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CADDO PARISH COMMISSION

Primary Government Financial Statements and
Individual Fund Statements

Year Ended December 31, 1998

(With Independent Auditors' Report Thereon)

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

AUG 04 1999

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Release Date _____

INTRODUCTORY SECTION

- **TABLE OF CONTENTS**
- **LETTER OF TRANSMITTAL**
- **ORGANIZATION CHART**
- **ELECTED OFFICIALS**
- **APPOINTED OFFICIALS**

CADDO PARISH COMMISSION
Shreveport, Louisiana

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

Year ended December 31, 1998

Table of Contents

	Exhibit	Page(s)
INTRODUCTORY SECTION (not covered by auditors' report)		
Title Page		i
Table of Contents		ii-vi
Letter of Transmittal		vii-xix
Organization Chart		xx
Elected Officials		xxi
Appointed Officials		xxii
FINANCIAL SECTION		
Independent Auditors' Report		1-2
Primary Government Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	1	3-4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund	2	5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General, Special Revenue, and Debt Service Fund Types	3	6
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balance - Proprietary Fund Type and Nonexpendable Trust Fund	4	7
Combined Statement of Cash Flows - Proprietary Fund Type and Nonexpendable Trust Fund	5	8
Notes to Combined Financial Statements		9-33
Required Supplementary Information (Unaudited) - Disclosure about Year 2000 Issues		34

CADDO PARISH COMMISSION
Shreveport, Louisiana

Primary Government Financial Statements and
Individual Fund Statements

Year ended December 31, 1998

Table of Contents, Continued

	Exhibit	Page(s)
Additional Information - Combining and Individual Fund and Account Group Financial Statements and Schedules:		
Governmental Funds:		
General Fund:		
Comparative Balance Sheet	A-1	35
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	A-2	36
Special Revenue Funds:		
Combining Balance Sheet	B-1	37
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	38
Road and Bridge Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-3	39-40
Courthouse Maintenance Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-4	41-42
Detention Facilities Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-5	43-44
Parks and Recreation Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-6	45
Solid Waste Disposal Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-7	46
Drainage Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-8	47
Juvenile Court Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-9	48-49
Health Unit Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-10	50-51
Law Officers Witness Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-11	52

CADDO PARISH COMMISSION
Shreveport, Louisiana

Primary Government Financial Statements and
Individual Fund Statements

Year ended December 31, 1998

Table of Contents, Continued

	Exhibit	Page(s)
Special Revenue Funds (Continued):		
Biomedical Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-12	53
Shreve Memorial Library Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-13	54
Riverboat Boarding Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-14	55
Debt Service Fund:		
Comparative Balance Sheet	C-1	56
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance	C-2	57
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	C-3	58
Capital Projects Funds:		
Combining Balance Sheet	D-1	59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D-2	60
Proprietary Funds:		
Combining Balance Sheet	E-1	61
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings (Accumulated Deficit)	E-2	62
Combining Statement of Cash Flows	E-3	63
Fiduciary Funds:		
Combining Balance Sheet	F-1	64
Nonexpendable Trust Fund - Jail Site Fund - Comparative Statement of Revenues and Changes in Fund Balance	F-2	65
Nonexpendable Trust Fund - Jail Site Fund - Comparative Statement of Cash Flows	F-3	66
Expendable Trust Fund - Penal Farm Fund - Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance	F-4	67
Nonexpendable Trust Fund - Criminal Court Fund - Statement of Changes in Assets and Liabilities - Agency Funds	F-5	68

CADDO PARISH COMMISSION
Shreveport, Louisiana

Primary Government Financial Statements and
Individual Fund Statements

Year ended December 31, 1998

Table of Contents, Continued

	Exhibit	Page(s)
General Fixed Assets Account Group:		
Comparative Schedule of General Fixed Assets - By Source	G-1	69
Schedule of Changes in General Fixed Assets - By Function and Activity	G-2	70
Schedule of General Fixed Assets - By Function and Activity	G-3	71
General Long-Term Obligation Account Group - Schedule of Changes in Long-Term Obligations	H-1	72
Table		
Page(s)		
STATISTICAL SECTION (not covered by auditors' report)		
General Governmental Expenditures by Function - Last Ten Fiscal Years	1	73
General Governmental Revenues by Source - Last Ten Fiscal Years	2	74
Property Tax Levies and Collections - Last Ten Fiscal Years	3	75
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	4	76
Property Tax Rates and Tax Levies - Direct and Overlapping Governments - Last Ten Fiscal Years	5	77
Special Assessment Collections - Last Ten Fiscal Years	6	78
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Ten Fiscal Years	7	79
Computation of Legal Debt Margin	8	80
Computation of Direct and Overlapping Debt	9	81

CADDO PARISH COMMISSION
Shreveport, Louisiana

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

Year ended December 31, 1998

Table of Contents, Continued

	Table	Page(s)
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures - Last Ten Fiscal Years	10	82
Demographic Statistics - Last Ten Fiscal Years	11	83
Commercial Construction, Residential Construction, and Property Value - Last Ten Fiscal Years	12	84
Principal Taxpayers	13	85
Miscellaneous Statistics	14	86



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JOHN ESCUDE
VICE PRESIDENT
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GILFORD L. "GIF" GILLEN
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May 19, 1999

The Honorable Michael D. Williams, President
and Members of the Caddo Parish Commission
Caddo Parish Courthouse
501 Texas 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, 1998. This document is the official publication of the Commission's financial position at December 31, 1998, and the results of operations for the year then ended including all funds and account groups of the Commission (primary government).

This report was prepared by the Department of Finance. Responsibility for both the accuracy of the data presented and completeness and fairness of the presentation, including all disclosures, rests with Commission management. We believe the data, as presented, is accurate in all material aspects and that the report fairly sets forth the financial position of the Caddo Parish Commission and the results of its operating activities for 1998 in the manner necessary for the reader to gain the maximum understanding of Commission financial affairs.

The report complies in all material respects to the authoritative promulgations of the Governmental Accounting Standards Board, except as noted below. The notes to the combined financial statements explain Commission accounting policies, basis of accounting, funds and account groups used, as well as other significant accounting information. These notes are an integral part of this report.

Accounting System and Financial Information

The Reporting Entity and Its Services

The Commission provides a wide range of services including criminal and juvenile justice, highways and streets, sanitation, planning and zoning, public health, libraries, recreational facilities, economic development and general administrative services.

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

Several agencies provide public services to Caddo Parish residents and should be included in the financial statements of the Commission as discrete component units because they are legally separate from the Commission. 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. Generally accepted accounting principles do not allow us to present unaudited or out of date information in our 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

Internal Controls

In developing and evaluating the Commission's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

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

Single Audit

As a recipient of federal and state financial assistance, the Commission is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As a part of the Commission's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the Commission has complied with applicable laws and regulations. The results of the Commission's single audit for the fiscal year ended December 31, 1998, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. The single audit report is issued separately from this primary government annual financial report.

Method of Accounting

The accounting records for general governmental operations are maintained on a modified accrual basis with the revenues being recorded when measurable and available and expenditures being recorded when the liability is incurred.

Budgetary Controls

The Commission maintains a system of budgetary controls, the objective of which is to ensure compliance with the annual appropriated budget. Activities of the General Fund, certain Special Revenue Funds, and Debt Service Fund are included in the annual appropriated budget. Project-length budgets are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is on a functional basis. The Commission also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders which would result in the material overrun of a departmental budget are rejected by the accounting system and are not processed until additional funding is available. Monthly budget reports are prepared for management's use in monitoring and control of the approved budget. Open encumbrances are reported as reservations of fund balance at December 31, 1998.

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 \$350,000. Third party coverage is also maintained for workers' compensation cases above \$50,000. In addition to the revenues collected in the General Insurance Fund, resources are designated within the General Fund for payment of potential claims. Stop-loss coverage is maintained for workers' compensation cases above \$200,000.

The Commission is partially self-insured for employee medical and life insurance with third party coverage for occurrences over \$75,000 and an aggregate stop-loss coverage for losses in excess of 125% of expected claims. All known claims filed and an estimate of all incurred but unreported claims existing at December 31, 1998, have been recorded as accrued insurance claims payable.

Financial Data

The following paragraphs highlight the activities of the various funds and describe significant financial events and reporting practices reflected in this report.

General Fund

The General Fund is a major operating fund of the Commission and provides for many essential services. General Fund revenues totaled \$4,313,373 for 1998 which was a decrease of 1.5% from the 1997 revenues. Ad valorem taxes and intergovernmental revenues generated 83.6% of the total 1998 General Fund revenues compared to 83.3% in 1997. The intergovernmental revenues consist of funds shared by the State of Louisiana, i.e., severance taxes and State Revenue Sharing. The amounts of revenues from the various sources in 1998 are shown in the following tabulation:

Revenues	Amount	Percent of Total	Increase (Decrease) From 1997
Taxes	\$ 2,734,129	63.4%	\$ 17,213
Licenses and permits	396,068	9.2	(1,293)
Intergovernmental	872,869	20.2	(104,873)
Use of money and property	128,230	3.0	20,885
Other	182,077	4.2	433
Total revenues	\$ <u>4,313,373</u>	<u>100.0%</u>	\$ <u>(67,635)</u>

Intergovernmental revenues decreased due to a reduction in the State of Louisiana oil and gas severance tax payments of approximately \$116,000.

General Fund expenditures totaled \$4,371,394 in 1998 which is up 13.5% from the 1997 level of \$3,852,260. The amounts of expenditures by function for 1998 are shown in the following tabulation:

Expenditures	Amount	Percent of Total	Increase (Decrease) From 1997
General government	\$ 4,260,585	97.5%	\$ 639,230
Health and welfare	48,407	1.1	(138,754)
Education	62,402	1.4	18,658
Total expenditures	\$ <u>4,371,394</u>	<u>100.0%</u>	\$ <u>519,134</u>

General government expenditures increased due to settlement of a lawsuit which resulted in significant additional funding for the District Attorney. Health and welfare expenditures decreased due to the Food Stamp Office closing in February 1998.

The unreserved and undesignated fund balance in the General Fund decreased to \$1,955,808 in 1998 from \$2,859,784 in 1997. This unreserved and undesignated fund balance represents 44.7% of the 1998 General Fund expenditures. Total fund balance decreased by \$70,769 to \$3,119,780.

Special Revenue Funds

Special Revenue Funds are used to account for specific revenue sources that are designated or restricted to specific uses. These funds, in total, represent the largest portion of the Commission's operating budget.

Total revenues for the Special Revenue Funds for 1998 amount to \$40,207,245, an increase of 5.95% from the 1997 total of \$37,947,676. Ad valorem taxes, sales taxes, special assessments, and intergovernmental revenues generated 91.2% of the total revenues in 1998 and 91.5% in 1997. During 1998, the intergovernmental revenues consisted primarily of State Revenue Sharing and various federal and state grants. A portion of the sales tax revenues collected will be refunded based upon enterprise zone contracts at project completion. Accordingly, a liability has been recorded in the Solid Waste Special Revenue Fund and the Road Construction Capital Projects Fund in the amounts of \$214,806 and \$447,945, respectively. The revenues from various sources in 1998 are shown in the following tabulation:

Revenues	Amount	Percent of Total	Increase (Decrease) From 1997
Taxes	\$ 27,859,356	69.3%	\$ 302,246
Intergovernmental	8,821,105	21.9	1,674,685
Fees, charges, and commissions for services	66,291	0.2	7,124
Fines and forfeitures	168,352	0.4	(18,824)
Gaming	2,265,619	5.6	89,130
Use of money and property	837,414	2.1	238,983
Other	189,108	0.5	(33,775)
Total revenues	\$ 40,207,245	100.0%	\$ 2,259,569

Taxes increased due to the growth in the taxable assessment. Intergovernmental revenues increased due to additional federal funding for the Head Start program and increased state grants for the Shreve Memorial Library. Use of money and property revenues increased due to an increase in interest income earned.

Expenditures in the Special Revenue Funds totaled \$32,888,377 in 1998 which is an increase of 8.6% from the 1997 level of \$30,287,341. The expenditures by general government function for 1998 are shown in the following tabulation:

Expenditures	Amount	Percent of Total	Increase (Decrease) From 1997
General government	\$ 4,709,110	14.3%	\$ 29,897
Public safety	5,753,485	17.5	539,953
Health and welfare	8,459,034	25.7	1,597,014
Highways and streets	3,916,401	11.9	240,238
Sanitation	1,482,642	4.5	145,013
Culture and recreation	7,590,568	23.1	615,858
Economic development	870,332	2.6	(567,962)
Debt service	106,805	0.4	1,025
Total expenditures	\$ 32,888,377	100.0%	\$ 2,601,036

Public Safety expenditures increased due to the rising costs of providing housing and medical care for criminals and juvenile offenders. Health and welfare expenditures increased due to additional federal funding received for the Caddo Community Action Agency. Culture and recreation increased due to the capital expansion program of the Shreve Memorial Library. Economic development decreased due to a reduction in reimbursements for program activities requested by the Biomedical Research Foundation.

The total fund balance in the Special Revenue Funds increased to \$23,607,331 in 1998 from \$19,334,626 in 1997, an increase of \$4,272,705 or 22.1%. Fund balance for all special revenue funds represents 71.8% of the 1998 expenditures.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the Commission's debt position. As of December 31, 1998, net bonded debt of \$15,399,315 was 1.46% of the assessed value and \$64 per capita.

Debt activity for 1998 is summarized as follows:

	<u>General Obligation Bonds</u>	<u>Certificates of Indebtedness</u>
Balance, December 31, 1997	\$ 23,370,000	210,000
Additions	3,425,000	-
Retirements	6,175,000	100,000
Balance, December 31, 1998	<u>\$ 20,620,000</u>	<u>110,000</u>

In addition to the \$6,175,000 and \$100,000 in bonds and certificates retired, the Commission paid \$1,211,922 in interest on the general obligation bonds from the Debt Service Fund. Interest of \$6,805 was paid on the certificates of indebtedness in 1998 from the Courthouse Maintenance and Parks and Recreation Special Revenue Funds.

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 1991 B general obligation bonds in the amounts of \$2,445,000 and \$695,000, respectively.

Capital Projects Funds

The Capital Projects Funds are used to account for the acquisition or construction of major capital facilities. Revenues totaled \$5,473,876 in 1998, which was a decrease of 4.3% from the 1997 revenues of \$5,719,986. Sales tax revenues accounted for the majority of the decrease.

Expenditures for capital improvement projects in 1998 totaled \$6,992,108 which was an increase of 11.7% from the 1997 expenditures of \$6,258,270. Accounting for the majority of the increase was the additions of new infrastructure projects and fixed asset acquisitions in the Capital Outlay Fund, which accounts for capital expenditures and construction projects in progress. The primary sources of funding for capital improvements were general obligation bond proceeds, sales tax revenues, intergovernmental grants (which included \$1,590,266 received from the State's Parish Transportation Fund), and interest earned on idle funds prior to or during the construction period.

Proprietary Fund Activities - Internal Service Funds

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

Group Insurance

In 1998, employer and employee contributions were \$1,131,691 and \$389,748 respectively. Medical claims totaled \$1,219,203 and stop-loss insurance premiums totaled \$165,207. Incurred but not reported claims have been accrued and the fund balance at December 31, 1998 is \$2,431,186.

General Insurance

In 1998, charges for services totaled \$570,861. Casualty and worker's compensation claims totaled \$162,650 and re-insurance premiums totaled \$236,200. All known claims have been accrued and the fund balance is \$639,692 at December 31, 1998.

Fleet Service

In 1998, charges for sales and services totaled \$1,153,895 and cost of sales and services totaled \$1,084,450. The fund has a deficit in the amount of \$229,465 at December 31, 1998, which should be funded by assignments of additional repair work to the central garage facility and surcharges on billing to departments.

Fiduciary Funds

The Fiduciary Funds are used to account for assets held by the Commission in a trustee or agent capacity. The Commission's Fiduciary Funds include Expendable Trust, Nonexpendable Trust, and Agency Funds. The Trust Funds account for the proceeds of certain properties dedicated for specific activities. Agency funds include the Criminal Court Fund which accounts for criminal court activities.

General Fixed Assets

The general fixed assets of the Commission are those fixed assets used in the performance of general governmental functions. As of December 31, 1998, the general fixed assets of the Commission amounted to \$83,435,409. This amount represents the original cost of the assets and is considerably less than their present value. Depreciation of general fixed assets is not recognized in the Commission's accounting system.

Pension Plans

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 7.75% 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.

Cash Management

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.

As of December 31, 1998, the Commission had loans outstanding from banks in the total amount of \$3,150,000 with interest at 4.0%. All loans were secured by pledge of revenues and were repaid on or before their maturity dates of March 1, 1999.

Other Information

Independent Audit

Section 3-09 of the Home Rule Charter for Caddo Parish requires that the Parish Commission provide for an annual independent audit of all accounts and financial transactions of the Commission. In 1998, the Commission continued use of the single audit approach, which required a simultaneous audit of all Commission entities. The Parish Commission designated KPMG LLP as the independent auditors and their report follows as an integral component of this report.

Additional Financial Information

Certain financial information has been selected for presentation, in a graphical format, on the pages immediately following this letter. This format is utilized to allow the reader to quickly review additional information concerning the overall financial operations of the Commission and ascertain recent historical trends in the areas illustrated.

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.

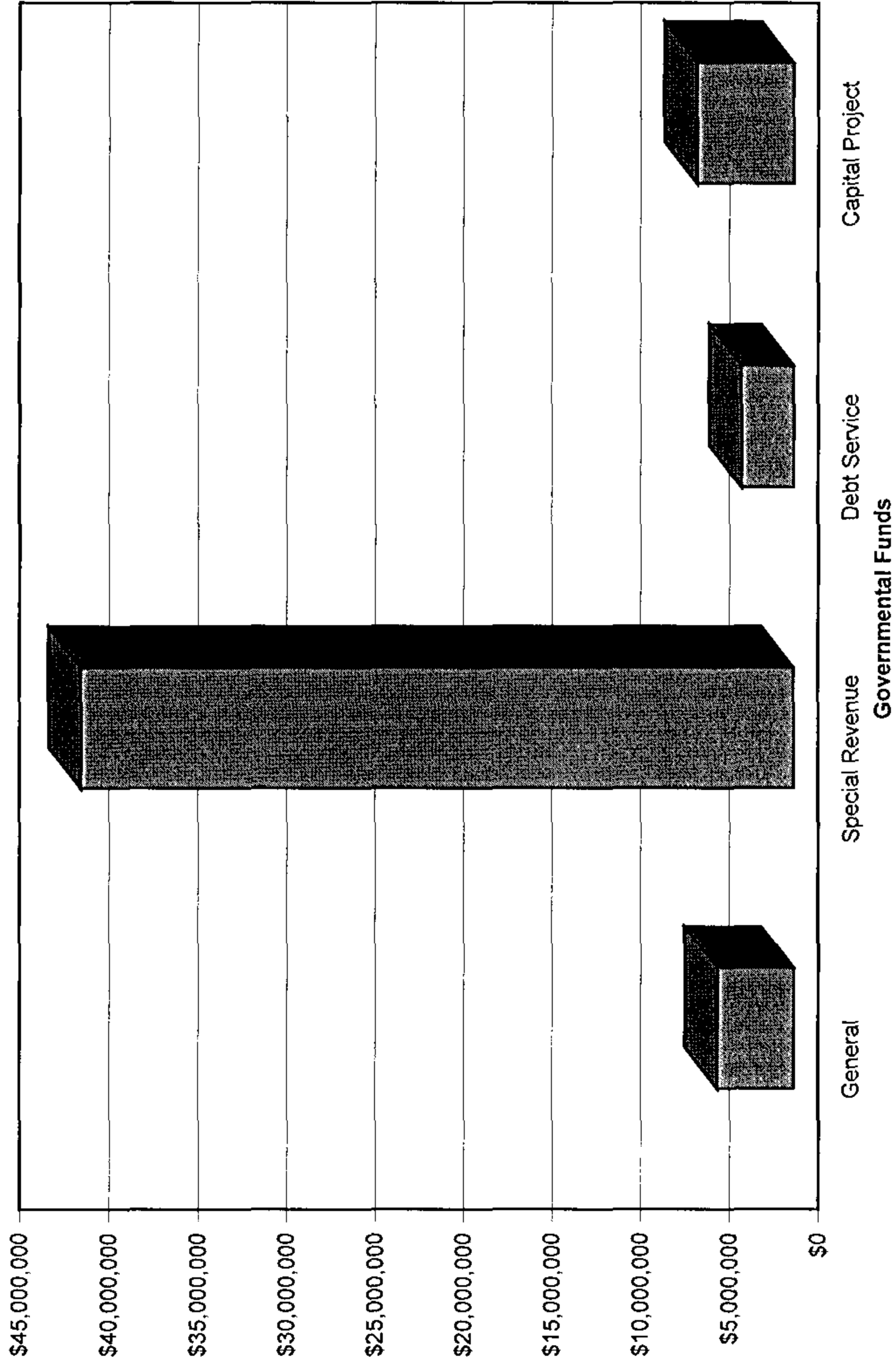
Sincerely,



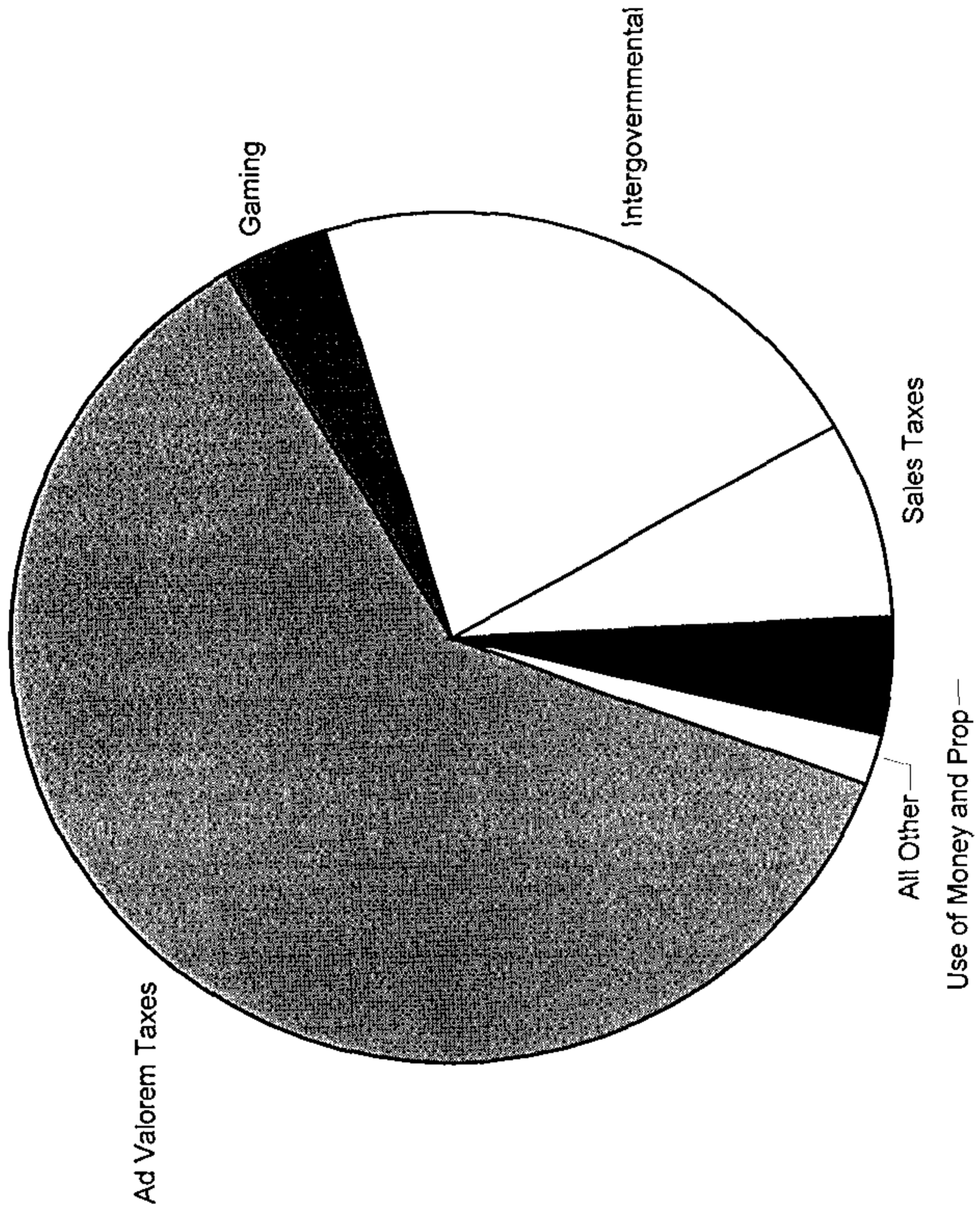
Hugh B. Walmsley, CPA, CGFO
Director of Finance

HBW:lw

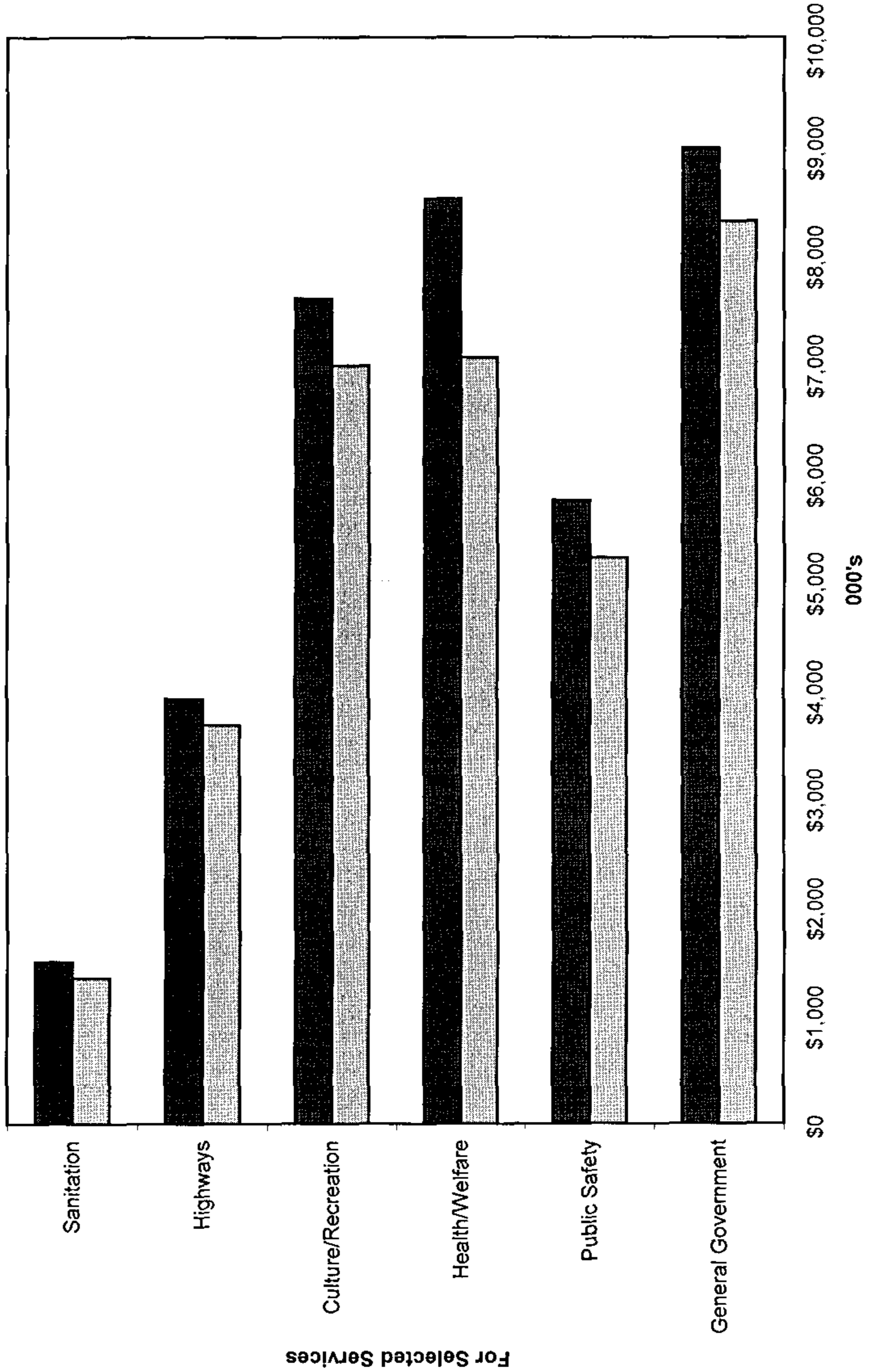
1998 Revenues by Fund Type



1998 Revenues by Source



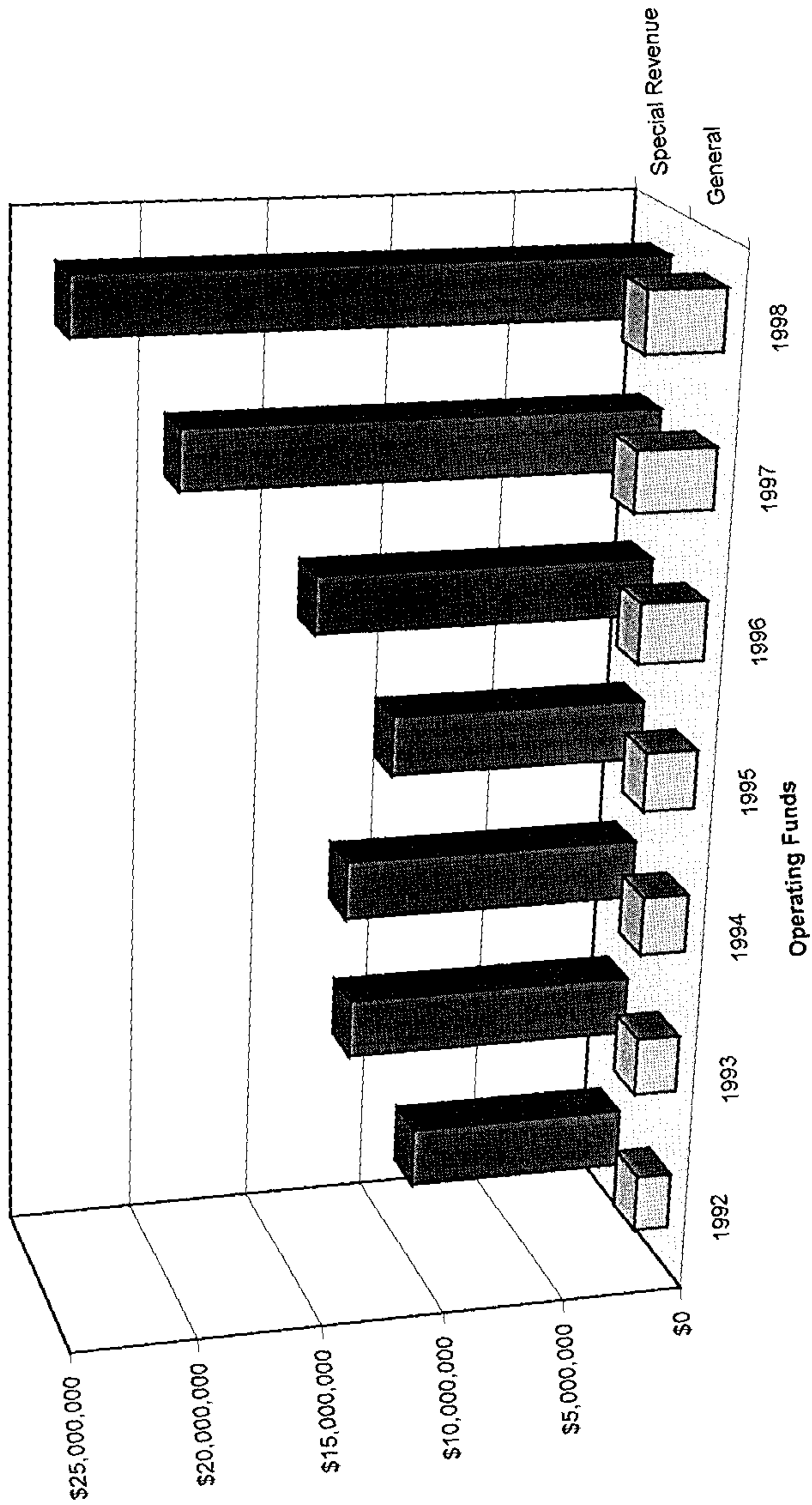
Operating Expenditures



For Selected Services

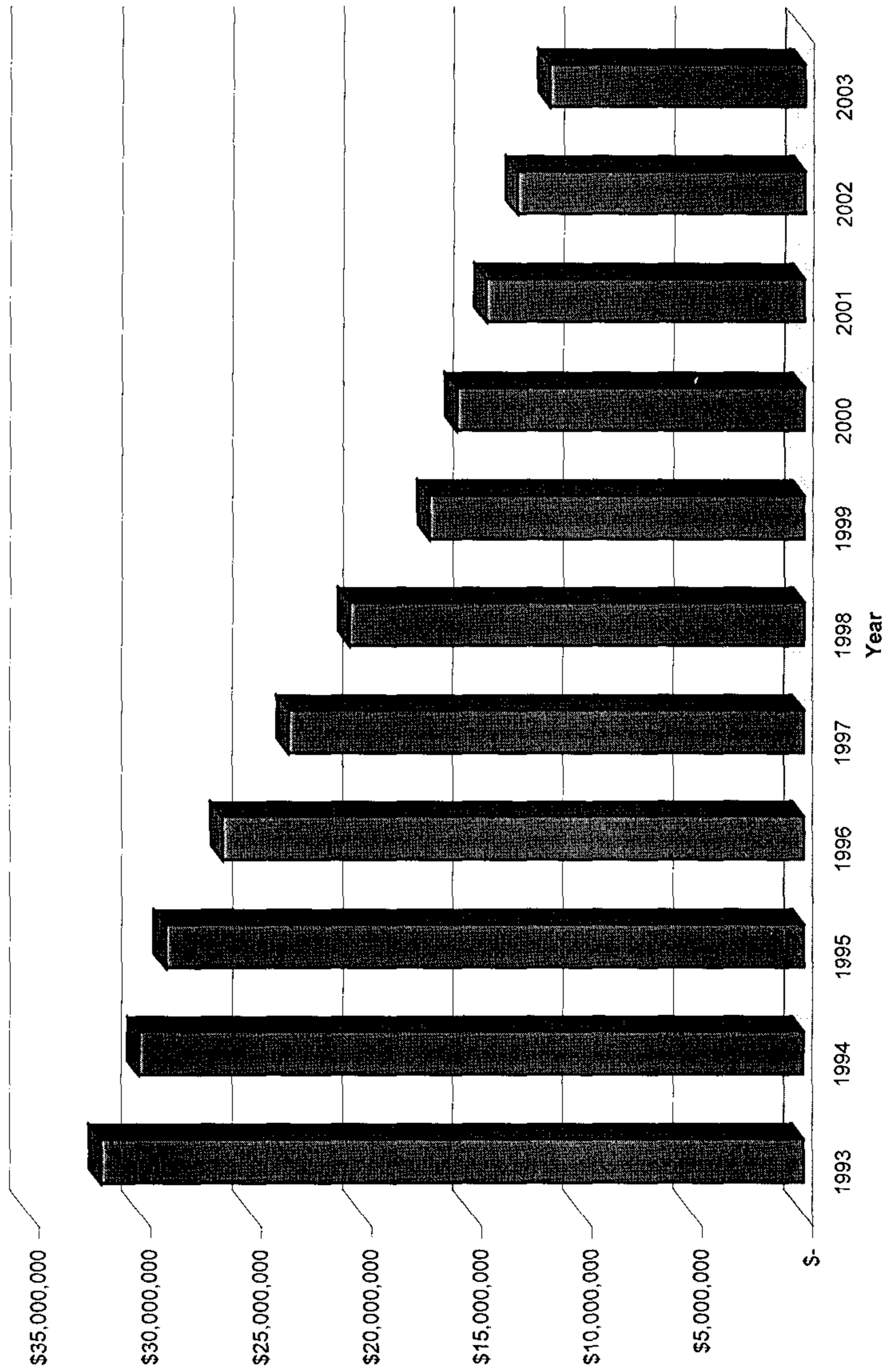
1997 1998

Fund Balance Level



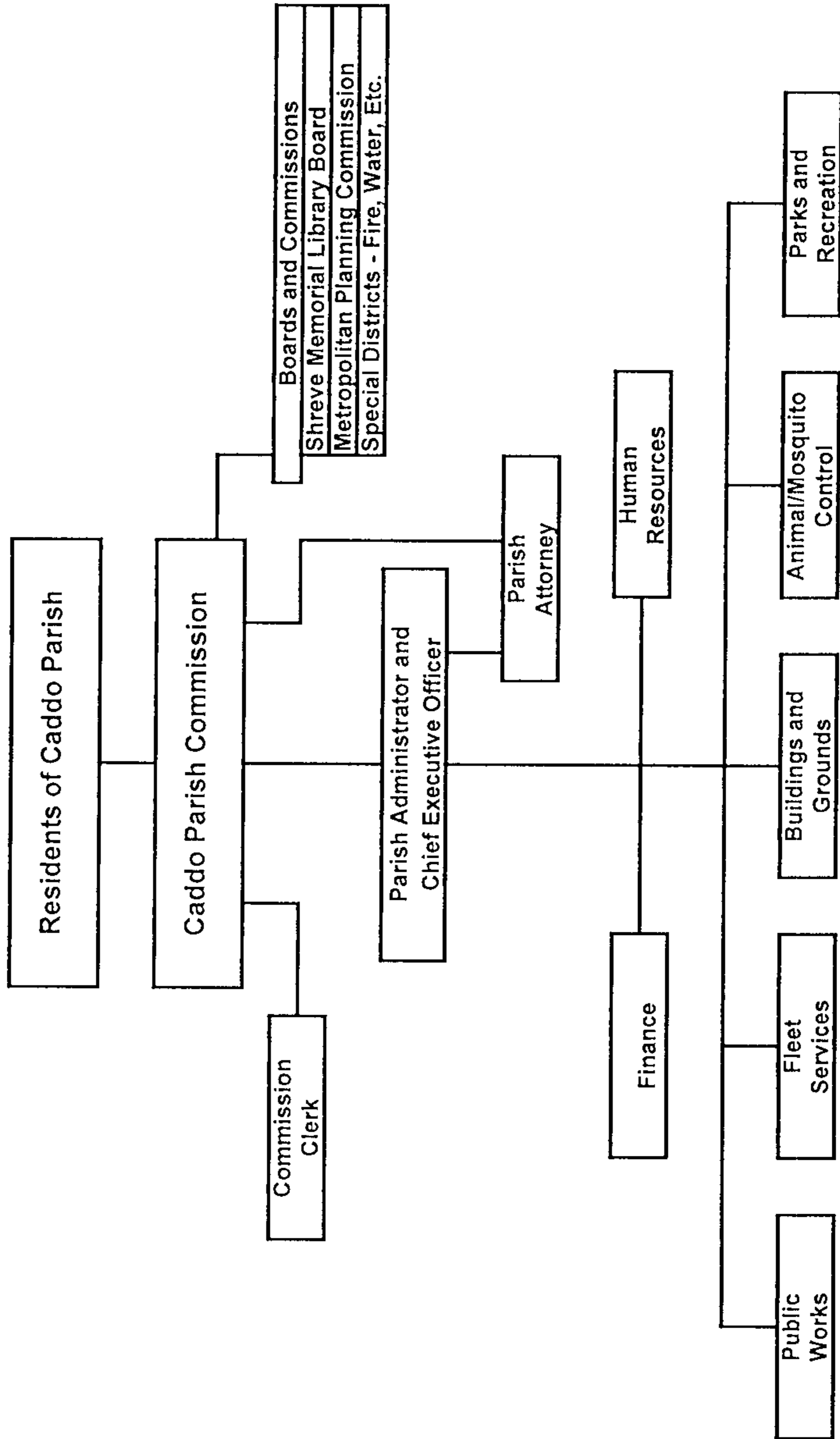
□ General ■ Special Revenue

Bonded Debt Trend



ORGANIZATION CHART

Parish of Caddo
Shreveport, Louisiana



CADDO PARISH COMMISSION

SHREVEPORT, LOUISIANA

COUNCIL-MANAGER FORM OF GOVERNMENT



JAMES H. "JIM" MORRIS
District 1



LAWSON J. SCHUFORD, JR.
District 2



MICHAEL D. WILLIAMS
District 3



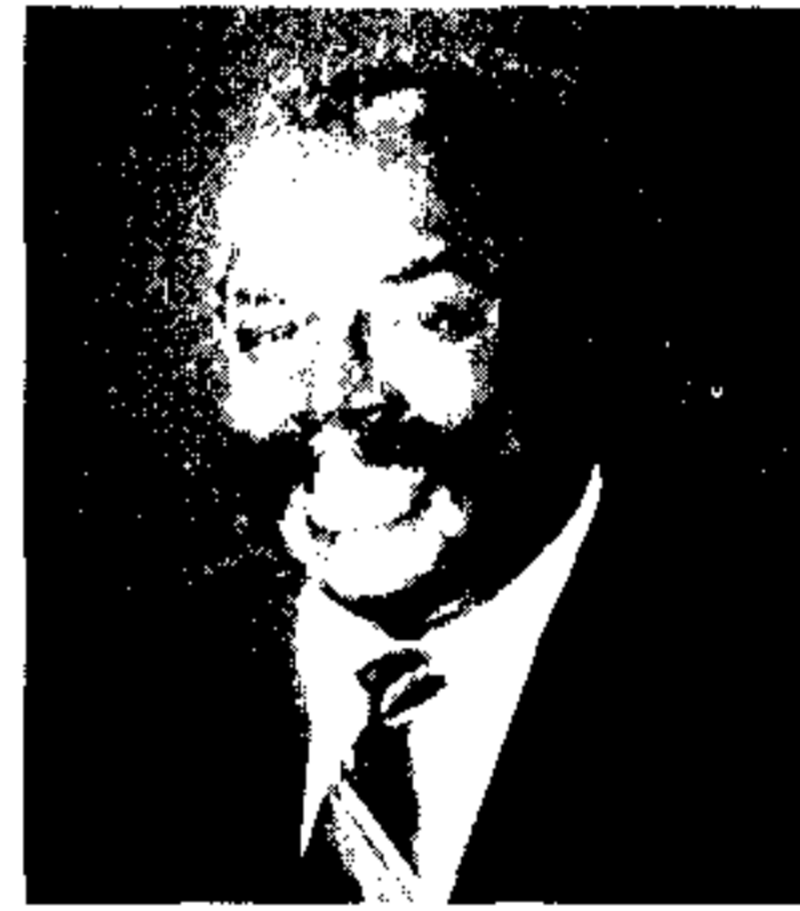
GILFORD L. "GIF" GILLEN
District 4



DAVID WYNDON
District 5



KENNETH EPPERSON
District 6



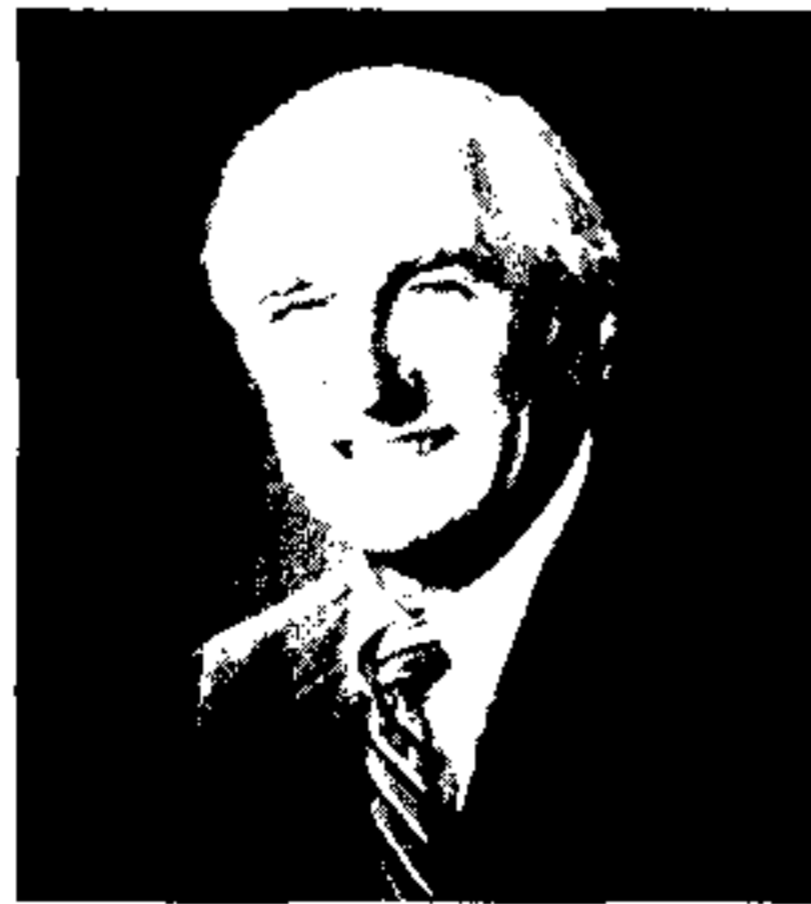
DONALD M. AYTCHE SR.
District 7



JOHN ESCUDE
District 8



BOB BROWN
District 9



DANNY DUMAS
District 10



RON WEBB
District 11



FORREST A. DAVIS
District 12

CADDO PARISH COMMISSION
Shreveport, Louisiana

Appointed Officials Per Home Rule Charter

Mr. William T. Hanna, Jr.	Parish Administrator and Chief Executive Officer
Mr. Hugh B. Walmsley	Director of Finance
Mr. Jeron Rogers	Director of Public Works
Ms. Linda Jordan	Director of Personnel
Mr. William "Buddy" Johnson	Director of Buildings and Grounds
Mr. Larry R. Raymond	Director of Parks and Recreation
Mr. Todd Hopkins	Director of Fleet Services
Mr. Richard J. McMillan, III	Director of Animal and Mosquito Control
Mr. Jerry C. Spears	Commission Clerk
Mr. Dannye W. Malone	Parish Attorney

FINANCIAL SECTION

- **INDEPENDENT AUDITORS' REPORT**
- **COMBINED FINANCIAL STATEMENTS —
OVERVIEW**
- **COMBINING AND INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS AND
SCHEDULES**



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

Independent Auditors' Report

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

We have audited the accompanying primary government financial statements and the combining, and individual fund, and individual account group financial statements and schedules of the Caddo Parish Commission (the "Commission") as of and for the year ended December 31, 1998, as listed in the foregoing Table of Contents. These financial statements and schedules are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the Commission, as of December 31, 1998, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Commission as of December 31, 1998, and the results of operations of such funds and the cash flows of the individual proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the Commission, do not purport to, and do not, present fairly the financial position of the Commission, as of December 31, 1998, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.



The year 2000 supplementary information on page 34 is not a required part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that the Commission is or will become year 2000 compliant, that the Commission's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Commission does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 1999, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

As described in note 13 to the financial statements, the Commission adopted the provisions of Governmental Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, in 1998.

The accompanying information in the Introductory Section and the information in the Statistical Section has not been audited by us, and accordingly we express no opinion on this information.

KPMG LLP

May 19, 1999

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

The primary government financial statements include the combined financial statements, which include all funds and account groups of the Commission and are designed to provide an overview of the financial position and results of operations for the Commission as a whole. Additional information in the form of combining and individual fund and account group statements and schedules and statistical tables are also included in this report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 1998
(with comparative totals for December 31, 1997)

	Governmental Fund Types			Proprietary Fund Type Internal Service Funds	Fiduciary Fund Type Trust and Agency Funds	Account Groups			Totals		
	General	Special Revenue	Debt Service			Capital Projects	General Fixed Assets	Long-Term Obligation	Memorandum Only		
									1998	1997	
Assets:											
Cash and cash equivalents (note 2)	\$ 572,820	5,004,245	1,351,953	7,671,190	1,350,034	250,068	-	-	16,200,310	-	12,037,192
Investments (note 2)	670,565	1,502,475	1,387,716	7,694,197	1,631,106	138,516	-	-	13,024,575	-	16,605,066
Receivables, net:											
Paving assessments	-	23,189	-	583,770	-	-	-	-	606,959	-	567,969
Ad valorem taxes (note 3)	2,612,230	25,144,885	2,544,041	-	-	-	-	-	30,301,156	-	30,153,715
Accrued interest	-	-	10,691	26,672	-	-	-	-	37,363	-	49,870
Other	-	412,885	-	-	80,513	103,890	-	-	597,288	-	380,341
Due from other funds (note 6)	57,151	-	-	3,150,527	359,988	984,081	-	-	4,551,747	-	1,522,674
Due from other governmental agencies	482,770	1,156,152	-	111,408	-	-	-	-	1,750,330	-	1,905,755
Inventory	38,650	-	-	-	99,234	-	-	-	137,884	-	134,699
Other assets	-	26,126	-	-	-	-	-	-	26,126	-	29,361
Property, plant, and equipment, net (note 4)	-	-	-	-	430,929	-	-	83,435,409	83,866,338	-	79,404,090
Other debits:											
Amount available in Debt Service Fund	-	-	-	-	-	-	-	-	5,220,685	-	6,632,030
Amount to be provided for retirement of long-term debt	-	-	-	-	-	-	-	-	15,509,315	-	16,947,970
Amount to be provided for accrued compensated absences	-	-	-	-	-	-	-	-	325,975	-	319,393
Total assets and other debits	\$ 4,434,186	33,269,957	5,294,401	19,237,764	3,951,804	1,476,555	83,435,409	21,055,975	172,156,051	166,690,125	

(Continued)

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 1998
(with comparative totals for December 31, 1997)

	Governmental Fund Types			Capital Projects	Proprietary Fund Type		Fiduciary Fund Type Trust and Agency Funds	Account Groups		Totals (Memorandum Only)		
	General	Special Revenue	Debt Service		Internal Service Funds	General Fixed Assets		Long-Term Obligation	1998	1997		
Liabilities												
Accounts payable	\$ 194,382	2,046,793	-	1,559,287	-	37,129	-	-	-	3,952,643	2,502,424	
Retainages payable	-	-	-	373,630	-	-	-	-	-	373,630	302,468	
Due to other funds (note 6)	984,081	3,150,527	-	-	-	57,151	-	-	-	4,551,747	1,522,674	
Due to other government agencies	-	188,816	-	-	-	-	-	-	-	188,816	380,364	
Refundable deposits and other	-	840	-	-	-	-	-	-	-	840	840	
Deferred revenues (note 3)	135,943	1,125,650	73,716	468,847	-	-	-	-	-	1,804,156	2,289,024	
General obligations bonds and certificates of indebtedness payable (note 5)	-	-	-	-	-	-	-	20,730,000	-	20,730,000	23,580,000	
Revenue anticipation and other notes payable to banks (note 5)	-	3,150,000	-	-	-	-	-	-	-	3,150,000	8,000,000	
Accrued insurance claims payable	-	-	-	-	282,236	-	-	-	-	282,236	224,261	
Accrued compensation absences (note 5)	-	-	-	-	-	-	-	325,975	-	325,975	319,393	
Total liabilities	1,314,406	9,662,626	73,716	2,401,764	757,276	94,280	-	21,055,975	-	35,360,043	39,121,448	
Equity and Other Credits												
Investment in general fixed assets	-	-	-	-	-	-	-	83,435,409	-	83,435,409	78,979,846	
Contributed capital (notes 4 and 12)	-	-	-	-	353,115	-	-	-	-	353,115	329,204	
Retained earnings:												
Reserved:												
Encumbrances	-	-	-	-	1,100	-	-	-	-	1,100	-	
Payment of claims	-	-	-	-	3,070,878	-	-	-	-	3,070,878	2,564,861	
Unreserved	-	-	-	-	(230,565)	-	-	-	-	(230,565)	(221,306)	
Fund Balance:												
Reserved for:												
Debt service	18,019	-	5,220,685	-	-	-	-	-	-	5,220,685	6,632,030	
Encumbrances	-	6,038,062	-	1,893,483	-	-	-	-	-	7,949,564	3,397,308	
Revolving loans to General Fund	-	-	-	-	-	1,000,182	-	-	-	1,000,182	972,787	
Industrial development inventory	38,650	-	-	-	-	382,093	-	-	-	382,093	287,563	
Unreserved:												
Designated for future claims	212,748	-	-	-	-	-	-	-	-	212,748	212,748	
Designated for specific projects	-	-	-	-	-	-	-	-	-	-	112,274	
Designated for subsequent year expenditures	894,555	1,315,142	-	14,942,517	-	-	-	-	-	17,152,214	13,218,384	
Undesignated	1,955,808	16,254,127	-	-	-	-	-	-	-	18,209,935	21,033,108	
Total retained earnings/fund balance	3,119,780	23,607,331	5,220,685	16,836,000	2,841,413	1,382,275	-	-	-	53,007,484	48,259,627	
Total equity and other credits	3,119,780	23,607,331	5,220,685	16,836,000	3,194,528	1,382,275	-	83,435,409	-	136,796,008	127,568,677	
Total liabilities, equity and other credits	\$ 4,434,186	33,269,957	5,294,401	19,237,764	3,951,804	1,476,555	-	83,435,409	21,055,975	172,156,051	166,690,125	

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund

Year ended December 31, 1998
(with comparative totals for year ended December 31, 1997)

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects		1998	1997
Revenues:							
Ad valorem taxes and special assessments (note 3)	\$ 2,734,129	26,500,140	2,717,306	116,467	-	32,068,042	32,163,257
Sales tax	-	1,359,216	-	2,718,340	-	4,077,556	4,540,650
Licenses and permits	396,068	-	-	-	-	396,068	397,361
Intergovernmental	872,869	8,821,105	-	1,716,449	-	11,410,423	9,741,602
Fees, charges, and commissions for services	-	66,291	-	-	-	66,291	59,167
Fines and forfeitures	-	168,352	-	-	-	168,352	187,176
Gaming	-	2,265,619	-	-	-	2,265,619	2,176,489
Use of money and property	128,230	837,414	230,688	912,620	16,270	2,125,222	1,887,891
Other revenues	182,077	189,108	-	10,000	62,092	443,277	467,087
Total revenues	4,313,373	40,207,245	2,947,994	5,473,876	78,362	53,020,850	51,620,680
Expenditures:							
Current:							
General government	4,260,585	4,709,110	-	-	-	8,969,695	8,300,568
Public safety	-	5,753,485	-	-	-	5,753,485	5,213,532
Health and welfare	48,407	8,459,034	-	-	-	8,507,441	7,049,181
Education	62,402	-	-	-	-	62,402	43,744
Highways and streets	-	3,916,401	-	-	-	3,916,401	3,676,163
Sanitation	-	1,482,642	-	-	-	1,482,642	1,337,629
Culture and recreation	-	7,590,568	-	-	-	7,590,568	6,974,710
Economic development	-	870,332	-	-	-	870,332	1,438,294
Capital projects	-	-	-	6,992,108	2,312	6,994,420	6,530,897
Debt service (note 5):							
Principal retirement	-	100,000	3,035,000	-	-	3,135,000	3,090,000
Interest, fiscal charges, and fees	-	6,805	1,324,339	-	-	1,331,144	1,510,684
Total expenditures	4,371,394	32,888,377	4,359,339	6,992,108	2,312	48,613,530	45,165,402
Excess (deficiency) of revenues over expenditures	(58,021)	7,318,868	(1,411,345)	(1,518,232)	76,050	4,407,320	6,455,278
Other financing sources (uses):							
Operating transfers in (note 6)	200,000	-	-	8,454,561	18,480	8,673,041	6,020,409
Operating transfers out (note 6)	(212,748)	(3,157,641)	-	(5,515,400)	-	(8,885,789)	(6,020,409)
Proceeds of refunding bonds	-	-	3,371,426	-	-	3,371,426	-
Payment to refunded bond escrow agent	-	-	(3,371,426)	-	-	(3,371,426)	-
Total other financing sources (uses)	(12,748)	(3,157,641)	-	2,939,161	18,480	(212,748)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(70,769)	4,161,227	(1,411,345)	1,420,929	94,530	4,194,572	6,455,278
Fund balances at beginning of year	3,190,549	19,334,626	6,632,030	15,526,549	287,563	44,971,317	38,516,039
Residual equity transfer in (out)	-	111,478	-	(111,478)	-	-	-
Fund balances at end of year	\$ 3,119,780	23,607,331	5,220,685	16,836,000	382,093	49,165,889	44,971,317

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual on a Budgetary Basis - General, Special Revenue and Debt Service Fund Types

Year ended December 31, 1998

	General Fund			Special Revenue Fund			Debt Service			Variance-Favorable (Unfavorable)	
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Non-appropriated Funds	Adjusted Actual	Budget	Variance Favorable (Unfavorable)	Actual		Budget
Revenues:											
Taxes and special assessments	\$ 2,734,129	2,632,508	101,621	27,859,356	-	27,859,356	26,262,900	1,596,456	2,717,306	2,906,624	(189,318)
Licenses and permits	396,068	373,900	22,168	-	-	-	-	-	-	-	-
Intergovernmental	872,869	911,330	(38,461)	8,821,105	6,793,283	2,027,822	2,096,425	(68,603)	-	-	-
Fees, charges, and commissions for services	-	-	-	66,291	-	66,291	198,715	(132,424)	-	-	-
Fines and forfeitures	-	-	-	168,352	-	168,352	60,000	108,352	-	-	-
Gaming	-	-	-	2,265,619	-	2,265,619	1,900,000	365,619	-	-	-
Use of money and property	128,230	85,000	43,230	837,414	2,737	834,677	538,335	296,342	230,688	204,000	26,688
Other revenues	182,077	121,600	60,477	189,108	66	189,042	162,265	26,777	-	-	-
Total revenues	4,313,373	4,124,338	189,035	40,207,245	6,796,086	33,411,159	31,218,640	2,192,519	2,947,994	3,110,624	(162,630)
Expenditures:											
Current:											
General government	4,260,585	4,417,323	(156,738)	4,709,110	-	4,709,110	5,015,295	306,185	-	-	-
Public safety	-	-	-	5,753,485	-	5,753,485	5,761,337	7,852	-	-	-
Health and welfare	48,407	68,046	(19,639)	8,459,034	6,796,098	1,662,936	1,899,899	236,963	-	-	-
Education	62,402	79,375	(16,973)	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	3,916,401	-	3,916,401	4,054,900	138,499	-	-	-
Sanitation	-	-	-	1,482,642	-	1,482,642	1,562,500	79,858	-	-	-
Culture and recreation	-	-	-	7,590,568	-	7,590,568	14,373,609	6,783,041	-	-	-
Economic development	-	-	-	870,332	-	870,332	1,565,945	695,613	-	-	-
Debt service	-	-	-	106,805	-	106,805	106,806	1	4,359,339	4,371,069	11,730
Total expenditures	4,371,394	4,564,744	(193,350)	32,888,377	6,796,098	26,092,279	34,340,291	8,248,012	4,359,339	4,371,069	11,730
Excess (deficiency) of revenues over expenditures	(58,021)	(440,406)	(382,385)	7,318,868	(12)	7,318,880	(3,121,651)	10,440,531	(1,411,345)	(1,260,445)	(150,900)
Other financing sources (uses):											
Operating transfers out	(12,748)	(12,748)	-	(3,157,641)	-	(3,157,641)	(3,157,641)	-	-	-	-
Proceeds of refunding bonds (net of \$29,314 in issuance costs)	-	-	-	-	-	-	-	-	3,371,426	-	3,371,426
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(3,371,426)	-	(3,371,426)
Total other financing sources (uses)	(12,748)	(12,748)	-	(3,157,641)	-	(3,157,641)	(3,157,641)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(70,769)	(453,154)	(382,385)	4,161,227	(12)	4,161,239	(6,279,292)	10,440,531	(1,411,345)	(1,260,445)	(150,900)
Fund balances at beginning of year	3,190,549	3,190,549	-	19,334,626	15,976	19,318,650	19,318,650	-	6,632,030	6,632,030	-
Residual equity transfer out	-	-	-	111,478	-	111,478	-	111,478	-	-	-
Fund balances at end of year	\$ 3,119,780	2,737,395	(382,385)	23,607,331	15,964	23,591,367	13,039,358	10,552,009	5,220,685	5,371,585	(150,900)

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combined Statement of Revenues, Expenses, and Changes in
Retained Earnings/Fund Balance

Proprietary Fund Type and Nonexpendable Trust Fund

Year ended December 31, 1998
(with comparative totals for year ended December 31, 1997)

	Proprietary Fund Type	Fiduciary Fund Type	Totals	
	Internal Service Funds	Nonexpendable Trust Fund	Memorandum Only 1998	1997
Operating revenues:				
Charges for sales and services	\$ 1,724,756	-	1,724,756	1,759,193
Employer's contributions	1,131,691	-	1,131,691	1,045,129
Employees' contributions	389,748	-	389,748	342,857
Interest income	-	27,395	27,395	35,948
Total revenues	<u>3,246,195</u>	<u>27,395</u>	<u>3,273,590</u>	<u>3,183,127</u>
Operating expenses:				
Claims	1,381,853	-	1,381,853	1,302,703
Cost of sales and services	1,084,450	-	1,084,450	1,073,709
Insurance premiums	418,132	-	418,132	468,588
General and administrative	169,694	-	169,694	162,746
Depreciation and amortization	17,226	-	17,226	16,648
Other	34,642	-	34,642	40,191
Total expenses	<u>3,105,997</u>	<u>-</u>	<u>3,105,997</u>	<u>3,064,585</u>
Operating income	<u>140,198</u>	<u>27,395</u>	<u>167,593</u>	<u>118,542</u>
Nonoperating revenues (expenses):				
Interest income	153,923	-	153,923	141,004
Interest expense	(9,011)	-	(9,011)	(12,033)
Total nonoperating revenues (expenses)	<u>144,912</u>	<u>-</u>	<u>144,912</u>	<u>128,971</u>
Income before operating transfers	285,110	27,395	312,505	247,513
Other financing sources - operating transfers in	<u>212,748</u>	<u>-</u>	<u>212,748</u>	<u>-</u>
Net income	497,858	27,395	525,253	247,513
Retained earnings/fund balance at beginning of year	<u>2,343,555</u>	<u>972,787</u>	<u>3,316,342</u>	<u>3,068,829</u>
Retained earnings/fund balance at end of year	<u>\$ 2,841,413</u>	<u>1,000,182</u>	<u>3,841,595</u>	<u>3,316,342</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combined Statement of Cash Flows -
Proprietary Fund Type and Nonexpendable Trust Fund

Year ended December 31, 1998
(with comparative totals for year ended December 31, 1997)

	Proprietary Funds	Fiduciary Fund Type Nonexpendable Trust Fund	Totals (Memorandum Only)	
			1998	1997
Cash flows from operating activities:				
Operating income	\$ 140,198	27,395	167,593	118,542
Adjustment to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	17,226	-	17,226	16,648
Other	-	-	-	15,322
(Increase) decrease in assets:				
Other receivables	(38,453)	-	(38,453)	20,455
Due from other funds	(36,747)	(51,064)	(87,811)	(82,748)
Inventory	(14,405)	-	(14,405)	(25,923)
Increase (decrease) in liabilities:				
Accounts payable and other accrued liabilities	(5,032)	-	(5,032)	(25,258)
Due to other funds	36,747	-	36,747	63,595
Insurance claims payable	57,975	-	57,975	42,930
Net cash provided by (used in) operating activities	<u>157,509</u>	<u>(23,669)</u>	<u>133,840</u>	<u>143,563</u>
Cash flows from noncapital financing activities:				
Interest expense	(9,011)	-	(9,011)	(12,033)
Operating transfer in	212,748	-	212,748	-
Net cash provided by (used in) noncapital financing activities	<u>203,737</u>	<u>-</u>	<u>203,737</u>	<u>(12,033)</u>
Cash flows from capital and related financing activities:				
Purchase of fixed assets	(23,821)	-	(23,821)	(2,524)
Contributed fixed assets	23,911	-	23,911	-
Net cash provided by (used in) capital and related financing activities	<u>90</u>	<u>-</u>	<u>90</u>	<u>(2,524)</u>
Cash flows from investing activities:				
Purchases of investments	(1,631,106)	-	(1,631,106)	(5,876,140)
Proceeds from sale and maturity of investments	2,042,012	-	2,042,012	5,535,417
Interest on investments	153,923	-	153,923	141,004
Net cash used in investing activities	<u>564,829</u>	<u>-</u>	<u>564,829</u>	<u>(199,719)</u>
Net increase (decrease) in cash and cash equivalents	926,165	(23,669)	902,496	(70,713)
Cash and cash equivalents at beginning of year	<u>423,869</u>	<u>39,770</u>	<u>463,639</u>	<u>534,352</u>
Cash and cash equivalents at end of year	<u>\$ 1,350,034</u>	<u>16,101</u>	<u>1,366,135</u>	<u>463,639</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

(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 general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

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

The accounting policies of the Commission conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

(B) Basis of Presentation

The accounts of the Commission are organized on the basis of funds or account groups, 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 equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups 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 are accounted for through governmental funds. All governmental funds and Expendable Trust Funds are accounted for on a spending or "financial

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of "available expendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. The following are the Commission's governmental fund types:

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.

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. 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.

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.

Proprietary Fund

The Proprietary Fund 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.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held in a trustee capacity or as an agent for other governments. These include Expendable Trust, Nonexpendable Trust, and Agency Funds. The Expendable Trust Fund is accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature and do not involve measurement of results of operations.

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

Account Groups

Account groups are used to establish accounting control and accountability for the Commission's general fixed assets and general long-term obligations. The following are the Commission's account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the Commission.

General Long-Term Obligation Account Group - This account group is established to account for all long-term obligations of the Commission.

(C) Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets.

All governmental fund fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their fair market value on the date donated.

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

Assets in the General Fixed Assets Account Group are not depreciated, nor is interest capitalized. Depreciation is computed on the straight-line method for the fixed assets of the Proprietary Funds over the estimated useful lives of the assets.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

Long-Term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Obligation Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Obligation Account Group.

(D) Basis of Accounting

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

The modified accrual basis of accounting is followed by all governmental funds (General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds) and the Expendable Trust Fund and Agency Fund. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Ad valorem taxes are considered "measurable" at the time of levy, whereas such items as beer taxes are considered "measurable" when in the hands of intermediary collecting agencies and are recognized as revenue at that time. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Ad valorem taxes are considered to be available if they are collected within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include accumulated unpaid vacation, sick pay, and other employee benefits which are not accrued and principal and interest on general long-term debt which is recognized when due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, 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 the other, monies are virtually unrestricted as to purpose of expenditures and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, charges for general governmental services, fines and penalties, and miscellaneous other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Ad valorem taxes are recorded as revenue at year end if they are collected within 60 days of year end. Other taxes, charges for services, and investment earnings are recorded as earned since they are measurable and available (see note 3 for property tax accrual policy).

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

Proprietary Funds and the Nonexpendable Trust Fund are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

(E) *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 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, 1998.
- (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, Debt Service Fund, and Expendable Trust Fund.
- (6) Comparison of budgeted and actual amounts as shown in Exhibit 3 in the accompanying financial report 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, Federal Grants Fund, Louisiana Community Development Block Grants Fund and the Local Law Enforcement Block Grant. 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 Federal Grants, Louisiana Community Development, and Local Law Enforcement Block Grants Special Revenue Funds were established to account for transactions involving federal funds received by the Commission. An annual operating budget was not adopted for these funds. Actual amounts for Section 8 Housing, the Federal Grants Fund, the Louisiana Community Development Block Grants and the Local Law Enforcement Block Grant are included in the "Nonappropriated Funds" column in Exhibit 3.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

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.

(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, while inventory in the General Fund consists of operating supplies maintained by the Purchasing Department. All departments of the Commission are required to purchase their operating supplies from the Purchasing Department. Inventories are accounted for using the purchase method except in the General Fund where they are accounted for using the consumption method. Inventories in the governmental funds, excluding those in the General Fund above, are recognized as expenditures when purchased. Inventories on hand at December 31, 1998, for governmental funds are immaterial and are approximately the same as at December 31, 1997.

(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.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

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 nine to twenty-one days of annual leave and twelve to twenty-four days of sick leave per year depending on length of service. Upon resigning, employees may be paid for annual leave of ten to twenty days depending on length of service. Retiring employees are not paid for accrued annual leave, but they are 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 twelve to twenty-two days of annual leave and six to fifteen days of sick leave annually depending on length of service. Employees may accrue a maximum of forty-four days of annual leave and sixty 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.

The Commission accrues costs incurred for annual leave in the General Long-Term Obligation Account Group. 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 current portion of the liability does not exceed a normal year's accumulation of benefits and are deemed immaterial. Vacation and sick leave of Shreve Memorial Library are not accrued due to immateriality.

(K) *Comparative Total Data*

Comparative total data for the prior year have been presented in the accompanying combined financial statements to provide an understanding of changes in the Commission's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements, since their inclusion would make the statements unduly complex and difficult to read. Certain amounts relating to 1997 have been reclassified in the accompanying financial statements to conform with the 1998 presentation.

(L) *Total Columns on Combined Statements – Overview*

Total columns on the Combined Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in aggregation of this data.

(M) Pension Plans

The Commission participates in two pension plans administered by other governmental entities which cover substantially all employees who meet certain length of service requirements (see note 8 for details of these plans).

(N) Reserves

Use of the term "reserve" in describing governmental fund "Fund Balances" and proprietary fund "Retained Earnings" indicates that a portion of the fund balance or retained earnings 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.

Payment of Claims

This amount represents the total retained earnings of the Group Insurance and General Insurance Internal Service Funds which are reserved for payment of insurance claims of Commission employees and casualty and workmen's compensation claims filed against the Commission.

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 Nonexpendable Trust 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.

Industrial Development

This amount represents the total fund balance of the Penal Farm Expendable Trust Fund which is reserved for industrial development in Caddo Parish.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

Inventory

This amount represents the portion of fund balances that is not available spendable resources.

(O) 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 Specific Projects

This amount has been designated to fund future capital projects.

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.

(P) Interfund Transactions

There are several types of transactions that are reported in the financial statements as interfund items. Interfund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being reimbursed. Nonrecurring or nonroutine transfers of equity between funds are treated as residual equity transfers and are reported as additions to or deductions from fund balance. All other transfers are treated as operating transfers and are included in the results of operations of both governmental and fiduciary funds. Reference should be made to note 6 regarding interfund transactions.

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.

(Q) Grants From Other Governmental Agencies

Federal and state governmental agencies represent an important source of supplementary funding to finance housing, employment, and construction programs, and other activities beneficial to the parish. These funds, primarily in the form of grants, are recorded in the

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

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.

(R) 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 LAMP to be cash equivalents.

(S) Capital Leases

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

(2) Cash and Investments

(A) Deposits

All deposits of the Commission are held by area financial institutions. At December 31, 1998, the carrying amount of the Commission's cash deposits was \$11,462,590 and the bank balance was \$11,806,215. At December 31, 1998, the Commission's deposits were insured and collateralized by securities with market values exceeding the amount on deposit. Collateral securities were held in the Commission's name by the Federal Reserve Bank and require Commission approval in order to release the collateral.

The Commission maintains a pooled cash and investments account for all funds of the Commission. Each fund's positive equity in the pooled cash account is presented as "Cash" in the statements. Negative equity balances have been reclassified and are reflected as interfund accounts payable. Interest income and interest expense are allocated to each respective individual fund monthly, based on their respective fund balances.

(B) Investments

State statutes authorize the Commission to invest in direct obligations of the United States Treasury, United States government agency obligations, Louisiana Asset Management Pool (LAMP), or certificates and time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana.

The Commission's investments, with the exception of the LAMP, are considered to be Category 1. Category 1 includes investments that are insured or registered or for which the securities are held by the Commission or its safekeeping agent in the Commission's name.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

The U.S. treasury and agency obligations are held in the Commission's name through a book-entry system at the Federal Reserve Bank.

	<u>Category 1</u>	<u>Carrying Amount and Fair Value</u>
U.S. government and U.S. government agency obligations	\$ 13,024,575	13,024,575
Louisiana Asset Management Pool (LAMP)		4,737,720
Total investments		17,762,295
Total deposits		11,462,590
Cash, cash equivalents, and investments		\$ 29,224,885

Investments in LAMP are not categorized above because they are not evidenced by securities that exist in physical or book entry form. LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a-7, which governs registered money market funds. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give participants immediate access to their account balances.

(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.

The Caddo Parish Sheriff's Office bills and collects property taxes for the Commission. Collections are remitted to the Commission monthly. Commission property tax revenues are recognized when levied to the extent that they are collected within 60 days after year end. Collections of 1997 property taxes in 1998 were used for repayment of revenue anticipation notes payable. The proceeds of the notes payable were used to finance 1998 activities.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

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 - 1998 delinquent property	May 25, 1999

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 \$348,248,777 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 \$1,264,262. Taxes totaling \$1,265,835 not collected within 60 days have been deferred.

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

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

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1996. Total assessed value was \$1,053,910,790 in 1998. 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 \$274,951,040 of the assessed value in 1998.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

The distribution of the Commission's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 1998:

Fund	<u>Property Within Shreveport or Vivian</u>	<u>Property Outside Shreveport and Vivian</u>
General Fund	\$ 3.02	6.04
Road and Bridge	5.26	5.26
Courthouse Maintenance	3.01	3.01
Detention Facilities	6.65	6.65
Parks and Recreation	0.95	0.95
Solid Waste Disposal	0.38	0.38
Drainage	1.41	1.41
Juvenile Court	2.18	2.18
Health Unit	2.56	2.56
Shreve Memorial Library	10.30	10.30
Biomedical Center	1.95	1.95
Debt Service	3.50	3.50
	<u>\$ 41.17</u>	<u>44.19</u>

The millage decreased from prior year millage of 41.87 within Shreveport or Vivian and 44.89 outside Shreveport and Vivian.

(4) Changes in Fixed Assets

A summary of changes in general fixed assets of the governmental funds and fixed assets of the Proprietary Funds follows:

	<u>Balance, January 1, 1998</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, December 31, 1998</u>
General Fixed Assets:				
Account Group:				
Land and land improvements	\$ 7,213,446	15,109	-	7,228,555
Buildings and structures	49,828,099	282,308	(23,319)	50,087,088
Machinery and equipment	15,638,854	1,230,012	(308,984)	16,559,882
Vehicles	4,301,620	241,577	(50,612)	4,492,585
Construction in progress	1,997,827	3,291,446	(221,974)	5,067,299
	<u>\$ 78,979,846</u>	<u>5,060,452</u>	<u>(604,889)</u>	<u>83,435,409</u>

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

At December 31, 1998, construction in progress largely consisted of approximately \$1,300,000 of renovations to the Courthouse, \$1,100,000 of additions to the Health Unit and \$2,300,000 in construction projects of the Shreve Memorial Library.

	<u>January 1, 1998</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31, 1998</u>
Fixed assets of Proprietary Fund:				
Land	\$ 163,475	-	-	163,475
Sewer line	107,541	-	-	107,541
Buildings	134,428	-	-	134,428
Vehicles	1,835	14,579	1,835	14,579
Equipment	75,309	10,536	1,299	84,546
	<u>482,588</u>	<u>25,115</u>	<u>3,134</u>	<u>504,569</u>
Less accumulated depreciation	<u>58,344</u>	<u>17,226</u>	<u>1,930</u>	<u>73,640</u>
	<u>\$ 424,244</u>	<u>7,889</u>	<u>1,204</u>	<u>430,929</u>

The Fleet Services Fund is an Internal Service Fund established to account for the vehicle and equipment repair services provided by the Commission's Central Garage facility. Fixed assets with a net book value of \$353,115 were transferred into the Fleet Services Fund and are recorded as contributed capital. The original estimated useful lives of the classes of depreciable fixed assets are as follows:

Sewer Line	50 years
Building	45 years
Vehicles	5 years
Equipment	5 - 20 years

The Commission leases a portion of the Caddo Parish Health Unit to the State of Louisiana under an operating lease expiring in the year 2002. The building being leased has a cost of \$1,497,063. Minimum future rentals to be received are as follows:

<u>Years Ended</u>	<u>Amount</u>
1999	\$ 42,000
2000	42,000
2001	42,000
2002	42,000

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

(5) Long-Term Debt

Long-Term debt at December 31, 1998, is comprised of the following issues:

General obligation bonds - applicable to general parish operations:

\$15,000,000 1981 Public Improvement Serial Bonds Series C, due in annual installments of \$5,000 through July 1, 2001; interest at 4.9% to 5.0%	\$ 15,000
\$18,000,000 1989 Public Improvement Serial Bonds, due in annual installments of \$745,000 to \$805,000 through February 1, 1999; interest at 7.0% to 10.0%	805,000
\$4,500,000 1991 Public Improvement Serial Bonds, due in annual installments of \$160,000 to \$435,000 through February 1, 2011; interest at 7% to 10%; callable after February 1, 2001	560,000
\$10,810,000 1993 Refunding Bonds, due in annual installments of \$1,970,000 to \$2,430,000 through September 1, 1999; interest at 4.10% to 4.75%	2,430,000
\$13,685,000 1995 Refunding Bonds, due in annual installments of \$155,000 to \$1,685,000 beginning February 1, 1997 through February 1, 2009; interest at 4.35% to 5.50%	13,385,000
\$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%	<u>3,425,000</u>
Total general obligation bonds payable	20,620,000
\$480,000 Certificates of Indebtedness, Series 1994, due in annual installments of \$100,000 to \$110,000 through April 1, 1999; interest at 4% to 6%	<u>110,000</u>
Total long-term debt	\$ <u><u>20,730,000</u></u>

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

The annual requirements to amortize all long-term debt outstanding as of December 31, 1998, including interest payments of \$5,863,616 are as follows:

Years Ending December 31,	Long-Term Debt Payable
1999	4,719,056
2000	2,062,930
2001	2,073,883
2002	2,078,109
2003-2007	10,518,349
2008-2011	5,141,289
	\$ 26,593,616

A summary of changes in general long-term obligations follows:

	Long Term Debt	Accrued Compensated Absences	Total
Balance, December 31, 1997	\$ 23,580,000	319,393	23,899,393
Debt retirements	6,275,000	-	6,275,000
Debt additions and net increase in accrued compensated absences	3,425,000	6,582	3,431,582
Balance, December 31, 1998	\$ 20,730,000	325,975	21,055,975

Principal payments of \$3,035,000 plus interest of \$1,211,922 on the bonds payable were paid from the Debt Service Fund. Principal payment of \$100,000 plus interest of \$6,805 on the Certificates of Indebtedness was paid from the Courthouse Maintenance Fund and the Parks and Recreation Fund.

There are a number of limitations and restrictions contained in the various bond indentures and the Certificates. 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.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

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, 2000 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, 1998 is \$12,580,000 as no payments are due until February 1, 2000.

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 net proceeds of \$3,371,426 (after a discount of \$24,260 and payment of \$29,314 in issuance costs) were deposited into an escrow account to provide for all future debt service payments of the Series 1991 A and Series 1991 B refunded bonds. As a result, 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 account group. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt and complete the refunding totaled \$292,402. An economic gain (difference between the present values of the old and new debt service payments) of \$219,824 resulted from the refunding. At December 31, 1998, the outstanding balance on the 1991 A and 1991 B refunded bonds was \$2,445,000 and \$695,000, respectively.

As of December 31, 1998, the Commission had \$3,150,000 in revenue anticipation notes payable to banks at a rate of 4.00%, maturing on March 1, 1999.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

(6) **Other Required Individual Fund Disclosures**

(A) **Interfund Receivables and Payables**

Individual fund interfund receivable and payable balances at December 31, 1998, were as follows:

Fund	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 57,151	984,081
Special Revenue Funds:		
Road and Bridge	-	583,043
Courthouse Maintenance	-	931,987
Caddo Detention Facilities	-	183,146
Parks and Recreation	-	257,139
Drainage	-	42,834
Juvenile Court Fund	-	389,618
Health Unit	-	762,760
Internal Service Funds:		
Group Insurance	66,598	-
General Insurance	293,390	-
Fleet Services	-	359,988
Fiduciary and Agency Funds:		
Jail Site	984,081	-
Criminal Court	-	57,151
Capital Projects Funds:		
Capital Outlay	<u>3,150,527</u>	<u>-</u>
	<u>\$ 4,551,747</u>	<u>4,551,747</u>

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

(B) Operating Transfers

A reconciliation of operating transfers follows:

	Operating Transfers	
	In	Out
General Fund	\$ 200,000	212,748
Special Revenue Funds:		
Parks and Recreation	-	63,500
Solid Waste Disposal	-	63,000
Drainage	-	745,000
Health Unit	-	280,280
Riverboat Boarding	-	2,005,861
Internal Service Fund		
General Insurance	212,748	-
Capital Projects Funds:		
Road Construction	-	3,974,000
Criminal Justice Facilities	-	1,541,400
Capital Outlay	8,454,561	-
Fiduciary and Agency Funds		
Penal Farm	18,480	-
	<u>\$ 8,885,789</u>	<u>8,885,789</u>

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 operating transfers from various other funds of the Commission.

(C) Residual Equity Transfer

During 1998, the Commission transferred the residual equity balance of \$111,478 from the Library Bond Fund to the Shreve Memorial Library Fund.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

(7) **Compliance, Stewardship, and Accountability**

(A) *Excess of Expenditures Over Appropriations*

For those funds for which a budget to actual comparison was made, 1998 actual expenditures exceeded budgeted expenditures on a departmental basis as follows:

Fund	Expenditures		Unfavorable Variance
	Budget	Actual	
General Fund- District Attorney	\$ 1,694,262	1,750,181	55,919
Special Revenue Funds:			
Detention Facilities Fund -			
Juvenile Detention	1,268,947	1,374,126	105,179
Juvenile Court - Building			
Maintenance	107,626	109,695	2,069

An explanation for any large unfavorable budget variance follows:

District Attorney – The District Attorney filed a lawsuit against the Commission seeking to increase the budget appropriation for his office. The suit also requested a clarification of responsibility for payment of specific expenditures which had previously been made utilizing self-generated funds from the District Attorney’s operations. A court judgment was issued in favor of the District Attorney. The Commission adopted a substantial budget amendment to cover the anticipated additional burden, however, the actual District Attorney expenditures exceeded the amended budget.

Juvenile Detention – Security counselors were required to work additional hours due to overcrowding of the facility. The variance is due to in overtime hours paid for these employees.

(B) *Deficit Fund Balance/Retained Earnings*

The Fleet Services Fund has a deficit retained earnings of \$229,465 which should be funded by assignments of additional repair work to the central garage facility and surcharges on billing to departments.

The Louisiana Community Development Block Grant has a deficit fund balance of \$1,350 which should be funded through additional federal grant revenues or other appropriate resources.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

(C) Budgets and Budget Basis of Accounting

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

	<u>Original Budget</u>	<u>Total Revision</u>	<u>Revised Budget</u>
General Fund	\$ 4,178,508	386,236	4,564,744
Special Revenue Funds:		-	
Road and Bridge	4,054,900	-	4,054,900
Courthouse Maintenance	2,306,370	(1,100)	2,305,570
Detention Facilities	5,597,162	130,000	5,727,162
Parks and Recreation	672,485	-	672,485
Solid Waste Disposal	1,562,500	-	1,562,500
Drainage	332,760	-	332,760
Juvenile Court	1,990,275	-	1,990,275
Health Unit	1,899,899	-	1,899,899
Law Officers Witness	34,175	-	34,175
Biomedical	1,565,945	-	1,565,945
Shreve Memorial Library	12,701,078	1,026,743	13,727,825
Riverboat Boarding	461,794	5,000	466,794
Debt Service Fund	4,371,069	-	4,371,069

All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

(8) 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. These plans are:

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.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

Funding Policy - Covered employees are required to contribute 9.5 percent of their salary. The Commission is required to contribute 7.75 percent 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 ending December 31, 1998, 1997, and 1996 were \$624,160, \$622,291 and \$561,890, respectively, equal to the required contributions for each year. The pension liability was determined to be zero.

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 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, 1234 Texas Avenue, Shreveport, Louisiana 71101.

Funding Policy - Covered employees are required to contribute 9 percent of their salary while the employer is required to contribute 9.15 percent of the covered employee's salaries. The employer and employee contribution obligations are established and may be amended by Shreveport City Ordinance. The Commission's contributions for the years ending December 31, 1998, 1997, and 1996, were \$128,009, \$122,115 and \$110,414, respectively, equal to the required contribution for each year. The pension liability was determined to be zero.

(9) Post-Employment Health Care Benefits

In addition to the pension benefits described in note 8, the Commission provides postretirement health care 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 health care benefits and life insurance. Currently, there are 89 retirees receiving life insurance coverage and 73 receiving health care benefits. The Commission reimburses 80 percent of the amount of validated claims for medical and hospitalization costs incurred by pre-Medicare employees and their dependents. The Commission also reimburses 80 percent of Medicare supplemental benefits for retirees over the age of 65. Expenditures for postretirement health care benefits are recognized in the year claims are incurred. During 1998, expenditures of \$363,105 were recognized for postretirement health care. In addition, expenditures of \$2,000 were recognized for life insurance benefits paid during 1998.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

(10) 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. The Commission maintains stop-loss coverage with an insurance company for liability claims in excess of \$75,000 per occurrence with an aggregate total of 125% of expected losses. 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. The Commission maintains property, general, automobile, and excess liability insurance coverage. The limit of coverage of the excess liability policy is \$2,000,000 per occurrence and in the aggregate, while the remaining policies have a \$1,000,000 limit per occurrence. The general liability policy also contains an annual aggregate limit of \$3,000,000 for general and employee benefits liability. The limits of liability are in excess of the stop-loss coverage maintained by the Commission.

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.

(11) 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 is self-insured for medical benefits and workers' compensation 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 \$75,000 per occurrence with an aggregate total of 125% of expected losses. Stop-loss coverage is also maintained for workers' compensation cases above \$200,000. 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 operating transfers. At December 31, 1998, \$2,431,186 and \$639,692 are reported as a reserve of the Group Insurance Fund and General Insurance Fund retained earnings balance for future payment of claims.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

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 pay-outs and other economic and social factors, including the effects of specific, incremental claim adjustment expenses, salvage and subrogation. The claims liability of \$200,207 and \$82,029 reported in the Group Insurance and General Insurance Funds; respectively, at December 31, 1998 are based on the requirements of GASB 10.

Changes in the Group Insurance Fund's claims liability amount in fiscal years 1997 and 1998 were:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
1997	\$ 177,224	1,161,009	1,142,600	195,633
1998	195,633	1,219,203	1,214,629	200,207

Changes in the General Insurance Fund's claims liability amount in fiscal years 1997 and 1998 were:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
1997	\$ 4,107	141,694	117,173	28,628
1998	28,628	162,650	109,249	82,029

(12) Changes in Contributed Capital – Fleet Services Fund

The following changes in contributed capital occurred during the year:

Balance, January 1, 1998	\$ 329,204
Contributions	<u>23,911</u>
Balance, December 31, 1998	<u>\$ 353,115</u>

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Combined Financial Statements

December 31, 1998

(13) Accounting Changes

The Commission implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, in 1998. This statement establishes accounting and financial reporting standards for Internal Revenue Code Section 457 deferred compensation plans of state and local governmental employers. Under the statement, plans that meet the criteria in NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles*, should be reported as an expendable trust fund in the financial statements of the government. Because the plan did not meet this criteria, the effect of adoption for the Commission was the removal of the assets and liability previously reported by the Commission for the plan as an agency fund. The balances in assets and liabilities were not presented as of December 31, 1998 and the previously reported assets and liabilities as of December 31, 1997 in the amount of \$2,119,048 were removed from the agency funds comparative statements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

CADDO PARISH COMMISSION
Shreveport, Louisiana

Required Supplementary Information

Disclosure About Year 2000 Issues

For the year ended December 31, 1998
(unaudited)

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

The Commission has completed an inventory of computer systems, electronic equipment and key vendors that may be affected by the Year 2000 issue and that are necessary to conducting Commission operations. The Commission has identified the following as mission critical systems:

Equipment and Software:

IBM
System Service South

AS 400 and operating system software
Accounting, payables and payroll software

Key Vendors:

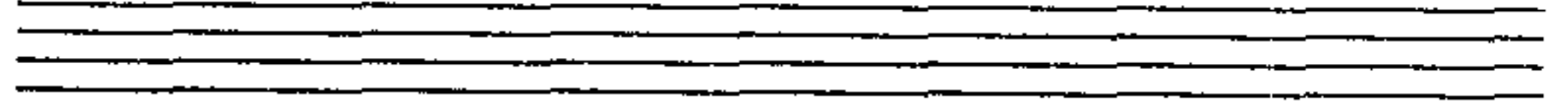
Deposit Guaranty National Bank
Caddo Parish Sheriff
Southwestern Electric Power Company
Noram Energy
City of Shreveport
Bellsouth

Banking services
Tax collection
Electricity
Natural Gas
Water and sewer
Communications

The Commission has completed the awareness and assessment stage of work with respect to its mission critical systems whereby a plan has been established for dealing with these issues and systems have been identified which are in need of year 2000 compliance work. The Commission is currently within the remediation stage, during which changes are being made to systems and equipment. The costs associated with these changes are being funded on a pay as you go basis. Certain of these changes require commitments with vendors for assistance in addressing year 2000 issues. As of December 31, 1998, the amount of those commitments is approximately \$38,000. The validation and testing phase of the work is targeted to be completed by October 15, 1999.

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

**COMBINING AND
INDIVIDUAL FUND
AND ACCOUNT GROUP
STATEMENTS
AND SCHEDULES**



GOVERNMENTAL FUNDS

- **GENERAL FUND**
- **SPECIAL REVENUE FUNDS**
- **DEBT SERVICE FUND**
- **CAPITAL PROJECTS 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.

CADDO PARISH COMMISSION
Shreveport, Louisiana

General Fund

Comparative Balance Sheet

December 31, 1998 and 1997

Assets	<u>1998</u>	<u>1997</u>	Liabilities and Fund Balance	<u>1998</u>	<u>1997</u>
Cash and cash equivalents	\$ 572,820	670,603	Liabilities:		
Investments	670,565	198,847	Accounts payable and accrued liabilities	\$ 194,382	88,385
Ad valorem property taxes receivable	2,612,230	2,571,045	Due to Jail Site Fund	984,081	933,017
Inventory	38,650	49,870	Deferred revenues:		
Due from other funds:			Licenses	17,876	14,695
Louisiana Community Development			Ad valorem taxes	118,067	132,311
Block Grant	-	1,416		<u>135,943</u>	<u>147,006</u>
Parks and Recreation	-	85,423	Total liabilities	<u>1,314,406</u>	<u>1,168,408</u>
Drainage Fund	-	125,041			
Criminal Court Fund	57,151	54,536			
	<u>57,151</u>	<u>266,416</u>			
Due from other government entities	482,770	602,176	Fund balance:		
			Reserved for encumbrances	18,019	13,977
			Reserved for inventory	38,650	49,870
			Unreserved:		
			Designated for subsequent year		
			expenditures	894,555	54,170
			Designated for future insurance claims	362,748	212,748
			Undesignated	1,805,808	2,859,784
			Total fund balance	<u>3,119,780</u>	<u>3,190,549</u>
Total assets	<u>\$ 4,434,186</u>	<u>4,358,957</u>	Total liabilities and fund balance	<u>\$ 4,434,186</u>	<u>4,358,957</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

General Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual on a Budgetary Basis
Year ended December 31, 1998
with comparative actual figures for year ended December 31, 1997

	1998			1997
	Actual	Budget	Variance Favorable (Unfavorable)	Actual
Revenues:				
Taxes:				
Ad valorem	\$ 2,678,444	2,632,508	45,936	2,676,212
Other taxes, penalties, and interest	55,685	-	55,685	40,704
	<u>2,734,129</u>	<u>2,632,508</u>	<u>101,621</u>	<u>2,716,916</u>
Licenses and permits	396,068	373,900	22,168	397,361
Intergovernmental - State of Louisiana:				
Oil and gas severance tax	384,272	500,000	(115,728)	500,000
Beer tax	20,604	17,000	3,604	19,971
Timber severance pay	274,329	200,000	74,329	264,858
State revenue sharing	152,152	148,330	3,822	153,502
Other state revenue	41,512	46,000	(4,488)	39,411
	<u>872,869</u>	<u>911,330</u>	<u>(38,461)</u>	<u>977,742</u>
Use of money and property - interest earned	128,230	85,000	43,230	107,345
Other revenues	182,077	121,600	60,477	181,644
Total revenues	<u>4,313,373</u>	<u>4,124,338</u>	<u>189,035</u>	<u>4,381,008</u>
Expenditures:				
General government:				
Legislative	454,216	498,470	44,254	388,171
Judicial	706,026	736,776	30,750	630,125
Elections	245,951	267,852	21,901	226,951
Finance and administrative	572,643	675,850	103,207	693,636
District attorney	1,750,181	1,694,262	(55,919)	1,277,373
Coroner	170,195	173,873	3,678	131,850
Metropolitan Planning Commission	128,000	128,000	-	128,000
Allocations to other entities	51,428	51,428	-	51,290
Archives	92,308	95,894	3,586	-
Miscellaneous	89,637	94,918	5,281	93,959
	<u>4,260,585</u>	<u>4,417,323</u>	<u>156,738</u>	<u>3,621,355</u>
Health and welfare	48,407	68,046	19,639	187,161
Education	62,402	79,375	16,973	43,744
Total expenditures	<u>4,371,394</u>	<u>4,564,744</u>	<u>193,350</u>	<u>3,852,260</u>
Excess (deficiency) of revenues over (under) expenditures	(58,021)	(440,406)	382,385	528,748
Other financing (sources) uses:				
Operating transfers in	200,000	200,000	-	-
Operating transfers out	(212,748)	(212,748)	-	-
	<u>(12,748)</u>	<u>(12,748)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and and other sources over (under) expenditures and other uses	(70,769)	(453,154)	382,385	528,748
Fund balance at beginning of year	3,190,549	3,190,549	-	2,661,801
Fund balance at end of year	<u>\$ 3,119,780</u>	<u>2,737,395</u>	<u>382,385</u>	<u>3,190,549</u>

See accompanying notes to combined financial statements.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The Commission has sixteen special revenue funds.

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.

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.

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 and Juvenile Court Detention Facility.

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.

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.

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.

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 facility.

Health Unit Fund — The Health Unit Fund accounts for the proceeds of a special ad valorem tax dedicated to the maintenance and operation of the parish health unit and animal shelter.

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.

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.

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

Federal Grants Fund — The Federal Grants Fund accounts for federal monies received by the Commission that are passed through to the Caddo Community Action Agency.

Louisiana Community Development Block Grants Fund — The Louisiana Community Development Block Grants Fund accounts for federal monies received by the Commission.

Local Law Enforcement Block Grant Fund — The Local Law Enforcement Block Grant Fund accounts for federal monies received by the Commission dedicated to the purchase of law enforcement equipment.

Riverboat Boarding Fund — The Riverboat Boarding Fund accounts for revenues received by the Commission from boarding fees related to the Harrah's riverboat casino.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Funds

Combining Balance Sheet

December 31, 1998
with comparative totals for 1997

Assets	Road and Bridge Fund	Contributions Maintenance Fund	Detention Facilities Fund	Parks and Recreation Fund	Solid Waste Disposal Fund	Drainage Fund	Juvenile Court Fund	Health Unit Fund	Law Officers Wages Fund	Biomedical Fund	Shreve Memorial Library Fund	Section 8 Housing Fund	Louisiana Community Development Block Grants Fund	Local Law Enforcement Grant Fund	Riverboat Boarding Fund	Totals	
																1998	1997
Cash and cash equivalents	\$ -	150	-	100	1,050,416	16,274	41,030	100	122,676	16,456	2,671,732	99,161	190,056	46,696	749,398	5,004,245	3,257,134
Investments	-	-	-	-	744,364	41,148	103,113	-	117,479	2,891	-	-	-	-	491,480	1,502,475	1,490,293
Receivables:																	
Ad valorem taxes	3,823,331	2,187,876	4,833,677	699,525	276,210	1,024,885	1,584,573	1,860,784	-	1,417,395	7,445,629	-	-	-	-	25,144,885	24,598,098
Paving assessments	23,189	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,189	25,617
Other	7,913	-	-	100	4,387	142	41,896	14,809	2,602	10	-	-	-	-	341,026	412,885	276,772
Due from other governmental agencies	140,311	82,395	230,170	26,004	30,132	37,665	59,672	70,076	-	53,379	422,915	-	3,213	-	-	1,156,152	1,155,907
Other assets	3,994,944	2,270,421	5,083,847	716,729	2,085,529	1,120,114	1,830,284	1,945,769	242,757	1,490,131	10,566,402	99,161	191,269	46,696	1,583,904	33,269,957	30,833,182
Total assets																	
Liabilities and Fund Balances																	
Liabilities:																	
Accounts payable and accrued liabilities	\$ 88,548	65,113	345,425	17,000	259,196	-	76,261	49,321	-	208,001	609,768	83,474	194,619	-	50,067	2,046,793	1,324,852
Due to other funds	583,041	931,987	183,146	257,139	-	42,834	389,618	762,760	-	-	-	-	-	-	-	3,150,527	211,880
Due to other governmental agencies	-	-	-	-	-	-	188,816	-	-	-	-	-	-	-	-	188,816	390,364
Refundable deposits	840	-	-	-	-	-	-	-	-	-	-	-	-	-	-	840	840
Deferred revenues	142,644	81,079	174,786	32,189	10,309	38,217	58,796	69,510	-	55,800	417,231	-	-	-	1,125,650	1,580,620	
Revenue anticipation notes payable to banks	-	-	2,200,000	-	-	-	950,000	-	-	-	-	-	-	-	-	3,150,000	8,000,000
Total liabilities	815,075	1,078,179	2,903,357	306,328	269,505	81,071	1,663,491	881,591	-	263,801	1,026,999	83,474	194,619	45,069	50,067	9,662,626	11,498,556
Fund balances:																	
Reserved for encumbrances	3,494	11,410	20,311	1,595	44,667	-	662	1,289	-	-	5,954,954	-	-	-	-	6,018,062	521,284
Unreserved:																	
Designated for subsequent year expenditures	-	-	362,244	-	-	-	102,888	-	-	850,010	-	-	-	-	-	1,315,142	611,986
Undesignated	3,176,315	1,180,832	1,797,935	408,806	1,771,417	1,039,043	63,243	1,062,789	242,757	376,320	3,584,809	15,687	(1,350)	1,627	1,533,837	16,254,127	18,201,356
Total fund balances	3,179,869	1,192,242	2,180,490	410,401	1,816,024	1,039,043	166,793	1,064,178	242,757	1,226,330	9,539,403	15,687	(1,350)	1,627	1,533,837	23,607,331	19,334,626
Total liabilities and fund balances	\$ 3,994,944	2,270,421	5,083,847	716,729	2,085,529	1,120,114	1,830,284	1,945,769	242,757	1,490,131	10,566,402	99,161	191,269	46,696	1,583,904	33,269,957	30,833,182

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
December 31, 1998
(with comparative totals for year ended December 31, 1997)

Table with columns for Revenues, Expenditures, and Fund Balances. Rows include Ad valorem taxes and special assessments, Sales tax, Intergovernmental revenues, State funds, Fees, charges, and commissions for services, Fines and forfeitures, Gaming, Use of money and property, Rental, camping fees, and other, Interest, Other revenues, Total revenues, Expenditures: Current, General government: Judicial, Other, Public safety, Health and welfare, Highways and streets, Sanitation, Culture and recreation, Economic development, Debt service, Principal retirement, Interest, Total expenditures, Excess (deficiency) of revenues over (under) expenditures, Other financing sources (uses) - operating transfers out, Excess (deficiency) of revenues and other sources over (under) expenditures and other uses, Fund balances at beginning of year, Retained equity transfers in, Fund balances at end of year.

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Road and Bridge Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Revenues - ad valorem taxes	\$ 3,992,390	3,796,939	195,451	3,941,156
Intergovernmental				
State revenue sharing	210,766	212,400	(1,634)	213,949
Other state funds	42,985	60,000	(17,015)	90,804
	<u>253,751</u>	<u>272,400</u>	<u>(18,649)</u>	<u>304,753</u>
Use of money and property - interest	61,665	64,000	(2,335)	77,571
Other revenues	28,171	14,265	13,906	46,737
Total revenues	<u>4,335,977</u>	<u>4,147,604</u>	<u>188,373</u>	<u>4,370,217</u>
Expenditures - highways and streets:				
Administrative:				
Salaries, fringe benefits, and payroll taxes	427,192	416,381	(10,811)	365,248
Supplies	16,064	17,400	1,336	14,129
Utilities	7,405	8,600	1,195	9,467
Insurance	84,430	84,430	-	93,812
Interest	14,173	29,850	15,677	33,613
Miscellaneous	153,215	159,732	6,517	159,882
Total administrative expenditures	<u>702,479</u>	<u>716,393</u>	<u>13,914</u>	<u>676,151</u>

(Continued)

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Road and Bridge Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Road maintenance:				
Salaries, fringe benefits, and payroll taxes	\$ 1,668,949	1,664,577	(4,372)	1,522,140
Supplies	6,584	10,000	3,416	7,772
Utilities	34,580	40,750	6,170	31,002
Road and bridge materials	520,987	542,500	21,513	458,125
Right of way maintenance	365,000	365,000	-	375,500
Road striping	9,602	10,000	398	90,686
Repairs	573,395	635,000	61,605	460,606
Miscellaneous	34,825	70,680	35,855	54,181
Total road maintenance expenditures	<u>3,213,922</u>	<u>3,338,507</u>	<u>124,585</u>	<u>3,000,012</u>
Total expenditures	<u>3,916,401</u>	<u>4,054,900</u>	<u>138,499</u>	<u>3,676,163</u>
Excess of revenues over expenditures	419,576	92,704	326,872	694,054
Other financing uses - operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(273,606)</u>
Excess of revenues over expenditures and other uses	419,576	92,704	326,872	420,448
Fund balance at beginning of year	<u>2,760,293</u>	<u>2,760,293</u>	<u>-</u>	<u>2,339,845</u>
Fund balance at end of year	<u>\$ 3,179,869</u>	<u>2,852,997</u>	<u>326,872</u>	<u>2,760,293</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Courthouse Maintenance Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	<u>1998</u>			<u>1997</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues:				
Ad valorem taxes	\$ 2,286,013	2,173,262	112,751	2,265,314
Intergovernmental - state revenue sharing	123,590	119,820	3,770	125,376
Use of money and property - interest	16,931	18,800	(1,869)	26,719
Other revenues	8,323	1,750	6,573	10,848
Total revenues	<u>2,434,857</u>	<u>2,313,632</u>	<u>121,225</u>	<u>2,428,257</u>
Expenditures:				
General government:				
Salaries, fringe benefits, and payroll taxes	1,147,938	1,179,951	32,013	1,125,774
Supplies	7,318	7,750	432	6,041
Utilities	421,386	450,250	28,864	421,306
Repairs and maintenance	155,950	148,500	(7,450)	127,613
Maintenance contract	26,282	59,500	33,218	40,740
Insurance	111,016	111,016	-	123,351
Interest	15,550	31,382	15,832	33,528
Miscellaneous	100,730	131,666	30,936	144,382
Capital outlay	15,577	30,500	14,923	18,361
Total building and grounds expenditures	<u>2,001,747</u>	<u>2,150,515</u>	<u>148,768</u>	<u>2,041,096</u>
Parish archives:				
Supplies	-	-	-	93
Utilities	-	-	-	23,735
Repairs and maintenance	-	-	-	391
Miscellaneous	-	-	-	4,034
Total parish archives expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,253</u>

(Continued)

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Courthouse Maintenance Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Coroner:				
Utilities	\$ -	-	-	5,453
Repairs and maintenance	-	-	-	546
Miscellaneous	-	-	-	8,678
Total coroner expenditures	-	-	-	14,677
Louisiana State University Extension:				
Utilities	-	-	-	7,744
Repairs and maintenance	-	-	-	3,014
Miscellaneous	-	-	-	12,672
Total Louisiana State University Extension expenditures	-	-	-	23,430
Commission Building:				
Utilities	47,294	49,150	1,856	44,596
Repairs and maintenance	13,117	12,400	(717)	7,875
Miscellaneous	12,321	13,401	1,080	11,803
Total Commission Building expenditures	72,732	74,951	2,219	64,274
Total general government expenditures	2,074,479	2,225,466	150,987	2,171,730
Debt service - principal and interest	80,104	80,104	-	79,335
Total expenditures	2,154,583	2,305,570	150,987	2,251,065
Excess of revenues over expenditures	280,274	8,062	272,212	177,192
Fund balance at beginning of year	911,968	911,968	-	734,776
Fund balance at end of year	\$ 1,192,242	920,030	272,212	911,968

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Detention Facilities Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Revenues:				
Ad valorem taxes	\$ 5,060,082	4,805,033	255,049	5,011,152
Intergovernmental:				
Federal grant	35,863	35,000	863	40,807
State revenue sharing	273,047	269,164	3,883	276,993
State prisoner's grant	127,496	95,000	32,496	142,695
	<u>436,406</u>	<u>399,164</u>	<u>37,242</u>	<u>460,495</u>
Use of money and property -				
interest	58,405	54,000	4,405	58,689
Other revenues	198	500	(302)	3,976
Total revenues	<u>5,555,091</u>	<u>5,258,697</u>	<u>296,394</u>	<u>5,534,312</u>
Expenditures:				
Public safety:				
Salaries, fringe benefits, and payroll taxes	496,196	508,893	12,697	451,101
Supplies	89,387	121,250	31,863	73,123
Utilities	539,535	596,500	56,965	536,522
Repairs and maintenance	158,098	190,100	32,002	185,830
Insurance	95,805	95,805	-	106,453
Interest	33,534	62,500	28,966	46,911
Reimbursement from Sheriff	-	-	-	(214,465)
Miscellaneous	287,299	302,111	14,812	249,339
Contracted services - prison operations	2,661,999	2,551,500	(110,499)	2,519,421
Total public safety	<u>4,361,853</u>	<u>4,428,659</u>	<u>66,806</u>	<u>3,954,235</u>

(Continued)

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Detention Facilities Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998		Variance - Favorable (Unfavorable)	1997
	Actual	Budget		Actual
Juvenile Detention Center:				
Salaries, fringe benefits, and payroll taxes	\$ 925,430	787,052	(138,378)	790,334
Supplies	1,682	7,950	6,268	1,619
Repairs and maintenance	201,294	201,599	305	177,717
Insurance	21,300	21,300	-	23,664
Interest	10,015	18,400	8,385	15,379
Miscellaneous	168,715	164,146	(4,569)	159,870
Contracted services - prison operations	38,034	47,000	8,966	43,571
Capital outlay	7,656	21,500	13,844	18,953
Total juvenile detention	<u>1,374,126</u>	<u>1,268,947</u>	<u>(105,179)</u>	<u>1,231,107</u>
STAR Boot Camp	<u>3,999</u>	<u>29,556</u>	<u>25,557</u>	<u>11,939</u>
Total expenditures	<u>5,739,978</u>	<u>5,727,162</u>	<u>(12,816)</u>	<u>5,197,281</u>
Excess (deficiency) of revenues over expenditures	(184,887)	(468,465)	283,578	337,031
Other financing uses - operating transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	(184,887)	(468,465)	283,578	317,031
Fund balance at beginning of year	2,365,377	2,365,377	-	1,976,688
Residual equity transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,658</u>
Fund balance at end of year	<u>\$ 2,180,490</u>	<u>1,896,912</u>	<u>283,578</u>	<u>2,365,377</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Parks and Recreation Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Revenues:				
Ad valorem taxes	\$ 721,428	685,099	36,329	706,991
Intergovernmental - state revenue sharing	39,007	37,950	1,057	39,757
Use of money and property - rental, camping fees, and other	6,480	12,500	(6,020)	6,545
Other revenues	8,623	21,450	(12,827)	15,102
Total revenues	<u>775,538</u>	<u>756,999</u>	<u>18,539</u>	<u>768,395</u>
Expenditures:				
Culture and recreation:				
Salaries, fringe benefits, and payroll taxes	430,676	429,935	(741)	399,449
Supplies	5,103	11,000	5,897	2,270
Utilities	24,663	23,500	(1,163)	22,029
Repairs and maintenance	42,648	48,100	5,452	41,758
Insurance	24,000	24,000	-	26,669
Interest	3,267	7,675	4,408	9,791
Election cost	3,981	-	(3,981)	-
Miscellaneous	57,852	101,574	43,722	55,621
Total culture and recreation	<u>592,190</u>	<u>645,784</u>	<u>53,594</u>	<u>557,587</u>
Debt service - principal and interest	<u>26,701</u>	<u>26,701</u>	<u>-</u>	<u>26,445</u>
Total expenditures	<u>618,891</u>	<u>672,485</u>	<u>53,594</u>	<u>584,032</u>
Excess of revenues over expenditures	156,647	84,514	72,133	184,363
Other financing uses - operating transfers out	<u>(63,500)</u>	<u>(63,500)</u>	<u>-</u>	<u>(120,273)</u>
Excess of revenues over expenditures and other uses	93,147	21,014	72,133	64,090
Fund balance at beginning of year	<u>317,254</u>	<u>317,254</u>	<u>-</u>	<u>253,164</u>
Fund balance at end of year	<u>\$ 410,401</u>	<u>338,268</u>	<u>72,133</u>	<u>317,254</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Solid Waste Disposal Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Revenues:				
Ad valorem taxes	\$ 287,745	274,853	12,892	291,493
Sales tax	1,359,216	1,340,000	19,216	1,513,142
	<u>1,646,961</u>	<u>1,614,853</u>	<u>32,108</u>	<u>1,804,635</u>
Intergovernmental - state revenue sharing	15,055	19,755	(4,700)	15,446
Use of money and property - interest	94,390	60,000	34,390	85,014
Other revenues	28,810	9,485	19,325	22,959
Total revenues	<u>1,785,216</u>	<u>1,704,093</u>	<u>81,123</u>	<u>1,928,054</u>
Expenditures - sanitation:				
Salaries, fringe benefits, and payroll taxes	724,053	685,105	(38,948)	621,978
Utilities	28,980	26,300	(2,680)	27,535
Repairs and maintenance	113,769	135,000	21,231	92,343
Insurance	44,490	44,490	-	49,434
Contracted services - waste hauling	123,191	170,000	46,809	110,325
Waste disposal fees	307,433	318,000	10,567	295,555
Miscellaneous	133,838	173,535	39,697	133,437
Capital outlay	6,888	10,070	3,182	7,022
Total expenditures	<u>1,482,642</u>	<u>1,562,500</u>	<u>79,858</u>	<u>1,337,629</u>
Excess of revenues over expenditures	302,574	141,593	160,981	590,425
Other financing uses - operating transfers out	(63,000)	(63,000)	-	(98,273)
Excess of revenues over expenditures and other uses	239,574	78,593	160,981	492,152
Fund balance at beginning of year	<u>1,576,450</u>	<u>1,576,450</u>	<u>-</u>	<u>1,084,298</u>
Fund balance at end of year	<u>\$ 1,816,024</u>	<u>1,655,043</u>	<u>160,981</u>	<u>1,576,450</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Drainage Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Revenues:				
Ad valorem taxes	\$ 1,070,760	1,017,753	53,007	1,055,937
Intergovernmental - state revenue sharing	56,346	56,625	(279)	57,315
Use of money and property - interest	31,304	11,500	19,804	11,504
Other revenues	864	900	(36)	864
Total revenues	<u>1,159,274</u>	<u>1,086,778</u>	<u>72,496</u>	<u>1,125,620</u>
Expenditures - general government - other:				
Salaries, fringe benefits, and payroll taxes	30,745	30,770	25	31,334
Insurance	24,940	24,940	-	27,712
Right of ways maintenance	60,000	65,000	5,000	50,000
Rentals	36,247	100,000	63,753	65,395
Miscellaneous	88,708	102,050	13,342	86,247
Capital outlay	-	10,000	10,000	-
Total expenditures	<u>240,640</u>	<u>332,760</u>	<u>92,120</u>	<u>260,688</u>
Excess of revenues over expenditures	918,634	754,018	164,616	864,932
Other financing uses - operating transfers out	<u>(745,000)</u>	<u>(745,000)</u>	<u>-</u>	<u>(574,748)</u>
Excess of revenues over expenditures and other uses	173,634	9,018	164,616	290,184
Fund balance at beginning of year	<u>865,409</u>	<u>865,409</u>	<u>-</u>	<u>575,225</u>
Fund balance at end of year	<u>\$ 1,039,043</u>	<u>874,427</u>	<u>164,616</u>	<u>865,409</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Juvenile Court Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Revenues:				
Ad valorem taxes	\$ 1,655,501	1,573,814	81,687	1,640,456
Intergovernmental:				
State revenue sharing	89,510	88,450	1,060	90,804
Electronic monitoring	60,000	60,000	-	60,015
Other state funds	-	-	-	25,000
	<u>149,510</u>	<u>148,450</u>	<u>1,060</u>	<u>175,819</u>
Court costs and fees	110,921	140,000	(29,079)	131,222
Use of money and property - interest	6,647	15,000	(8,353)	18,523
Other revenues	1,200	1,500	(300)	8,350
Total revenues	<u>1,923,779</u>	<u>1,878,764</u>	<u>45,015</u>	<u>1,974,370</u>
Expenditures - general government - judicial:				
Court operations:				
Salaries, fringe benefits, and payroll taxes	1,563,587	1,557,179	(6,408)	1,491,352
Supplies	20,935	18,300	(2,635)	20,063
Utilities	19,222	20,000	778	18,829
Repairs	43,614	29,500	(14,114)	32,665
Insurance	48,630	46,230	(2,400)	53,760
Interest	31,865	38,640	6,775	37,648
Prisoner care	-	1,200	1,200	800
Reimbursement from court	(143,245)	(140,000)	3,245	(128,479)
Miscellaneous	125,649	134,850	9,201	105,197
Capital outlay	1,555	6,750	5,195	5,703
Total court operations expenditures	<u>1,711,812</u>	<u>1,712,649</u>	<u>837</u>	<u>1,637,538</u>

(Continued)

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Juvenile Court Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998		Variance - Favorable (Unfavorable)	1997
	Actual	Budget		Actual
District Attorney:				
Salaries, fringe benefits, and payroll taxes	\$ 178,559	201,216	22,657	190,016
Supplies	-	-	-	1,327
Insurance	-	-	-	2,365
Reimbursement from district attorney	(9,147)	(31,216)	(22,069)	(23,875)
Miscellaneous	588	-	(588)	5,147
Total district attorney expenditures	<u>170,000</u>	<u>170,000</u>	<u>-</u>	<u>174,980</u>
Building maintenance:				
Salaries, fringe benefits, and payroll taxes	118,242	116,999	(1,243)	111,854
Utilities	93,629	89,660	(3,969)	78,362
Repairs	43,396	41,200	(2,196)	48,855
Insurance	-	2,530	2,530	2,809
Miscellaneous	29,434	31,836	2,402	29,346
Reimbursement from Detention Facilities	(175,599)	(175,599)	-	(176,856)
Capital outlay	593	1,000	407	2,997
Total building maintenance expenditures	<u>109,695</u>	<u>107,626</u>	<u>(2,069)</u>	<u>97,367</u>
Total expenditures	<u>1,991,507</u>	<u>1,990,275</u>	<u>(1,232)</u>	<u>1,909,885</u>
Excess (deficiency) of revenues over (under) expenditures	(67,728)	(111,511)	43,783	64,485
Fund balance at beginning of year	<u>234,521</u>	<u>234,521</u>	<u>-</u>	<u>170,036</u>
Fund balance at end of year	<u>\$ 166,793</u>	<u>123,010</u>	<u>43,783</u>	<u>234,521</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
 Shreveport, Louisiana

Special Revenue Fund
 Health Unit Fund

Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
 (with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Revenues:				
Ad valorem taxes	\$ 1,943,084	1,847,177	95,907	1,924,591
Intergovernmental - state revenue sharing	105,113	104,610	503	106,632
Vaccination, impounding, boarding, licensing, and permit fees	41,409	37,040	4,369	34,380
Use of money and property:				
Regional lab rental	59,235	59,235	-	59,235
Interest	17,881	14,500	3,381	15,125
	<u>77,116</u>	<u>73,735</u>	<u>3,381</u>	<u>74,360</u>
Other revenues	38,469	27,415	11,054	31,278
Total revenues	<u>2,205,191</u>	<u>2,089,977</u>	<u>115,214</u>	<u>2,171,241</u>
Expenditures - health and welfare:				
Kings Highway health unit:				
Salaries, fringe benefits, and payroll taxes	6,703	7,421	718	335
Utilities	4,644	11,500	6,856	4,719
Repairs	8,375	8,900	525	8,815
Miscellaneous	4,777	6,112	1,335	3,136
Total Kings Highway health unit expenditures	<u>24,499</u>	<u>33,933</u>	<u>9,434</u>	<u>17,005</u>
Animal and mosquito control:				
Salaries, fringe benefits, and payroll taxes	705,125	779,503	74,378	686,919
Insurance	30,695	30,695	-	34,104
Interest	10,631	20,219	9,588	20,639
Supplies	27,619	30,145	2,526	24,028
Utilities	29,970	33,756	3,786	29,592
Animal care	124,293	158,100	33,807	158,166
Repairs	67,260	91,111	23,851	82,202
Miscellaneous	75,137	102,942	27,805	75,099
Capital outlay	15,780	9,400	(6,380)	18,231
Total animal and mosquito control expenditures	<u>1,086,510</u>	<u>1,255,871</u>	<u>169,361</u>	<u>1,128,980</u>

(Continued)

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Health Unit Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Highland health unit:				
Salaries, fringe benefits, and payroll taxes	\$ 230,690	247,784	17,094	232,564
Repairs	37,900	45,200	7,300	31,874
Utilities	82,467	89,250	6,783	77,463
Insurance	23,116	23,116	-	25,684
Election costs	3,981	-	(3,981)	-
Miscellaneous	77,827	108,149	30,322	89,799
Payments to state	-	-	-	15,000
Capital outlay	16,397	15,500	(897)	16,313
Total Highland health unit expenditures	<u>472,378</u>	<u>528,999</u>	<u>56,621</u>	<u>488,697</u>
Vivian health unit:				
Salaries, fringe benefits, and payroll taxes	20,845	20,431	(414)	19,458
Repairs	4,366	5,400	1,034	5,764
Utilities	15,297	13,400	(1,897)	12,272
Miscellaneous	3,530	5,080	1,550	4,527
Capital outlay	1,164	2,500	1,336	1,886
Total Vivian health unit expenditures	<u>45,202</u>	<u>46,811</u>	<u>1,609</u>	<u>43,907</u>
David Raines health center - repairs	34,347	34,285	(62)	29,220
Total expenditures	<u>1,662,936</u>	<u>1,899,899</u>	<u>236,963</u>	<u>1,707,809</u>
Excess of revenues over expenditures	542,255	190,078	352,177	463,432
Other financing uses - operating transfers out	(280,280)	(280,280)	-	(170,398)
Excess (deficiency) of revenues over (under) expenditures and other uses	261,975	(90,202)	352,177	293,034
Fund balance at beginning of year	802,203	802,203	-	509,169
Fund balance at end of year	<u>\$ 1,064,178</u>	<u>712,001</u>	<u>352,177</u>	<u>802,203</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Law Officers Witness Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Revenues:				
Criminal case charge	\$ 24,882	21,675	3,207	24,787
Use of money and property - interest	12,839	8,800	4,039	10,713
Total revenues	<u>37,721</u>	<u>30,475</u>	<u>7,246</u>	<u>35,500</u>
Expenditures:				
Public safety:				
Payments to law officers	11,816	32,500	20,684	15,193
Miscellaneous	1,691	1,675	(16)	2,123
Total expenditures	<u>13,507</u>	<u>34,175</u>	<u>20,668</u>	<u>17,316</u>
Excess (deficiency) of revenues over (under) expenditures	24,214	(3,700)	27,914	18,184
Fund balance at beginning of year	<u>218,543</u>	<u>218,543</u>	-	<u>200,359</u>
Fund balance at end of year	<u>\$ 242,757</u>	<u>214,843</u>	<u>27,914</u>	<u>218,543</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Biomedical Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Revenues:				
Ad valorem taxes	\$ 1,474,291	1,404,355	69,936	1,460,043
Intergovernmental revenues - state revenue sharing	80,066	79,280	786	81,223
Use of money and property - interest	29,836	16,500	13,336	19,671
Total revenues	<u>1,584,193</u>	<u>1,500,135</u>	<u>84,058</u>	<u>1,560,937</u>
Expenditures - economic development:				
Salaries, fringe benefits, and payroll taxes	42,519	42,554	35	43,335
Interest	6,213	23,375	17,162	20,960
Reimburse Biomed Center operating expenses	792,211	1,491,041	698,830	1,364,056
Miscellaneous	29,389	8,975	(20,414)	9,943
Total expenditures	<u>870,332</u>	<u>1,565,945</u>	<u>695,613</u>	<u>1,438,294</u>
Excess (deficiency) of revenues over (under) expenditures	713,861	(65,810)	779,671	122,643
Fund balance at beginning of year	<u>512,469</u>	<u>512,469</u>	-	<u>389,826</u>
Fund balance at end of year	<u>\$ 1,226,330</u>	<u>446,659</u>	<u>779,671</u>	<u>512,469</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Shreve Memorial Library Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Revenues:				
Ad valorem taxes	\$ 8,008,846	7,344,615	664,231	7,746,835
Intergovernmental revenues:				
Federal grants	13,104	69,389	(56,285)	47,641
State grants	332,959	361,482	(28,523)	60,883
State revenue sharing	422,915	427,500	(4,585)	429,026
	<u>768,978</u>	<u>858,371</u>	<u>(89,393)</u>	<u>537,550</u>
Library fines	57,431	60,000	(2,569)	55,954
Use of money and property - interest	343,506	105,000	238,506	151,141
Other revenues	74,384	85,000	(10,616)	82,754
Total revenues	<u>9,253,145</u>	<u>8,452,986</u>	<u>800,159</u>	<u>8,574,234</u>
Expenditures - culture and recreation:				
Salaries, fringe benefits, and payroll taxes	2,558,843	2,857,145	298,302	2,573,679
Supplies	133,061	138,200	5,139	122,760
Utilities	296,673	295,500	(1,173)	280,621
Repairs and maintenance	64,624	260,200	195,576	222,582
Insurance	68,030	93,571	25,541	73,238
Interest	-	64,000	64,000	13,221
Books and library materials	544,120	634,505	90,385	585,476
Miscellaneous	691,381	1,547,519	856,138	224,956
Capital expenditures	2,641,646	7,837,185	5,195,539	2,320,590
Total expenditures	<u>6,998,378</u>	<u>13,727,825</u>	<u>6,729,447</u>	<u>6,417,123</u>
Excess (deficiency) of revenues over (under) expenditures	2,254,767	(5,274,839)	7,529,606	2,157,111
Fund balance at beginning of year	7,173,158	7,173,158	-	5,016,047
Equity transfer in	111,478	-	111,478	-
Fund balance at end of year	<u>\$ 9,539,403</u>	<u>1,898,319</u>	<u>7,641,084</u>	<u>7,173,158</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Special Revenue Fund
Riverboat Boarding Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	<u>1998</u>			<u>1997</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues:				
Gaming	\$ 2,265,619	1,900,000	365,619	2,176,489
Use of money and property - interest	95,558	98,500	(2,942)	46,408
Total revenues	<u>2,361,177</u>	<u>1,998,500</u>	<u>362,677</u>	<u>2,222,897</u>
Expenditures - general government:				
Administration	11,183	84,950	73,767	7,014
Other	391,301	381,844	(9,457)	228,386
Total expenditures	<u>402,484</u>	<u>466,794</u>	<u>64,310</u>	<u>235,400</u>
Excess of revenues over expenditures	1,958,693	1,531,706	426,987	1,987,497
Other financing uses - operating transfer out	<u>(2,005,861)</u>	<u>(2,005,861)</u>	-	<u>(917,824)</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	(47,168)	(474,155)	426,987	1,069,673
Fund balance at beginning of year	<u>1,581,005</u>	<u>1,581,005</u>	-	<u>511,332</u>
Fund balance at end of year	<u>\$ 1,533,837</u>	<u>1,106,850</u>	426,987	<u>1,581,005</u>

See accompanying notes to combined financial statements.

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.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Debt Service Fund

Comparative Balance Sheet

December 31, 1998 and 1997

Assets	1998	1997
Cash and cash equivalents	\$ 1,351,953	285,212
Investments	1,387,716	3,493,617
Ad valorem taxes receivable	2,544,041	2,984,572
Accrued interest	10,691	8,072
Total assets	<u>\$ 5,294,401</u>	<u>6,771,473</u>
Liabilities and Fund Balance		
Liabilities - deferred revenue	\$ 73,716	139,443
Fund balance - reserved for debt service	<u>5,220,685</u>	<u>6,632,030</u>
Total liabilities and fund balance	<u>\$ 5,294,401</u>	<u>6,771,473</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Debt Service Fund

Comparative Statement of Revenues, Expenditures,
and Changes in Fund Balance

Years ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Ad valorem taxes	\$ 2,717,306	3,210,064
Use of money and property - interest	230,688	280,037
Total revenues	<u>2,947,994</u>	<u>3,490,101</u>
Expenditures:		
Principal retirement	3,035,000	2,995,000
Interest	1,211,922	1,372,609
Fees and charges	78,996	96,729
Administration	33,421	30,566
Total expenditures	<u>4,359,339</u>	<u>4,494,904</u>
Excess of expenditures over revenues	(1,411,345)	(1,004,803)
Other financing sources (uses):		
Proceeds of refunding bonds (net of \$29,314 in issuance costs)	3,371,426	-
Payment to refunded bond escrow agent	<u>(3,371,426)</u>	<u>-</u>
Total other financing sources (uses)	-	-
Excess of expenditures and other uses over revenues and other sources	(1,411,345)	(1,004,803)
Fund balance at beginning of year	<u>6,632,030</u>	<u>7,636,833</u>
Fund balance at end of year	<u>\$ 5,220,685</u>	<u>6,632,030</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Debt Service Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year ended December 31, 1998
(with comparative actual amounts for year ended December 31, 1997)

	1998			1997
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual
Revenues:				
Ad valorem taxes	\$ 2,717,306	2,906,624	(189,318)	3,210,064
Use of money and property - interest	230,688	204,000	26,688	280,037
Total revenues	<u>2,947,994</u>	<u>3,110,624</u>	<u>(162,630)</u>	<u>3,490,101</u>
Expenditures:				
Principal retirement	3,035,000	3,035,000	-	2,995,000
Interest	1,211,922	1,210,449	(1,473)	1,372,609
Fees and charges	78,996	92,040	13,044	96,729
Administration	33,421	33,580	159	30,566
Total expenditures	<u>4,359,339</u>	<u>4,371,069</u>	<u>11,730</u>	<u>4,494,904</u>
Excess of expenditures over revenues	(1,411,345)	(1,260,445)	(150,900)	(1,004,803)
Other financing sources (uses):				
Proceeds of refunding bonds (net of \$29,314 in issuance costs)	3,371,426	-	3,371,426	-
Payment to refunded bond escrow agent	(3,371,426)	-	(3,371,426)	-
Total other financing sources	-	-	-	-
Excess of expenditures over revenues and other sources	(1,411,345)	(1,260,445)	(150,900)	(1,004,803)
Fund balance at beginning of year	<u>6,632,030</u>	<u>6,632,030</u>	<u>-</u>	<u>7,636,833</u>
Fund balance at end of year	<u>\$ 5,220,685</u>	<u>5,371,585</u>	<u>(150,900)</u>	<u>6,632,030</u>

See accompanying notes to combined financial statements.

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 five capital projects funds:

Library Bond Fund — The Library Bond Fund accounts for certain funds dedicated to the construction of the Shreve Memorial Library facility. Construction funding has been provided by the Commission, the City of Shreveport, substantial private donations, and a bond issue approved by the voters in 1976.

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.

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.

Juvenile Justice Facilities Fund — The Juvenile Justice Facilities Fund was established to account for the proceeds of a bond issue approved by the voters in 1988. The issue was dedicated to the construction of a juvenile justice detention complex.

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 operating transfers from various funds of the Commission.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Capital Projects Funds
Combining Balance Sheet

December 31, 1998
(with comparative totals for December 31, 1997)

Assets	Library Bond Fund	Road Construction Fund	Criminal Justice Facilities Fund	Juvenile Justice Facilities Fund	Capital Outlay Fund	Totals	
						1998	1997
Cash and cash equivalents	-	2,098,307	682,693	5,814	4,884,376	7,671,190	7,228,785
Investments	-	2,065,352	764,152	-	4,864,693	7,694,197	9,231,436
Accounts receivable:							
Paving assessments:							
Current	-	79,794	-	-	-	79,794	67,511
Delinquent	-	107,281	-	-	-	107,281	68,521
Deferred	-	468,847	-	-	-	468,847	421,955
Allowance for uncollectible accounts	-	(72,152)	-	-	-	(72,152)	(15,635)
	-	583,770	-	-	-	583,770	542,352
Accrued interest	-	7,160	2,650	-	16,862	26,672	41,798
Due from other government agencies	-	111,408	-	-	-	111,408	147,672
Due from other funds	-	-	-	-	3,150,527	3,150,527	-
Total assets	\$ -	\$ 4,865,997	\$ 1,449,495	\$ 5,814	\$ 12,916,458	\$ 19,237,764	\$ 17,192,043
Liabilities and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	-	475,627	-	-	1,083,660	1,559,287	941,071
Retainages payable	-	-	-	-	373,630	373,630	302,468
Deferred revenue	-	468,847	-	-	-	468,847	421,955
Total liabilities	-	944,474	-	-	1,457,290	2,401,764	1,665,494
Fund balances:							
Reserved for encumbrances	-	18,116	9,934	4,640	1,860,793	1,893,483	2,862,047
Unreserved:							
Designated for specific projects	-	-	-	-	-	-	112,274
Designated for subsequent years expenditures	-	3,903,407	1,439,561	1,174	9,598,375	14,942,517	12,552,228
Total fund balance	-	3,921,523	1,449,495	5,814	11,459,168	16,836,000	15,526,549
Total liabilities and fund balances	\$ -	\$ 4,865,997	\$ 1,449,495	\$ 5,814	\$ 12,916,458	\$ 19,237,764	\$ 17,192,043

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Capital Projects Funds

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

Year ended December 31, 1998
(with comparative totals for year ended December 31, 1997)

	Library Bond Fund	Road Construction Fund	Criminal Justice Facilities Fund	Juvenile Justice Facilities Fund	Capital Outlay Fund	Totals
	1998	1998	1998	1998	1998	1997
Revenues:						
Special assessments	\$ -	116,467	-	-	-	116,467
Sales tax	-	2,718,340	-	-	-	2,718,340
Intergovernmental	-	1,590,266	-	-	126,183	1,716,449
Interest	4,728	249,072	132,934	290	525,596	912,620
Other	-	-	-	-	10,000	10,000
Total revenues	4,728	4,674,145	132,934	290	661,779	5,473,876
Expenditures - project and capital expenditures and engineering fees	-	157,675	7,551	-	6,826,882	6,992,108
Excess (deficiency) of revenues over (under) expenditures	4,728	4,516,470	125,383	290	(6,165,103)	(538,284)
Other financing sources (uses):						
Operating transfers in	-	-	-	-	8,454,561	8,454,561
Operating transfers out	-	(3,974,000)	(1,541,400)	-	-	(5,515,400)
	-	(3,974,000)	(1,541,400)	-	8,454,561	2,939,161
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	4,728	542,470	(1,416,017)	290	2,289,458	1,618,358
Fund balance at beginning of year	106,750	3,379,053	2,865,512	5,524	9,169,710	15,526,549
Equity transfer out	(111,478)	-	-	-	-	(111,478)
Fund balances at end of year	\$ -	3,921,523	1,449,495	5,814	11,459,168	15,526,549

Exhibit D-2

See accompanying notes to combined financial statements.

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

Proprietary Funds - Internal Service Funds

Combining Balance Sheet

December 31, 1998
(with comparative totals for December 31, 1997)

Assets	Group Insurance Fund	General Insurance Fund	Fleet Service Fund	Totals	
				1998	1997
Cash and cash equivalents	\$ 1,120,050	229,984	-	1,350,034	423,869
Investments	1,429,427	201,679	-	1,631,106	2,042,012
Receivables	15,318	699	64,496	80,513	42,150
Due from other funds - Fleet Services	66,598	293,390	-	359,988	323,241
Inventory	-	-	99,234	99,234	84,829
Total current assets	<u>2,631,393</u>	<u>725,752</u>	<u>163,730</u>	<u>3,520,875</u>	<u>2,916,101</u>
Fixed assets:					
Land	-	-	163,475	163,475	163,475
Sewer line	-	-	107,541	107,541	107,541
Buildings	-	-	134,428	134,428	134,428
Vehicles	-	-	14,579	14,579	1,835
Equipment	-	-	84,546	84,546	75,309
	-	-	504,569	504,569	482,588
Less accumulated depreciation	-	-	(73,640)	(73,640)	(58,344)
	-	-	430,929	430,929	424,244
Total assets	<u>\$ 2,631,393</u>	<u>725,752</u>	<u>594,659</u>	<u>3,951,804</u>	<u>3,340,345</u>
Liabilities, Contributed Capital and Retained Earnings (Accumulated Deficit)					
<i>Liabilities:</i>					
<i>Accounts payable:</i>					
Accrued insurance claims payable	\$ 200,207	82,029	-	282,236	224,261
Other	-	4,031	111,021	115,052	120,084
<i>Due to other funds:</i>					
Group insurance	-	-	66,598	66,598	226,269
General insurance	-	-	293,390	293,390	96,972
Total liabilities	<u>200,207</u>	<u>86,060</u>	<u>471,009</u>	<u>757,276</u>	<u>667,586</u>
<i>Contributed capital and retained earnings (accumulated deficit):</i>					
Contributed capital	-	-	353,115	353,115	329,204
<i>Retained earnings (accumulated deficit):</i>					
Unreserved	-	-	(230,565)	(230,565)	(221,306)
Reserved for encumbrances	-	-	1,100	1,100	-
Reserved for payment of claims	2,431,186	639,692	-	3,070,878	2,564,861
Total retained earnings (accumulated deficit)	<u>2,431,186</u>	<u>639,692</u>	<u>(229,465)</u>	<u>2,841,413</u>	<u>2,343,555</u>
Total contributed capital and retained earnings (accumulated deficit)	<u>2,431,186</u>	<u>639,692</u>	<u>123,650</u>	<u>3,194,528</u>	<u>2,672,759</u>
Total liabilities, contributed capital and retained earnings (accumulated deficit)	<u>\$ 2,631,393</u>	<u>725,752</u>	<u>594,659</u>	<u>3,951,804</u>	<u>3,340,345</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Proprietary Funds - Internal Service Funds

Combining Statement of Revenues, Expenses, and
Changes in Retained Earnings (Accumulated Deficit)

Year ended December 31, 1998
(with comparative totals for December 31, 1997)

	Group Insurance Fund	General Insurance Fund	Fleet Service Fund	Totals	
				1998	1997
Operating revenues:					
Employer's contributions	\$ 1,131,691	-	-	1,131,691	1,045,129
Employees' contributions	389,748	-	-	389,748	342,857
Charges for sales and service	-	570,861	1,153,895	1,724,756	1,759,193
Total revenues	<u>1,521,439</u>	<u>570,861</u>	<u>1,153,895</u>	<u>3,246,195</u>	<u>3,147,179</u>
Operating expenses:					
Claims	1,219,203	162,650	-	1,381,853	1,302,703
Cost of sales and service	-	-	1,084,450	1,084,450	1,073,709
Insurance premiums	165,207	236,200	16,725	418,132	468,588
General and administrative	90,901	78,793	-	169,694	162,746
Depreciation	-	-	17,226	17,226	16,648
Other	-	-	34,642	34,642	40,191
Total expenses	<u>1,475,311</u>	<u>477,643</u>	<u>1,153,043</u>	<u>3,105,997</u>	<u>3,064,585</u>
Operating income	46,128	93,218	852	140,198	82,594
Nonoperating revenues (expense):					
Interest income	134,787	19,136	-	153,923	141,004
Interest expense	-	-	(9,011)	(9,011)	(12,033)
	<u>134,787</u>	<u>19,136</u>	<u>(9,011)</u>	<u>144,912</u>	<u>128,971</u>
Income (loss) before operating transfers	180,915	112,354	(8,159)	285,110	211,565
Other financing sources - operating transfers in	-	212,748	-	212,748	-
Net income (loss)	180,915	325,102	(8,159)	497,858	211,565
Retained earnings (accumulated deficit) at beginning of year	<u>2,250,271</u>	<u>314,590</u>	<u>(221,306)</u>	<u>2,343,555</u>	<u>2,131,990</u>
Retained earnings (accumulated deficit) at end of year	<u>\$ 2,431,186</u>	<u>639,692</u>	<u>(229,465)</u>	<u>2,841,413</u>	<u>2,343,555</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Proprietary Funds - Internal Service Funds

Combining Statement of Cash Flows

Year ended December 31, 1998
(with comparative totals for December 31, 1997)

	Group Insurance Fund	General Insurance Fund	Fleet Service Fund	Totals	
				1998	1997
Cash flows from operating activities:					
Operating income	\$ 46,128	93,218	852	140,198	82,594
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	-	-	17,226	17,226	16,648
Other	-	-	-	-	15,322
(Increase) decrease in assets:					
Accounts receivable - other	(15,318)	(699)	(22,436)	(38,453)	20,455
Due from other funds	159,671	(196,418)	-	(36,747)	(63,595)
Inventory	-	-	(14,405)	(14,405)	(25,923)
Increase (decrease) in liabilities:					
Accrued insurance claims payable	4,574	53,401	-	57,975	42,930
Accounts payable - other	-	4,031	(9,063)	(5,032)	(25,258)
Due to other funds	-	-	36,747	36,747	63,595
Net cash provided by (used in) operating activities	<u>195,055</u>	<u>(46,467)</u>	<u>8,921</u>	<u>157,509</u>	<u>126,768</u>
Cash flows from noncapital financing activities:					
Interest expense	-	-	(9,011)	(9,011)	(12,033)
Operating transfer in	-	212,748	-	212,748	-
Net cash provided by (used in) noncapital financing	<u>-</u>	<u>212,748</u>	<u>(9,011)</u>	<u>203,737</u>	<u>(12,033)</u>
Cash flows from capital and related financing activities:					
Purchase of fixed assets	-	-	(23,821)	(23,821)	(2,524)
Contributions of fixed assets	-	-	23,911	23,911	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>90</u>	<u>90</u>	<u>(2,524)</u>
Cash flows from investing activities:					
Purchases of investment securities	(1,429,427)	(201,679)	-	(1,631,106)	(5,876,140)
Proceeds from sale and maturity of investment securities	1,942,690	99,322	-	2,042,012	5,535,417
Interest on investments	134,787	19,136	-	153,923	141,004
Net cash provided by (used in) investing activities	<u>648,050</u>	<u>(83,221)</u>	<u>-</u>	<u>564,829</u>	<u>(199,719)</u>
Net increase (decrease) in cash and cash equivalents	843,105	83,060	-	926,165	(87,508)
Cash and cash equivalents at beginning of year	<u>276,945</u>	<u>146,924</u>	<u>-</u>	<u>423,869</u>	<u>511,377</u>
Cash and cash equivalents at end of year	<u>\$ 1,120,050</u>	<u>229,984</u>	<u>-</u>	<u>1,350,034</u>	<u>423,869</u>

See accompanying notes to combined financial statements.

FIDUCIARY FUNDS

Trust and Agency Funds are used to account for assets held in a trustee capacity or as an agent for other governments. These include Expendable Trust, Nonexpendable Trust, and Agency Funds. The Commission has three fiduciary funds:

Jail Site Nonexpendable Trust Fund — The establishment of this fund was mandated 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.

Penal Farm Expendable Trust 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 are dedicated to industrial inducement and industrial park acquisition and improvement.

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.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Fiduciary Funds

Combining Balance Sheet

December 31, 1998
(with comparative totals for December 31, 1997)

	Nonexpendable Trust Fund	Expendable Trust Fund	Agency Funds Criminal Court Fund	Totals
	Jail Site Fund	Penal Farm Fund	Fund	1998
				1997
Assets				
Cash and cash equivalents	\$ 16,101	233,917	50	171,589
Investments	-	138,516	-	148,861
Receivables	-	9,660	94,230	61,419
Due from General Fund	984,081	-	-	933,017
Total assets	\$ 1,000,182	382,093	94,280	1,476,555
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	-	37,129	-
Due to General Fund	-	-	57,151	54,536
Total liabilities	-	-	94,280	54,536
Fund balances:				
Reserved for:				
Revolving loans to General Fund	1,000,182	-	-	972,787
Industrial development	-	382,093	-	287,563
Total fund balances	1,000,182	382,093	-	1,260,350
Total liabilities and fund balances	\$ 1,000,182	382,093	94,280	1,476,555

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
 Shreveport, Louisiana

Fiduciary Funds

Nonexpendable Trust Fund - Jail Site Fund

Comparative Statement of Revenues and Changes in Fund Balance

Years ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues - interest earned	\$ 27,395	35,948
Fund balance at beginning of year	<u>972,787</u>	<u>936,839</u>
Fund balance at end of year	<u>\$ 1,000,182</u>	<u>972,787</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
 Shreveport, Louisiana

Fiduciary Funds

Nonexpendable Trust Fund - Jail Site Fund

Comparative Statement of Cash Flows

Years ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:		
Operating income	\$ 27,395	35,948
Adjustments to reconcile operating income to net cash provided by operating activities:		
Increase in due from General Fund	(51,064)	(19,153)
Net cash provided by (used in) operating activities	<u>(23,669)</u>	<u>16,795</u>
Net increase (decrease) in cash and cash equivalents	(23,669)	16,795
Cash at beginning of year	<u>39,770</u>	<u>22,975</u>
Cash at end of year	<u>\$ 16,101</u>	<u>39,770</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Fiduciary Funds

Expendable Trust Fund - Penal Farm Fund

Comparative Statement of Revenues, Expenditures, and
Changes in Fund Balance

Years ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Use of money and property - interest earned	\$ 16,270	22,193
Other	62,092	59,716
Total revenues	<u>78,362</u>	<u>81,909</u>
Expenditures - capital projects:		
Industrial development	-	270,000
Miscellaneous	2,312	2,627
Total expenditures	<u>2,312</u>	<u>272,627</u>
Excess (deficiency) of revenues over (under) expenditures	76,050	(190,718)
Other financing sources - operating transfer in	<u>18,480</u>	<u>18,480</u>
Excess (deficiency) of revenues and other sources over (under) expenditures	94,530	(172,238)
Fund balance at beginning of year	<u>287,563</u>	<u>459,801</u>
Fund balance at end of year	<u>\$ 382,093</u>	<u>287,563</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Fiduciary Funds

Nonexpendable Trust Fund - Criminal Court Fund

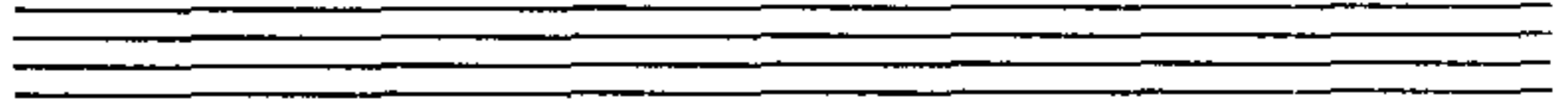
Statement of Changes in Assets and Liabilities - Agency Funds

Year ended December 31, 1998

	<u>Balance January 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 1998</u>
Assets				
Cash	\$ 50	806,167	806,167	50
Receivables - other	54,486	94,230	54,486	94,230
Total assets	<u>\$ 54,536</u>	<u>900,397</u>	<u>860,653</u>	<u>94,280</u>
Liabilities				
Accounts payable	\$ -	37,129	-	37,129
Due to other funds	54,536	57,151	54,536	57,151
Total liabilities	<u>\$ 54,536</u>	<u>94,280</u>	<u>54,536</u>	<u>94,280</u>

See accompanying notes to combined financial statements.

ACCOUNT GROUPS



**GENERAL
FIXED ASSETS
ACCOUNT GROUP**

This account group is established to account for all fixed assets of the Commission. Capital expenditures in all funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded, at cost, for central purposes in the General Fixed Assets Account Group. In accordance with generally accepted accounting principles for governmental entities, depreciation is not recorded in general fixed assets.

CADDO PARISH COMMISSION
 Shreveport, Louisiana

Comparative Schedule of General Fixed Assets - By Source
 December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
General fixed assets:		
Land and land improvements	\$ 7,228,555	7,213,446
Buildings and structures	50,087,088	49,828,099
Machinery and equipment	16,559,882	15,638,854
Vehicles	4,492,585	4,301,620
Construction in progress	5,067,299	1,997,827
	<u>\$ 83,435,409</u>	<u>78,979,846</u>
Investment in general fixed assets - by source:		
Investment, December 31, 1982	\$ 9,463,270	9,463,270
Subsequent to December 31, 1982:		
General obligation bonds	28,811,334	28,811,334
Penal Farm Fund	1,205,960	1,205,960
General Fund	2,083,501	2,121,556
Contributions from other governmental funds and agencies	41,767,344	37,273,726
Donations	104,000	104,000
	<u>\$ 83,435,409</u>	<u>78,979,846</u>

See accompanying notes to combined financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Changes in General Fixed Assets -
By Function and Activity

Year ended December 31, 1998

Function and Activity	General Fixed Assets January 1, 1998	Additions	Retirements	Transfers	December 31, 1998
General government:					
Judicial	\$ 6,309,699	81,432	14,826	368	6,376,673
Elections	89,924	23,637	13,801	-	99,760
Finance and administrative	1,088,783	35,187	33,566	(36,312)	1,054,092
Other general government	7,088,159	239,831	41,193	14,670	7,301,467
	<u>14,576,565</u>	<u>380,087</u>	<u>103,386</u>	<u>(21,274)</u>	<u>14,831,992</u>
Public safety	31,788,481	31,396	21,940	470	31,798,407
Health and welfare	8,256,487	166,979	57,047	(8,299)	8,358,120
Highways and streets	4,404,728	490,638	197,744	16,415	4,714,037
Sanitation	2,050,050	26,345	2,062	9,963	2,084,296
Culture and recreation	15,905,708	673,561	736	2,725	16,581,258
Construction in progress	<u>1,997,827</u>	<u>3,291,446</u>	<u>221,974</u>	<u>-</u>	<u>5,067,299</u>
Total general fixed assets	<u>\$ 78,979,846</u>	<u>5,060,452</u>	<u>604,889</u>	<u>-</u>	<u>83,435,409</u>

See accompanying notes to combined financial statements.

**GENERAL LONG-TERM
OBLIGATION ACCOUNT
GROUP**

This account group represents a summary of all general obligation debt of the Commission.

CADDO PARISH COMMISSION
Shreveport, Louisiana

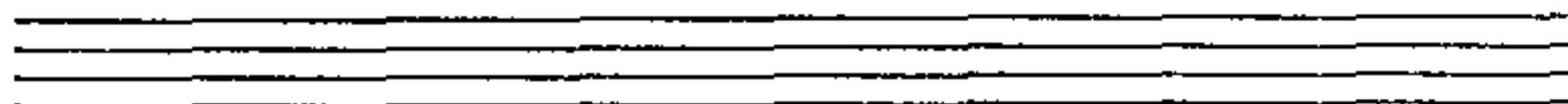
Schedule of Changes in Long-Term Obligations

Year ended December 31, 1998

	December 31, 1997	Additions	Payments	Debt Service Fund Operations	December 31, 1998
Amount available in Debt Service Fund	\$ 6,632,030	-	-	(1,411,345)	5,220,685
Amount to be provided for retirement of long-term debt	16,947,970	3,425,000	6,275,000	1,411,345	15,509,315
Amount to be provided for accrued compensated absences	319,393	6,582	-	-	325,975
	<u>\$ 23,899,393</u>	<u>3,431,582</u>	<u>6,275,000</u>	<u>-</u>	<u>21,055,975</u>
Long-term obligations payable:					
General obligation bonds payable	\$ 23,370,000	3,425,000	6,175,000	-	20,620,000
Certificates of indebtedness	210,000	-	100,000	-	110,000
Accrued compensation absences	319,393	6,582	-	-	325,975
	<u>\$ 23,899,393</u>	<u>3,431,582</u>	<u>6,275,000</u>	<u>-</u>	<u>21,055,975</u>

See accompanying notes to combined financial statements.

**STATISTICAL
SECTION**



CADDO PARISH COMMISSION
Shreveport, Louisiana

General Governmental Expenditures by Function (1)

Fiscal years ended December 31, 1989
through December 31, 1998

Fiscal Year	General Government	Public Safety	Health and Welfare	Education	Highways and Streets	Sanitation	Culture and Recreation	Economic Development	Debt Service	Total
1989	\$ 7,752,816	4,389,481	1,831,144	23,747	3,489,752	598,526	3,546,067	-	4,330,109	25,961,642
1990	8,072,140	4,976,335	1,798,258	21,962	3,414,823	674,532	3,401,304	-	6,299,319	28,658,673
1991	7,916,678	6,218,296	1,831,275	25,384	2,892,873	679,887	3,479,497	-	6,124,330	29,168,220
1992	8,710,503	6,182,696	1,836,518	26,770	3,371,151	1,221,207	3,513,424	-	4,395,681	29,257,950
1993	8,564,518	6,821,776	2,112,407	22,376	3,679,213	1,458,412	3,652,365	50,388	4,452,621	30,814,076
1994	7,893,916	5,147,997	2,053,025	26,565	3,174,610	1,593,070	4,298,864	1,282,734	3,904,048	29,374,829
1995	7,503,599	4,988,668	2,181,001	34,313	3,398,209	1,090,880	4,143,709	2,018,478	4,279,153	29,638,010
1996	7,782,957	4,760,465	6,759,672	36,012	3,652,047	1,595,877	4,699,651	1,808,774	4,500,479	35,595,934
1997	8,300,568	5,213,532	7,049,181	43,744	3,676,163	1,337,629	6,974,710	1,438,294	4,600,684	38,634,505
1998	8,969,695	5,753,485	8,507,441	62,402	3,916,401	1,482,642	7,590,568	870,332	4,466,144	41,619,110

Notes:

{1} Includes General Fund, Special Revenue Funds, and Debt Service Fund.

{2} Includes Head Start and Child and Adult Care Food federal grants.

Unaudited - see accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

General Governmental Revenues by Source (1)

Fiscal years ended December 31, 1989
through December 31, 1998

Fiscal Year	Taxes and Special Assessments	Licenses and Permits	Inter governmental	Fees, Charges and Commissions for Services	Fines and Forfeitures	Gaming	Use of Money and Property		Total
							Other Revenues	Revenues	
1989 \$	22,937,500	421,564	3,533,544	110,065	103,267	-	842,021	157,116	28,105,077
1990	23,054,252	314,954	3,050,644	100,984	100,252	-	920,586	162,351	27,704,023
1991	25,889,263	311,255	3,080,179	105,939	108,441	-	615,505	164,959	30,275,541
1992	27,054,747	365,445	3,061,298	179,183	50,448	-	547,670	208,810	31,467,601
1993	29,396,156	330,230	3,635,449	110,939	147,427	-	508,279	272,905	34,401,385
1994	27,783,678	344,417	3,795,844	79,874	231,618	535,098	693,046	268,018	33,731,593
1995	27,519,725	413,097	2,878,756	106,322	203,100	975,662	1,035,901	499,694	33,632,257
1996	31,018,958	381,828	8,146,618 {2}	101,881	208,267	994,519	833,451	335,060	42,020,582
1997	33,484,090	397,361	8,124,162 {2}	59,167	187,176	2,176,489	985,813	404,527	45,818,785
1998	33,310,791	396,068	9,693,974 {2}	66,291	168,352	2,265,619	1,196,332	371,185	47,468,612

Notes:

{1} Includes General Fund, Special Revenue Funds, and Debt Service Fund.

{2} Includes Head Start and Child and Adult Care Food federal grants.

Unaudited - see accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Property Tax Levies and Collections

Tax years 1989 through 1998

Fiscal Year	Total Tax Levy {1}	Current Tax Collections {2}	Percent of Levy Collected	Delinquent Tax Collections {1}	Total Tax Collected	Ratio of Total		Ratio of	
						Collection to Tax Levy	Outstanding Delinquent Taxes	Delinquent Taxes to Total Tax Levy	
1989	\$ 24,259,425	23,813,056	98.2%	304,515	24,117,571	99.4%	141,854	0.6%	
1990	23,461,921	22,161,224	94.5%	922,761	23,083,985	98.4%	377,936	1.6%	
1991	26,321,094	24,058,991	91.4%	930,013	24,989,004	94.9%	1,332,030	5.1%	
1992	26,615,156	23,875,503	89.7%	1,000,244	24,875,747	93.5%	1,739,409	6.5%	
1993	30,377,761	26,988,878	88.8%	413,483	27,404,361	90.2%	2,974,042	9.8%	
1994	31,473,592	28,635,496	91.0%	172,748	28,808,244	91.5%	2,668,041	8.5%	
1995	26,760,402	24,958,411	93.3%	299,143	25,187,554	94.1%	1,572,848	5.9%	
1996	30,636,915	27,765,864	90.6%	1,274,725	29,040,589	94.8%	1,617,100	5.2%	
1997	32,356,691	29,584,050	91.4%	665,967	30,250,017	93.5%	2,129,509	6.6%	
1998	32,516,749	30,358,547	93.4%	-	30,358,547	93.4%	2,158,202	6.6%	

Notes:

{1} Per original roll adjusted for subsequent Louisiana Tax Commission change orders.

{2} Collections through and including tax sale, after which current roll is closed by tax collector.

{3} See note 3 to combined 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, 1989
through December 31, 1998

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio of Assessed Value to Estimated Actual Value</u>
1989	\$ 878,594,670	7,787,484,967	11.3 %
1990	861,697,580	7,791,117,590	11.1
1991	869,227,750	7,654,462,200	11.4
1992	877,697,520	7,702,836,166	11.4
1993	913,255,670	7,984,863,600	11.4
1994	942,377,110	8,170,952,961	11.5
1995	949,228,840	8,263,438,800	11.5
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

Note - Assessed values are established by the Caddo Parish Tax Assessor on January 1st 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 1996. The next revaluation will be completed as of January 1, 2000, for the 2000 tax roll.

Unaudited - see accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Property Tax Rates and Tax Levies -
Direct and Overlapping Governments (1)

Fiscal years ended December 31, 1989
through December 31, 1998

Fiscal Year	Tax Rates per \$1,000 Assessed Value				Tax Levies (2)				
	Parishwide (3)			City of Shreveport	Parishwide			City of Shreveport	Total
	Commission	Schools	Sheriff	Total	Commission	Schools	Sheriff	Total	
1989	\$ 38.29	54.52	8.33	\$ 145.15	\$ 24,259,425	33,664,079	5,143,466	\$ 30,313,713	\$ 93,380,683
1990	38.29	53.27	8.33	145.40	23,461,921	32,081,416	5,016,673	31,076,068	91,636,078
1991	42.46	53.17	11.33	155.47	26,321,094	32,465,020	6,917,974	33,551,881	99,255,969
1992	41.93	56.13	11.94	161.34	26,615,156	35,019,949	7,449,460	35,396,942	104,481,507
1993	42.53	55.68	14.94	164.49	27,466,995	36,630,049	9,828,537	36,402,501	110,328,082
1994	38.72	54.98	14.94	159.98	25,711,970	37,720,491	10,249,984	37,825,061	111,507,506
1995	38.22	54.58	14.94	159.08	24,248,317	37,640,523	10,303,214	39,316,657	111,508,711
1996	41.90	53.31	14.94	161.78	30,657,689	38,451,509	10,775,944	40,896,395	120,781,537
1997	41.87	85.08	14.94	193.52	32,379,526	64,868,735	11,390,913	42,905,989	151,545,163
1998	41.17	84.48	14.94	192.22	32,516,749	65,806,519	11,637,659	44,133,525	154,094,452

Notes:

- {1} Includes parishwide overlapping levies and levy of the largest municipality which overlaps approximately 79.8% of the total parish population and approximately 79.2% 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, 1989
through December 31, 1998

<u>Fiscal Year</u>	<u>Amount of Installment Assessments Due</u>	<u>Total Revenue Collected</u>	<u>Percentage of Revenue to Assessments Due</u>
1989	\$ 4,925	10,115	205.38 %
1990	4,233	757	17.88
1991	4,084	8,545	209.23
1992	17,259	40,265	233.30
1993	20,203	21,029	104.09
1994	48,935	89,103	182.08
1995	40,859	32,339	79.15
1996	31,460	122,518	389.44
1997	67,511	192,309	284.86
1998	79,794	116,467	145.96

Unaudited - see accompanying independent auditors' report.

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, 1989
through December 31, 1998

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
1989	269,258	878,594,670	37,545,000	8,307,405	29,237,595	3.33%	\$ 109
1990	248,253	861,697,580	34,545,000	7,794,171	26,750,829	3.10%	108
1991	251,246	869,227,750	35,415,000	7,865,681	27,549,319	3.17%	110
1992	247,033	877,697,520	33,780,000	8,583,566	25,196,434	2.87%	102
1993	246,597	913,255,670	31,830,000	8,546,284	23,283,716	2.55%	94
1994	246,435	942,377,110	30,585,000	8,808,795	21,776,205	2.31%	88
1995	246,690	949,228,840	29,325,000	8,606,751	20,718,249	2.18%	84
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

Notes:

{1} The Louisiana constitution requires a complete assessment revaluation no less than every four years. Revaluations are reflected in years 1988, 1992, and 1996.

{2} Does not include certificates of indebtedness.

Unaudited - see accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Computation of Legal Debt Margin (1)

December 31, 1998

	<u>Roads</u>	<u>Garbage</u>	<u>Jails</u>	<u>Juvenile Justice</u>	<u>Health Unit</u>
Assessed value \$1,053,910,790					
Debt limit - 10% of assessed value for any one purpose	\$ 105,391,079	105,391,079	105,391,079	105,391,079	105,391,079
Deduct - amount of debt applicable to debt limit	<u>2,282,190</u>	<u>162,810</u>	<u>10,243,970</u>	<u>3,946,030</u>	<u>3,985,000</u>
Legal debt margin	<u>\$ 103,108,889</u>	<u>105,228,269</u>	<u>95,147,109</u>	<u>101,445,049</u>	<u>101,406,079</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 \$348,248,777 of additional bonded debt is available 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, 1998

	<u>Net Debt</u>	<u>Percentage of Debt Applicable to the Parish</u>	<u>Parish's Share of Debt</u>
Caddo Parish Commission	\$ 15,399,315	100 %	15,399,315
Caddo Parish School Board	21,601,787	100	21,601,787
City of Shreveport	<u>218,954,113</u>	99	<u>216,764,572</u>
	<u>\$ 255,955,215</u>		<u>253,765,674</u>

Unaudited - see accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures

Fiscal years ended December 31, 1989
through December 31, 1998

Fiscal Year	Principal	Interest	Total Debt Service (2)	Total General Expenditures (1)	Debt Service as a Percentage of Total General Expenditures
1989	\$ 2,820,000	1,325,965	4,145,965	25,961,642	15.97 %
1990	3,000,000	3,123,288	6,123,288	28,658,673	21.37
1991	3,630,000	2,307,430	5,937,430	29,168,220	20.36
1992	1,635,000	2,594,635	4,229,635	29,257,950	14.46
1993	1,260,000	1,976,243	3,236,243	30,814,076	10.50
1994	1,725,000	2,013,361	3,738,361	29,734,829	12.57
1995	2,365,000	1,323,514	3,688,514	29,638,010	12.45
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

Notes:

- {1} Total General Expenditures includes General Fund, Special Revenue Funds, and Debt Service Fund.
- {2} Includes bonded debt and certificates of indebtedness.

Unaudited - see accompanying independent auditors' report.

Table 11

CADDO PARISH COMMISSION
 Shreveport, Louisiana

Demographic Statistics

Fiscal years ended December 31, 1989
 through December 31, 1998

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
1989	269,258	31.8	50,643	9.8 %
1990	248,253	31.7	49,797	7.6
1991	251,246	32.5	50,554	6.9
1992	247,033	32.5	49,154	6.5
1993	246,597	33.2	48,795	8.1
1994	246,435	33.4	49,310	6.3
1995	246,690	33.3	49,139	5.6
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

Notes:

- {1} U.S. Census Bureau
- {2} Greater Shreveport Chamber of Commerce
- {3} Caddo Parish School Board
- {4} Louisiana Department of Labor

Unaudited - see accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Commercial Construction, Residential Construction, and Property Value

Fiscal years ended December 31, 1989
through December 31, 1998

Fiscal Year	Commercial Construction		Residential Construction (1)		Property Value (2)		
	Number of Units	Value	Number of Units	Value	Real Estate	Other (3)	
1989	129	\$ 19,794,437	60	\$ 9,427,464	5,607,489,354		2,179,995,613
1990	127	26,844,915	69	9,875,490	5,697,295,350		2,093,822,240
1991	187	18,329,362	96	12,203,040	5,578,561,600		2,075,900,600
1992	24	14,125,672	272	21,873,965	5,554,558,100		2,148,278,066
1993	42	24,776,625	178	23,803,536	5,689,477,600		2,295,386,000
1994	64	28,406,873	233	33,893,896	5,665,316,900		2,505,636,061
1995	79	33,923,714	249	34,100,257	5,805,739,600		2,457,699,200
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

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.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Principal Taxpayers

December 31, 1998

<u>Taxpayer</u>	<u>Industry</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>	<u>1998 Tax Amount</u>
Southwestern Electric Power Company	Public Utility	\$ 52,727,410	5.00 %	\$ 2,170,787
Bell South Corporation	Public Utility	33,217,800	3.15	1,367,577
Atlas Processing Company	Refinery	21,917,720	2.08	902,353
General Motors	Manufacturing	17,213,660	1.63	708,686
Bank One	Banking	14,892,360	1.41	613,118
Deposit Guaranty National Bank	Banking	12,585,600	1.20	518,149
Lucent Technologies	Comm. Technology	12,290,740	1.17	506,010
Hibernia	Banking	10,447,580	0.99	430,127
Universal Products	Refinery	9,601,210	0.91	395,282
Noram Energy Corp.	Public Utility	9,263,000	0.88	381,358
Total for ten principal taxpayers		<u>194,157,080</u>	<u>18.42</u>	<u>7,993,447</u>
Total for remaining taxpayers		<u>859,753,710</u>	<u>81.58</u>	<u>24,523,302</u>
Total for all taxpayers		<u>\$ 1,053,910,790</u>	<u>100.00 %</u>	<u>\$ 32,516,749</u>

Note - The assessed value includes \$274,951,040 of homestead exemption.

Unaudited - see accompanying independent auditors' report.

Table 14

CADDO PARISH COMMISSION
 Shreveport, Louisiana

Miscellaneous Statistics

December 31, 1998

Date of first settlement	1835
Date of parish formation	1838
Area - square miles	891
Form of government	Council-Manager
Date established	1984
Number of employees	482
Square footage of major buildings:	
Caddo Parish Courthouse	205,500
Caddo Parish Commission Building	44,385
Caddo Parish Health Unit	43,000
Fleet Services Garage	21,000
Juvenile Court	57,244
Archives	18,844
Caddo Correctional Center	311,000
Caddo Animal Control Center	13,700
Library (main branch)	80,000
Roads and bridges:	
Miles of roads	784
Number of bridges	183
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	537,411
Annual circulation	1,018,615
Sanitation:	
Number of collection compactors	17
Tons of solid waste collected	12,610

Unaudited - see accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Compensation Paid to Commissioners

December 31, 1998

<u>Commissioner</u>	<u>Compensation</u>
Charles Andrews	\$ 3,450
Donald Aytch	15,277
Robert Charles Brown	15,595
Forrest A. Davis	15,277
Danny Joe Dumas	15,277
Kenneth R. Epperson	15,277
John P. Escude	15,277
Gilford L. Gillen	15,277
James H. Morris	16,177
Lawson J. Schuford, Jr.	1,026
Ronald A. Webb, Sr.	15,277
Michael D. Williams	15,277
Hersey D. Wilson	9,035
David Wyndon	15,277
	<hr/>
	\$ 182,776

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Expenditures of Federal Awards
(Single Audit)

Year ended December 31, 1998

Table of Contents

	Page(s)
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	3-4
Schedule of Expenditures of Federal Awards and Accompanying Notes	5-6
Schedule of Findings and Questioned Costs	7



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

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

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

We have audited the primary government financial statements, and the combining, individual fund, and individual account group financial statements of the Caddo Parish Commission (the "Commission") as of and for the year ended December 31, 1998, and have issued our report thereon dated May 19, 1999, which includes an explanatory paragraph due to a change in accounting principle for the adoption of GASB 32. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

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 opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Commission in a separate letter dated May 19, 1999.



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

KPMG LLP

May 19, 1999



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

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

To the 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 each of its major federal programs for the year ended December 31, 1998. The Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the 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 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 Caddo Parish Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1998.

Internal Control Over Compliance

The management of the Caddo Parish 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 condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the primary government financial statements, and the combining, individual fund, and individual account group financial statements of the Caddo Parish Commission as of and for the year ended December 31, 1998, and have issued our report thereon dated May 19, 1999, which includes an explanatory paragraph due to a change in accounting principle for the adoption of GASB 32. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 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, the cognizant agency, and other federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

May 19, 1999

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Expenditures of Federal Awards

Year ended December 31, 1998

<u>Grantor Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>1998 Expenditures</u>
U.S. Department of Agriculture			
Pass-through State Department of Health and Human Resources - Food Stamp Program	10.551	N/A	\$ 39,133
Pass-through State Department of Food and Nutrition Services - Food Nutrition Grant	10.550	N/A	35,863
Pass-through State Department of Education - Child and Adult Care Food Program	10.558	N/A	<u>445,900</u>
Total U.S. Department of Agriculture			<u>520,896</u>
U.S. Department of Housing and Urban Development			
Direct Program - Pass through Louisiana Community Development Block Grant Division of Administration Community Development Block Grant	14.219	107-800216	273,171
Section 8 Housing Assistance Program Program	14.156	LA 48E184002/003 LA 48E184001	<u>466,867</u>
Total U.S. Department of Housing and Urban Development			<u>740,038</u>
U.S. Department of Health and Human Services			
Head Start	93.600	06CH6376/25	<u>5,183,000</u>
Total U.S. Department of Health and Human Services			<u>5,183,000</u>
U.S. Department of Education			
Pass-through Louisiana State Library-Major Urban Library Resource Grant	84.034	N/A	<u>13,104</u>
Total U.S. Department of Education			<u>13,104</u>
U.S. Department of Justice			
Local Law Enforcement Block Grant	16.592	98-LB-VX-8905	293,863
Local Law Enforcement Block Grant	16.592	96-LB-VX-3108	<u>130,482</u>
Total U.S. Department of Justice			<u>424,345</u>
			<u>\$ 6,881,383</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, 1998

(1) General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Caddo Parish Commission (the "Commission"), 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) Basis of Accounting

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>
Child and Adult Care Food Program	10.558	\$	445,900
Head Start	93.600		5,183,000
Local Law Enforcement Block Grant	16.592		424,345

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Findings and Questioned Costs

Year ended December 31, 1998

(1) Summary of Auditors' Results

- (a) The type of report issued on the primary government financial statements: unqualified opinion
- (b) Reportable conditions in internal control were disclosed by the audit of the financial statements: none reported Material weaknesses: no
- (c) Noncompliance which is material to the primary government financial statements: no
- (d) Reportable conditions in internal control over major programs: none reported
Material weaknesses: no
- (e) The type of report issued on compliance for major programs: unqualified opinion
- (f) Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: no
- (g) Major programs:
 - United States Department of Health and Human Services:
 - Head Start Program (CFDA Number 93.600)
 - United States Department of Justice:
 - Local Law Enforcement Block Grant (CFDA Number 16.592)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$300,000
- (i) Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: yes

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

None.

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

None.



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

May 19, 1999

CONFIDENTIAL

The Members of the Caddo
Parish Commission

Dear Commissioners:

We have audited the primary government financial statements of the Caddo Parish Commission (the "Commission") and the combining, individual fund, and account group financial statements of the Commission as of and for the year ended December 31, 1998, and have issued our report thereon dated May 19, 1999, which includes an explanatory paragraph due to a change in accounting principle for the adoption of GASB No. 32. 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:

SHREVE MEMORIAL LIBRARY

The Shreve Memorial Library (SML) is reported as a Special Revenue Fund within the primary government financial statements of the Commission. As discussed in our prior year letter to you, the accounting for the SML is performed by the City of Shreveport with very limited involvement and review by management of the Commission. During the past few years, the City of Shreveport has assigned various personnel to perform the accounting for the SML. The SML is also currently involved in a major capital expansion program that will result in significant expenditures over the next few years. In addition, the administration of federal grants is decentralized. The individual responsible for monitoring the federal grants is not a part of the accounting department of the Commission. We recommend that the Commission become more involved in the accounting for the SML to ensure that accounting records are complete and accurate.



SEGREGATION OF DUTIES

During our audit, we noted that one employee of the Commission is able to enter payables into the accounting system, prepare checks, run the checks through the check-signing machine, mail the checks to the various vendors, and file the check and supporting documentation. This same employee also has access to the vault where blank checks are kept as well as keys to the check-signing machine.

Also, during our audit, we noted there is a lack of segregation of duties concerning the disbursements over the Parochial Employees Retirement System. The same person responsible for calculating the amount to be paid also has keys to the check-signing machine. These checks are not required to be approved by anyone else before payment is made.

Management should ensure that the maximum level of segregation of duties is achieved with the limited number of employees available. Also, those responsible for the payment of charges should make certain that all supporting documentation and proper authorization has been obtained before payment is made to ensure that only appropriate disbursements are made.

YEAR 2000

The Commission has organized an effort to address Year 2000 issues related to its computer systems and other electronic equipment. At the time of our audit the Commission had completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting Commission operations. The Commission had completed the awareness and assessment stage of work with respect to its mission critical systems whereby a plan has been established for dealing with these issues and systems have been identified which are in need of year 2000 compliance work. The Commission is currently within the remediation stage, during which changes are being made to systems and equipment.

Given the short time frame, failure to set and meet strict deadlines could result in delays in the Commission's Year 2000 project. We encourage the Commission to closely monitor the progress of its Year 2000 project and the deadlines for completion. This should include all aspects of its contingency plans in the event systems are not Year 2000 compliant.

Our discussions, which included limited inquiries in connection with the Year 2000 issue, were not designed to, and do not provide any assurance that the Year 2000 issues which may exist have been identified, on the adequacy of the Commission's remediation plans related to the Year 2000 financial or operational issues or whether the Commission is or will become Year 2000 compliant. Year 2000 compliance is the responsibility of the Commission's officials and management.

* * * * *

The Members of the Caddo
Parish Commission
May 19, 1999
Page 3

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 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

CADDO PARISH COMMISSION
Shreveport, Louisiana

Compensation Paid to Commissioners

December 31, 1998

<u>Commissioner</u>	<u>Compensation</u>
Charles Andrews	\$ 3,450
Donald Aytch	15,277
Robert Charles Brown	15,595
Forrest A. Davis	15,277
Danny Joe Dumas	15,277
Kenneth R. Epperson	15,277
John P. Escude	15,277
Gilford L. Gillen	15,277
James H. Morris	16,177
Lawson J. Schuford, Jr.	1,026
Ronald A. Webb, Sr.	15,277
Michael D. Williams	15,277
Hersey D. Wilson	9,035
David Wyndon	15,277
	<hr/>
	\$ 182,776



W. T. HANNA, JR.
PARISH ADMINISTRATOR
(318) 226-6900

PARISH OF CADDO
DEPARTMENT OF FINANCE
CADDO PARISH COMMISSION BUILDING
525 MARSHALL STREET — SUITE 303
P. O. BOX 1127
SHREVEPORT, LOUISIANA 71163-1127

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DIRECTOR OF FINANCE
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FAX (318) 429-7609

July 26, 1999

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ASST. DIRECTOR OF FINANCE
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FAX (318) 429-7609

JOHN G. "JACK" ADGER
PURCHASING AGENT
(318) 226-6903
FAX (318) 226-6909

Mr. W.T. Hanna, Jr.
Parish Administrator and Chief Executive Officer
Caddo Parish Commission
525 Marshall Street
Shreveport, LA 71101

Dear Mr. Hanna:

At the conclusion of each annual audit, our auditors, KPMG Peat Marwick, issue a letter containing certain comments pertaining to our system of internal control and general operating procedures. This document is commonly referred to as the "Management Letter" and represents a valuable by-product of the audit process. These Management Letters contain suggestions for improving the operational efficiency and the system of accounting control over Parish funds and other assets. These recommendations are important as they were developed from the auditors' independent view point and vast business experience. It is management's intention to implement and adopt such Management Letter suggestions wherever possible.

As in past years, the auditors did not identify any condition that would represent a material weakness of internal control. In the Management Letter dated May 19, 1999, several items were recommended that could enhance our existing systems and procedures. A response follows for each of the auditor's comments:

SHREVE MEMORIAL LIBRARY

Monitoring this fund presents a continuing problem because the Commission does not perform the accounting for the Shreve Memorial Library (SML) fund. The City of Shreveport (the "City") performs the accounting for SML through an agreement between the City of Shreveport and the Parish of Caddo established several years ago. The Commission or the City can not alter this agreement without authority from the commission body or city council. The Commission's involvement is limited given that SML has its own board and Commission management does not approve revenue and expenditure transactions.

The Commission receives monthly financial statements for SML from the City of Shreveport. These statements are closely reviewed for any inconsistencies or irregularities. It is not practical for the Commission to become more involved in the accounting for SML given the unique nature of SML's accounting function. We will continue to monitor the activities of the library through our review of the financial statements. We will also review plans for the library's capital improvement program on a regular basis.

SEGREGATION OF DUTIES

Due to the limited number of employees in the Finance Department, it is not feasible to separate the activities of entering payables and preparing checks. However, a mitigating control is that the Director or Assistant Director of Finance reviews all disbursements prior to payment. Also, the employee responsible for performing monthly bank reconciliations scans cancelled checks for suspicious endorsements or alterations to check amounts or payees. This employee also accounts for the numerical sequence of all cancelled, voided and outstanding checks.

The Commission will assign the duties of processing checks through the check signer and preparing the checks to be mailed to employees that are not otherwise involved in the disbursement function. Also, the Director and Assistant Director of Finance will maintain keys to the check-signing machine.

The Director or Assistant Director of Finance will approve all disbursements relating to the Parochial Employees Retirement System prior to preparation of checks.

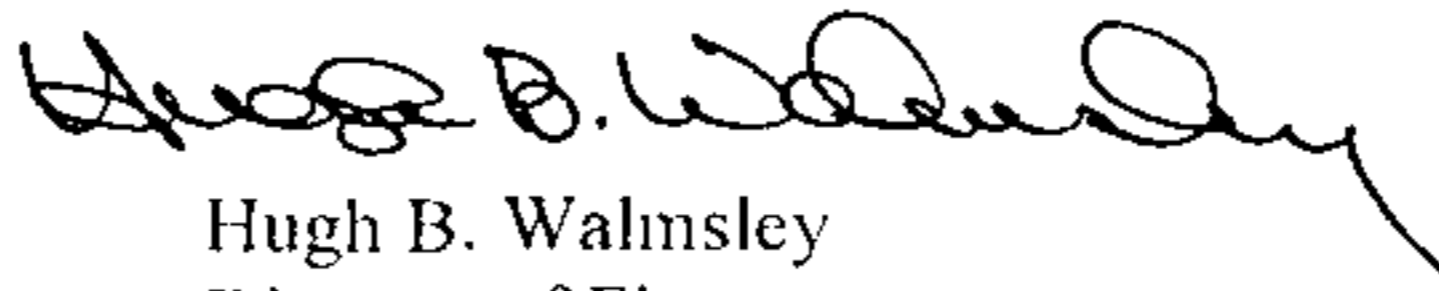
YEAR 2000

The Commission is currently addressing year 2000 issues relating to its computer systems and other electronic equipment. We have completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting Commission operations. We are currently in the remediation stage during which changes are being made to systems and equipment. The validation and testing phase of the work is targeted to be completed by October 15, 1999.

We will continue to closely monitor our progress on the Year 2000 issue and the deadlines for completion. Although, we can not assure that the Commission will be Year 2000 ready, that the Commission's remediation efforts will be successful in whole or in part, or that parties with whom we do business will be Year 2000 ready, we are extremely confident that the Commission will be operational on January 1, 2000 with only minimal disturbances, if any.

In conclusion, the independent audit has proved to be a valuable tool in the process of improving Parish financial accounting and reporting practices. We feel that the systems, procedures and reporting capabilities now in effect will be sufficient to maintain the high standard of excellence that has been attained.

Sincerely,



Hugh B. Walmsley
Director of Finance

HBW/md

cc: Mr. Michael Williams, President
KPMG Peat Marwick
Office of Legislative Auditor