operating expenses:				
Claims	2,267,013	262,213	—	2,529,226
Cost of sales and service	—	—	1,388,143	1,388,143
Insurance premiums	302,892	553,214	—	856,106
General and administrative	223,549	104,327	33,042	360,918
Depreciation	—	—	10,934	10,934
Other	—	—	24,537	24,537
Total expenses	2,793,454	919,754	1,456,656	5,169,864
Operating income (loss)	(20,665)	104,566	21,693	105,594
Nonoperating revenues:				
Interest income	80,206	20,714	—	100,920
Net increase in the fair value of investments	768	137	—	905
Interest expense	—	—	(845)	(845)
Total nonoperating revenues	80,974	20,851	(845)	100,980
Transfer from Riverboat Fund	—	—	42,044	42,044
Change in net assets	60,309	125,417	62,892	248,618
Net assets, beginning of year	2,732,120	881,738	254,142	3,868,000
Net assets, end of year	\$ 2,792,429	1,007,155	317,034	4,116,618

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Statement of Cash Flows

Internal Service Funds

Year ended December 31, 2005

	<u>Group Insurance Fund</u>	<u>General Insurance Fund</u>	<u>Fleet Service Fund</u>	<u>Total</u>
Cash flows from operating activities:				
Contributions	\$ 2,313,073	—	—	2,313,073
Receipts from operations	—	787,091	1,472,440	2,259,531
Payments to suppliers	(485,732)	(660,808)	(1,513,639)	(2,660,179)
Claims paid	(2,263,587)	(216,674)	—	(2,480,261)
Net cash used in operating activities	<u>(436,246)</u>	<u>(90,391)</u>	<u>(41,199)</u>	<u>(567,836)</u>
Cash flows from noncapital financing activities:				
Interest paid	—	—	(845)	(845)
Transfer in	—	—	42,044	42,044
Net cash provided by noncapital financing activities	<u>—</u>	<u>—</u>	<u>41,199</u>	<u>41,199</u>
Cash flows from investing activities:				
Purchases of investments	(333,258)	(151,268)	—	(484,526)
Interest received	75,338	18,889	—	94,227
Net cash used in investing activities	<u>(257,920)</u>	<u>(132,379)</u>	<u>—</u>	<u>(390,299)</u>
Net decrease in cash and cash equivalents	<u>(694,166)</u>	<u>(222,770)</u>	<u>—</u>	<u>(916,936)</u>
Cash and cash equivalents, beginning of year	751,925	241,500	—	993,425
Cash and cash equivalents, end of year	<u>\$ 57,759</u>	<u>18,730</u>	<u>—</u>	<u>76,489</u>
Cash flows from operating activities:				
Operating income (loss)	\$ (20,665)	104,566	21,693	105,594
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Depreciation	—	—	10,934	10,934
(Increase) decrease in assets:				
Accounts receivable – other	37,818	—	(5,909)	31,909
Due from other funds	(497,534)	(237,229)	—	(734,763)
Inventory	—	—	(3,984)	(3,984)
Increase (decrease) in liabilities:				
Accrued insurance claims payable	3,426	45,539	—	48,965
Accounts payable	40,709	(3,267)	(4,524)	32,918
Accrued liabilities	—	—	172	172
Due to other funds	—	—	(59,581)	(59,581)
Net cash used in operating activities	<u>\$ (436,246)</u>	<u>(90,391)</u>	<u>(41,199)</u>	<u>(567,836)</u>
Noncash items:				
Net increase in the fair value of investments	\$ 768	137	—	905

See accompanying independent auditors' report.

FIDUCIARY FUNDS

Agency Funds are used to account for assets held as an agent for other governments. The Commission has two agency funds:

Criminal Court Fund – The establishment of this fund was mandated by the legislature to account for the proceeds from operations of the First Judicial District Court. All fines, court costs, and bond forfeitures imposed by the Court are dedicated to trial costs and other operating expenditures.

Jury Fund – The establishment of this fund was mandated by the legislature to account for the proceeds from a special fee assessed on criminal cases. The fees are used to provide compensation to jurors in criminal matters.

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Combining Statement of Assets and Liabilities
 Agency Funds
 December 31, 2005

Assets	Criminal Court Agency Fund	Jury Agency Fund	Total
Cash and cash equivalents	\$ 4,021	—	4,021
Investments	170,487	—	170,487
Receivables	3,611	—	3,611
Due from other governments	130,829	12,389	143,218
Total assets	<u>\$ 308,948</u>	<u>12,389</u>	<u>321,337</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 68,300	—	68,300
Due to other governments	240,648	12,389	253,037
Total liabilities	<u>\$ 308,948</u>	<u>12,389</u>	<u>321,337</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Statement of Changes in Assets and Liabilities

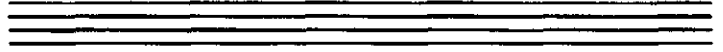
Agency Funds

December 31, 2005

Additions	Criminal Court Agency Fund	Jury Agency Fund	Total
Court fines	\$ 694,208	—	694,208
Bond and drug forfeitures	207,050	—	207,050
Criminal case charges	—	159,136	159,136
Court costs and fees	70,201	—	70,201
Drug court collections	120,257	—	120,257
Reimbursements	20,000	—	20,000
Investment earnings	5,253	—	5,253
Transfers in	—	48,553	48,553
Total additions	\$ 1,116,969	207,689	1,324,658
Deductions			
Salaries and benefits	\$ 323,931	—	323,931
Supplies	5,096	—	5,096
Professional services	164,110	—	164,110
Court fees	351,311	207,689	559,000
Transfers out	48,553	—	48,553
Miscellaneous	223,968	—	223,968
Total deductions	\$ 1,116,969	207,689	1,324,658

See accompanying independent auditors' report.

**INDIVIDUAL FUND
SCHEDULES**



CADDO PARISH COMMISSION

Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Courthouse Maintenance Fund

Year ended December 31, 2005
(unaudited)

	<u>Original and final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Ad valorem taxes	\$ 2,688,930	2,905,218	216,288
Intergovernmental – state revenue-sharing	125,000	117,860	(7,140)
Use of money and property:			
Net increase in fair value of investments	—	10	10
Interest	15,000	54,578	39,578
Other revenues	2,500	43,123	40,623
Total revenues	<u>2,831,430</u>	<u>3,120,789</u>	<u>289,359</u>
Expenditures:			
Building Facilities			
Courthouse			
Salaries, fringe benefits, and payroll taxes	1,331,114	1,315,254	15,860
Supplies	43,400	38,925	4,475
Utilities	492,000	505,399	(13,399)
Repairs and maintenance	205,000	208,628	(3,628)
Maintenance contract	56,000	56,695	(695)
Insurance	174,582	174,582	—
Miscellaneous	111,858	91,423	20,435
Capital outlay	8,000	7,405	595
Total courthouse expenditures	<u>2,421,954</u>	<u>2,398,311</u>	<u>23,643</u>
Francis Bickham Building and Government Plaza			
Utilities	115,500	126,629	(11,129)
Repairs and maintenance	33,000	28,097	4,903
Miscellaneous	12,042	12,002	40
Total Bickham Building and Government Plaza expenditures	<u>160,542</u>	<u>166,728</u>	<u>(6,186)</u>
Total expenditures	<u>2,582,496</u>	<u>2,565,039</u>	<u>17,457</u>
Net change in fund balance	248,934	555,750	306,816
Fund balance, beginning of year	<u>3,222,037</u>	<u>3,222,037</u>	<u>—</u>
Fund balance, end of year	<u>\$ 3,470,971</u>	<u>3,777,787</u>	<u>306,816</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Solid Waste Disposal Fund

Year ended December 31, 2005
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Ad valorem taxes	\$ 176,350	176,350	188,561	12,211
Sales tax	1,650,000	1,650,000	2,360,463	710,463
	<u>1,826,350</u>	<u>1,826,350</u>	<u>2,549,024</u>	<u>722,674</u>
Intergovernmental – state revenue-sharing	8,400	8,400	7,490	(910)
Use of money and property:				
Net increase in fair value of investments	—	—	1,378	1,378
Interest	50,200	50,200	136,965	86,765
Other revenues	35,000	35,000	70,930	35,930
Total revenues	<u>1,919,950</u>	<u>1,919,950</u>	<u>2,765,787</u>	<u>845,837</u>
Expenditures – sanitation:				
Salaries, fringe benefits, and payroll taxes	892,616	892,616	852,723	39,893
Materials and supplies	50,600	50,600	67,998	(17,398)
Utilities	30,000	30,000	31,554	(1,554)
Repairs and maintenance	58,500	58,500	48,314	10,186
Insurance	67,228	67,228	67,228	—
Contracted services – waste hauling	165,000	165,000	167,069	(2,069)
Waste disposal fees	375,000	375,000	363,525	11,475
Miscellaneous	219,857	219,857	202,600	17,257
Capital outlay	1,500	1,500	1,384	116
Total expenditures	<u>1,860,301</u>	<u>1,860,301</u>	<u>1,802,395</u>	<u>57,906</u>
Excess of revenues over expenditures	59,649	59,649	963,392	903,743
Other financing sources (uses):				
Transfers out	(61,000)	(61,000)	(61,000)	—
Transfers in	—	19,990	19,990	—
	<u>(61,000)</u>	<u>(41,010)</u>	<u>(41,010)</u>	<u>—</u>
Net change in fund balance	(1,351)	18,639	922,382	903,743
Fund balance, beginning of year	4,635,119	4,635,119	4,635,119	—
Fund balance, end of year	\$ <u>4,633,768</u>	<u>4,653,758</u>	<u>5,557,501</u>	<u>903,743</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION

Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Road and Bridge Fund

Year ended December 31, 2005
(unaudited)

	<u>Original and final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Ad valorem taxes	\$ 4,408,390	4,763,465	355,075
Intergovernmental:			
State revenue-sharing	194,000	189,227	(4,773)
Other state funds	75,000	207,813	132,813
Charges for services	60,000	158,330	98,330
Licenses and permits	19,000	27,872	8,872
Use of money and property:			
Net increase in fair value of investments	—	283	283
Interest	44,500	116,632	72,132
Other revenues	10,000	75,819	65,819
Total revenues	<u>4,810,890</u>	<u>5,539,441</u>	<u>728,551</u>
Expenditures:			
Highways and Streets			
Administrative			
Salaries, fringe benefits, and payroll taxes	747,904	772,517	(24,613)
Materials and supplies	21,100	18,893	2,207
Utilities	14,000	9,559	4,441
Insurance	156,186	156,186	—
Interest	2,500	—	2,500
Miscellaneous	64,762	50,615	14,147
Capital outlay	5,000	1,978	3,022
Total administrative expenditures	<u>1,011,452</u>	<u>1,009,748</u>	<u>1,704</u>
Road Maintenance			
Salaries, fringe benefits, and payroll taxes	2,111,834	2,063,558	48,276
Materials and supplies	734,000	676,006	57,994
Utilities	51,000	60,306	(9,306)
Repairs	375,000	453,225	(78,225)
Right-of-way maintenance	215,500	195,357	20,143
Miscellaneous	21,000	18,279	2,721
Total road maintenance expenditures	<u>3,508,334</u>	<u>3,466,731</u>	<u>41,603</u>
Total expenditures	<u>4,519,786</u>	<u>4,476,479</u>	<u>43,307</u>
Net change in fund balance	291,104	1,062,962	771,858
Fund balance, beginning of year	6,186,114	6,186,114	—
Fund balance, end of year	\$ <u>6,477,218</u>	<u>7,249,076</u>	<u>771,858</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual
 Special Revenue Fund
 Parks and Recreation Fund
 Year ended December 31, 2005
 (unaudited)

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues:				
Ad valorem taxes	\$ 834,940	834,940	902,004	67,064
Intergovernmental – state revenue-sharing	38,000	38,000	36,592	(1,408)
Use of money and property:				
Net increase in fair value of investments	—	—	43	43
Rental, camping fees, and other	13,750	13,750	13,750	—
Interest	6,500	6,500	19,805	13,305
Other revenues	8,000	18,000	25,726	7,726
Total revenues	<u>901,190</u>	<u>911,190</u>	<u>997,920</u>	<u>86,730</u>
Expenditures:				
Culture and recreation:				
Salaries, fringe benefits, and payroll taxes	621,244	621,244	603,332	17,912
Supplies	33,750	33,750	33,166	584
Utilities	32,600	32,600	31,732	868
Repairs and maintenance	45,000	45,000	35,651	9,349
Insurance	43,378	43,378	43,378	—
Miscellaneous	77,597	77,597	68,717	8,880
Capital outlay	1,250	1,250	339	911
Total expenditures	<u>854,819</u>	<u>854,819</u>	<u>816,315</u>	<u>38,504</u>
Excess of revenues over expenditures	46,371	56,371	181,605	125,234
Other financing sources (uses):				
Transfers out	(75,000)	(85,000)	(85,000)	—
Transfers in	—	4,630	4,630	—
	<u>(75,000)</u>	<u>(80,370)</u>	<u>(80,370)</u>	<u>—</u>
Net change in fund balance	(28,629)	(23,999)	101,235	125,234
Fund balance, beginning of year	1,156,730	1,156,730	1,156,730	—
Fund balance, end of year	<u>\$ 1,128,101</u>	<u>1,132,731</u>	<u>1,257,965</u>	<u>125,234</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Drainage Fund

Year ended December 31, 2005
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Ad valorem taxes	\$ 1,146,560	1,146,560	1,237,853	91,293
Intergovernmental –				
State revenue-sharing	51,500	51,500	49,173	(2,327)
Use of money and property:				
Net increase in fair value of investments	—	—	452	452
Interest	26,000	26,000	73,676	47,676
Other revenues	2,500	2,500	158	(2,342)
Total revenues	<u>1,226,560</u>	<u>1,226,560</u>	<u>1,361,312</u>	<u>134,752</u>
Expenditures – drainage – other:				
Salaries, fringe benefits, and payroll taxes	34,810	34,810	37,970	(3,160)
Insurance	49,928	49,928	49,928	—
Right-of-way maintenance	345,000	345,000	344,960	40
Miscellaneous	131,192	131,192	94,943	36,249
Capital outlay	10,000	10,000	—	10,000
Total expenditures	<u>570,930</u>	<u>570,930</u>	<u>527,801</u>	<u>43,129</u>
Excess of revenues over expenditures	655,630	655,630	833,511	177,881
Other financing sources (uses):				
Transfers out	(510,000)	(510,000)	(510,000)	—
Transfers in	—	27,881	27,881	—
	<u>(510,000)</u>	<u>(482,119)</u>	<u>(482,119)</u>	<u>—</u>
Net change in fund balance	145,630	173,511	351,392	177,881
Fund balance, beginning of year	3,172,177	3,172,177	3,172,177	—
Fund balance, end of year	\$ <u>3,317,807</u>	<u>3,345,688</u>	<u>3,523,569</u>	<u>177,881</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Health Tax Fund

Year ended December 31, 2005
(unaudited)

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues:				
Ad valorem taxes	\$ 2,002,210	2,002,210	2,161,583	159,373
Intergovernmental –				
State revenue-sharing	92,800	92,800	87,654	(5,146)
Vaccination, impounding, boarding, and adoption fees	109,800	109,800	91,220	(18,580)
Animal license and permit fees	1,000	1,000	925	(75)
Use of money and property:				
Regional Lab rental	145,000	145,000	145,000	—
Interest	8,750	8,750	17,798	9,048
	<u>153,750</u>	<u>153,750</u>	<u>162,798</u>	<u>9,048</u>
Other revenues	17,250	67,250	66,395	(855)
Total revenues	<u>2,376,810</u>	<u>2,426,810</u>	<u>2,570,575</u>	<u>143,765</u>
Expenditures – health and welfare:				
Regional Lab health unit				
Salaries, fringe benefits, and payroll taxes	35,559	35,559	31,324	4,235
Materials and supplies	3,600	3,600	3,952	(352)
Repairs and maintenance	10,500	10,500	10,790	(290)
Miscellaneous	8,744	8,744	8,418	326
Insurance	791	791	725	66
Capital outlay	800	800	612	188
Total Regional Lab health unit expenditures	<u>59,994</u>	<u>59,994</u>	<u>55,821</u>	<u>4,173</u>
Animal services and mosquito control:				
Salaries, fringe benefits, and payroll taxes	1,216,176	1,216,176	1,113,591	102,585
Insurance	60,114	60,114	60,114	—
Interest	700	700	150	550
Supplies	216,250	266,250	203,612	62,638
Utilities	69,500	69,500	65,327	4,173
Repairs and maintenance	72,000	72,000	64,255	7,745
Miscellaneous	140,190	140,190	129,069	11,121
Capital outlay	2,850	2,850	8,200	(5,350)
Total animal and mosquito control expenditures	<u>1,777,780</u>	<u>1,827,780</u>	<u>1,644,318</u>	<u>183,462</u>

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual

Special Revenue Fund
 Health Tax Fund

Year ended December 31, 2005
 (unaudited)

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Highland health unit:				
Salaries, fringe benefits, and payroll taxes \$	216,979	216,979	223,618	(6,639)
Materials and supplies	7,400	7,400	10,048	(2,648)
Repairs and maintenance	30,000	30,000	34,466	(4,466)
Utilities	124,800	124,800	108,483	16,317
Insurance	38,908	38,908	38,908	—
Miscellaneous	54,000	54,000	54,653	(653)
Capital outlay	500	500	492	8
Total Highland health unit expenditures	<u>472,587</u>	<u>472,587</u>	<u>470,668</u>	<u>1,919</u>
Vivian health unit:				
Salaries, fringe benefits, and payroll taxes	12,988	12,988	15,682	(2,694)
Materials and supplies	325	325	175	150
Insurance	271	271	271	—
Repairs and maintenance	3,500	3,500	3,927	(427)
Utilities	11,550	11,550	11,800	(250)
Miscellaneous	2,449	2,449	2,349	100
Capital outlay	200	200	—	200
Total Vivian health unit expenditures	<u>31,283</u>	<u>31,283</u>	<u>34,204</u>	<u>(2,921)</u>
David Raines health center – repairs and maintenance	<u>29,131</u>	<u>29,131</u>	<u>29,131</u>	<u>—</u>
Total expenditures	<u>2,370,775</u>	<u>2,420,775</u>	<u>2,234,142</u>	<u>186,633</u>
Net change in fund balance	6,035	6,035	336,433	330,398
Fund balance, beginning of year	<u>1,636,519</u>	<u>1,636,519</u>	<u>1,636,519</u>	<u>—</u>
Fund balance, end of year	<u>\$ 1,642,554</u>	<u>1,642,554</u>	<u>1,972,952</u>	<u>330,398</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION

Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Law Officers Witness Fund

Year ended December 31, 2005
(unaudited)

	<u>Original and final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Criminal case charge	\$ 25,800	26,977	1,177
Fines and forfeitures	—	484	484
Use of money and property:			
Net decrease in fair value of investments	—	69	69
Interest	<u>3,800</u>	<u>6,035</u>	<u>2,235</u>
Total revenues	<u>29,600</u>	<u>33,565</u>	<u>3,965</u>
Expenditures:			
Criminal Justice:			
Payments to law officers	12,000	9,525	2,475
Miscellaneous	<u>30,675</u>	<u>30,629</u>	<u>46</u>
Total expenditures	<u>42,675</u>	<u>40,154</u>	<u>2,521</u>
Net change in fund balance	(13,075)	(6,589)	6,486
Fund balance, beginning of year	<u>225,774</u>	<u>225,774</u>	—
Fund balance, end of year	\$ <u>212,699</u>	<u>219,185</u>	<u>6,486</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
 Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual

Special Revenue Fund
 Biomedical Fund

Year ended December 31, 2005
 (unaudited)

	<u>Original and final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Ad valorem taxes	\$ 1,651,130	1,882,833	231,703
Intergovernmental revenues – state revenue-sharing	<u>74,500</u>	<u>76,590</u>	<u>2,090</u>
Total revenues	<u>1,725,630</u>	<u>1,959,423</u>	<u>233,793</u>
Expenditures – economic development:			
Salaries, fringe benefits, and payroll taxes	50,150	57,920	(7,770)
Interest	7,900	9,552	(1,652)
Reimburse Biomedical Research Foundation operating expenses	1,950,000	1,949,998	2
Miscellaneous	<u>11,586</u>	<u>11,285</u>	<u>301</u>
Total expenditures	<u>2,019,636</u>	<u>2,028,755</u>	<u>(9,119)</u>
Net change in fund balance	(294,006)	(69,332)	224,674
Fund balance, beginning of year	<u>551,404</u>	<u>551,404</u>	—
Fund balance, end of year	\$ <u><u>257,398</u></u>	<u><u>482,072</u></u>	<u><u>224,674</u></u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Special Revenue Fund
Riverboat Fund
Year ended December 31, 2005
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Gaming	\$ 2,250,000	2,100,000	2,089,014	(10,986)
Use of money and property – interest	—	—	250	250
Other revenues	150	150	—	(150)
Total revenues	<u>2,250,150</u>	<u>2,100,150</u>	<u>2,089,264</u>	<u>(10,886)</u>
Expenditures:				
General government:				
Administration	23,152	23,152	15,301	7,851
Other	134,590	140,590	141,340	(750)
Debt service – principal, interest, and fiscal charges	<u>441,855</u>	<u>441,855</u>	<u>441,855</u>	<u>—</u>
Total expenditures	<u>599,597</u>	<u>605,597</u>	<u>598,496</u>	<u>7,101</u>
Excess of revenues over expenditures	1,650,553	1,494,553	1,490,768	(3,785)
Other financing sources (uses):				
Transfer in	—	20,472	20,472	—
Transfer out	<u>(1,592,044)</u>	<u>(1,492,044)</u>	<u>(1,492,044)</u>	<u>—</u>
Total other financing uses	<u>(1,592,044)</u>	<u>(1,471,572)</u>	<u>(1,471,572)</u>	<u>—</u>
Net change in fund balance	58,509	22,981	19,196	(3,785)
Fund balance, beginning of year	<u>24,004</u>	<u>24,004</u>	<u>24,004</u>	<u>—</u>
Fund balance, end of year	<u>\$ 82,513</u>	<u>46,985</u>	<u>43,200</u>	<u>(3,785)</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual**

**Special Revenue Fund
Reserve Trust Fund**

Year ended December 31, 2005
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Net increase in the fair value of investments	\$ —	—	1,802	1,802
Interest income	98,500	98,500	178,317	79,817
Total revenues	<u>98,500</u>	<u>98,500</u>	<u>180,119</u>	<u>81,619</u>
Total expenditures – general government	<u>7,511</u>	<u>7,511</u>	<u>7,428</u>	<u>83</u>
Excess of revenues over expenditures	90,989	90,989	172,691	81,702
Other financing sources – transfers in	<u>200,000</u>	<u>485,000</u>	<u>485,000</u>	<u>—</u>
Net change in fund balance	290,989	575,989	657,691	81,702
Fund balance, beginning of year	<u>6,382,120</u>	<u>6,382,120</u>	<u>6,382,120</u>	<u>—</u>
Fund balance, end of year	<u>\$ 6,673,109</u>	<u>6,958,109</u>	<u>7,039,811</u>	<u>81,702</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual

Special Revenue Fund
 Economic Development Fund
 Year ended December 31, 2005
 (unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Gaming	\$ 115,000	115,000	143,597	28,597
Use of money and property				
Parking rental	1,800	1,800	1,800	—
Net decrease in the fair value of investments	—	—	73	73
Interest	4,000	4,000	5,165	1,165
Other revenues	—	—	150	150
Total revenues	<u>120,800</u>	<u>120,800</u>	<u>150,785</u>	<u>29,985</u>
Expenditures:				
Economic development	139,000	149,000	144,000	(5,000)
Miscellaneous	7,579	7,579	7,490	89
Total expenditures	<u>146,579</u>	<u>156,579</u>	<u>151,490</u>	<u>5,089</u>
Net change in fund balance	(25,779)	(35,779)	(705)	35,074
Fund balance, beginning of year	<u>227,082</u>	<u>227,082</u>	<u>227,082</u>	—
Fund balance, end of year	<u>\$ 201,303</u>	<u>191,303</u>	<u>226,377</u>	<u>35,074</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Criminal Justice Fund

Year ended December 31, 2005
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Ad valorem taxes	\$ 1,577,750	1,577,750	1,756,465	178,715
Intergovernmental:				
State revenue-sharing	<u>70,200</u>	<u>70,200</u>	<u>71,106</u>	<u>906</u>
Total revenues	<u>1,647,950</u>	<u>1,647,950</u>	<u>1,827,571</u>	<u>179,621</u>
Expenditures:				
Criminal justice – other	<u>196,721</u>	<u>196,721</u>	<u>175,968</u>	<u>20,753</u>
Total expenditures	<u>196,721</u>	<u>196,721</u>	<u>175,968</u>	<u>20,753</u>
Excess of revenues over expenditures	1,451,229	1,451,229	1,651,603	200,374
Other financing sources (uses):				
Transfer in	1,000,000	615,000	615,000	—
Transfer out	<u>(2,535,000)</u>	<u>(2,150,000)</u>	<u>(2,150,000)</u>	—
	<u>(1,535,000)</u>	<u>(1,535,000)</u>	<u>(1,535,000)</u>	—
Net change in fund balance	(83,771)	(83,771)	116,603	200,374
Fund balance, beginning of year	<u>296,428</u>	<u>296,428</u>	<u>296,428</u>	—
Fund balance, end of year	<u>\$ 212,657</u>	<u>212,657</u>	<u>413,031</u>	<u>200,374</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION

Shreveport, Louisiana

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual**

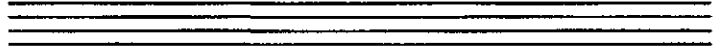
Debt Service Fund

Year ended December 31, 2005
(unaudited)

	<u>Original and final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Ad valorem taxes	\$ 1,903,000	2,122,162	219,162
Use of money and property:			
Interest	400	—	(400)
Other	—	1,277	1,277
Total revenues	<u>1,903,400</u>	<u>2,123,439</u>	<u>220,039</u>
Expenditures - Debt Service:			
Principal retirement	1,635,000	1,765,000	(130,000)
Interest	96,354	104,056	(7,702)
Fees and charges	465,643	264,145	201,498
Total expenditures	<u>2,196,997</u>	<u>2,133,201</u>	<u>63,796</u>
Net change in fund balance	<u>(293,597)</u>	<u>(9,762)</u>	<u>283,835</u>
Fund balance, beginning of year	<u>1,640,053</u>	<u>1,640,053</u>	<u>—</u>
Fund balance, end of year	<u>\$ 1,346,456</u>	<u>1,630,291</u>	<u>283,835</u>

See accompanying independent auditors' report.

**STATISTICAL
SECTION**



CADDO PARISH COMMISSION
 Shreveport, Louisiana
 General Government Expenditures by Function ⁽¹⁾

Fiscal years ended December 31, 1996 through December 31, 2005

Fiscal Year	General Government	Criminal Justice	Health and Welfare	Highways and Streets	Building Facilities	Drainage	Sanitation	Culture and Recreation	Economic Development	Debt Service	Total
1996	\$ 1,723,311	8,427,972	6,759,672	3,652,047	2,152,666	275,485	1,595,877	4,699,651	1,808,774	4,500,479	35,595,934
1997	1,962,661	9,162,765	7,049,181	3,676,163	2,171,730	260,688	1,337,629	6,974,710	1,438,294	4,600,684	38,634,505
1998	2,099,069	10,371,394	8,307,441	3,916,401	2,074,479	240,640	1,482,642	7,590,568	870,332	4,466,144	41,619,110
1999	2,207,012	11,067,507	8,542,400	3,971,420	2,070,667	238,526	1,505,141	11,530,638	1,878,574	4,819,479	47,831,364
2000	2,273,708	11,681,578	9,698,851	4,279,002	2,266,228	948,516	1,546,294	9,073,397	1,206,205	2,582,812	45,556,591
2001	2,503,560	12,747,415	11,714,336	4,176,409	2,419,002	399,529	1,648,856	7,904,719	2,420,192	2,669,450	48,603,468
2002	2,199,060	13,634,558	12,409,352	4,413,076	2,400,976	298,598	1,744,618	14,976,180	1,949,764	4,646,291	58,672,473
2003	2,283,939	13,788,773	11,740,237	4,420,410	2,661,624	424,160	1,807,916	11,888,889	2,088,052	5,018,372	56,122,372
2004	2,231,108	14,144,167	12,883,669	4,314,101	2,647,608	518,514	2,294,201	8,370,316	1,749,937	5,090,718	54,244,339
2005	2,105,544	13,687,517	12,734,068	4,476,479	3,089,772	527,801	1,802,395	8,602,445	2,180,245	4,956,732	54,162,998

⁽¹⁾ Includes General Fund, Special Revenue Funds, and Debt Service Fund. Excludes capital project fund expenditures.

Unaudited - see accompanying independent auditors' report.

Table 2

CADDO PARISH COMMISSION
Shreveport, Louisiana

General Governmental Revenues by Source ⁽¹⁾

Fiscal years ended December 31, 1996 through December 31, 2005

Fiscal Year	Taxes and Special Assessments	Licenses and Permits	Inter governmental	Fees, Charges, and Commissions for Services			Gaming	Use of Money and Property	Other Revenues	Total
				Fines and Forfeitures						
1996	\$ 31,018,958	381,828	8,146,618	101,881	208,267	994,519	833,451	335,060	42,020,582	
1997	33,484,090	397,361	8,124,162	59,167	187,176	2,176,489	985,813	404,527	45,818,785	
1998	33,310,791	396,068	9,693,974	66,291	168,352	2,265,619	1,196,332	371,185	47,468,612	
1999	33,774,492	430,613	9,188,782	68,183	153,939	2,541,134	1,173,268	682,202	48,012,613	
2000	34,010,192	371,594	11,733,174	67,607	170,299	2,566,023	1,122,284	707,323	50,748,496	
2001	35,982,121	442,747	13,139,058	73,045	184,308	2,480,919	1,153,182	503,989	53,959,369	
2002	35,311,244	399,597	13,761,034	62,105	206,490	2,483,415	779,522	614,902	53,618,309	
2003	37,709,881	533,209	14,131,205	100,826	211,202	2,636,180	618,699	397,169	56,338,371	
2004	40,487,781	593,213	13,894,115	63,319	246,497	2,498,311	558,933	545,012	58,887,181	
2005	42,249,116	497,330	13,748,745	721,225	100,026	2,376,208	1,001,332	596,253	61,290,235	

Notes:

(1) Includes General Fund, Special Revenue Funds, and Debt Service Fund

Unaudited — see accompanying independent auditors' report.

Table 3

CADDO PARISH COMMISSION
Shreveport, Louisiana
Property Tax Levies and Collections
Tax years 1996 through 2005

Fiscal year	Total Tax Levy ⁽¹⁾	Current Tax Collections ⁽²⁾	Percent of Levy Collected	Delinquent Tax Collections ⁽¹⁾	Total Tax Collected	Ratio of Total Collection to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1996	\$ 30,636,915	27,765,864	90.6%	1,353,145	29,119,009	95.0%	1,517,906	5.0%
1997	32,356,691	29,584,050	91.4%	787,106	30,371,156	93.9%	1,985,535	6.1%
1998	32,516,749	30,358,547	93.4%	1,224,059	31,582,606	97.2%	914,143	2.8%
1999	33,358,712	31,275,081	93.8%	1,058,376	32,333,457	96.9%	1,025,255	3.1%
2000	33,128,458	30,554,081	92.2%	838,886	31,392,967	94.8%	1,735,491	5.2%
2001	34,935,138	32,391,440	92.7%	824,095	33,215,535	95.1%	1,719,603	4.9%
2002	33,571,267	31,487,568	93.8%	878,297	32,365,865	96.4%	1,205,402	3.6%
2003	36,795,524	33,684,858	91.5%	862,747	34,547,605	93.9%	2,247,919	6.1%
2004	38,611,408	35,646,170	92.3%	863,142	36,509,312	94.6%	2,965,238	7.7%
2005	41,073,673	37,825,152	92.1%	—	37,825,152	92.1%	3,248,521	7.9%

Notes:

(1) Per original roll adjusted for subsequent Louisiana Tax Commission change orders

(2) Collections through April 30 of subsequent year

(3) See note 3 to financial statements for criteria utilized in determining revenue recognition for property taxes.

Unaudited – see accompanying independent auditors' report.

Table 4

CADDO PARISH COMMISSION
Shreveport, Louisiana

Assessed and Estimated Actual Value of Taxable Property
Fiscal years ended December 31, 1996 through December 31, 2005

<u>Fiscal year</u>	<u>Assessed value</u>	<u>Estimated actual value</u>	<u>Ratio of assessed value to estimated actual value</u>
1996	\$ 988,098,350	8,577,996,466	11.5%
1997	1,032,835,570	8,935,788,933	11.6%
1998	1,053,910,790	9,119,621,300	11.6%
1999	1,077,027,570	9,318,879,200	11.6%
2000	1,131,885,010	9,814,671,700	11.5%
2001	1,148,501,080	9,981,031,476	11.5%
2002	1,151,282,410	10,086,000,233	11.4%
2003	1,190,764,070	10,470,241,933	11.4%
2004	1,364,082,180	12,175,249,333	11.2%
2005	1,401,867,050	12,532,062,933	11.2%

Note: Assessed values are established by the Caddo Parish Tax Assessor on January 1 of each year at approximately 10-15% of actual market value, depending upon the property classification. A revaluation of all property is required to be completed no less than every four years. The last such revaluation was completed for the tax roll of 2004. The next revaluation will be completed as of January 1, 2009 for the 2008 tax roll.

Unaudited – see accompanying independent auditors' report.

Table 5

CADDO PARISH COMMISSION
Shreveport, Louisiana

Property Tax Rates and Tax Levies – Direct and Overlapping Governments ⁽¹⁾
Fiscal years ended December 31, 1996 through December 31, 2005

Fiscal Year	Tax Rates per \$1,000 Assessed Value										Total	Tax Levies ⁽²⁾					
	Parishwide ⁽³⁾					City of Shreveport						Parishwide				City of Shreveport	
	Commission	Schools	Sheriff	Total	City of Shreveport	Commission	Schools	Sheriff	Total	Commission		Schools	Sheriff	Total	Shreveport	Total	
1996	\$ 41.90	53.31	14.94	161.78	51.63	30,657,689	38,451,509	10,775,944	40,896,395	40,896,395	120,781,537	40,896,395	120,781,537	40,896,395	120,781,537		
1997	41.87	85.08	14.94	192.52	51.63	32,379,326	64,868,735	11,390,913	42,905,989	42,905,989	151,545,163	42,905,989	151,545,163	42,905,989	151,545,163		
1998	41.17	84.48	14.94	192.22	51.63	32,516,749	65,806,519	11,637,659	44,133,525	44,133,525	154,094,452	44,133,525	154,094,452	44,133,525	154,094,452		
1999	41.17	83.98	14.94	191.72	51.63	33,358,712	62,072,869	11,932,230	44,113,404	44,113,404	151,477,215	44,113,404	151,477,215	44,113,404	151,477,215		
2000	38.95	85.63	14.94	190.82	51.30	33,128,458	71,757,465	12,519,637	45,926,818	45,926,818	163,332,378	45,926,818	163,332,378	45,926,818	163,332,378		
2001	40.16	86.03	14.94	192.43	51.30	34,935,138	73,467,609	12,758,410	48,082,314	48,082,314	169,243,471	48,082,314	169,243,471	48,082,314	169,243,471		
2002	40.40	87.27	14.94	193.91	51.30	33,571,267	74,564,826	12,764,965	48,563,087	48,563,087	169,464,145	48,563,087	169,464,145	48,563,087	169,464,145		
2003	40.40	87.27	14.94	193.91	51.30	36,795,524	78,038,546	13,359,641	49,501,452	49,501,452	177,695,163	49,501,452	177,695,163	49,501,452	177,695,163		
2004	36.58	81.73	13.47	178.42	46.64	38,611,408	84,694,341	13,958,556	51,569,430	51,569,430	188,833,735	51,569,430	188,833,735	51,569,430	188,833,735		
2005	37.31	81.65	13.47	179.07	46.64	41,073,673	88,177,768	14,546,902	52,172,566	52,172,566	195,970,909	52,172,566	195,970,909	52,172,566	195,970,909		

Notes:

⁽¹⁾ Includes parishwide overlapping levies and levy of the largest municipality which overlaps approximately 79.6% of the total parish population and approximately 77.7% of the total parish assessment. There are other small municipalities and taxing districts currently levying ad valorem taxes within the parish.

⁽²⁾ Per original tax roll as filed by the Caddo Parish Tax Assessor

⁽³⁾ Rates for taxpayers within the City of Shreveport and the Town of Vivian

Unaudited – see accompanying independent auditors' report.

Table 6

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Assessment Collections

Fiscal years ended December 31, 1996 through December 31, 2005

<u>Fiscal year</u>	<u>Amount of installment assessments due</u>	<u>Total revenue collected</u>	<u>Percentage of revenue to assessments due</u>
1996	\$ 31,460	122,518	389.44%
1997	67,511	192,309	284.86%
1998	79,794	116,467	145.96%
1999	77,711	122,905	158.16%
2000	68,174	121,092	177.62%
2001	59,645	94,817	158.97%
2002	54,152	68,423	126.35%
2003	39,128	108,487	277.26%
2004	36,548	48,816	133.57%
2005	28,856	37,084	128.51%

Unaudited – see accompanying independent auditors' report.

Table 7

CADDO PARISH COMMISSION
Shreveport, Louisiana

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita ⁽²⁾

Fiscal years ended December 31, 1996 through December 31, 2005

Fiscal year	Population	Assessed value ⁽¹⁾	Gross bonded debt	Less debt service fund	Net bonded debt	Ratio of net bonded debt to assessed value	Net bonded debt per capita
1996	247,301	\$ 988,098,350	26,670,000	7,636,833	19,033,167	1.93%	\$ 77
1997	244,943	1,032,835,570	23,370,000	6,632,030	16,737,970	1.62%	68
1998	242,471	1,053,910,790	20,620,000	5,220,685	15,399,315	1.46%	64
1999	241,587	1,077,027,570	17,005,000	3,360,843	13,644,157	1.27%	56
2000	252,161	1,131,885,010	15,755,000	3,048,720	12,706,280	1.12%	50
2001	252,574	1,148,501,080	14,430,000	2,593,815	11,836,185	1.03%	47
2002	252,770	1,151,282,410	13,035,000	2,174,596	10,860,404	0.94%	43
2003	253,474	1,190,764,070	11,570,000	1,771,737	9,798,263	0.82%	39
2004	254,977	1,364,082,180	10,195,000	1,640,053	8,554,947	0.63%	34
2005	255,383	1,401,867,050	8,430,000	1,630,291	6,799,709	0.49%	27

Notes:

(1) The Louisiana constitution requires a complete assessment revaluation no less than every four years. Revaluations are reflected in years 1996, 2000, and 2004.

(2) Does not include certificates of indebtedness

Unaudited -- see accompanying independent auditors' report.

Table 8

CADD O PARISH COMMISSION
 Shreveport, Louisiana

Computation of Legal Debt Margin ⁽¹⁾

December 31, 2005

Assessed value \$1,401,867,050				
Debt limit – 10% of assessed value for any one purpose	\$	140,186,705	140,186,705	140,186,705
Deduct – amount of debt applicable to debt limit		4,489,200	1,745,800	2,195,000
Legal debt margin	\$	<u>135,697,505</u>	<u>138,440,905</u>	<u>137,991,705</u>

Note:

⁽¹⁾ State law allows a maximum of 10% of the assessed valuation for bonded debt for any purpose and 35% of the total assessed value for all purposes. A total of approximately \$482,223,468 of additional bonded debt could be approved for issuance pursuant to the 35% limitation.

Unaudited – see accompanying independent auditors' report.

Table 9

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Computation of Direct and Overlapping Debt
 December 31, 2005

	<u>Net debt</u>	<u>Percentage of debt applicable to the Parish</u>	<u>Parish's share of debt</u>
Caddo Parish Commission	\$ 6,799,709	100%	6,799,709
Caddo Parish School Board	315,934,649	100%	315,934,649
City of Shreveport	296,354,110	99%	293,390,569
	\$ <u>619,088,468</u>		<u>616,124,927</u>

Unaudited – see accompanying independent auditors' report.

Table 10

CADDO PARISH COMMISSION
Shreveport, Louisiana

Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures
Fiscal years ended December 31, 1996 through December 31, 2005

Fiscal year	Principal	Interest ⁽³⁾	Total Debt Service ⁽²⁾	Total General Expenditures ⁽¹⁾	Debt Service as a Percentage of Total General Expenditures
1996	\$ 2,655,000	1,721,638	4,376,638	35,595,934	12.30%
1997	3,090,000	1,383,389	4,473,389	38,634,505	11.58%
1998	3,135,000	1,218,727	4,353,727	41,619,110	10.46%
1999	3,615,000	991,690	4,606,690	47,831,364	9.63%
2000	1,540,000	960,153	2,500,153	45,556,591	5.49%
2001	1,625,000	962,881	2,587,881	48,603,468	5.32%
2002	3,510,000	1,136,291	4,646,291	58,672,473	7.92%
2003	3,800,000	1,187,981	4,987,981	56,122,372	8.89%
2004	4,000,000	1,090,718	5,090,718	54,244,339	9.38%
2005	4,215,000	741,763	4,956,763	54,162,998	9.15%

Notes:

- (1) Total General Expenditures includes General Fund, Special Revenue Funds, and Debt Service Fund.
 (2) Includes bonded debt and certificates of indebtedness
 (3) Includes interest, fiscal charges, and fees

Unaudited – see accompanying independent auditors' report.

Table 11

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Demographic Statistics

Fiscal years ended December 31, 1996 through December 31, 2005

<u>Fiscal year</u>	<u>Population ⁽¹⁾</u>	<u>Median age</u>	<u>School enrollment ⁽³⁾</u>	<u>Unemployment rate ⁽⁴⁾</u>
1996	247,301	33.3	48,843	6.3%
1997	244,943	34.3	48,018	6.8%
1998	242,471	34.3	46,832	4.5%
1999	241,587	34.3	46,653	3.8%
2000	252,161	34.5	45,120	5.2%
2001	252,574	35.4	44,943	6.4%
2002	252,770	35	44,722	6.8%
2003	254,216	34.7	44,532	6.1%
2004	254,977	34.3	43,603	5.7%
2005	255,383	34.3 ⁽²⁾	44,040	4.8%

Notes:

- (1) Research Division, Louisiana Tech University
- (2) Center for Business Economic Research, Louisiana State University, Shreveport
- (3) Caddo Parish School Board
- (4) Louisiana Department of Labor

Unaudited – see accompanying independent auditors' report.

Table 12

CADDO PARISH COMMISSION
Shreveport, Louisiana

Commercial Construction, Residential Construction, and Property Value

Fiscal years ended December 31, 1996 through December 31, 2005

Fiscal Year	Commercial Construction		Residential Construction ⁽¹⁾		Property Value ⁽²⁾		
	Number of units	Value	Number of units	Value	Real Estate	Other ⁽³⁾	
1996	79	\$ 43,539,539	276	\$ 37,707,516	5,972,022,400	2,605,974,066	
1997	114	119,502,459	235	37,121,897	6,150,655,400	2,785,133,533	
1998	157	114,443,170	258	40,088,629	6,280,648,100	2,838,973,200	
1999	168	147,216,441	378	50,678,841	6,416,086,200	2,902,793,000	
2000	103	72,305,845	355	56,689,353	6,806,315,100	3,008,356,200	
2001	161	57,699,144	374	56,942,287	6,973,071,010	3,007,960,466	
2002	87	100,925,424	448	72,277,725	7,232,352,500	2,853,647,733	
2003	80	125,055,018	694	107,285,644	7,595,444,400	2,874,797,533	
2004	100	148,694,901	615	113,224,966	9,244,104,400	2,931,144,933	
2005	95	112,346,149	669	142,783,450	9,787,608,713	2,973,215,133	

Notes:

(1) Estimated utilizing Metropolitan Planning Commission data

(2) Caddo Parish Tax Assessor

(3) Includes machinery and equipment, furniture and fixtures, inventories, pipelines, and public utility infrastructure

Unaudited – see accompanying independent auditors' report.

Table 13

CADDO PARISH COMMISSION
Shreveport, Louisiana
Principal Taxpayers
December 31, 2005

Taxpayer	Industry	Assessed value	Percentage of total assessed value	Tax amount
Southwestern Electric Power Company	Public Utility	\$ 61,759,750	4.46%	\$ 2,304,256
BellSouth Corporation	Public Utility	27,992,130	2.07%	1,044,386
General Motors	Manufacturing	27,300,160	1.65%	1,018,569
Sam's Town	Casino	17,762,390	1.54%	662,715
Universal Oil Products	Refinery	14,435,840	1.01%	538,601
Hibernia National Bank	Banking	13,045,800	0.85%	486,739
AmSouth Bank	Banking	11,097,860	0.83%	414,061
Wal-Mart	Retail	9,803,150	0.69%	365,756
Boomtown Casino	Casino	8,088,490	0.67%	301,782
Centerpoint Energy	Public Utility	7,386,630	0.62%	275,595
Total for ten principal taxpayers		198,672,200	14.39%	7,412,460
Total for remaining taxpayers		1,203,194,850	85.61%	33,661,213
Total for all taxpayers		\$ 1,401,867,050	100.00%	\$ 41,073,673

Note: The assessed value includes \$321,918,880 of homestead exemption.

Unaudited – see accompanying independent auditors' report.

Table 14

CADDO PARISH COMMISSION
Shreveport, Louisiana
Miscellaneous Statistics
December 31, 2005

Date of first settlement	1835
Date of parish formation	1838
Area – square miles	852
Form of government	Council-Manager
Date established	1984
Number of employees	398
Square footage of major buildings:	
Caddo Parish Courthouse	205,500
Caddo Parish Commission Building	44,385
Caddo Parish Health Unit	46,056
Fleet Services Garage	21,000
Juvenile Court	57,244
Caddo Correctional Center	311,000
Caddo Animal Control Center	13,700
Library (main branch)	80,000
Government Plaza (Parish portion)	38,462
Roads and bridges:	
Miles of roads	803
Number of bridges maintained	176
Parks and recreation:	
Parks – number of acres	875
Number of playgrounds	11
Number of picnic areas	12
Number of boat launching ramps	7
Public libraries:	
Number of library branches	20
Number of books	670,000
Annual circulation	1,200,000
Sanitation:	
Number of collection compactors	17
Tons of solid waste collected	16,545

Unaudited – see accompanying independent auditors' report.

Table 15

CADDO PARISH COMMISSION
Shreveport, Louisiana
Compensation Paid to Commissioners
December 31, 2005

Commissioners:	<u>Compensation</u>
Lindora Baker	\$ 18,407
Joyce M. Bowman	19,591
Robert Charles Brown	18,407
Clifford R. Collins	18,407
David F. Cox	18,407
Michael D. Long	18,407
Gilford L. Gillen	18,407
Stephanie Lynch	18,407
Rose Wilson McCulloch	18,407
James H. Morris	18,407
Carl A. Pierson	18,407
Ronald A. Webb, Sr.	18,407
	<u>\$ 222,068</u>

Unaudited – see accompanying independent auditors' report.



CADDO PARISH COMMISSION
Shreveport, Louisiana

OMB Circular A-133 Report

December 31, 2005

(With Independent Auditors' Reports Thereon)

CADDO PARISH COMMISSION

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KPMG LLP
Suite 1900
333 Texas Street
Shreveport, LA 71101-3692

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

Members of the Caddo Parish Commission
Caddo Parish Courthouse
Shreveport, Louisiana:

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, each nonmajor governmental, internal service, and fiduciary fund of the Caddo Parish Commission (the Commission) as of and for the year ended December 31, 2005, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated May 19, 2006, which included an adverse opinion on the omission of the aggregate discretely presented component units and an explanatory paragraph due to a change in accounting principle for the adoption of Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures* in 2005. We conducted our audit in accordance with U.S. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Commission in a separate letter dated May 19, 2006.

This report is intended solely for the information and use of the Commissioners, 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

May 19, 2006



KPMG LLP
Suite 1900
333 Texas Street
Shreveport, LA 71101-3692

**Independent Auditors' Report on Compliance With Requirements Applicable to Its
Major Program and on Internal Control Over Compliance in Accordance With
OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards**

Members of the Caddo Parish Commission
Caddo Parish Courthouse
Shreveport, Louisiana:

Compliance

We have audited the compliance of the Caddo Parish Commission (the Commission) 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 its major federal program for the year ended December 31, 2005. The Commission's major federal program is 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 its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. 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 Commission'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 Commission's compliance with those requirements.

In our opinion, the Commission complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2005.

Internal Control Over Compliance

The management of the Commission 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 Commission'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 reportable 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 caused by error or fraud 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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, each nonmajor governmental, internal service, and fiduciary fund of the Commission as of and for the year ended December 31, 2005, and have issued our report thereon dated May 19, 2006, which included an adverse opinion on the omission of the aggregate discretely presented component units and an explanatory paragraph due to a change in accounting principle for the adoption of Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures* in 2005. Our audit was performed for the purpose of forming opinions on the financial statements that, collectively, comprise the Commission's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Commissioners, 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

May 19, 2006

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Schedule of Expenditures of Federal Awards
 Year ended December 31, 2005

<u>Grantor title</u>	<u>Federal CFDA number</u>	<u>Grant number/ pass-through number</u>	<u>Federal expenditures</u>
U.S. Department of Agriculture			
Pass-through State Department of Food and Nutrition Services – Food Nutrition Grant	10.555	05-SFS-042	\$ <u>51,743</u>
Total U.S. Department of Agriculture			<u>51,743</u>
U.S. Department of Housing and Urban Development			
Section 8 Housing Assistance Program	14.871	LA 184V003-005	<u>503,886</u>
Total U.S. Department of Housing and Urban Development			<u>503,886</u>
U.S. Department of Justice			
Pass-through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Title V Delinquency Prevention Program (Truancy Grant)	16.548	W02-1-002	17,896
Title I – Reducing Gun Violence	16.509	F03-8-004	42,897
Juvenile Accountability Incentive Block Grant	16.523	A98-8-03	<u>107,613</u>
Total U.S. Department of Justice			<u>168,406</u>
U.S. Department of Homeland Security			
Pass-through Louisiana Office of Homeland Security and Emergency Preparedness – Public Assistance Grant	97.036	017-99017-01	<u>45,085</u>
Total U.S. Department of Homeland Security			<u>45,085</u>
U.S. Department of Health and Human Services			
Pass-through Louisiana Office of Youth Development			
Title IV-E of the Social Security Act – Federal Payments for Foster Care and Adoption Assistance	93.658	0301-LA-1401	384,580
Head Start	93.600	06CH6376/25	<u>9,996,000</u>
Total U.S. Department of Health and Human Services			<u>10,380,580</u>
			<u>\$ 11,149,700</u>

See accompanying notes to schedule of expenditures of federal awards.

CADDO PARISH COMMISSION

Shreveport, Louisiana

Notes to Schedule of Expenditures of Federal Awards

December 31, 2005

(1) General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Caddo Parish Commission's (the Commission) primary government 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 Commission's primary government financial statements.

(2) Subrecipients

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

<u>Program title</u>	<u>Federal CFDA number</u>	<u>Amount provided to subrecipients</u>
Head Start	93.600	\$ 9,996,000

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Findings and Questioned Costs
Year ended December 31, 2005

Section 1 – Summary of Auditor’s Results

Primary Government Financial Statements

Type of report issued: Adverse opinion for the discretely presented component units and unqualified opinion on the primary government

Internal control over financial reporting:

- Material weaknesses identified? No
- Reportable conditions in internal control were disclosed by the audit of the primary government financial statements? None reported

Noncompliance material to primary government financial statements noted? No

Federal Awards

Internal control over major program:

- Material weaknesses identified? No
- Reportable conditions in internal control over major program? None reported

Type of auditor’s report issued on compliance for major program: unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? No

Identification of major program:

<u>CFDA number</u>	<u>Name of federal program or cluster</u>
93.600	United States Department of Health and Human Services – Head Start

Dollar threshold used to distinguish between Type A and Type B programs: \$334,658

Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: Yes

Section 2 – Primary Government Financial Statement Findings

None

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Findings and Questioned Costs
Year ended December 31, 2005

Section 3 – Federal Award Findings and Questioned Costs

None



KPMG LLP
Suite 1900
333 Texas Street
Shreveport, LA 71101-3692

May 19, 2006

CONFIDENTIAL

The Members of the Caddo
Parish Commission

Dear Commissioners:

We have audited the financial statements of the governmental activities of the Caddo Parish Commission (the Commission) and the combining, individual fund, and government-wide financial statements of the Commission as of and for the year ended December 31, 2005, and have issued our report thereon dated May 19, 2006. In planning and performing our audit of the financial statements of the Commission, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. We have not considered the internal control since the date of our report.

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:

INFORMATION TECHNOLOGY (IT)

Information Security Policies and Procedures – Policies and procedures related to IT security, program change management, program development and computer operations are not formally documented. Lack of formalized and documented policies and procedures increases the risk that IT control processes are inconsistently implemented and that users are unaware of the Commission's position with regard to information security and integrity, as it pertains to financial reporting data. Lack of formal and documented IT security policy increases the risk that the security processes and controls are not properly aligned with the goals of the Commission.

The Commission should formally document its IT control processes including logical access, program change management, program development, and computer operations. The Commission should adopt a formal security policy that provides guidance for information security within the organization and includes within its scope all aspects of the IT environment relevant to financial reporting applications and data (e.g. networks, perimeter security, operation system security, application security, and acceptable systems use).

Management's Response – The Parish of Caddo has undergone tremendous change in its IT environment over the past year. Moving from a legacy AS/400 based financial system to a Microsoft .NET implementation has required rapid changes in server architecture and network topology. Many of these changes were not anticipated until months after the final stages of our software selection process last year. As a result, the rapid deployment of new technology has greatly out-paced documentation. While policies

have been developed and implemented, documentation is incomplete and scheduled to be formalized at the end of the implementation process. This documentation will be completed by the end of this year.

Access Approval Documentation – Network and AS/400 access for new users and for modifications to existing access is informally requested and approved either verbally or via email from the Director of Finance. Formal evidence of approval is therefore not consistently available. Lack of adequate documentation of management approval for network and AS/400 access results in lack of accountability for employee access levels and increases the risk that inappropriate access is granted to a user.

The Commission should require all network and AS/400 access requests, whether it be initial access for newly hired employees or modifications to current access, to be formally approved by the appropriate manager on a documented request form and for documentation of that approval to be maintained in a central repository by the IT department.

Management's Response – As part of the implementation of the new financial system, user access to financial data will be controlled through the development and use of security templates. These templates are structured as an array of allowed process accessibility and will easily allow the identification and implementation of appropriate access levels based on job classification. In order to facilitate this process, the Parish of Caddo has developed a change management form. This form will be used to document access approvals and will be maintained by Information Services.

User Access Review – Formalized and periodic review of the appropriateness of user access to the network and AS/400 is not performed and documented. Lack of adequate periodic review of user access at the network and AS/400 level increases the risk that access becomes inappropriate over time, as the environment evolves (i.e. users gain additional responsibilities, job transfers, etc.) and that inappropriate and/or unauthorized system access is not detected and remediated timely. Periodic reviews of user access are also a means to detect segregation of duties conflicts within system access, which may have resulted from inadequate analysis upon initial account setup or modifications made over time which did not adequately consider the segregation of duties concerns.

The Commission should require that user access reviews be performed by appropriate business management personnel on a periodic basis to verify that user's access is commensurate with job responsibilities and to specifically detect high-risk segregation of duties conflicts. Reviewing and maintaining the appropriateness of user access is ultimately the responsibility of user management. The IT department should play a facilitator role in this review process.

Management's Response – As part of the formal documentation process, Information Systems will develop an access review procedure. This procedure (coinciding with the annual performance evaluation) will provide all department directors with a listing of access granted to individual users based on security templates and security groups. This listing will be verified by signature of the department director and maintained on file in Information Systems.

Program Changes – An informal process is in place where testing is performed for AS/400 changes on a limited basis on the production server with the modified program being opened to allow users to access it via menu options once the change is complete. As the process is informal and not documented, it is not evident that changes/development are analyzed, are adequately tested, as needed, and approved by user management prior to being opened for use on the production server. Lack of adequate documentation of user management authorization, testing and approval of program changes increases the risk that unauthorized, untested and/or unapproved changes being placed into production and also results in a lack of accountability by the user management for changes that are made to the AS/400.

The Commission should require all program changes to be formally approved in writing by the appropriate user management prior to making the revised programs available to the user community. User management's approval should indicate that adequate and successful testing has been performed on the change. Testing evidence (i.e. test plans, expected versus actual results, etc.) should be retained, as needed, for an adequate period of time in order to substantiate that the appropriate level of testing was performed for the change. Emergency change management procedures should be included as part of the documented policy and procedure.

Management's Response – The Parish of Caddo has implemented a separate test environment for its Microsoft .NET based financial system. This implementation corrects the deficiencies noted with the AS/400 legacy system that is being retired. Program changes are done by the software vendor, New World Systems. Custom change requests, while rare, are submitted in writing to New World Systems. Updates developed by New World Systems, as well as operating system updates developed by Microsoft, are implemented in the test environment first. A formal test documentation policy will be developed and utilized at the end of the implementation process.

Segregation of Duties – Adequate segregation of duties between development and migration of changes in the production environment of the AS/400 does not exist. As the IT department is small, segregation of duties is not possible as the system administrator has access to make changes directly to the production environment and a test environment does not exist. Monitoring procedures are not performed to detect potentially inappropriate, unauthorized or untested changes from being made to production. Due to the small size of the IT department, segregation of duties is not possible and there is an inherent risk of inappropriate or unauthorized changes being made to the production source code. Where segregation of duties is not possible as a preventative control, adequate monitoring should be in place to detect inappropriate changes to the production source code.

The Commission should consider implementing a process to monitor the production source code, designed to detect any changes to the source code that were not authorized, tested, and approved.

Management's Response – As stated in the previous response, the AS/400 legacy system is being retired and replaced with the Microsoft .NET based financial system by New World Systems. New World Systems retains full rights to the source code and all program changes and development are done by New World System staff. At no time does any Parish of Caddo employee have access to the source code.

Terminated Employees – Terminated employees have AS/400 accounts that remain enabled in the system. Failure to timely delete/disable AS/400 access for terminated employees increases the risk of unauthorized access to the financial system. Although the process for deleting/deactivating network access for terminated employees appears effective, if a current employee with network access were to obtain the password for a terminated employee's AS/400 account, that account could be used to gain inappropriate access to the AS/400 without accountability for the individual using the account.

The Commission should perform a review of all AS/400 accounts to identify and deactivate the accounts of terminated employees. Also the IT department should investigate to determine the cause for AS/400 accounts for terminated employee's remaining enabled and remediate the process to make sure terminated employee's AS/400 access is deactivated in a timely manner.

Management's Response – A preliminary review of the AS/400 system has been accomplished and terminated employees identified and removed. A more detailed review is pending and will be accomplished in conjunction with a mass removal of accounts as we change processes to our new systems. A limited number of users will be given read only privileges to access historical data and run reports for past years. Network access removal for terminated employees will be documented as part of an overall personnel check-out process being developed by the Human Resources Division.

Backup Logs – Although it appears that backups are adequately scheduled and automatically performed by the system, backup logs are not consistently retained and evidence that they are reviewed and corrective action is taken for failed jobs is not available. Failure to take corrective action on a failed network backup job increases the risk that adequate backup data is not available to be restored during recovery from an event, increasing the risk that critical data is permanently lost.

The IT department should implement a process to review backup job logs on a consistent basis and take appropriate action on failed jobs. Evidence of this review should be retained.

Management's Response – Backup functions for the AS/400 system are performed by the Caddo Parish Sheriff's Office personnel. Network backup logs are maintained in a database on the backup server. While errors are noted and corrective action is taken, formal documentation of action taken has not been recorded and maintained. The Information Systems Division will develop and implement a formal review process for the backup logs and actions taken by year end.

JOURNAL ENTRY REVIEW

Journal entries are not reviewed by a person other than the preparer. Although the preparer does not have access to post journal entries, the person who posts them may not have the level of expertise to identify an inaccurate or inappropriate journal entry. We recommend that the Commission implement controls for someone other than the preparer to review journal entries.

Management's Response – The majority of the Commission's journal entries are prepared by the Director or Assistant Director of Finance and posted to the general ledger by the Chief Accountant. The journal entries are reviewed by the Chief Accountant for inaccuracies or inconsistencies. The Chief Accountant has on many occasions notified the Director or Assistant Director of Finance when a journal entry appears inaccurate. Although the Chief Accountant may not have the level of expertise that the

Director or Assistant Director has, this person does possess the ability to identify certain irregularities that are easily identifiable based on standard accounting procedures. The Commission also has a process in place whereby the Director and Assistant Director of Finance reviews the financial statements on a regular basis for inaccuracies.

Although the Commission does have a system of review in place for journal entries, it is always our goal to improve our processes when deemed necessary. Beginning in May 2006, the Director of Finance will review and approve all journal entries prepared by the Assistant Director of Finance and the Assistant Director of Finance will review and approve all journal entries prepared by the Director of Finance or another staff member within in the Finance Department. The new financial accounting system requires the approval of all journal entries before the journal entries can be posted to the general ledger.

It should be noted that 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 systems and procedures which may exist. We aim, however, to use our knowledge of the Commission's organization gained during our work to make comments and suggestions which we hope will be useful to you.

We would like to take this opportunity to thank the personnel of the Commission for their cooperation and assistance during the audit.

This report is intended solely for the information and use of the Members of the Commission, management, the Louisiana Legislative Auditor, and 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