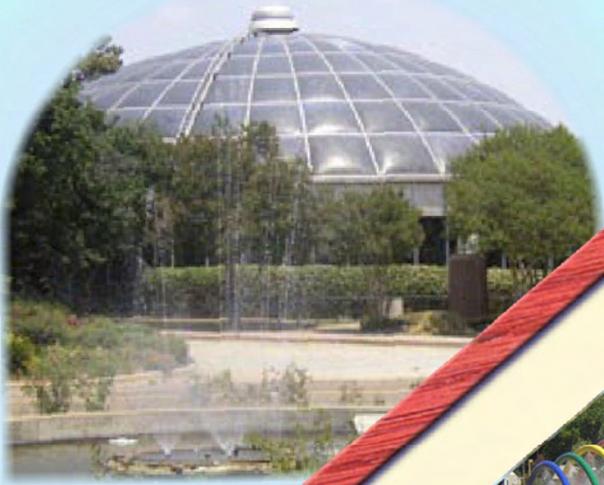


CITY OF SHREVEPORT LOUISIANA



COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ended December 31, 2006

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**



CITY OF SHREVEPORT, LOUISIANA

For the Year Ended December 31, 2006

Finance Department
Elizabeth B. Washington, Director

About the Cover

The cover salutes Shreveport Public Assembly and Recreation (SPAR) by depicting illustrations of some of its areas of responsibility. SPAR provides recreational programs and leisure activities for residents and visitors of the City of Shreveport. The Barnwell Center, Riverview Park, Stoner Hill Marina, Skate Plaza, parks, and sport playing fields continue to attract many.

**CITY OF SHREVEPORT, LOUISIANA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006**

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting.....	7
Organizational Chart.....	8
Principal Officials	9
Finance Department	10
 FINANCIAL SECTION	
Independent Auditor’s Report.....	11
Management’s Discussion and Analysis	15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	29
Statement of Activities.....	30
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	32
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	33
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	35
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	37
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Community Development.....	40
Statement of Net Assets - Proprietary Funds	42
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds.....	44
Statement of Cash Flows - Proprietary Funds	45
Statement of Fiduciary Net Assets - Fiduciary Funds	47
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	48
Statement of Net Assets - Component Units	49
Statement of Activities - Component Units	50
Notes to the Financial Statements	54

Required Supplementary Information:	
Trend Data on Pension and Other Employee Benefits Funding	107
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	112
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Riverfront Development	114
Combining Statement of Net Assets - Nonmajor Enterprise Funds.....	116
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Nonmajor Enterprise Funds	117
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	118
Combining Statement of Net Assets - Internal Service Funds	122
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Internal Service Funds	123
Combining Statement of Cash Flows - Internal Service Funds	124
Combining Statement of Net Assets - Fiduciary Funds	128
Combining Statement of Changes in Net Assets - Fiduciary Funds	129
Discretely Presented Component Unit:	
Metropolitan Planning Commission	
Balance Sheet.....	132
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	133

STATISTICAL SECTION

Net Assets by Component	136
Changes in Net Assets	137
Fund Balances of Governmental Funds	140
Changes in Fund Balances of Governmental Funds	142
Assessed Value and Estimated Actual Value of Taxable Property	144
Property Tax Rates – Direct and Overlapping Governments	145
Principal Property Taxpayers	146
Property Tax Levies and Collections	147
Taxable Sales by Category	148
Direct and Overlapping Sales Tax Rates.....	149
Sales Tax Revenue Payers by Industry	150
Ratios of Outstanding Debt by Type	151
Ratios of General Bonded Debt Outstanding	152
Direct and Overlapping Governmental Activities Debt.....	153

Legal Debt Margin Information	154
Pledged-Revenue Coverage – Water and Sewerage	155
Pledged-Revenue Coverage - Municipal and Regional Airports	156
Demographic and Economic Statistics.....	157
Principal Employers	158
Full-time Equivalent City Government Employees by Function.....	159
Operating Indicators by Function.....	160
Capital Asset Statistics by Function.....	161





CITY OF SHREVEPORT

P.O. BOX 31109 SHREVEPORT, LA 71130 • 505 TRAVIS STREET SHREVEPORT, LA 71101

web site: www.ci.shreveport.la.us

August 31, 2007

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

Mayor and Members of the City Council:

In accordance with Section 10.02, paragraph (j), of the City Charter, I am pleased to submit the Comprehensive Annual Financial Report for the year ended December 31, 2006. The financial statements were prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted government auditing standards by a firm of licensed certified public accountants. I believe this report presents comprehensive information about the City's financial and operating activities during 2006 that is useful to taxpayers, citizens, and other interested persons.

This report was prepared by the Accounting Division of the Finance Department and consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. In addition to internal controls established by management and those built into the accounting system, the Office of Internal Audit periodically reviews the adequacy of internal controls. The Internal Auditor and her staff are independent of the Finance Department. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

In accordance with Section 4.28 of the City Charter, the City Council is required to provide for an annual independent audit of the accounts and financial transactions of the City by a firm of independent certified public accountants duly licensed to practice in the State of Louisiana. The accounting firm of KPMG LLP was selected by the City to conduct its annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the

fiscal year ended December 31, 2006, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor's report included a qualification of the aggregate discretely presented component units of the City, because of the omission of the financial data of one of the City's legally separate component units, Shreveport Home Mortgage Authority. In addition, the independent auditor concluded, except for the effects of omitting the financial data for Shreveport Home Mortgage Authority, the City's financial statements for the fiscal year ended 12/31/06, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the City of Shreveport

The City of Shreveport was incorporated in 1839. It is located on the west bank of the Red River in Northwest Louisiana, approximately thirty miles south of Arkansas and fifteen miles east of Texas. Shreveport is the seat of Caddo Parish and the center of a metropolitan area that includes Bossier, Caddo, and Webster Parishes. Although located primarily in Caddo Parish, a small portion of the City extends into Bossier Parish. The current area of the City is approximately 122 square miles.

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

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

These financial statements present the City of Shreveport (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Included as discretely presented component units is the financial data for the City Courts, City Marshal, the Downtown Development Authority, Metropolitan Planning Commission and the Shreveport Convention Center Hotel Authority. They are

reported separately within the City's financial statements to emphasize that they are legally separate from the City. Additional information on these legally separate entities can be found in the notes to the financial statements.

Budgetary Control

The annual budget serves as the foundation for the City's financial planning and control. The City Council is required to adopt the final budgets no later than December 15 each year. Budgets are adopted at the fund, department, object level. The exception is the Community Development Department where the budget is at the fund, department, division, object level. Transfers outside of these require the approval of the City Council.

Local Economy

Employment for 2006 was better than 2005. The unemployment rate as of December 31, 2006 was 4% compared to 4.7% in 2005 and 5.7% in 2004. Over the past five years, the unemployment rate has been steadily declining. The unemployment rate is expected to remain stable in 2007.

One industry that moved to Shreveport from New Orleans as a result of Hurricane Katrina was the movie industry. The City has capitalized on that opportunity.

The casino industry continues to be a vital part of the local economy. Following is a five-year history of the City's gaming revenues at December 31:

2002	\$15,052,411
2003	13,754,595
2004	12,891,549
2005	11,617,496
2006	12,273,760

In 2006, the area casino admissions decreased overall. However, in Shreveport, admissions increased slightly resulting in a 5.6% increase in gaming revenues. There is increased competition in the industry. Nevertheless, gaming revenues are projected to stabilize and remain a part of the local economy.

In 2003, there was a .25% sales tax rate increase. Sales tax rebounded in 2004. Retail sales in Shreveport continue to show growth. The five-year trend has been as follows:

2002	\$75,971,486
2003	82,343,007
2004	87,911,418
2005	93,713,711
2006	109,163,966

During 2006, the City received \$7,009,640 million in one-time sales tax revenue as a result of an on-going lawsuit which lasted for several years. Without the windfall, retail sales increased 9.0%. The City experienced additional retail stores opening throughout 2006. The continued increase in the variety of retailers is drawing shoppers from a wider radius around the metropolitan area.

Commercial construction decreased in both the number of permits and value. In 2006, there were 65 permits issued with a value of \$60,586,363 compared to 95 permits valued at \$112,346,149 in 2005. There were 21 permits valued over one million dollars. Multi-family and single family residential construction decreased in value in 2006. Following is a chart which shows the five-year history for commercial and residential construction:

Fiscal Year	Commercial Construction		Residential Construction	
	Number Of Units	Value	Number Of Units	Value
2002	87	\$100,925,424	448	\$ 72,277,725
2003	80	125,055,018	694	107,285,644
2004	100	148,694,901	615	113,224,966
2005	95	112,346,149	669	142,783,450
2006	65	60,586,363	818	134,528,565

Business bankruptcies were down 49% in 2006. Nationally, business filings were down also. Personal bankruptcies were down 50% in 2006. The significant drop in bankruptcy filings, locally and nationally, is due to the change in bankruptcy laws which became effective in October 2005.

Employment, retail sales, and other economic factors point to a healthy local economy. It appears that the local economy will sustain the growth it has experienced.

Long-term Financial Planning

For many years, gaming revenues were considered a limitless source of revenue to meet various needs. While the casino industry is still a vital part of the local economy, it is unlikely that there will be strong growth in gaming revenues in the near future. Gaming revenues are projected to stabilize at about \$12.8 million. Effort is being made over the next four years to eliminate the dependency on gaming revenue to balance the General Fund budget. More of the gaming revenues will be used for economic development and capital projects.

Most of the City's capital projects will have little, if any, impact on the City's operating budgets. In mid-2006, the City signed an agreement with the U.S. Department of Justice, wherein the City agreed to improve its facilities over the next three years to increase accessibility of the facilities for persons with disabilities. The 2007 budget allocated funds for that purpose. However, it is anticipated that certain larger projects will need to be considered for being addressed in the 2008 and 2009 budgets. Projects are planned and funded primarily by bond issues or in response to Federal and State funding opportunities.

The largest business-type activity is the Water and Sewer Fund. For the past three years, the fund has implemented rate increases. Another 4% rate increase will become effective on January 1, 2007. The increases have helped the fund meet its budget increases primarily due to larger debt service payments on borrowed funds for improvements to the water and sewer system. In 2006, debt in the amount of \$11,315,000 was issued to refund existing debt to reduce future debt service payments. Also, new debt in the amount of \$11,229,521 was issued for system improvements.

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

Relevant Financial Policies

The City's policy on the use of unpredictable revenues, specifically gaming revenues is essential to prudent planning. Gaming revenues cannot be considered the seemingly, limitless source of revenue. As the casino industry changes, it is imperative that the City limit the use of gaming revenues. In 2005, the City made a decision in the budget process to reduce contributions slightly for community organizations.

Major Initiatives

The City's major initiative for 2006 was the completion of an adjoining hotel at the new Convention Center site which opened in 2006. The \$43 million project will complement the Convention Center by providing a 300-room headquarters hotel next door.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Shreveport for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2005. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by the City and its management. We are proud to have received this award each year for the past twenty-seven years (beginning with our Comprehensive Annual Financial Report for the fiscal year ended December 31, 1979).

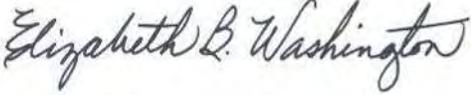
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable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

The GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Shreveport, Louisiana for its Popular Annual Financial Report for the fiscal year ended December 31, 2005. We have received this award for the past ten years. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Sincere appreciation is expressed to the entire staff in the Finance Department and especially to the professional accounting staff whose dedicated and efficient services have made the preparation of this

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

Sincerely,

A handwritten signature in black ink that reads "Elizabeth B. Washington". The signature is written in a cursive style with a large initial 'E' and a decorative flourish at the end.

Elizabeth B. Washington
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Shreveport
Louisiana

For its Comprehensive Annual
Financial Report

for the Fiscal Year Ended

December 31, 2005

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



President

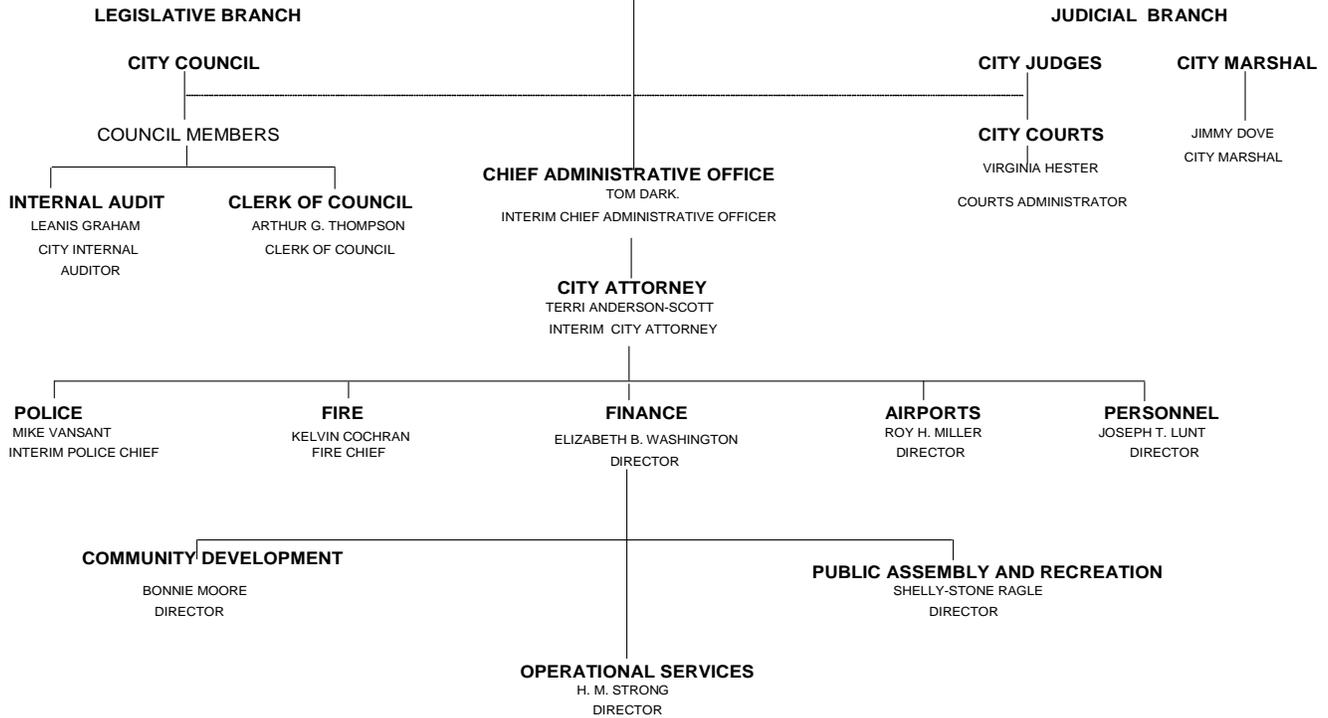
Executive Director

CITY OF SHREVEPORT

TABLE OF ORGANIZATION

December 31, 2006
EXECUTIVE BRANCH
OFFICE OF THE MAYOR
EXECUTIVE OFFICE

CEDRIC B. GLOVER
MAYOR



CITY OF SHREVEPORT, LOUISIANA

PRINCIPAL OFFICIALS

Cedric B. Glover
Mayor

Tom Dark
Interim Chief Administrative Officer

Members of City Council

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

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

CITY OF SHREVEPORT, LOUISIANA

FINANCE DEPARTMENT

Department Director

Elizabeth B. Washington

Division Managers

John Pistorius
Dan Thomas
Charles Madden
Tom Mattox
Tom Cody

Accounting
Data Processing
Revenue Collection
Purchasing
Risk Management

Accounting Staff

Rosalyn Atkins
Dorothy Cole
Toronya Gillyard
Lynettea Jackson
Evelyn Jones
Linda Long
Erma Mitchell
Lynn Petrey
Larry Phelps
Lashonda Samuels

Louise Broom
G-Ray Evans
Danny Hawks
Rosie Jacobs
Marie Lafontant
Bruce Messier
Abigail Monette
Diane Pharr
James Rolfs
Brenda Stills



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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Shreveport, Louisiana (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the Table of Contents. We also have audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service, fiduciary funds, and Metropolitan Planning Commission funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2006 as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the component unit financial statements of the City Courts, City Marshal, and Downtown Development Authority, which represent 91% and 85%, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City Courts, City Marshal, and Downtown Development Authority, is based on the reports of the other auditors.

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

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

This page left blank intentionally

In our opinion, because of the omission of the Authority, a discretely presented component unit, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the City as of December 31, 2006, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, except for the effects of omitting the discretely presented component unit as discussed above and based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Community Development Fund for the year then ended in conformity with U.S. generally accepted accounting principles. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service, fiduciary, and Metropolitan Planning Commission funds of the City as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The City adopted the provisions of Governmental Accounting Standards Board Statement No. 44, *Economic Condition Reporting: The Statistical Section (an Amendment of NCGA Statement 1)* in 2006.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2007 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, schedules of employee contributions, and schedules of funding progress identified as Required Supplementary Information in the Table of Contents is not a required part of the basic financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying financial information in the Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying financial information in the Introductory and Statistical Sections has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

KPMG LLP

August 30, 2007

This page left blank intentionally

Management's Discussion and Analysis

The Management Discussion and Analysis (MD&A) offers the readers of the City of Shreveport's financial statements this narrative overview and analysis of the financial activities of the City of Shreveport for the fiscal year ended December 31, 2006. This information presented here should be considered in conjunction with additional information provided in the letter of transmittal which is found on pages 1-6 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at December 31, 2006 by \$879.4 million (net assets). Governmental activities' unrestricted assets are a deficit of \$6.0 million. This is the result of the City financing certain long-term liabilities that would have been paid over future years to take advantage of available lower interest rates.
- The City's total net assets increased \$38.9 million. Net assets of governmental activities increased \$21.0 million and net assets of business-type activities increased \$17.9 million.
- As of December 31, 2006, the City's governmental funds reported combined ending fund balances of \$126.7 million, a decrease of \$7.8 million from the prior year. Of this amount, \$10.3 million for the General Fund was unreserved, undesignated, and available for spending.
- The unreserved, undesignated fund balances for the General Fund represented 6.0% of total General Fund expenditures.
- The City's total debt decreased \$19.7 million.

Overview of the Financial Statements

The management discussion and analysis serves as an introduction to the City's basic financial statements which are the government-wide financial statements, fund financial statements, and notes to the financial statements. Also included in the report is required supplementary information.

Government-wide financial statements. The government-wide financial statements report information about the overall finances of the City similar to a business enterprise. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The statement of net assets presents information on all of the City's assets less liabilities which results in net assets. The statement is designed to display the financial position of the City. Over time, increases or decreases in net assets help determine whether the City's financial position is improving or deteriorating.

The statement of activities provides information which shows how the City's net assets changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid. The statement distinguishes functions of the City that are financed primarily by taxes, intergovernmental revenues, and

charges for services (governmental activities) from functions where user fees and charges to customers help to cover all or most of the cost of services (business-type activities). The City's governmental activities include general government, public safety, public works, culture and recreation, health and welfare, community development, economic development, and economic opportunity. The business-type activities of the City include airports, water and sewer systems, hotel, transit, golf, and parking operations.

Not only do the government-wide financial statements include the City itself which is the primary government, but also its component units, City Courts, City Marshal, Downtown Development Authority, Metropolitan Planning Commission, and the Shreveport Convention Center Hotel Authority. Although these component units are legally separate, their operational or financial relationship with the City makes the City financially accountable. The government-wide financial statements can be found on pages 29-31 of this report.

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

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

Fourteen governmental funds are used by the City. There are three major funds which have separately presented information in the governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. The major funds are the General Fund, Community Development, and Debt Service. The eleven nonmajor funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

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

The basic governmental fund financial statements can be found on pages 32-41 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its airports, water and sewer, hotel, and other operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City

uses internal service funds to account for its health care, retained risk, and fleet services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

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

The basic proprietary fund financial statements can be found on pages 42-46 of this report.

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the City cannot use these assets for its operations. The accounting for fiduciary funds is much like that used in proprietary funds. The basic fiduciary aggregated fund financial statements can be found on pages 47-48 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 54-106 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 107-108 of this report.

The combining statements for nonmajor governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 110-114 for governmental funds, pages 116-119 for enterprise funds, and pages 122-125 for internal service funds and pages 128-129 for fiduciary funds.

Government-wide Financial Analysis

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

	Net Assets (in millions)					
	Governmental Activities		Business-type Activities		Total	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Current and other assets	\$196.2	\$199.9	\$129.7	\$149.0	\$ 325.9	\$ 348.9
Capital assets	<u>733.5</u>	<u>721.2</u>	<u>526.9</u>	<u>482.2</u>	<u>1,260.4</u>	<u>1,203.4</u>
Total assets	<u>929.7</u>	<u>921.1</u>	<u>656.6</u>	<u>631.2</u>	<u>1,586.3</u>	<u>1,552.3</u>
Long-term debt outstanding	371.5	375.5	298.8	284.0	670.3	659.5
Other liabilities	<u>21.2</u>	<u>29.5</u>	<u>15.4</u>	<u>22.8</u>	<u>36.6</u>	<u>52.3</u>
Total liabilities	<u>392.7</u>	<u>405.0</u>	<u>314.2</u>	<u>306.8</u>	<u>706.9</u>	<u>711.8</u>
Net assets						
Invested in capital assets, net of related debt	495.0	483.4	332.7	313.8	827.7	797.2
Restricted	48.1	43.2	3.9	5.2	52.0	48.4
Unrestricted (Deficit)	(<u>6.0</u>)	(<u>10.5</u>)	<u>5.7</u>	<u>5.4</u>	(<u>0.3</u>)	(<u>5.1</u>)
Total net assets	<u>\$537.1</u>	<u>\$516.1</u>	<u>\$342.3</u>	<u>\$324.4</u>	<u>\$ 879.4</u>	<u>\$ 840.5</u>

At December 31, 2006, the City as a whole had assets greater than its liabilities by \$879.4 million compared to \$840.5 million at December 31, 2005 due primarily to an increase in capital assets. The majority (92.2%) of the City's net assets of governmental activities are invested in capital assets (streets, drainage, construction in progress, buildings, equipment, etc.). The capital assets are net of the outstanding principal of the debt associated with their acquisition. These assets are not available for future expenditures since they will not be sold. Restrictions are imposed upon 9.0% of the net assets. Therefore, these assets are unavailable for general expenditures but must be used for the intended purposes. Unrestricted net assets of governmental activities are a deficit of \$6.0 million at the end of the year, a decrease from a \$10.5 million deficit in 2005. The deficit does not mean that the City has insufficient resources to pay bills for the next year. However, it does show that on a long-term basis, the City has commitments beyond which it has current resources to fund the obligation. The largest of these commitments, besides the general obligation bonds, are notes for the construction of the Convention Center Hotel, certificates of indebtedness which were issued to fund state pension obligations, and notes issued for remodeling of the Independence Stadium.

The net assets of the City's business-type activities are \$342.3 million, an increase of \$17.9 million from 2005. The increase is primarily the result of capital contributions and an increase in rates for the Water and Sewerage Fund. As with the governmental activities, the majority (97.2%) of the net assets are invested in capital assets. The City uses these assets to provide services to the citizens. The unrestricted net assets of the business-type activities are \$5.7 million at December 31, 2006 compared to \$5.4 million in the prior year.

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

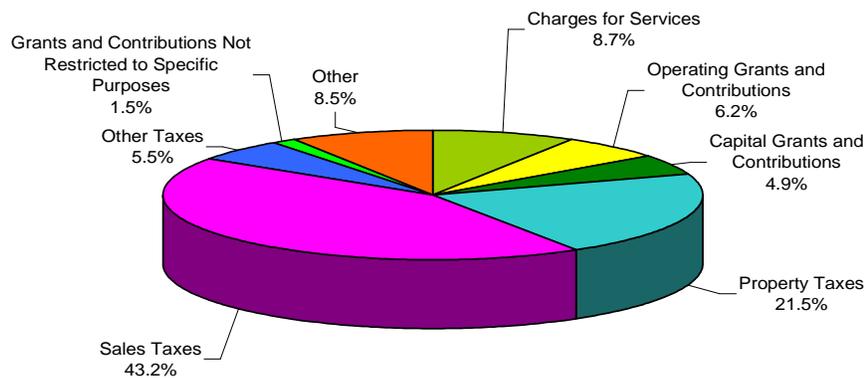
Changes in Net Assets
(in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues:						
Program revenues:						
Charges for services	\$ 21.9	\$ 22.1	\$ 70.8	\$67.6	\$ 92.7	\$89.7
Operating grants and contributions	15.6	15.9	4.3	2.8	19.9	18.7
Capital grants and contributions	12.4	27.2	15.0	9.0	27.4	36.2
General revenues:						
Property taxes	54.2	51.5	-	-	54.2	51.5
Sales taxes	109.2	93.7	-	-	109.2	93.7
Other taxes	13.9	13.9	-	-	13.9	13.9
Grants and contributions not restricted to specific programs	3.9	3.2	-	-	3.9	3.2
Other	<u>21.5</u>	<u>20.4</u>	<u>6.1</u>	<u>2.8</u>	<u>27.6</u>	<u>23.2</u>
Total revenues	<u>252.6</u>	<u>247.9</u>	<u>96.2</u>	<u>82.2</u>	<u>348.8</u>	<u>330.1</u>
Expenses:						
General government	41.2	31.6	-	-	41.2	31.6
Public safety	86.6	83.8	-	-	86.6	83.8
Public works	47.5	41.7	-	-	47.5	41.7
Culture and recreation	22.5	15.8	-	-	22.5	15.8
Health and welfare	.4	.4	-	-	.4	.4
Community development	4.1	3.7	-	-	4.1	3.7
Economic development	6.8	6.1	-	-	6.8	6.1
Economic opportunity	3.6	5.1	-	-	3.6	5.1
Interest on long-term debt	15.6	15.1	-	-	15.6	15.1
Municipal and regional airports	-	-	11.8	10.7	11.8	10.7
Water and sewerage	-	-	54.4	44.7	54.4	44.7
Convention Center Hotel	-	-	2.0	.5	2.0	.5
Shreveport area transit	-	-	11.3	10.6	11.3	10.6
Golf	-	-	1.7	1.6	1.7	1.6
Downtown parking	-	-	.4	.4	.4	.4
Total expenses	<u>228.3</u>	<u>203.3</u>	<u>81.6</u>	<u>68.5</u>	<u>309.9</u>	<u>271.8</u>
Increase in net assets before transfers	24.3	44.6	14.6	13.7	38.9	58.3
Transfers	(3.3)	(3.9)	<u>3.3</u>	<u>3.9</u>	-	-
Increase in net assets	21.0	40.7	17.9	17.6	38.9	58.3
Net assets January 1, 2006	<u>516.1</u>	<u>475.4</u>	<u>324.4</u>	<u>306.8</u>	<u>840.5</u>	<u>782.2</u>
Net assets December 31, 2006	<u>\$537.1</u>	<u>\$516.1</u>	<u>\$342.3</u>	<u>\$324.4</u>	<u>\$879.4</u>	<u>\$840.5</u>

Revenues for the City's governmental activities for the year ended December 31, 2006 were \$252.6 million compared to \$247.9 million in 2005.

- Program revenues decreased \$15.3 million in 2006 compared to 2005 primarily as a result of a decrease in capital grants and contributions of property through donations and annexations.
- General revenues are, for the most part, comprised of sales and property taxes (80.6%).
 - Sales taxes represent 53.9% of revenues at \$109.2 million compared to \$93.7 million for 2005. Sales taxes increased approximately 16.5% due to increased retail sales and a distribution of prior years' collections of \$7.0 million which had been held in escrow pending the result of a lawsuit.
 - Property tax revenues represent 26.7% at \$54.2 million compared to \$51.5 million in 2005. Revenue increased over the prior year due to the addition to the property tax roll of a shopping center and two residential housing subdivisions.

Revenues by Source - Governmental Activities



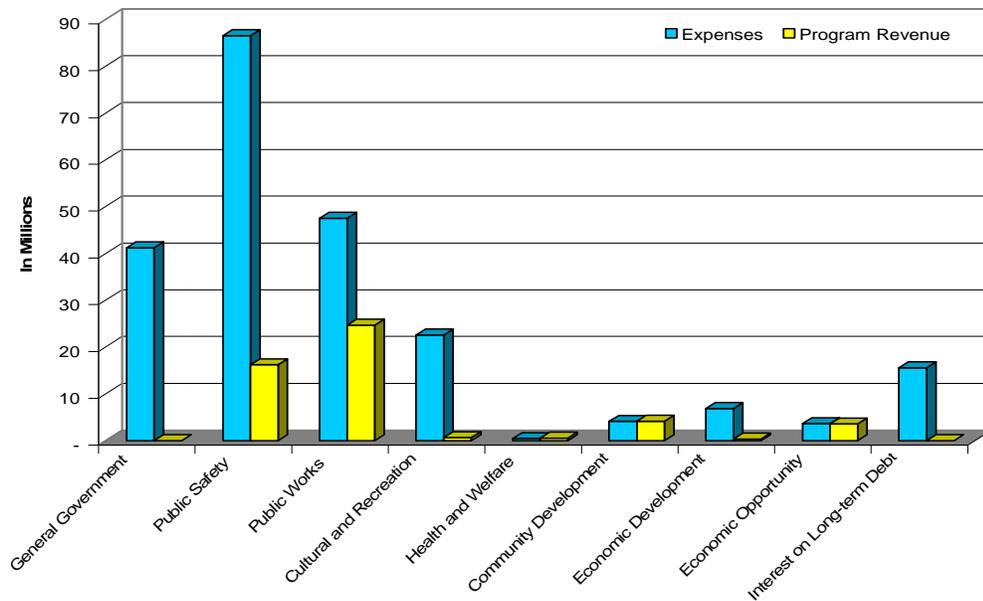
The cost of providing all governmental activities this year was \$228.3 million, an increase of \$25.0 million from the prior year. The key factors for the increase were:

- General government expenses increased by \$9.6 million. This was mainly due to an increase in the claims expenses compared to the prior year.
- Public works expenses were \$47.5 million compared to \$41.7 million in 2005. An increase of \$5.8 million was due to increased depreciation and lease payments.

- Culture and recreation expenses were \$22.5 million compared to \$15.8 million in 2005. An increase of \$6.7 million was due to increased depreciation and items expensed from construction in progress.

The City’s five largest programs are public safety, public works, general government, interest on long-term debt and cultural and recreation. The graph below shows the expenses and program revenues generated by governmental activities:

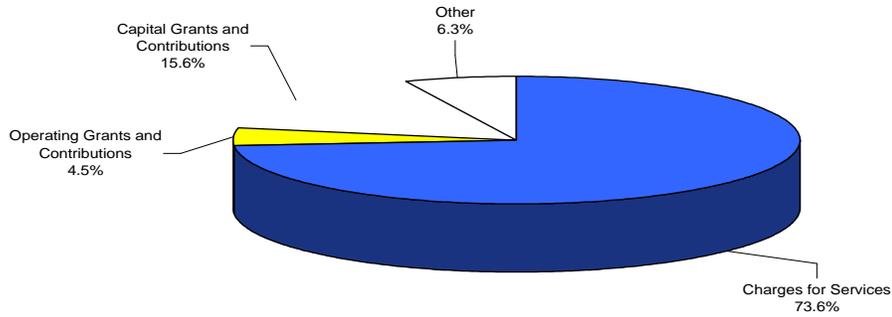
Expenses and Program Revenues - Governmental Activities



Business-type Activities. Charges for services for the City’s business-type activities were \$70.8 million for 2006, an increase of \$3.2 million from 2005.

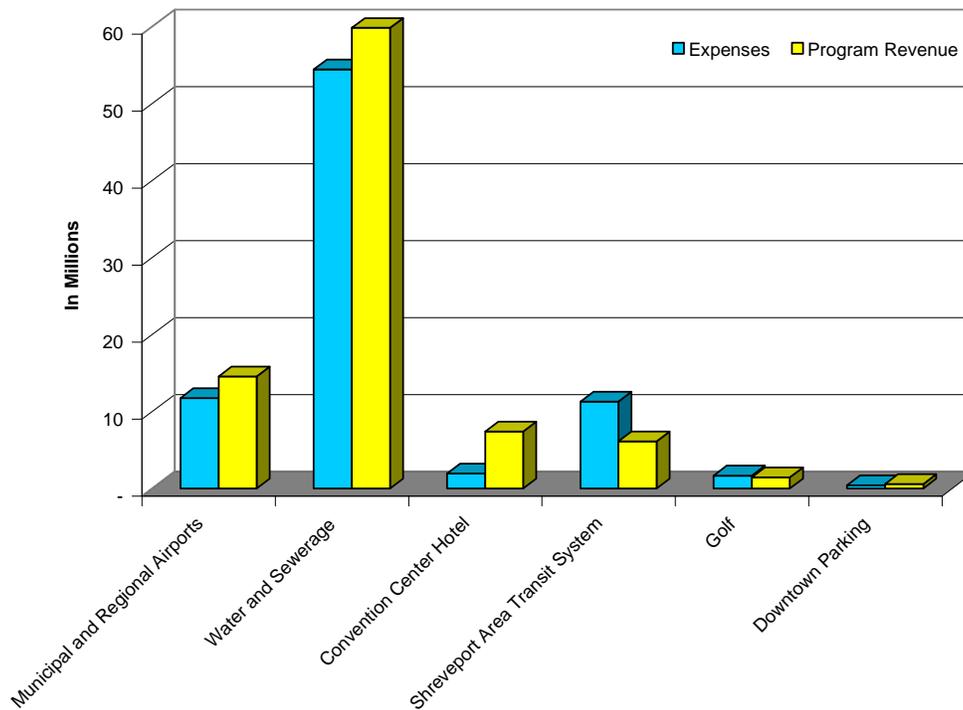
- Municipal and Regional Airports revenues were \$.4 million. Landing fees increased as well as rental revenues.
- Water and Sewerage revenues increased \$2.5 million in 2006. This was the result of planned rate increases which were needed due to larger debt service payments on funds borrowed for system improvements.

Revenues by Source - Business-type Activities



The costs of these business-type activities were \$81.6 million for 2006, an increase of \$13.1 million from 2005.

Expenses and Program Revenues - Business-type Activities



Expense increases were general in nature and affected most activities across the board. Municipal and Regional Airports increased \$1.1 million, Water and Sewerage \$9.7 million, Shreveport Area Transit System \$.7 million, and the Convention Center Hotel, which is a new activity, \$1.5 million.

Financial Analysis of the City's Funds

Governmental funds. The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year? The City's governmental funds for the year ended December 31, 2006 reflect combined fund balances of \$126.7 million, a decrease of \$7.8 million compared to the prior year. Fifty-six percent of the fund balances are reserved to pay for debt service (\$44.3 million) and to pay for contracts and purchase orders which have been committed to in the prior year(s) \$27.3 million. Management has an actual plan for thirty-four percent of the fund balances \$43.7 million which are reported as unreserved, designated. This is primarily for capital projects. The remainder of the fund balances are available for spending except amounts reserved for inventories and endowments and assets held for sale.

The General Fund is the City's operating fund which provides most basic services. Its fund balance had an increase of \$2.4 million from the prior year. Revenues were up for the year, increasing by \$15.9 million. The major revenue sources are property taxes, sales taxes, and charges for services.

- Sales tax collections increased \$15.5 million over 2005. Retail sales were up for the year and \$7.0 was distributed from collections for prior years which had been held in escrow.
- Total expenditures of the General Fund increased \$14.9 million from the prior year due to a general increase across the board for wages and operating expenses and an increase in claims expenses of \$5.7 million.

The Debt Service Fund has a total fund balance of \$44.3 million which is reserved for payment of principal and interest on debt outstanding. The fund balance for 2006 increased by \$4.0 million during the year. The increase can be attributed to an increase in property tax revenue and increased investment revenue.

Proprietary funds. Net assets for the Municipal and Regional Airports increased \$3.2 million primarily as a result of capital contributions from the FAA for runway additions and for the noise abatement program and increased revenues. Property surrounding the Regional Airport was purchased in connection with the noise abatement program. Water and Sewerage's net assets increased by \$8.8 million compared to \$12.0 million in 2005. Revenues were up \$2.5 million due to rate increases implemented primarily to meet the budget increases for larger debt service payments on funds borrowed for system improvements. Operating expenses were up \$6.3 million partly due to a claim settlement and an increase in interest expense of \$3.1 million.

General Fund Budgetary Highlights

During the year, the City Council revised the City's budget several times. After the first quarter, amendments and supplemental appropriations were approved to reflect the actual beginning fund balances estimated during the budget process which must be submitted by October 1 for the next year. Additional changes were made as new information indicated a need. The major differences between the original budget and the final budget were overall revenues were revised up \$15.0 million while expenditures including transfers out were increased by \$14.6 million. The increase in expenditures was mostly for improvements and equipment and general increases throughout the fund. During the year, revenues exceeded the revised budget by \$1.9 million while expenditures including transfers out were less than the revised budget by \$3.4 million.

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

- Other unclassified
 - Interest and civic appropriations exceeded the budget by \$38,520 due to lower than anticipated operating funds. No amounts were budgeted for interest expense.
 - Claims exceeded the budget by \$7,547,231 primarily due to budget projections being too low.
- Culture and recreation
 - Salaries, wages and employee benefits exceeded the budget by \$10,034.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets as of December 31, 2006 for its governmental and business-type activities was \$1.3 billion net of depreciation as reflected in the following schedule.

Capital Assets
(net of depreciation in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Land	\$105.1	\$ 95.3	\$ 33.1	\$ 32.2	\$ 138.2	\$ 127.5
Construction in progress	12.6	120.9	62.8	133.7	75.4	254.6
Buildings	203.2	122.5	41.4	42.2	244.6	164.7
Improvement other than buildings	45.0	36.9	28.2	26.9	73.2	63.8
Equipment	33.4	23.3	13.5	11.4	46.9	34.7
Distribution and collection systems	-	-	347.9	235.8	347.9	235.8
Infrastructure	<u>334.2</u>	<u>322.2</u>	<u>-</u>	<u>-</u>	<u>334.2</u>	<u>322.2</u>
Total	<u>\$733.5</u>	<u>\$721.1</u>	<u>\$526.9</u>	<u>\$482.2</u>	<u>\$1,260.4</u>	<u>\$1,203.3</u>

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

Riverfront Convention Complex funded with General Obligation Bonds	\$101.7
Wastewater Treatment Plant Expansion	77.2
AMISS Water Treatment Plant, Plants I and II Filter Improvements	30.9
SPAR Planetarium Renovations funded with General Obligation Bonds	5.8
Neighborhood Street Projects funded with General Obligation Bonds	4.6
Stoner Lift Station	4.0
Ellerbe Road/Flournoy Lucas Intersection funded with General Obligation Bonds	<u>3.4</u>
	<u>\$227.6</u>

Current amounts committed require spending an additional \$5.5 million on the Convention Center and \$29.1 million on the Convention Center Hotel. The water and sewer system plans to spend an additional \$13.6 million on the Amiss Water and the Lucas Wastewater Treatment Plants. Resources on hand from bond proceeds will be used to fund these projects.

Detailed information on the City's capital assets can be found in Note III E on pages 71-75 of the report.

Long-term debt. At year end, the City had \$629.3 million in bonds and other lending agreements, including \$8.4 million in Section 108 Housing and Urban Development guaranteed loans as shown in the following table.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
General obligation bonds	\$244.9	\$263.5	\$ -	\$ -	\$244.9	\$263.5
Revenue bonds	-	-	250.8	252.7	250.8	252.7
Other lending agreements	<u>89.6</u>	<u>89.3</u>	<u>44.0</u>	<u>43.5</u>	<u>133.6</u>	<u>132.8</u>
Total	<u>\$334.5</u>	<u>\$352.8</u>	<u>\$294.8</u>	<u>\$296.2</u>	<u>\$629.3</u>	<u>\$649.0</u>

New debt was added during the fiscal year. In governmental activities, \$2.2 million in Section 108 Housing and Urban Development loans were drawn down for Community Development projects. Also, the City entered into a capital lease for \$6.2 million. In business activities, new debt of \$22.5 million was issued. New debt of \$11.2 million was issued for improvements to the water and sewer systems and \$11.3 million of new debt was issued for refunding bonds to take advantage of lower interest rates.

State statutes limit the amount of government obligation debt a municipality may issue at a maximum of 10% of the assessed valuation for any purpose. The maximum may be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation. The City's outstanding general obligation debt is below the state limit. Approximately \$172 million of additional general obligation bonded debt is available for issuance.

Detailed information on the City's long-term debt can be found in Note III H on pages 77-96 of the report.

Economic Factors and Next Year's Budgets and Rates

As always, the economy had to be taken into consideration when developing next year's budget. The local economy appears to be healthy. Retail sales are strong and are projected to increase 2.3% in 2007. Unemployment is expected to remain relatively unchanged for 2007. Employment in services and in the retail sector is the areas where most jobs are located. Casino boardings in 2006 decreased overall in the area. However, in Shreveport, admissions increased slightly. There is increased competition in the industry. Nevertheless, gaming revenues are projected to stabilize and remain a part of the local economy.

In setting the budgets for 2007, the City dealt with several key issues. Among the issues was pay and benefits for City employees. Although it is not easy, there has to be a continued search for ways to provide employees with a competitive wage and decent benefits without outstripping financial resources. Another issue was providing for infrastructure needs. The water and sewer system must continue to improve and modernize the water treatment plant, refurbish sewer lift stations and renew and replace outdated water and sewer mains. In 2007, more than \$4.7 million is budgeted to upgrade one of the larger water mains feeding the central and southern areas of the City. Approximately \$16 million will still be needed by late 2007 for three additional projects to

complete the program. The Americans with Disabilities Act (ADA) was an issue in setting next year's budgets. In mid-2006, the City signed an agreement with the U.S. Department of Justice to improve the City's facilities over the next three years. A small amount, \$1 million, was included in the 2007 budget. This will not likely be enough to meet the needs identified by the Justice Department. For 2007, the City needed to address equipment needs of the departments. The budgets included a \$4.3 million equipment financing package to be paid for over five years. A rate increase of 4% for water and sewer charges will be reflected in next year's budget. The increase will be effective as of January 1, 2007. Overall, there are no major new programs contemplated in the 2007 budget.

Requests for Information

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



CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2006

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 35,325,117	\$ 3,624,038	\$ 38,949,155	\$ 5,265,172
Investments	83,865,473	7,885,468	91,750,941	621,472
Receivable, net	56,404,236	14,214,464	70,618,700	851,811
Due from component unit	1,379	-	1,379	-
Due from primary government	-	-	-	17,000
Internal balances	1,898,248	(1,898,248)	-	-
Inventories	1,319,656	1,417,302	2,736,958	-
Prepaid items	505,408	161,150	666,558	15,743
Notes receivable	12,218,732	-	12,218,732	-
Other assets	4,680,490	5,462,159	10,142,649	46,188
Restricted assets:				
Cash and cash equivalents	-	7,736,482	7,736,482	1,879,667
Investments	-	90,962,350	90,962,350	-
Interest receivable	-	69,902	69,902	-
Capital assets:				
Land and construction in progress	117,708,436	95,870,593	213,579,029	778,514
Other capital assets, net of depreciation	615,782,951	431,040,273	1,046,823,224	1,752,035
Total assets	<u>929,710,126</u>	<u>656,545,933</u>	<u>1,586,256,059</u>	<u>11,227,602</u>
LIABILITIES				
Accounts payable	6,995,045	8,036,594	15,031,639	133,810
Accrued liabilities	206,669	6,069,464	6,276,133	30,131
Accrued interest payable	3,415,029	617,636	4,032,665	-
Due to component unit	17,000	-	17,000	-
Due to primary government	-	-	-	1,379
Due to other governments	875,175	-	875,175	57,620
Deferred revenue	9,145,283	116,605	9,261,888	-
Deposits and deferred charges	497,139	579,275	1,076,414	-
Non-current liabilities:				
Due within one year	50,384,251	13,804,494	64,188,745	150,000
Due in more than one year	321,119,468	285,016,501	606,135,969	2,562,500
Total liabilities	<u>392,655,059</u>	<u>314,240,569</u>	<u>706,895,628</u>	<u>2,935,440</u>
NET ASSETS				
Invested in capital assets, net of related debt	495,015,044	332,708,732	827,723,776	2,530,549
Restricted for:				
Debt service	43,030,042	3,930,459	46,960,501	-
Community development	2,382,953	-	2,382,953	-
Other purposes	2,608,788	-	2,608,788	1,207,899
Unrestricted (deficit)	(5,981,760)	5,666,173	(315,587)	4,553,714
Total net assets	<u>\$ 537,055,067</u>	<u>\$ 342,305,364</u>	<u>\$ 879,360,431</u>	<u>\$ 8,292,162</u>

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 41,202,664	\$ -	\$ -	\$ -
Public safety	86,563,843	9,203,269	6,987,016	-
Public works	47,526,978	11,585,956	665,206	12,399,644
Culture and recreation	22,528,381	599,895	13,245	-
Health and welfare	431,756	-	516,056	-
Community development	4,094,946	549,987	3,610,300	-
Economic development	6,823,742	-	301,167	-
Economic opportunity	3,613,591	-	3,541,452	-
Interest on long-term debt	15,539,408	-	-	-
Total governmental activities	228,325,309	21,939,107	15,634,442	12,399,644
Business-type activities				
Municipal and Regional Airports	11,755,786	7,967,886	631,142	5,984,067
Water and Sewerage	54,485,362	58,589,864	4,438	1,279,800
Convention Center Hotel	1,967,861	-	-	7,431,389
Shreveport Area Transit System	11,293,961	2,179,884	3,653,272	302,094
Golf	1,699,369	1,446,980	-	-
Downtown Parking	425,666	577,620	-	-
Total business-type activities	81,628,005	70,762,234	4,288,852	14,997,350
Total primary government	\$ 309,953,314	\$ 92,701,341	\$ 19,923,294	\$ 27,396,994
Component units:				
City Courts	3,087,580	702,403	-	-
City Marshal	1,854,660	480,204	-	-
Downtown Development Authority	1,813,943	645,400	-	-
Metropolitan Planning Commission	1,249,570	235,376	153,000	-
Total component units	\$ 8,005,753	\$ 2,063,383	\$ 153,000	\$ -
General Revenues:				
Taxes:				
Property taxes levied for general purposes				
Property taxes levied for debt service				
Sales taxes				
Franchise taxes				
Occupational licenses				
Gaming				
Grants and contributions not restricted to specific programs				
Investment earnings				
Payment from City of Shreveport				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in Net Assets				
Net assets - beginning				
Net assets - ending				

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

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

Primary Government				
Governmental Activities	Business-type Activities	Total	Component Units	
\$ (41,202,664)	\$ -	\$ (41,202,664)	\$ -	
(70,373,558)	-	(70,373,558)	-	
(22,876,172)	-	(22,876,172)	-	
(21,915,241)	-	(21,915,241)	-	
84,300	-	84,300	-	
65,341	-	65,341	-	
(6,522,575)	-	(6,522,575)	-	
(72,139)	-	(72,139)	-	
(15,539,408)	-	(15,539,408)	-	
(178,352,116)	-	(178,352,116)	-	
-	2,827,309	2,827,309	-	
-	5,388,740	5,388,740	-	
-	5,463,528	5,463,528	-	
-	(5,158,711)	(5,158,711)	-	
-	(252,389)	(252,389)	-	
-	151,954	151,954	-	
-	8,420,431	8,420,431	-	
(178,352,116)	8,420,431	(169,931,685)	-	
-	-	-	(2,385,177)	
-	-	-	(1,374,456)	
-	-	-	(1,168,543)	
-	-	-	(861,194)	
-	-	-	(5,789,370)	
22,122,752	-	22,122,752	800,410	
32,073,802	-	32,073,802	-	
109,163,966	-	109,163,966	-	
7,635,287	-	7,635,287	-	
6,276,736	-	6,276,736	-	
12,273,760	-	12,273,760	-	
3,878,809	-	3,878,809	-	
5,124,099	6,112,293	11,236,392	341,057	
-	-	-	4,763,133	
4,133,123	-	4,133,123	131,000	
(3,328,336)	3,328,336	-	-	
199,353,998	9,440,629	208,794,627	6,035,600	
21,001,882	17,861,060	38,862,942	246,230	
516,053,185	324,444,304	840,497,489	8,045,932	
\$ 537,055,067	\$ 342,305,364	\$ 879,360,431	\$ 8,292,162	

**CITY OF SHREVEPORT, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2006**

	<u>General</u>	<u>Community Development</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 3,057,253	\$ 160,137	\$ 11,571,435	\$ 7,664,871	\$ 22,453,696
Investments	7,066,629	370,144	26,746,527	40,359,852	74,543,152
Property taxes receivable, net	5,078,881	-	7,508,492	-	12,587,373
Franchise taxes receivable	1,757,375	-	-	-	1,757,375
Accounts receivable, net	7,680,128	467,242	86,678	1,211,456	9,445,504
Due from other governments	13,683,096	5,988,073	531,939	3,697,245	23,900,353
Due from component unit	1,379	-	-	-	1,379
Due from other funds	24,999	-	-	20,635,363	20,660,362
Inventories, at cost	1,081,261	-	-	-	1,081,261
Notes receivable, net	-	12,218,732	-	-	12,218,732
Assets held for resale	-	1,077,038	-	236,948	1,313,986
Total assets	<u>\$ 39,431,001</u>	<u>\$ 20,281,366</u>	<u>\$ 46,445,071</u>	<u>\$ 73,805,735</u>	<u>\$ 179,963,173</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 2,874,009	\$ 496,426	\$ -	\$ 2,859,846	\$ 6,230,281
Accrued liabilities	206,669	-	-	-	206,669
Due to other governments	706,615	168,560	-	-	875,175
Due to other funds	13,399,110	19,435	-	10,893,372	24,311,917
Due to component unit	17,000	-	-	-	17,000
Deferred revenue	1,923,413	8,679,335	2,169,018	9,759	12,781,525
Deposits and deferred charges	474,313	-	-	-	474,313
Notes payable	-	8,366,582	-	-	8,366,582
Items held in escrow	-	22,826	-	-	22,826
Total liabilities	<u>19,601,129</u>	<u>17,753,164</u>	<u>2,169,018</u>	<u>13,762,977</u>	<u>53,286,288</u>
Fund balance:					
Reserved for:					
Debt service	-	-	44,276,053	-	44,276,053
Encumbrances	5,622,587	2,725,264	-	18,918,124	27,265,975
Assets held for resale	-	1,077,038	-	236,948	1,313,986
Inventories	1,081,261	-	-	-	1,081,261
Endowments	14,719	-	-	-	14,719
Unreserved, designated for:					
Landfill closure	2,784,224	-	-	-	2,784,224
Unreserved, undesignated	10,327,081	(1,274,100)	-	-	9,052,981
Unreserved, designated reported in nonmajor:					
Special revenue funds	-	-	-	4,024,323	4,024,323
Capital project funds	-	-	-	36,863,363	36,863,363
Total fund balance	<u>19,829,872</u>	<u>2,528,202</u>	<u>44,276,053</u>	<u>60,042,758</u>	<u>126,676,885</u>
Total liabilities and fund balance	<u>\$ 39,431,001</u>	<u>\$ 20,281,366</u>	<u>\$ 46,445,071</u>	<u>\$ 73,805,735</u>	<u>\$ 179,963,173</u>

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

**CITY OF SHREVEPORT, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Fund balances - total governmental funds		\$ 126,676,885
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	987,047,566	
Less accumulated depreciation	<u>(254,089,495)</u>	732,958,071
<p>Other assets used in governmental activities that are not financial resources and therefore are not reported in the governmental funds</p>		
Bond issuance costs	3,544,912	
Less amortization	<u>(714,648)</u>	2,830,264
<p>Net pension assets represent the excess cumulative contributions to pension plans and are not considered as financial resources for governmental funds</p>		
Policemen's pension and relief fund		536,240
<p>Some of the City's property taxes will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the governmental funds.</p>		
		3,636,242
<p>Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities at year-end consist of:</p>		
Bonds, notes, and loans payable	(326,814,612)	
Unamortized bond discount	1,436,400	
Unamortized certificate of indebtedness discount	47,384	
Deferred charge on refunding	7,228,164	
Unamortized bond premium	(7,967,630)	
Accrued interest payable	(3,415,029)	
Net pension obligations	(8,125,650)	
Landfill postclosure care	(2,784,224)	
Compensated absences	<u>(2,067,683)</u>	(342,462,880)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities.</p>		
		<u>12,880,245</u>
Net assets of governmental activities.		<u><u>\$ 537,055,067</u></u>

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General</u>	<u>Community Development</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Property	\$ 22,092,075	\$ -	\$ 32,028,453	\$ -	\$ 54,120,528
Sales	109,163,966	-	-	-	109,163,966
Franchise	7,635,287	-	-	-	7,635,287
Licenses and permits	8,144,443	-	-	-	8,144,443
Intergovernmental	7,621,972	7,568,912	2,322,652	4,598,697	22,112,233
Charges for services	19,634,631	549,987	-	-	20,184,618
Fines and forfeitures	3,555,633	-	-	-	3,555,633
Gaming	-	-	-	12,273,760	12,273,760
Investment earnings	343,885	112,141	1,377,137	2,590,197	4,423,360
Miscellaneous	863,940	981,263	54,477	2,233,443	4,133,123
Total revenues	<u>179,055,832</u>	<u>9,212,303</u>	<u>35,782,719</u>	<u>21,696,097</u>	<u>245,746,951</u>
EXPENDITURES					
Current:					
General government	35,997,568	2,667,420	-	235,351	38,900,339
Public safety	87,881,812	-	-	2,692,501	90,574,313
Public works	34,062,025	-	-	-	34,062,025
Culture and recreation	12,942,277	13,898	-	42,306	12,998,481
Health and welfare	-	431,756	-	-	431,756
Community development	-	3,477,313	-	-	3,477,313
Economic development	-	1,499,291	-	5,324,451	6,823,742
Economic opportunity	-	3,613,591	-	-	3,613,591
Debt service:					
Principal	-	-	26,517,782	-	26,517,782
Interest and other charges	-	-	14,648,081	-	14,648,081
Capital outlay	-	-	-	24,414,447	24,414,447
Total expenditures	<u>170,883,682</u>	<u>11,703,269</u>	<u>41,165,863</u>	<u>32,709,056</u>	<u>256,461,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,172,150</u>	<u>(2,490,966)</u>	<u>(5,383,144)</u>	<u>(11,012,959)</u>	<u>(10,714,919)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	5,525,000	3,971,370	9,420,180	13,231,987	32,148,537
Transfers out	(17,529,687)	(541,838)	-	(17,365,348)	(35,436,873)
Capital leases	6,185,810	-	-	-	6,185,810
Total other financing sources and (uses)	<u>(5,818,877)</u>	<u>3,429,532</u>	<u>9,420,180</u>	<u>(4,133,361)</u>	<u>2,897,474</u>
Net change in fund balances	2,353,273	938,566	4,037,036	(15,146,320)	(7,817,445)
Fund balances-beginning	17,476,599	1,589,636	40,239,017	75,189,078	134,494,330
Fund balances-ending	<u>\$ 19,829,872</u>	<u>\$ 2,528,202</u>	<u>\$ 44,276,053</u>	<u>\$ 60,042,758</u>	<u>\$ 126,676,885</u>

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

**CITY OF SHREVEPORT, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006**

Net change in fund balances - total governmental funds	\$	(7,817,445)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	28,218,586	
Depreciation expense	<u>(25,475,297)</u>	2,743,289
Donations of capital assets increase net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial revenues.		9,676,548
Revenues reported in the Statement of Activities which are not reported in governmental funds because they do not provide current financial resources.		
This adjustment is to recognize the net change in unavailable revenues.		
Property taxes		76,026
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows:		
Capital leases	(6,185,810)	
Principal payments	<u>26,517,782</u>	20,331,972
The changes in other long-term assets and liabilities are reported in the Statement of Activities but do not affect current financial resources of governmental funds. The changes are as follows:		
Employees' retirement system net obligation	(3,106,968)	
Policemen's pension and relief fund net asset	(39,761)	
Firemen's pension and relief fund net obligation	<u>(564,765)</u>	(3,711,494)

(continued)

(continued)

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

These expenses consist of:

Interest accreted on capital appreciation debt	(896,810)	
Amortization of deferred charge on refunding	(664,225)	
Amortization of certificate of indebtedness discount	(3,218)	
Amortization of bond premiums	737,677	
Increase in accrued interest	(32,948)	
Amortization of issuance costs	(266,424)	
Increase in compensated absences	(108,514)	
Increase in landfill postclosure care	<u>(477,836)</u>	(1,712,298)

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

1,415,283

Change in net assets of governmental activities.

\$ 21,001,882

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

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 122,922,600	\$ 137,122,600	\$ 138,891,328	\$ 1,768,728
Licenses and Permits	8,154,200	8,331,300	8,144,443	(186,857)
Intergovernmental	2,814,000	3,814,000	3,609,760	(204,240)
Charges for services	20,148,800	19,589,400	19,634,631	45,231
Fines and forfeitures	3,391,500	3,611,500	3,555,633	(55,867)
Investment earnings	-	-	343,885	343,885
Miscellaneous	665,500	665,500	863,940	198,440
Total revenues	<u>158,096,600</u>	<u>173,134,300</u>	<u>175,043,620</u>	<u>1,909,320</u>
EXPENDITURES				
General government:				
Office of mayor:				
Salaries, wages and employee benefits	2,244,634	2,296,934	2,295,724	1,210
Materials and supplies	37,078	37,078	34,975	2,103
Contractual services	215,420	215,420	199,396	16,024
Other charges	5,810	5,810	4,348	1,462
Improvements and equipment	12,800	12,800	7,621	5,179
Total office of mayor	<u>2,515,742</u>	<u>2,568,042</u>	<u>2,542,064</u>	<u>25,978</u>
City council:				
Salaries, wages and employee benefits	1,012,545	1,019,645	917,248	102,397
Materials and supplies	14,061	14,061	10,301	3,760
Contractual services	247,120	258,120	184,559	73,561
Improvements and equipment	32,163	32,163	7,050	25,113
Total city council	<u>1,305,889</u>	<u>1,323,989</u>	<u>1,119,158</u>	<u>204,831</u>
Finance:				
Salaries, wages and employee benefits	4,134,000	4,104,000	3,966,983	137,017
Materials and supplies	298,869	298,869	229,670	69,199
Contractual services	1,515,251	1,517,251	1,241,435	275,816
Improvements and equipment	185,606	265,606	45,907	219,699
Total finance	<u>6,133,726</u>	<u>6,185,726</u>	<u>5,483,995</u>	<u>701,731</u>
Other - unclassified:				
Salaries, wages and employee benefits	3,383,382	3,433,382	3,292,533	140,849
Contractual services	372,500	363,500	355,071	8,429
Interest and civic appropriations	2,390,000	2,567,000	2,605,520	(38,520)
Payments to component units	4,621,256	4,902,600	4,690,034	212,566
Claims	6,500,000	7,731,500	3,978,991	3,752,509
Improvements and equipment	-	1,000,000	647,552	352,448
Total other - unclassified	<u>17,267,138</u>	<u>19,997,982</u>	<u>15,569,701</u>	<u>4,428,281</u>
Total general government	<u>27,222,495</u>	<u>30,075,739</u>	<u>24,714,918</u>	<u>5,360,821</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public safety:				
Police:				
Salaries, wages and employee benefits	37,771,741	38,672,341	37,713,847	958,494
Materials and supplies	1,520,380	1,880,380	1,701,833	178,547
Contractual services	2,247,091	2,197,091	2,064,824	132,267
Other charges	77,005	77,005	75,551	1,454
Improvements and equipment	6,478,494	6,478,494	5,725,382	753,112
Total police	<u>48,094,711</u>	<u>49,305,311</u>	<u>47,281,437</u>	<u>2,023,874</u>
Fire:				
Salaries, wages and employee benefits	39,138,846	39,676,246	38,417,515	1,258,731
Materials and supplies	1,336,341	1,436,341	1,176,441	259,900
Contractual services	1,659,974	1,769,974	1,639,389	130,585
Other charges	4,600	4,600	-	4,600
Improvements and equipment	1,568,497	1,866,997	1,715,887	151,110
Total fire	<u>43,708,258</u>	<u>44,754,158</u>	<u>42,949,232</u>	<u>1,804,926</u>
Total public safety	<u>91,802,969</u>	<u>94,059,469</u>	<u>90,230,669</u>	<u>3,828,800</u>
Public Works:				
Salaries, wages and employee benefits	12,350,000	12,744,000	12,340,153	403,847
Materials and supplies	2,354,779	2,780,779	2,350,863	429,916
Contractual services	13,885,385	13,942,385	13,564,008	378,377
Improvements and equipment	5,339,451	9,609,851	7,252,906	2,356,945
Total public works	<u>33,929,615</u>	<u>39,077,015</u>	<u>35,507,930</u>	<u>3,569,085</u>
Culture and recreation:				
Salaries, wages and employee benefits	7,346,911	7,840,511	7,850,545	(10,034)
Materials and supplies	901,984	1,072,984	942,264	130,720
Contractual services	3,069,220	3,924,220	3,493,566	430,654
Other charges	249,877	589,477	506,690	82,787
Improvements and equipment	364,039	384,039	149,212	234,827
Total culture and recreation	<u>11,932,031</u>	<u>13,811,231</u>	<u>12,942,277</u>	<u>868,954</u>
Total expenditures	<u>164,887,110</u>	<u>177,023,454</u>	<u>163,395,794</u>	<u>13,627,660</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,790,510)</u>	<u>(3,889,154)</u>	<u>11,647,826</u>	<u>15,536,980</u>
OTHER FINANCING SOURCES (USES)				
Capital lease	6,420,000	6,635,000	6,185,810	(449,190)
Transfers in	5,525,000	5,525,000	5,525,000	-
Transfers out	<u>(8,327,100)</u>	<u>(10,768,600)</u>	<u>(9,699,338)</u>	<u>1,069,262</u>
Total other financing sources and uses	<u>3,617,900</u>	<u>1,391,400</u>	<u>2,011,472</u>	<u>620,072</u>

(continued)

(continued)

CITY OF SHREVEPORT, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Net change in fund balance	(3,172,610)	(2,497,754)	13,659,298	16,157,052
Fund balances -beginning	<u>17,476,599</u>	<u>17,476,599</u>	<u>17,476,599</u>	<u>-</u>
Fund balances-ending	<u>\$ 14,303,989</u>	<u>\$ 14,978,845</u>	<u>\$ 31,135,897</u>	<u>\$ 16,157,052</u>

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

CITY OF SHREVEPORT, LOUISIANA
COMMUNITY DEVELOPMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 11,940,500	\$ 16,660,000	\$ 7,568,912	\$ (9,091,088)
Charges for services	240,000	240,000	549,987	309,987
Miscellaneous	1,494,000	4,500,000	1,093,404	(3,406,596)
Total revenues	<u>13,674,500</u>	<u>21,400,000</u>	<u>9,212,303</u>	<u>(12,187,697)</u>
EXPENDITURES				
Administration:				
Salaries, wages and employee benefits	542,426	566,426	537,967	28,459
Materials and supplies	9,187	15,187	11,202	3,985
Contractual services	125,200	128,000	108,100	19,900
Improvements and equipment	-	30,000	3,167	26,833
Total administration	<u>676,813</u>	<u>739,613</u>	<u>660,436</u>	<u>79,177</u>
Community development projects:				
Grants	1,036,706	1,266,806	700,726	566,080
Total community development projects	<u>1,036,706</u>	<u>1,266,806</u>	<u>700,726</u>	<u>566,080</u>
Housing and business development:				
Materials and supplies	21,124	26,124	26,093	31
Contractual services	4,000	54,500	60,010	(5,510)
Other charges	8,983,394	12,985,294	3,190,121	9,795,173
Improvements and equipment	292,251	2,275,651	159,686	2,115,965
Total housing and business development	<u>9,300,769</u>	<u>15,341,569</u>	<u>3,435,910</u>	<u>11,905,659</u>
Housing and business development administration:				
Salaries, wages and employee benefits	506,200	527,900	523,011	4,889
Materials and supplies	16,215	20,515	18,556	1,959
Contractual services	172,007	168,107	78,163	89,944
Other charges	200	200	30	170
Improvements and equipment	-	31,000	5,426	25,574
Total housing and business development administration	<u>694,622</u>	<u>747,722</u>	<u>625,186</u>	<u>122,536</u>
Workforce development:				
Salaries, wages and employee benefits	1,243,840	1,923,940	1,314,330	609,610
Materials and supplies	56,949	58,949	31,135	27,814
Contractual services	1,607,003	2,792,003	1,840,592	951,411
Other charges	141,200	315,300	253,466	61,834
Improvements and equipment	28,200	24,200	12,243	11,957
Total workforce development	<u>3,077,192</u>	<u>5,114,392</u>	<u>3,451,766</u>	<u>1,662,626</u>

(continued)

CITY OF SHREVEPORT, LOUISIANA
COMMUNITY DEVELOPMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Workforce development administration:				
Salaries, wages and employee benefits	258,500	238,500	137,440	101,060
Materials and supplies	8,009	8,009	4,965	3,044
Contractual services	21,800	21,800	18,885	2,915
Improvements and equipment	<u>1,000</u>	<u>1,000</u>	<u>535</u>	<u>465</u>
Total workforce development administration	<u>289,309</u>	<u>269,309</u>	<u>161,825</u>	<u>107,484</u>
Codes enforcement:				
Salaries, wages and employee benefits	808,986	824,486	796,900	27,586
Materials and supplies	125,481	138,981	127,247	11,734
Contractual services	1,126,920	980,420	838,799	141,621
Other charges	920,040	968,040	856,168	111,872
Improvements and equipment	<u>21,311</u>	<u>135,811</u>	<u>48,306</u>	<u>87,505</u>
Total codes enforcement	<u>3,002,738</u>	<u>3,047,738</u>	<u>2,667,420</u>	<u>380,318</u>
Total Expenditures	<u>18,078,149</u>	<u>26,527,149</u>	<u>11,703,269</u>	<u>14,823,880</u>
Deficiency of revenues under expenditures	(4,403,649)	(5,127,149)	(2,490,966)	2,636,183
OTHER FINANCING SOURCES (USES)				
Transfers in	2,706,200	3,557,700	3,971,370	413,670
Transfers out	<u>(265,000)</u>	<u>(265,000)</u>	<u>(541,838)</u>	<u>(276,838)</u>
Total other financing sources and uses	<u>2,441,200</u>	<u>3,292,700</u>	<u>3,429,532</u>	<u>136,832</u>
Net change in fund balance	(1,962,449)	(1,834,449)	938,566	2,773,015
Fund balances - beginning	<u>1,589,636</u>	<u>1,589,636</u>	<u>1,589,636</u>	<u>-</u>
Fund balances - ending	<u>\$ (372,813)</u>	<u>\$ (244,813)</u>	<u>\$ 2,528,202</u>	<u>\$ 2,773,015</u>

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2006

	Business-type Activities Enterprise Funds				Total	Governmental Activities Internal Service Funds
	Municipal and Regional Airports	Water and Sewerage	Convention Center Hotel	Other Enterprise Funds		
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 1,051,665	\$ 1,795,265	\$ 354,920	\$ 422,188	\$ 3,624,038	\$ 12,871,421
Investments	2,430,848	4,149,624	820,369	484,627	7,885,468	9,322,321
Receivables, net	992,569	6,568,999	-	275,492	7,837,060	2,206,220
Due from other funds	-	-	-	530,308	530,308	14,107,231
Due from other governments	3,258,658	-	2,759,053	359,693	6,377,404	-
Inventories	35,184	932,160	-	449,958	1,417,302	238,395
Prepaid items	-	-	-	161,150	161,150	505,408
Cash and cash equivalents restricted	-	1,245,588	-	-	1,245,588	-
Investments restricted	-	12,460,531	-	-	12,460,531	-
Total current assets	<u>7,768,924</u>	<u>27,152,167</u>	<u>3,934,342</u>	<u>2,683,416</u>	<u>41,538,849</u>	<u>39,250,996</u>
Noncurrent Assets:						
Restricted:						
Cash and cash equivalents	2,297,954	3,616,869	576,071	-	6,490,894	-
Investments	1,768,438	63,791,391	12,941,990	-	78,501,819	-
Interest receivable	6,252	1,246	62,404	-	69,902	-
Total restricted assets	<u>4,072,644</u>	<u>67,409,506</u>	<u>13,580,465</u>	<u>-</u>	<u>85,062,615</u>	<u>-</u>
Unamortized bonds costs	<u>556,611</u>	<u>3,283,882</u>	<u>1,621,666</u>	<u>-</u>	<u>5,462,159</u>	<u>-</u>
Capital Assets:						
Land	30,118,859	1,032,277	-	1,940,408	33,091,544	62,000
Construction in progress	3,917,581	21,757,941	36,844,466	259,061	62,779,049	-
Buildings	60,688,456	-	-	8,567,632	69,256,088	913,088
Improvements other than buildings	66,383,747	-	-	868,530	67,252,277	-
Equipment	5,240,416	7,947,755	-	14,699,383	27,887,554	709,983
Distribution and collection systems	-	506,604,880	-	-	506,604,880	-
Less accumulated depreciation	<u>(68,613,370)</u>	<u>(159,618,391)</u>	<u>-</u>	<u>(11,728,765)</u>	<u>(239,960,526)</u>	<u>(1,151,755)</u>
Total capital assets (net of accumulated depreciation)	<u>97,735,689</u>	<u>377,724,462</u>	<u>36,844,466</u>	<u>14,606,249</u>	<u>526,910,866</u>	<u>533,316</u>
Total noncurrent assets	<u>102,364,944</u>	<u>448,417,850</u>	<u>52,046,597</u>	<u>14,606,249</u>	<u>617,435,640</u>	<u>533,316</u>
Total assets	<u>110,133,868</u>	<u>475,570,017</u>	<u>55,980,939</u>	<u>17,289,665</u>	<u>658,974,489</u>	<u>39,784,312</u>

	Business-type Activities					Governmental Activities Internal Service Funds
	Enterprise Funds					
	Municipal and Regional Airports	Water and Sewerage	Convention Center Hotel	Other Enterprise Funds	Total	
LIABILITIES						
Current Liabilities:						
Accounts payable	1,570,083	2,617,036	3,550,364	299,111	8,036,594	530,933
Accrued liabilities	886,073	3,519,373	1,403,432	260,586	6,069,464	-
Accrued interest payable	-	118	23,145	-	23,263	-
Due to other funds	36,568	2,391,988	-	-	2,428,556	2,283,848
Deferred revenue	33,039	-	-	83,566	116,605	-
Customer deposits	30,296	548,979	-	-	579,275	-
Compensated absences	26,485	95,950	-	249,336	371,771	10,358
Claims and judgments	-	-	-	-	-	23,942,893
Leases payable	-	204,695	-	38,982	243,677	17,333
Notes payable	-	-	77,300	-	77,300	-
Liabilities payable from restricted assets:						
Revenue bonds and notes payable, net	-	13,111,746	-	-	13,111,746	-
Accrued interest payable	-	594,373	-	-	594,373	-
Total current liabilities	<u>2,582,544</u>	<u>23,084,258</u>	<u>5,054,241</u>	<u>931,581</u>	<u>31,652,624</u>	<u>26,785,365</u>
Noncurrent Liabilities:						
Accrued liabilities	-	2,863,971	-	-	2,863,971	-
Compensated absences	154,070	521,880	-	54,697	730,647	62,918
Leases payable	-	476,675	-	125,462	602,137	55,784
Revenue bonds and notes payable, net	<u>22,858,583</u>	<u>215,673,663</u>	<u>42,287,500</u>	<u>-</u>	<u>280,819,746</u>	<u>-</u>
Total noncurrent liabilities	<u>23,012,653</u>	<u>219,536,189</u>	<u>42,287,500</u>	<u>180,159</u>	<u>285,016,501</u>	<u>118,702</u>
Total liabilities	<u>25,595,197</u>	<u>242,620,447</u>	<u>47,341,741</u>	<u>1,111,740</u>	<u>316,669,125</u>	<u>26,904,067</u>
NET ASSETS						
Invested in capital assets, net of related debt	77,202,504	232,260,781	8,639,198	14,606,249	332,708,732	533,316
Restricted for debt service	1,775,040	-	2,155,419	-	3,930,459	-
Unrestricted (deficit)	<u>5,561,127</u>	<u>688,789</u>	<u>(2,155,419)</u>	<u>1,571,676</u>	<u>5,666,173</u>	<u>12,346,929</u>
Total net assets	<u>\$ 84,538,671</u>	<u>\$ 232,949,570</u>	<u>\$ 8,639,198</u>	<u>\$ 16,177,925</u>	<u>\$ 342,305,364</u>	<u>\$ 12,880,245</u>

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-type Activities				Governmental Activities Internal Service Funds	
	Enterprise Funds					
	Municipal and Regional Airports	Water and Sewerage	Convention Center Hotel	Other Enterprise Funds		Total
OPERATING REVENUES						
Charges for services	\$ 7,835,853	\$ 57,441,872	\$ -	\$ 4,151,214	\$ 69,428,939	\$ 41,311,712
Miscellaneous	<u>132,033</u>	<u>1,147,992</u>	<u>-</u>	<u>53,270</u>	<u>1,333,295</u>	<u>1,692,321</u>
Total operating revenues	<u>7,967,886</u>	<u>58,589,864</u>	<u>-</u>	<u>4,204,484</u>	<u>70,762,234</u>	<u>43,004,033</u>
OPERATING EXPENSES						
Personal services	4,574,855	11,021,713	-	7,017,090	22,613,658	1,696,524
Contractual services and other expenses	812,908	13,701,305	555,205	2,411,629	17,481,047	4,244,175
Utilities	874,035	3,237,515	-	276,615	4,388,165	23,567
Repairs and maintenance	812,390	1,813,435	-	58,348	2,684,173	897,890
Materials and supplies	279,139	5,975,367	-	2,428,147	8,682,653	1,166,800
Claims	-	-	-	-	-	34,235,461
Depreciation	<u>3,171,079</u>	<u>10,040,481</u>	<u>-</u>	<u>1,212,658</u>	<u>14,424,218</u>	<u>77,382</u>
Total operating expenses	<u>10,524,406</u>	<u>45,789,816</u>	<u>555,205</u>	<u>13,404,487</u>	<u>70,273,914</u>	<u>42,341,799</u>
Operating income (loss)	<u>(2,556,520)</u>	<u>12,800,048</u>	<u>(555,205)</u>	<u>(9,200,003)</u>	<u>488,320</u>	<u>662,234</u>
NONOPERATING REVENUES						
(EXPENSES)						
Investment earnings	312,706	4,546,029	1,240,929	26,186	6,125,850	824,852
Interest expense	(1,187,601)	(7,895,828)	(1,354,838)	(6,678)	(10,444,945)	(31,803)
Intergovernmental	631,142	4,438	-	3,653,272	4,288,852	-
Passenger facility charges	1,241,540	-	-	-	1,241,540	-
Bond issuance costs	(29,083)	(378,627)	(57,818)	-	(465,528)	-
Net decrease in fair value of investments	(4,675)	(8,882)	-	-	(13,557)	-
Loss on disposal of capital assets	<u>(14,696)</u>	<u>(421,091)</u>	<u>-</u>	<u>(7,831)</u>	<u>(443,618)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>949,333</u>	<u>(4,153,961)</u>	<u>(171,727)</u>	<u>3,664,949</u>	<u>288,594</u>	<u>793,049</u>
Income (loss) before contributions and transfers	(1,607,187)	8,646,087	(726,932)	(5,535,054)	776,914	1,455,283
Capital contributions	4,742,527	1,279,800	7,431,389	302,094	13,755,810	-
Transfers in	110,000	-	-	4,563,336	4,673,336	-
Transfers out	<u>-</u>	<u>(1,125,000)</u>	<u>-</u>	<u>(220,000)</u>	<u>(1,345,000)</u>	<u>(40,000)</u>
Change in net assets	3,245,340	8,800,887	6,704,457	(889,624)	17,861,060	1,415,283
Total net assets-beginning	<u>81,293,331</u>	<u>224,148,683</u>	<u>1,934,741</u>	<u>17,067,549</u>	<u>324,444,304</u>	<u>11,464,962</u>
Total net assets-ending	<u>\$ 84,538,671</u>	<u>\$ 232,949,570</u>	<u>\$ 8,639,198</u>	<u>\$ 16,177,925</u>	<u>\$ 342,305,364</u>	<u>\$ 12,880,245</u>

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-type Activities				Total	Governmental Activities Internal Service Funds
	Enterprise Funds					
	Municipal and Regional Airports	Water and Sewerage	Convention Center Hotel	Other Enterprise Funds		
Cash flows from operating activities:						
Receipts from operations	\$ 8,236,067	\$ 58,102,134	\$ -	\$ 4,096,772	\$ 70,434,973	\$ 35,321,893
Payments to suppliers	(2,922,693)	(16,948,602)	(404,069)	(5,048,358)	(25,323,722)	(5,098,725)
Payments to employees	(4,553,678)	(10,799,004)	-	(6,959,037)	(22,311,719)	(1,714,150)
Claims	-	-	-	-	-	(24,122,203)
Other receipts	132,033	1,147,992	-	31,129	1,311,154	-
Other payments	(210,000)	(2,995,000)	-	(85,000)	(3,290,000)	-
	<u>681,729</u>	<u>28,507,520</u>	<u>(404,069)</u>	<u>(7,964,494)</u>	<u>20,820,686</u>	<u>4,386,815</u>
Net cash provided by (used in) operating activities						
Cash flows from noncapital financing activities:						
Intergovernmental	-	4,438	-	-	4,438	-
Subsidy from federal grant	631,142	-	-	3,543,709	4,174,851	-
Transfers in	110,000	-	-	4,563,336	4,673,336	-
Transfers out	-	(1,125,000)	-	(220,000)	(1,345,000)	(40,000)
Interest paid on operations	-	-	-	-	-	(28,834)
Cash bond	-	597	-	-	597	-
	<u>741,142</u>	<u>(1,119,965)</u>	<u>-</u>	<u>7,887,045</u>	<u>7,508,222</u>	<u>(68,834)</u>
Net cash provided by (used in) noncapital financing activities						
Cash flows from capital and related financing activities:						
Proceeds from loan	858,583	11,368,427	-	-	12,227,010	-
Acquisition and construction of capital assets	(4,228,095)	(20,443,093)	(25,187,971)	(298,361)	(50,157,520)	(5,779)
Principal paid on debt	(580,000)	(13,335,000)	(113,900)	(37,760)	(14,066,660)	(16,789)
Interest paid on debt	(1,187,601)	(9,992,355)	(1,724,166)	(6,678)	(12,910,800)	(2,969)
Capitalized lease payment	-	(197,256)	-	-	(197,256)	-
Capital grants	3,075,280	-	4,735,188	302,341	8,112,809	-
Contributed capital by others	100,000	-	-	10,734	110,734	-
Bond issuance costs	(100)	(99,052)	-	-	(99,152)	-
Passenger facility charges	1,241,540	-	-	-	1,241,540	-
	<u>(720,393)</u>	<u>(32,698,329)</u>	<u>(22,290,849)</u>	<u>(29,724)</u>	<u>(55,739,295)</u>	<u>(25,537)</u>
Net cash provided by (used in) capital and related financing activities						

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-type Activities				Total	Governmental Activities Internal Service Funds
	Enterprise Funds					
	Municipal and Regional Airports	Water and Sewerage	Convention Center Hotel	Other Enterprise Funds		
Cash flows from investing activities:						
Purchase of investments	(3,860,487)	(14,940,506)	(820,369)	(236,692)	(19,858,054)	(2,715,702)
Proceeds from sale and maturity of investments	3,536,985	15,349,639	21,168,626	54,315	40,109,565	-
Interest on investments	292,633	4,917,787	1,203,743	26,186	6,440,349	811,098
Net cash provided by (used in) investing activities	(30,869)	5,326,920	21,552,000	(156,191)	26,691,860	(1,904,604)
Net increase (decrease) in cash and cash equivalents	671,609	16,146	(1,142,918)	(263,364)	(718,527)	2,387,840
Cash and cash equivalents, beginning of year	2,678,010	6,641,576	2,073,909	685,552	12,079,047	10,483,581
Cash and cash equivalents, end of year	\$ 3,349,619	\$ 6,657,722	\$ 930,991	\$ 422,188	\$ 11,360,520	\$ 12,871,421
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (2,556,520)	\$ 12,800,048	\$ (555,205)	\$ (9,200,003)	\$ 488,320	\$ 662,234
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	3,171,079	10,040,481	-	1,212,658	14,424,218	77,382
(Increase)Decrease in assets:						
Receivables	(205,640)	612,838	-	211,587	618,785	(428,857)
Due from other funds	-	-	-	37,327	37,327	(7,253,283)
Inventories	(32,614)	35,729	-	(74,151)	(71,036)	9,138
Prepaid items	-	-	-	59	59	(110,954)
Increase(Decrease) in liabilities:						
Accounts payable	(218,148)	225,477	151,136	96,196	254,661	481,510
Accrued liabilities	449,816	3,343,612	-	(299,614)	3,493,814	10,113,258
Due to other funds	36,568	1,268,807	-	-	1,305,375	854,013
Deferred revenue	2,655	-	-	17,674	20,329	-
Customers' deposits	13,356	46,131	-	-	59,487	-
Compensated absences	21,177	134,397	-	33,773	189,347	(17,626)
Total adjustments	3,238,249	15,707,472	151,136	1,235,509	20,332,366	3,724,581
Net cash provided by (used in) operating activities	\$ 681,729	\$ 28,507,520	\$ (404,069)	\$ (7,964,494)	\$ 20,820,686	\$ 4,386,815

Non-cash investing, capital and financing activities:

The Municipal and Regional Airports had a decrease in fair value of investments of \$4,675 and a loss on disposal of capital assets of \$14,696.

The Water and Sewerage Fund issued refunding bonds in the amount of \$11,315,000. Of this amount, \$11,097,162 was transferred directly to the escrow agent and \$89,735 was transferred directly to the bond insurer. The fund also had a decrease in fair value of investments of \$8,882 and a loss on disposal of capital assets of \$421,091.

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2006

ASSETS	Employee Retirement Funds
Cash and cash equivalents	\$ 14,827,264
Receivables:	
Interest receivable	637,664
Accounts receivable	20,997
Due from other funds	233,831
Prepaid items	575,842
Investments, at fair value:	
U.S. government obligations	26,585,311
Mutual funds	3,935,160
Domestic corporate bonds	22,899,706
Collateralized mortgage obligations	25,814,941
Domestic equities	91,550,236
International equities	28,060,074
Total investments	198,845,428
Other assets:	
Cash surrender value of life insurance policies	8,366,370
Total assets	223,507,396
 LIABILITIES	
Due to other funds	6,507,411
Employees' deposits held in escrow	3,571,156
Total liabilities	10,078,567
 NET ASSETS	
Held in trust for pension benefits	\$ 213,428,829

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Employee Retirement Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 7,060,206
Plan members	<u>2,885,358</u>
Total contributions	<u>9,945,564</u>
Investment earnings:	
Net appreciation in fair value of investments	12,423,991
Interest	3,672,318
Dividends	<u>2,974,350</u>
Total investment earnings	19,070,659
Less investment expense	<u>884,001</u>
Net investment income	18,186,658
Miscellaneous	<u>980,627</u>
Total additions	<u>29,112,849</u>
DEDUCTIONS	
Benefits	15,366,563
Refund of member contribution	986,318
Administrative expenses	351,521
Life insurance	<u>538,247</u>
Total deductions	<u>17,242,649</u>
Change in net assets	11,870,200
Net assets - beginning	<u>201,558,629</u>
Net assets - ending	<u><u>\$ 213,428,829</u></u>

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

CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF NET ASSETS
COMPONENT UNITS
DECEMBER 31, 2006

	<u>City Courts</u>	<u>City Marshal</u>	<u>Downtown Development Authority</u>	<u>Metropolitan Planning Commission</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 3,246,478	\$ 1,367,629	\$ 590,101	\$ 60,964	\$ 5,265,172
Investments	621,472	-	-	-	621,472
Receivables, net	-	-	851,061	750	851,811
Due from primary government	-	-	17,000	-	17,000
Prepaid items	-	-	15,743	-	15,743
Other assets	-	-	46,188	-	46,188
Restricted assets:					
Cash and cash equivalents	-	-	1,879,667	-	1,879,667
Capital assets:					
Land	-	-	74,000	704,514	778,514
Other capital assets, net of depreciation	424,575	350,284	786,149	191,027	1,752,035
Total assets	<u>4,292,525</u>	<u>1,717,913</u>	<u>4,259,909</u>	<u>957,255</u>	<u>11,227,602</u>
LIABILITIES					
Accounts payable	76,493	1,382	53,220	2,715	133,810
Accrued liabilities	-	-	30,131	-	30,131
Due to other governments	-	-	-	57,620	57,620
Due to primary governments	-	-	-	1,379	1,379
Noncurrent liabilities:					
Due within one year	-	-	150,000	-	150,000
Due in more than one year	-	-	2,562,500	-	2,562,500
Total liabilities	<u>76,493</u>	<u>1,382</u>	<u>2,795,851</u>	<u>61,714</u>	<u>2,935,440</u>
NET ASSETS					
Invested in capital assets, net of related debt	424,575	350,284	860,149	895,541	2,530,549
Restricted for:					
Other purposes	1,163,805	-	44,094	-	1,207,899
Unrestricted	2,627,652	1,366,247	559,815	-	4,553,714
Total net assets	<u>\$ 4,216,032</u>	<u>\$ 1,716,531</u>	<u>\$ 1,464,058</u>	<u>\$ 895,541</u>	<u>\$ 8,292,162</u>

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

**CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2006**

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
City Courts			
Judicial	\$ <u>3,087,580</u>	\$ <u>702,403</u>	\$ <u>-</u>
City Marshal			
Judicial	<u>1,854,660</u>	<u>480,204</u>	<u>-</u>
Downtown Development Authority			
Downtown development	957,361	1,200	-
Streetscape program	248,166	217,800	-
Parking program	444,798	426,400	-
Interest on long-term debt	<u>163,618</u>	<u>-</u>	<u>-</u>
Total Downtown Development Authority	<u>1,813,943</u>	<u>645,400</u>	<u>-</u>
Metropolitan Planning Commission			
Planning and zoning	<u>1,249,570</u>	<u>235,376</u>	<u>153,000</u>
	\$ <u><u>8,005,753</u></u>	\$ <u><u>2,063,383</u></u>	\$ <u><u>153,000</u></u>

General Revenues:

Property taxes levied for general purposes
Investment earnings
Payment from City of Shreveport
Miscellaneous

Total general revenues

Change in Net Assets

Net assets - beginning

Net assets - ending

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

Net(Expenses) Revenues and
Changes in Net Assets

<u>City Courts</u>	<u>City Marshal</u>	<u>Downtown Development Authority</u>	<u>Metropolitan Planning Commission</u>	<u>Total</u>
\$ <u>(2,385,177)</u>	\$	\$	\$	\$ (2,385,177)
	<u>(1,374,456)</u>			(1,374,456)
		(956,161)		(956,161)
		(30,366)		(30,366)
		(18,398)		(18,398)
		<u>(163,618)</u>		(163,618)
			<u>(861,194)</u>	<u>(861,194)</u>
<u>(2,385,177)</u>	<u>(1,374,456)</u>	<u>(1,168,543)</u>	<u>(861,194)</u>	<u>(5,789,370)</u>
-	-	800,410	-	800,410
178,591	51,820	110,646	-	341,057
2,474,878	1,413,096	-	875,159	4,763,133
-	-	131,000	-	131,000
<u>2,653,469</u>	<u>1,464,916</u>	<u>1,042,056</u>	<u>875,159</u>	<u>6,035,600</u>
268,292	90,460	(126,487)	13,965	246,230
<u>3,947,740</u>	<u>1,626,071</u>	<u>1,590,545</u>	<u>881,576</u>	<u>8,045,932</u>
\$ <u><u>4,216,032</u></u>	\$ <u><u>1,716,531</u></u>	\$ <u><u>1,464,058</u></u>	\$ <u><u>895,541</u></u>	\$ <u><u>8,292,162</u></u>





**CITY OF SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

I. Summary of Significant Accounting Policies

The accounting policies of the City of Shreveport conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. The Financial Reporting Entity

The City of Shreveport (the "City") was incorporated in 1839, under the provisions of Louisiana R.S. 33:1. In May of 1978, the present City Charter was adopted which established a mayor-council form of government. The City provides a full range of municipal services as authorized by the charter. These include police and fire protection, emergency medical services, public works (streets and waste collection), public improvements, water and sewer services, parks and recreation, planning and zoning, public transportation, social, cultural and general administrative services.

The basic criterion for determining whether another governmental organization should be included in a primary governmental unit's reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization, or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The financial statements present the City of Shreveport (the primary government) and its component units. The operations of the Shreveport Municipal and Regional Airports and the Shreveport Area Transit System are included as a part of the primary government. The discrete component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. There are no blended component units in the City.

Discretely Presented Component Units

The component units' columns in the government-wide financial statements include the financial data of the City's component units. They are reported in a separate column to emphasize that they are legally separate from the City.

City Courts

The City Courts have jurisdiction over all violations of City ordinances and state misdemeanor cases. The Courts were created by special legislative act. Their jurisdiction includes the incorporated area of the City of Shreveport plus the fourth ward of Caddo Parish. City judges are elected and cannot be removed by City officials. The City Courts are fiscally dependent on the City of Shreveport. The City has the ability to modify or approve their budget which comes from the General Fund. There are certain funds collected by the City Courts, pursuant to state statute, which are under the control of the courts. The City Courts serve the citizenry of the City of Shreveport plus Ward Four of Caddo Parish.

City Marshal

The City Marshal is the executive officer of the City Courts. The Marshal has the power of a sheriff in the execution of the courts' orders and mandates in making requests and preserving the peace. The City Marshal is an elected official. The City Marshal is fiscally dependent on the City

of Shreveport. The City has the ability to modify or approve the budget which comes from the General Fund. Certain funds are collected such as court costs, pursuant to state statute, which are under the control of the City Marshal. The City Marshal serves the citizenry of the City of Shreveport plus Ward Four of Caddo Parish.

Downtown Development Authority

The Downtown Development Authority was established by an ordinance of the City of Shreveport to provide for the revitalization of downtown Shreveport. Its purpose is to coordinate the efforts of the public and private sectors for the economic and overall development of the Downtown Development District. The Downtown Development District is a special taxing district within the City of Shreveport created by an act of the State legislature. The City Council appoints the seven voting members of the Authority. The Authority must submit to the City Council its proposals, programs and recommendations for the levy of special ad valorem taxes. The City has the ability to modify or approve the budget of the Authority and its plan of work. The Authority's governing body is not substantively the same as the City's. The Authority provides services for a limited area of the City of Shreveport, which consists basically of the downtown area.

Metropolitan Planning Commission

The Metropolitan Planning Commission is responsible for the orderly, physical development of the City of Shreveport and the surrounding planning area. The Commission makes recommendations to the City Council and the Parish Commission. The Metropolitan Planning Commission consists of nine members with four appointed by both the City of Shreveport and the Caddo Parish Commission and one member elected by joint action of the governing authorities. Although the Commission is legally separate, the City acts as its fiscal agent and has the authority to modify and approve its budget. The Metropolitan Planning Commission is fiscally dependent on the City. The Metropolitan Planning Commission serves the citizenry of the City of Shreveport.

Shreveport Home Mortgage Authority

The Shreveport Home Mortgage Authority is a public trust, created by state statute, with the City of Shreveport as beneficiary. The Authority is authorized to undertake various programs to assist in the financing of housing for persons of low to moderate income in the City of Shreveport. There are five trustees that are appointed by the City Council for terms of five years. Per the terms of the trust indenture, the City has no power to transact business for the trustees nor to control or direct the actions of the trustees. The City is entitled solely to the benefits of the trust, and at the termination of the trust it shall receive the residual assets of the trust. The City cannot access the organization's funds at will, although there is some ability to access them at the discretion of the Authority. The City is financially accountable since it appoints all of the governing body and there is a potential for Shreveport Home Mortgage Authority to provide specific financial benefits to the City. The Shreveport Home Mortgage Authority serves the citizenry of the City of Shreveport. The 2006 financial statements of the Authority are not included within the City's financial statements. The audit was not completed as of the date of issuance of the City's financial statements. See reference to the Authority in the audit opinion.

Shreveport Convention Center Hotel Authority

The Shreveport Convention Center Hotel Authority is a public trust, created by state statute, with the City of Shreveport as beneficiary. The Authority is authorized to oversee the development and operation of the Shreveport Convention Center Hotel for the purpose of furthering economic development. There are five appointed trustees. The trustees are the Mayor, Chief Administrative Officer, City Council President, City Council Vice-President, and a citizen chosen at the discretion of the Mayor and approved by the City Council. The term of the Trustees shall

be for as long as they hold the office enumerated, and the term of the citizen shall run concurrently with the mayoral term. Per the terms of the trust indenture, the City has no power to transact business for the trustees nor to control or direct the actions of the trustees. The City cannot access the Authority's resources but is the beneficiary of the residual assets of the termination of the trust. The City may provide financial support in the form of interim financing or guarantor of the Authority's debt. The boards are not substantively the same as the City. The Authority serves the citizenry of the City of Shreveport. The trust was created in 2002 but has had no reportable transaction through the year ended December 31, 2006.

The Metropolitan Planning Commission does not issue separate financial statements. The government-wide financial statements are presented within the basic financial statements. The fund financial statements are included as supplementary information within the section entitled Discretely Presented Component Unit. Complete financial statements of the other individual component units may be obtained from their respective administrative offices.

Administrative Offices:

City Courts
1244 Texas Avenue
Shreveport, Louisiana 71101

Downtown Development Authority
400 Edwards Street
Shreveport, Louisiana 71101

City Marshal
1244 Texas Avenue
Shreveport, Louisiana 71101

Related Organization

Shreveport Housing Authority

The Authority was created by State statute and it is legally separate from the City. The Mayor appoints the five commissioners; however, the City cannot impose its will on the Authority since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the commissioners. The Authority is fiscally independent and no financial benefit or burden relationship exists with the City. Therefore, it is not included in the City's financial statements.

Jointly Governed Organization

Caddo-Shreveport Sales and Use Tax Commission

The Commission is an independent agency which collects sales taxes. It is legally separate from the City. The Commission is a jointly governed organization. The City does not retain an ongoing financial interest or responsibility in its operations. It is not included in the City's financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function of governmental activities and different business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include 1) fees, fines, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For property taxes, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. For revenues other than property taxes, the City considers them to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items except landfill fees are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Community Development Fund is responsible for programs to increase housing opportunities, assist in the creation of employment, develop business expansion and regulate codes enforcement.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The City reports the following major proprietary funds:

The Water and Sewerage Fund accounts for the activities involved in operating the sewerage treatment plant, sewerage pumping stations and collection systems, and the water distribution system.

The Municipal and Regional Airports Fund accounts for the activities involved in operating the City's two airports.

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

Additionally, the City reports the following fund types:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewerage function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The City does not use an indirect cost allocation system. However, the General Fund charges certain funds an administrative overhead charge based on a cost allocation plan. This is eliminated like a reimbursement and reduces the revenue and expense in the General Fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The City maintains a pooled cash and investment account that is available for use by all funds, except those restricted by state statutes or other legal requirements. Each fund's positive equity in the pooled cash and investment account is presented as cash and cash equivalents and investments on the balance sheets. Negative equity balances have been reclassified and are reflected as due to/from other funds. Interest income and expense are allocated to the various funds based upon their average daily equity balances.

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

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

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

The State authorized investments are as follows:

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

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

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

1. Domestic securities registered with the Securities and Exchange Commission and traded on a recognized U.S. stock exchange or over-the-counter market. Equity securities include common stocks, real estate securities and securities convertible into common stock of U.S.-based companies. Individual convertible securities should be rated "B" or higher at the time of purchase.
2. International securities registered (or filed) with the Securities and Exchange Commission and traded on a recognized national exchange or over-the-counter market. Non-U.S. dollar denominated equity securities traded on recognized exchanges or over-the-counter markets

- outside the U.S. may also be purchased.
3. Fixed income securities in the form of bonds, notes, securitized mortgages, collateralized mortgage obligations, asset-backed securities, taxable municipal bonds and preferred stock. Fixed income securities shall be rated “BBB” or higher at the time of purchase except for asset-backed securities, mortgage-backed securities, and collateralized mortgage obligations which shall be rated “AAA” at the time of purchase. The minimum dollar-weighted average credit quality rating of the fixed income portfolio should be “AA”. The maximum effective maturity of any single issue should not exceed 30 years.
 4. Cash reserves shall be held in the custodians’ money market funds, short-term maturity treasury securities or high quality money market instruments.

The Policemen’s Pension and Relief Fund is authorized by the Board of Trustees to invest in the same types of investments listed above with a mix of 50% equity and 50% fixed.

The Firemen’s Pension and Relief Fund is authorized by the Board of Trustees to invest in the same types of investments listed above with a mix of 60% equity and 40% fixed.

2. Receivables and Payables

All outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Within the City’s Water and Sewerage Fund, an estimated amount has been recorded for services rendered but not yet billed as of the close of the year. The receivable was computed by taking the cycle billings the City sent to its customers in January and prorating the amount of days applicable to the current year. All trade and property tax receivables are shown net of an allowance for uncollectibles.

3. Inventories and Prepaid Items

Inventories are valued at cost using the first in, first out (FIFO) method. Inventory in the General Fund consists of materials and supplies held for consumption. Reported inventories in the General Fund are equally offset by a reservation of fund balance with indicates that although inventories are a component of assets, they do not constitute “available spendable resources”. Inventories in the Enterprise and Internal Service Funds consist of pipes, meters, fittings and valves, repair materials, spare parts and items held for sale at the Municipal Golf Courses. Inventories are accounted for using the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The bond construction funds are used to report those proceeds of revenue bond issuances that are restricted for use in construction. The bond and interest sinking funds are used to segregate resources accumulated for debt service payments over the next twelve months. The debt service reserve funds are used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account.

5. Capital Assets

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

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

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

The total interest expense incurred by the Convention Center Hotel Fund was \$1,747,311. Of this amount, \$392,473 was included as the cost of capital assets in construction in progress.

The total interest expense incurred by the Water and Sewerage Fund was \$10,569,497. Of this amount \$2,673,669 was included as the cost of capital assets in construction in progress.

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

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

6. Compensated Absences

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

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

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

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

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts, issuance costs, and gains (losses) on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount or deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

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

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

Reserved for Debt Service

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

Reserved for Encumbrances

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

Reserved for Assets Held for Resale

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

Reserved for Inventories

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

Reserved for Endowments

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

Designated for Landfill Closure

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

Designated for Subsequent Year's Expenditures

The unreserved portion of fund balance designated for subsequent years' expenditures is the amount that has been set aside for future year's budgets.

9. Net Assets

The government-wide statement of net assets reports \$51,952,242 of restricted net assets, of which \$46,960,501 is restricted by enabling legislation.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Prior to October 1, the Mayor files with the Clerk of Council a proposed operating budget for the fiscal year commencing the following January. The operating budget includes proposed expenditures and related financing sources. The City Council conducts public hearings and proposes adoption of the various budget ordinances. Prior to December 15, the City Council adopts the final budgets controlling the financial operations of the City for the ensuing fiscal year.

Legal budgetary control for operating budgets is exercised at the department/object class with the exception of the Community Development Department where control is exercised at the division/object class. The ordinances provide lump sum appropriation at the object level. The City Charter allows the Mayor to authorize the transfer of budgeted amounts from one activity to another within the same lump sum appropriation, within the same department with the exception of the Community Development Department where funds must be spent within the same division. Budgetary transfers across department lines or between classes of lump sum appropriations must be approved by the City Council. During the year, the City Council approves several amendments to the budget. The City Charter provides that expenditures may not legally exceed appropriations. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year for the General, certain Special Revenue Funds (Community Development and Riverfront Development), Capital Projects and Proprietary Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. The capital project funds adopt project length budgets. The budgets for governmental funds are adopted on a basis substantially consistent with generally accepted accounting principles except for state supplemental pay for fire and police which is included but not budgeted in the General Fund.

All appropriations which are not expended or encumbered lapse at year end. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Revisions were made to the following governmental funds original budgets as follows:

	<u>Original Budget including Carry Forwards</u>	<u>Revisions</u>	<u>Final Revised Budget</u>
General Fund	\$173,214,210	\$14,577,844	\$187,792,054
Community Development	18,343,149	8,449,000	26,792,149

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

	<u>General Fund</u>
<u>Revenues</u>	
Actual on the budgetary basis	\$ 175,043,620
Adjustment for state supplemental pay	<u>4,012,212</u>
GAAP basis	\$ <u>179,055,832</u>
<u>Expenditures (Including transfers out)</u>	
Actual on the budgetary basis	\$ 184,401,157
Adjustment for state supplemental pay	<u>4,012,212</u>
GAAP basis	\$ <u>188,413,369</u>

B. Excess of Expenditures over Appropriations

During 2006, based on the legally adopted level of control for budgetary purposes, the following funds had excess expenditures over appropriations:

General Fund

Other unclassified	
Interest and civic appropriations	\$ 38,520
Claims	7,547,231
Culture and recreation	
Salaries, wages and employee benefits	10,034

Community Development

Housing and business development	
Contractual services	5,510

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Investments – Primary Government excluding Fiduciary Funds

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasuries	\$ 11,145,094
U.S. Instrumentalities	35,451,234
Repurchase Agreements	50,345,832
Investment Agreements	85,771,131
Money Market	9,854,696
LAMP	<u>3,326,629</u>
Total	\$ <u>195,894,616</u>

The fair value of \$182,713,291 is classified on the Statement of Net Assets as “Investments”. The money market amounts of \$9,854,696 and LAMP \$3,326,629 are classified as “Cash and cash equivalents”.

Investment Maturities (in years)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-3</u>	<u>≥3</u>
U.S. Treasuries	\$ 11,145,094	\$ 10,151,656	\$ 993,438	\$ -
U.S. Instrumentalities	35,451,234	19,234,185	16,217,049	-
Repurchase Agreements	50,345,832	48,845,832	1,500,000	-
Investment Agreements	85,771,131	31,477,594	52,676,149	1,617,388
Money Market	9,854,696	9,854,696	-	-
LAMP	<u>3,326,629</u>	<u>3,326,629</u>	<u>-</u>	<u>-</u>
 Total	 <u>\$195,894,616</u>	 <u>\$122,890,592</u>	 <u>\$71,386,636</u>	 <u>\$1,617,388</u>

Interest rate risk. The City limits its exposure to declines in fair value by limiting investment maturities to 3 years from the date of settlement unless matched to a specific cash flow requirement. The Investment Agreements are matched to Water and Sewer construction projects and the Convention Center Hotel project.

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

Concentration of credit risk. The City has no investments in one issuer greater than 5 percent.

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

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

2. Investments – Fiduciary Funds

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasuries	\$ 11,687,215
U.S. Agencies	29,454
U.S. Instrumentalities	14,003,167
Asset-backed Securities	865,475
Corporate Bonds	22,899,706
Collateralized Mortgage Obligations	25,814,941
Mutual Funds	3,935,160
Domestic Equities	91,550,236
International Equities	28,060,074
Money Market	<u>14,694,003</u>
Total	<u>\$213,539,431</u>

The fair value of \$198,845,428 is classified on the Statement of Fiduciary Net Assets as “Investments”. The money market amounts of \$14,694,003 are classified as “Cash and Cash Equivalents”.

Investment Maturities (in years)

<u>Investment Type</u>	<u>Fair Value</u>	Less <u>Than 1</u>	<u>1-5</u>	<u>5-10</u>	<u>>10</u>
U.S. Treasuries	\$11,687,215	\$ -	\$ 2,941,224	\$ 1,966,648	\$ 6,779,343
U.S. Agencies	29,454	-	-	-	29,454
U.S. Instrumentalities	14,003,167	-	1,906,768	5,290,103	6,806,296
Asset-backed Securities	865,475	-	249,286	-	616,189
Corporate Bonds	22,899,706	251,241	5,576,259	9,288,160	7,784,046
Collateralized Mortgage Obligations	25,814,941	-	-	310,401	25,504,540
Money Market	<u>14,694,003</u>	<u>14,694,003</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$89,993,961</u>	<u>\$14,945,244</u>	<u>\$10,673,537</u>	<u>\$16,855,312</u>	<u>\$47,519,868</u>

<u>S&P/Moody’s Rating</u>	<u>Fair Value</u>
Government	\$11,687,215
Agency	29,454
AAA	42,140,012
AA	4,221,097
A	7,501,684
BBB	6,577,753
BB	1,777,987
B	1,161,006
CCC	203,750
Unrated (Money Market)	<u>14,694,003</u>
Total	<u>\$89,993,961</u>

Interest rate risk. The Fiduciary Plans do not have a policy to limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The funding obligations of

the plan are long-term in nature; consequently, the investment of the Plan's assets shall have a long-term focus, but shall not exceed 30 years.

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

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

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

3. Discretely Presented Component Units

Deposits

City Courts – The City Court does not have a policy for custodial credit risk. As of December 31, 2006, \$3,389,730 of the City Courts' bank balance of \$3,870,020 was exposed to custodial credit risk due to being uninsured and collateral held by the pledging bank's trust department not in the City Courts' name.

City Marshal – As of December 31, 2006, \$1,392,090 of the City Marshal's bank balance of \$1,650,843 was exposed to custodial credit risks due to being uninsured and collateral held by the pledging banks' trust department not in the City Marshal's name.

Downtown Development Authority – The Authority does not have a policy for custodial credit risk. As of December 31, 2006, \$2,417,337 of the Authority's bank balance of \$2,542,249 was uninsured but collateralized with pledged securities held by the custodial bank's trust department in the Authority's name.

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

Investments

City Courts – The \$621,472 consists of certificates of deposit with initial maturities greater than 90 days.

B. Property Taxes

The City levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the City on property values assessed by the Bossier Parish and Caddo Parish Tax Assessors and approved by the State of Louisiana Tax Commission.

Assessment date	January 1, 2006
Levy date	Not later than June 1, 2006
Tax bills mailed	On or about November 15, 2006
Total taxes are due	December 31, 2006
Penalties and interest are added	January 1, 2007
Lien date	January 1, 2007
Tax sale - 2006 delinquent property	July 1, 2007

Property taxes levied for the current year are recognized as revenues, even though a portion is collectible in the period subsequent to the levy. The City's property tax collection records show that 93.3% of the property taxes due were collected within 60 days after the due date. Assessed values are established by the Bossier Parish and Caddo Parish Tax Assessors each year on a uniform basis at the following ratios to fair market value.

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

A revaluation of all property is required to be completed no less than every 4 years. A revaluation was completed for the tax roll of January 1, 2004.

C. Receivables

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

	<u>General</u>	<u>Community Development</u>	<u>Debt Service</u>	<u>Water and Sewerage</u>	<u>Municipal and Regional Airports</u>	<u>Convention Center Hotel</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:								
Interest	\$ -	\$ -	\$ -	\$ 1,246	\$ 6,252	\$ 62,404	\$ 637,664	\$ 707,566
Taxes	7,272,865	-	8,153,940	-	-	-	-	15,426,805
Accounts	7,844,285	2,610,153	86,678	7,144,705	1,315,362	-	3,714,165	22,715,348
Intergovernmental	13,683,096	5,988,073	531,939	-	3,258,658	2,759,053	4,056,938	30,277,757
Notes receivable	<u>-</u>	<u>19,542,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,542,821</u>
Gross receivables	28,800,246	28,141,047	8,772,557	7,145,951	4,580,272	2,821,457	8,408,767	88,670,297
Less: Allowance for uncollectibles	<u>600,766</u>	<u>9,467,000</u>	<u>645,448</u>	<u>575,706</u>	<u>322,793</u>	<u>-</u>	<u>-</u>	<u>11,611,713</u>
Net total receivables	<u>\$ 28,199,480</u>	<u>\$ 18,674,047</u>	<u>\$ 8,127,109</u>	<u>\$ 6,570,245</u>	<u>\$ 4,257,479</u>	<u>\$ 2,821,457</u>	<u>\$ 8,408,767</u>	<u>\$ 77,058,584</u>

The total of notes receivable is not expected to be collected within one year. Approximately 3.77% or \$726,554 will be collected in the next fiscal period and the balance in future years in accordance with the payment schedules.

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

Delinquent property taxes receivable (General Fund)	\$ 1,467,224
Delinquent property taxes receivable (Debt Service Fund)	2,169,018
Other deferrals including program notes receivable	<u>9,145,283</u>
Total deferred revenue for governmental funds	<u>\$12,781,525</u>

D. Federal and State Financial Assistance

Federal and State governmental units represent an important source of supplementary funding to finance housing, employment and construction programs, and other activities beneficial to the community. These funds, primarily in the form of grants, are recorded in the General, Special Revenue, Capital Projects and Enterprise Funds. A grant receivable is recorded when the City has a right to reimbursement under the related grant. The grants normally specify the purpose for which the funds may be used and are audited annually under the Single Audit as mandated by OMB Circular A-133.

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

General Fund	\$ 7,621,972
Debt Service Fund	2,322,652
Special Revenue Funds:	
Community Development	7,568,912
Police Grants	1,574,435
Environmental Grants	301,167
Capital Projects Fund	2,723,095
Enterprise Funds:	
Municipal and Regional Airports	5,373,669
Shreveport Area Transit System	3,955,366
Water and Sewer	4,438
Convention Center Hotel	<u>7,431,389</u>
Totals	<u>\$38,877,095</u>

Supplementary salary payments are made by the State to certain groups of employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution from the State. The State paid supplemental salaries to the following groups of employees: Fire Department \$1,979,997, Police Department \$1,851,671, and City Marshal (a component unit) \$180,544. These amounts were paid directly to the employees. There were no payments made for fringe benefits. The amounts for fire and police employees have been recorded in the General Fund financial statements as revenue and expenditures.

E. Capital Assets

Capital asset activity for the year ended December 31, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 95,272,265	\$ 9,847,168	\$ -	\$ 105,119,433
Construction in progress	<u>120,937,033</u>	<u>24,414,447</u>	<u>(132,762,477)</u>	<u>12,589,003</u>
Total capital assets not being depreciated	<u>216,209,298</u>	<u>34,261,615</u>	<u>(132,762,477)</u>	<u>117,708,436</u>
Capital assets, being depreciated:				
Buildings	161,191,366	85,651,409	-	246,842,775
Improvements other than buildings	56,092,536	10,542,689	-	66,635,225
Equipment	63,377,260	14,890,837	(2,764,914)	75,503,183
Infrastructure	<u>457,595,185</u>	<u>25,316,841</u>	<u>(869,008)</u>	<u>482,043,018</u>
Total capital assets being depreciated	738,256,347	136,401,776	(3,633,922)	871,024,201
Less accumulated depreciation for:				
Buildings	(38,730,221)	(4,895,919)	-	(43,626,140)
Improvements other than buildings	(19,148,480)	(2,494,055)	-	(21,642,535)
Equipment	(40,064,747)	(4,848,244)	2,764,914	(42,148,077)
Infrastructure	<u>(135,379,045)</u>	<u>(13,314,461)</u>	<u>869,008</u>	<u>(147,824,498)</u>
Total accumulated depreciation	<u>(233,322,493)</u>	<u>(25,552,679)</u>	<u>3,633,922</u>	<u>(255,241,250)</u>
Total capital assets, being depreciated, net	<u>504,933,854</u>	<u>110,849,097</u>	<u>-</u>	<u>615,782,951</u>
Governmental activities capital assets, net	<u>\$ 721,143,152</u>	<u>\$ 145,110,712</u>	<u>\$ (132,762,477)</u>	<u>\$ 733,491,387</u>

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Municipal and Regional Airports				
Capital assets, not being depreciated:				
Land	\$ 29,219,051	\$ 899,808	\$ -	\$ 30,118,859
Construction in progress	<u>3,359,537</u>	<u>5,875,067</u>	<u>(5,317,023)</u>	<u>3,917,581</u>
Total capital assets, not being depreciated	<u>32,578,588</u>	<u>6,774,875</u>	<u>(5,317,023)</u>	<u>34,036,440</u>
Capital assets, being depreciated:				
Buildings	59,941,148	747,308	-	60,688,456
Improvements other than buildings	63,251,047	3,132,700	-	66,383,747
Equipment	<u>6,047,733</u>	<u>64,144</u>	<u>(871,461)</u>	<u>5,240,416</u>
Total capital assets being depreciated	129,239,928	3,944,152	(871,461)	132,312,619
Less accumulated depreciated for:				
Buildings	(23,804,963)	(1,279,119)	-	(25,084,082)
Improvements other than buildings	(37,008,128)	(1,815,248)	-	(38,823,376)
Equipment	<u>(5,485,965)</u>	<u>(76,712)</u>	<u>856,765</u>	<u>(4,705,912)</u>
Total accumulated depreciation	<u>(66,299,056)</u>	<u>(3,171,079)</u>	<u>856,765</u>	<u>(68,613,370)</u>
Total capital assets, being depreciated, net	<u>62,940,872</u>	<u>773,073</u>	<u>(14,696)</u>	<u>63,699,249</u>
Municipal and Regional Airports capital assets, net	<u>95,519,460</u>	<u>7,547,948</u>	<u>(5,331,719)</u>	<u>97,735,689</u>
Convention Center Hotel:				
Capital assets, not being depreciation:				
Construction in progress	<u>8,936,447</u>	<u>28,808,019</u>	<u>(900,000)</u>	<u>36,844,466</u>
Convention Center Hotel capital assets, net	<u>8,936,477</u>	<u>28,808,019</u>	<u>(900,000)</u>	<u>36,844,466</u>
Water and Sewerage:				
Capital assets, not being depreciated:				
Land	1,032,277	-	-	1,032,277
Construction in progress	<u>121,451,088</u>	<u>23,708,813</u>	<u>(123,401,960)</u>	<u>21,757,941</u>
Total capital assets, not being depreciated	<u>122,483,365</u>	<u>23,708,813</u>	<u>(123,401,960)</u>	<u>22,790,218</u>
Capital assets, being depreciated:				
Equipment	9,242,374	634,570	(1,929,189)	7,947,755
Distribution and collection systems	<u>381,598,757</u>	<u>125,006,123</u>	<u>-</u>	<u>506,604,880</u>
Total capital assets, being depreciated	390,841,131	125,640,693	(1,929,189)	514,552,635
Less accumulated depreciated for:				
Equipment	(1,651,093)	(759,682)	1,508,098	(902,677)
Distribution and collection systems	<u>(149,434,915)</u>	<u>(9,280,799)</u>	<u>-</u>	<u>(158,715,714)</u>
Total accumulated depreciation	<u>(151,086,008)</u>	<u>(10,040,481)</u>	<u>1,508,098</u>	<u>(159,618,391)</u>
Total capital assets, being depreciated, net	<u>239,755,123</u>	<u>115,600,212</u>	<u>(421,091)</u>	<u>354,934,244</u>
Water and sewerage capital assets, net	<u>362,238,488</u>	<u>139,309,025</u>	<u>(123,823,051)</u>	<u>377,724,462</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Other business-type activity programs:				
Capital assets, not being depreciated:				
Land	1,940,408	-	-	1,940,408
Construction in progress	<u>-</u>	<u>3,150,958</u>	<u>(2,891,897)</u>	<u>259,061</u>
Total capital assets, not being depreciated	1,940,408	3,150,958	(2,891,897)	2,199,469
Capital assets, being depreciated:				
Buildings	8,567,632	-	-	8,567,632
Improvements other than buildings	868,530	-	-	868,530
Equipment	<u>14,693,421</u>	<u>62,699</u>	<u>(56,737)</u>	<u>14,699,383</u>
Total capital assets being depreciated	24,129,583	62,699	(56,737)	24,135,545
Less accumulated depreciated for:				
Buildings	(2,514,323)	(192,674)	-	(2,706,997)
Improvements other than buildings	(231,403)	(34,272)	-	(265,675)
Equipment	<u>(7,819,287)</u>	<u>(985,712)</u>	<u>48,906</u>	<u>(8,756,093)</u>
Total accumulated depreciation	(10,565,013)	(1,212,658)	48,906	(11,728,765)
Total capital assets, being depreciated, Net	<u>13,564,570</u>	<u>(1,149,959)</u>	<u>(7,831)</u>	<u>12,406,780</u>
Other enterprise funds capital assets, net	<u>15,504,978</u>	<u>2,000,999</u>	<u>(2,899,728)</u>	<u>14,606,249</u>
Business-type activities capital assets, net	<u>\$482,199,373</u>	<u>\$177,665,991</u>	<u>\$132,954,498</u>	<u>\$526,910,866</u>

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

Governmental activities:

General government	\$ 391,626
Public safety	2,110,537
Public works, including depreciation of general infrastructure assets	15,583,319
Community development	435,553
Culture and recreation	6,954,262
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>77,382</u>

Total depreciation expense-governmental activities \$25,552,679

Business-type activities:

Municipal and Regional Airports	\$ 3,171,079
Water and Sewerage	10,040,481
Shreveport Area Transit System	1,125,497
Golf	<u>87,161</u>

Total depreciation expense-business-type activities \$14,424,218

Construction commitments

The government has active major construction projects as of December 31, 2006. The projects include the Convention Center Hotel, various public works projects, Airport additions, and improvements to Water and Sewerage facilities. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Remaining Commitment</u>	<u>Financing Sources</u>
Wastewater Treatment Plant Expansion	\$ 982,896	Water and Sewer Revenue Bonds
AMISS Water Treatment Plant, Plants I & II Filter Improvements	2,264,514	Water and Sewer Revenue Bonds
Southeast Shreveport Water Distribution System Improvements	712,935	Water and Sewer Revenue Bonds
AMISS Water Treatment Plant Improvements	9,390,388	Water and Sewer Revenue Bonds
Rehabilitate Taxiway C & B – Regional Airport	1,095,800	Federal and State Grants
Rehabilitate Lighting – Taxiway B, D, & E – Regional Airport	671,434	Federal and State Grants
Perimeter Road and Fencing – Regional Airport	1,408,231	Federal and State Grants
Ellerbe Road/Flournoy Lucas	861,642	General Obligation Bonds
Traffic Signals Improvements	1,115,643	General Obligation Bonds and State Grants
Shreveport Convention Center Hotel	9,368,186	Notes, Loans, and State Grants
Riverfront Parking Structure	<u>1,839,500</u>	General Obligation Bonds, State Grant, Riverfront Development Funding and Downtown Parking Funding
Total	<u>\$29,711,169</u>	

Discretely presented component unit

Activity for the Metropolitan Planning Commission for the year ended December 31, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 704,514	\$ _____	\$ _____	\$ 704,514
Capital assets, being depreciated:				
Improvements other than buildings	999,234	-	-	999,234
Equipment	<u>180,478</u>	<u>29,797</u>	<u>(9,962)</u>	<u>200,313</u>
Totals, capital assets being depreciated	1,179,712	29,797	(9,962)	1,199,547
Less accumulated depreciation for:				
Improvements other than buildings	(860,767)	(5,150)	-	(865,917)
Equipment	<u>(141,883)</u>	<u>(10,682)</u>	<u>9,962</u>	<u>(142,603)</u>
Total accumulated depreciation	<u>(1,002,650)</u>	<u>(15,832)</u>	<u>9,962</u>	<u>(1,008,520)</u>
Total capital assets, being depreciated, net	<u>177,062</u>	<u>13,965</u>	-	<u>191,027</u>
MPC capital assets, net	<u>\$ 881,576</u>	<u>\$13,965</u>	<u>\$ _____</u>	<u>\$ 895,541</u>

All depreciation was charged to planning and zoning.

Activity for the Downtown Development Authority for the year ended December 31, 2006 was of follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Capital assets, not being depreciated:				
Land	\$ 299,000	\$ -	\$(225,000)	\$ 74,000
Capital assets, being depreciated:				
Leasehold improvements	52,369	-	-	52,369
Buildings	991,586	-	(236,455)	755,131
Equipment	<u>273,679</u>	<u>42,418</u>	<u>(77,161)</u>	<u>238,936</u>
Totals, capital assets being depreciated	1,317,634	42,418	(313,616)	1,046,436
Less accumulated depreciation for:				
Leasehold improvements	(12,366)	(1,745)	-	(14,111)
Buildings	(70,652)	(25,783)	21,019	(75,416)
Equipment	<u>(220,691)</u>	<u>(27,230)</u>	<u>77,161</u>	<u>(170,760)</u>
Total accumulated depreciation	<u>(303,709)</u>	<u>(54,758)</u>	<u>98,180</u>	<u>(260,287)</u>
Total capital assets, being depreciated, net	<u>1,013,925</u>	<u>(12,340)</u>	<u>(215,436)</u>	<u>786,149</u>
Downtown Development Authority capital assets, net	<u>\$1,312,925</u>	<u>\$(12,340)</u>	<u>\$(440,436)</u>	<u>\$ 860,149</u>

Depreciation expense was charged to functions/programs as follows:

Downtown development	\$30,728
Streetscape program	6,802
Parking program	<u>17,228</u>
Total	<u>\$54,758</u>

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2006 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Municipal and Regional Airports	\$ 5,564
	Community Development	19,435
Nonmajor governmental funds	Nonmajor governmental funds	10,893,372
	Internal Service Fund	2,283,848
	Fiduciary Funds	6,507,411
	General Fund	950,732
Nonmajor enterprise funds	General Fund	530,308
Internal service funds	General Fund	11,684,239
	Water and Sewerage	2,391,988
	Municipal and Regional Airports	31,004
Fiduciary funds	General Fund	<u>233,831</u>
Total		<u>\$35,531,732</u>

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

Interfund transfers:

	Transfer out:						Total
	General Fund	Community Development	Nonmajor Governmental Fund	Water and Sewer	Nonmajor Enterprise	Internal Service	
<u>Transfer in:</u>							
General Fund	\$ -	\$ -	\$ 4,400,000	\$ 1,125,000	\$ -	\$ -	\$ 5,525,000
Community Development	3,117,970	-	813,400	-	-	40,000	3,971,370
Debt Service	8,456,456	-	963,724	-	-	-	9,420,180
Nonmajor governmental	1,281,925	541,838	11,188,224	-	220,000	-	13,231,987
Municipal and Regional Airport	110,000	-	-	-	-	-	110,000
Nonmajor enterprise	<u>4,563,336</u>	-	-	-	-	-	<u>4,563,336</u>
Total transfers	<u>\$ 17,529,687</u>	<u>\$ 541,838</u>	<u>\$ 17,365,348</u>	<u>\$ 1,125,000</u>	<u>\$ 220,000</u>	<u>\$ 40,000</u>	<u>\$ 36,821,873</u>

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

G. Capital Leases

In December 2006, the City entered into a lease agreement for \$6,185,810 to finance the acquisition of various vehicles and equipment with no down payment. The City previously entered into lease agreements in 2001, 2002, 2004, and 2005. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The payment schedule below includes all of the current leases in effect at year end.

The assets acquired through the capital leases follow:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Equipment	\$ 20,537,425	\$ 1,225,091
Less: accumulated depreciation	(6,965,258)	(355,287)
Total	<u>\$13,572,167</u>	<u>\$ 869,804</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2006 were as follows:

<u>Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2007	\$ 3,680,679	\$272,861
2008	3,011,315	213,274
2009	3,011,315	213,274
2010	2,014,884	213,274
2011	1,561,411	-
2012 – 2015	<u>1,458,613</u>	<u>-</u>
Total minimum lease payments	14,738,217	912,683
Less: amount representing interest	(1,327,943)	(66,870)
Present value of minimum lease payments	<u>\$13,410,274</u>	<u>\$845,813</u>

H. Long-term Debt

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2006 was as follows:
(in thousands of dollars)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$265,040	\$ -	(\$19,430)	\$245,610	\$16,895
Less unamortized discount	(2,333)	-	897	(1,436)	-
Less deferred amounts					
on refunding	(7,892)	-	663	(7,229)	(664)
Plus deferred premium	<u>8,705</u>	<u>-</u>	(<u>737</u>)	<u>7,968</u>	<u>738</u>
Total bonds payable	<u>263,520</u>	<u>-</u>	(<u>18,607</u>)	<u>244,913</u>	<u>16,969</u>
Certificate of indebtedness	37,935	-	(3,505)	34,430	3,705
Less unamortized discount	(<u>51</u>)	<u>-</u>	<u>3</u>	(<u>48</u>)	(<u>3</u>)
Total certificates of indebtedness	37,884	-	(3,502)	34,382	3,702
Capital lease	9,868	6,186	(2,644)	13,410	3,314
Notes	34,394	-	(957)	33,437	1,007
Net pension obligation	4,454	3,672	-	8,126	-
Landfill postclosure care	2,306	478	-	2,784	-
Claims and judgments	13,830	34,235	(24,122)	23,943	23,943
Compensated absences	<u>2,050</u>	<u>399</u>	(<u>308</u>)	<u>2,141</u>	<u>342</u>
Governmental activity (Less: Community Development)	368,306	44,970	(50,140)	363,136	49,277
Community Development notes	<u>7,170</u>	<u>2,167</u>	(<u>970</u>)	<u>8,367</u>	<u>1,107</u>
Total long-term liabilities	<u>\$375,476</u>	<u>\$47,137</u>	(\$ <u>51,110</u>)	<u>\$371,503</u>	<u>\$50,384</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Municipal and Regional Airports:					
Revenue bonds	\$ 22,580	\$ -	(\$ 580)	\$ 22,000	\$ -
Loan payable	-	859	-	859	-
Compensated absences	<u>159</u>	<u>44</u>	(<u>22</u>)	<u>181</u>	<u>26</u>
Total	<u>22,739</u>	<u>903</u>	(<u>602</u>)	<u>23,040</u>	<u>26</u>
Water and Sewerage:					
Revenue bonds and notes	234,834	22,545	(23,806)	233,573	13,147
Unamortized discount	(3,176)	-	617	(2,559)	-
Less deferred amounts					
on refunding	(4,519)	(939)	761	(4,697)	(598)
Plus deferred premium	<u>2,968</u>	<u>152</u>	(<u>652</u>)	<u>2,468</u>	<u>563</u>
Total bonds payable	230,107	21,758	(23,080)	228,785	13,112
Capital lease	879	-	(198)	681	205
Compensated absences	<u>483</u>	<u>214</u>	(<u>79</u>)	<u>618</u>	<u>96</u>
Total	<u>231,469</u>	<u>21,972</u>	(<u>23,357</u>)	<u>230,084</u>	<u>13,413</u>
Convention Center Hotel:					
Notes	<u>42,479</u>	<u>-</u>	(<u>114</u>)	<u>42,365</u>	<u>77</u>
Total	<u>42,479</u>	<u>-</u>	(<u>114</u>)	<u>42,365</u>	<u>77</u>
Other business-type activity programs:					
Capital lease	202	-	(38)	164	39
Compensated absences	<u>270</u>	<u>255</u>	(<u>221</u>)	<u>304</u>	<u>249</u>
Total	<u>472</u>	<u>255</u>	(<u>259</u>)	<u>468</u>	<u>288</u>
Business-type activity long-term liabilities	<u>\$297,159</u>	<u>\$23,130</u>	(\$ <u>24,332</u>)	<u>\$295,957</u>	<u>\$13,804</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. The claims and judgments liability will be liquidated through the City's Employees Health Care Fund and the Retained Risk Fund. These funds will finance the payment of these claims by charging other funds based on the origination of the claims. The General Fund normally bears approximately 90% of these costs. At year end \$73,276 of internal service funds compensated absences are included in the above amounts. For the governmental activities, the balance of compensated absences is generally liquidated by the General Fund. Net pension obligation and landfill post-closure care will also be liquidated by the General Fund.

There are a number of limitations and restrictions contained in the various bond indentures. The City is in substantial compliance with all significant limitations and restrictions.

State law allows a maximum of 10% of the assessed valuation for general obligation bonded debt for any purpose. However, the 10% maximum can be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation. A total of approximately \$171,647,000 of additional general obligation bonded debt is available for issuance on a total assessed valuation of \$1,169,281,550 pursuant to the 35% limitation. Included in the total assessed valuation of property within the City is \$9,236,700 of assessed valuation which has been adjudicated to Caddo Parish. The table below shows the computation of the City's legal debt margin calculated at 10% of assessed valuation as of December 31, 2006.

	<u>Debt limit - 10% of assessed value for any one purpose</u>	<u>Deduct - Amount of debt applicable to debt limit</u>	<u>Legal Debt margin</u>
Street Improvements	\$116,928,155	\$80,459,714	\$ 36,468,441
Police and Fire	116,928,155	26,871,193	90,056,962
Water and Sewer Improvements	116,928,155	-	116,928,155
Parks and Recreation	116,928,155	15,422,509	101,505,646
Public Buildings	116,928,155	68,365,000	48,563,155
Drainage	116,928,155	42,372,696	74,555,459
Sanitation and Incinerator	116,928,155	-	116,928,155
Industrial Bond	116,928,155	-	116,928,155
Airports	116,928,155	-	116,928,155
Sportran	116,928,155	518,354	116,409,802
Riverfront Park	116,928,155	3,592,078	113,336,078

The annual requirements to amortize all debt outstanding as of December 31, 2006, including interest requirements are as follows:

	Maturities (thousands of dollars)				
	Total	2007	2008	2009	2010
PRINCIPAL REQUIREMENTS:					
GENERAL OBLIGATION DEBT:					
General Obligation Bonds Applicable to:					
All Purposes other than Water and Sewerage:					
1987A Refunding Issue - 5.00-8.30%	\$ 9,690 (1)	\$ -	\$ 3,230	\$ 3,230	\$ 3,230
Less: Unamortized Discount	(1,436)	-	(252)	(485)	(699)
	<u>8,254</u>	<u>-</u>	<u>2,978</u>	<u>2,745</u>	<u>2,531</u>
1997 Issue - 4.70-8.00%	1,150	1,150	-	-	-
1998 Issue - 4.30-8.00%	18,110	1,095	1,160	1,225	1,290
1998 Refunding Issue - 3.65-4.85%	6,125	1,095	1,155	1,215	1,290
1999 Issue - 4.10-5.00%	5,345	1,695	1,780	1,870	-
1999A Issue - 5.00-6.125%	11,775	3,710	3,920	4,145	-
1999 Refunding Issue - 4.00-5.00%	7,875	975	1,015	1,060	1,115
2001A Issues - 3.45-5.50%	27,385	1,290	1,350	1,415	1,485
2003A Refunding Issue - 2.375-5.00%	11,480	2,045	1,965	2,045	1,270
Less: Deferred Amount on Refunding	(352)	(50)	(50)	(50)	(50)
Plus Unamortized Premium	130	19	19	19	19
	<u>11,258</u>	<u>2,014</u>	<u>1,934</u>	<u>2,014</u>	<u>1,239</u>
2003B Refunding Issue - 2.00-5.25%	10,105	840	865	895	925
Less: Deferred Amount on Refunding	(646)	(70)	(70)	(70)	(70)
Plus: Unamortized Premium	421	46	46	46	46
	<u>9,880</u>	<u>816</u>	<u>841</u>	<u>871</u>	<u>901</u>
2003A Issue - 3.00-6.00%	33,280	1,350	1,410	1,475	1,540
Plus: Unamortized Premium	226	32	32	32	32
	<u>33,506</u>	<u>1,382</u>	<u>1,442</u>	<u>1,507</u>	<u>1,572</u>
2004A Refunding Issue - 3.00-4.50%	16,765	155	1,370	1,420	1,480
Less: Deferred Amount on Refunding	(959)	(92)	(92)	(92)	(92)
Plus: Unamortized Premium	179	17	17	17	17
	<u>15,985</u>	<u>80</u>	<u>1,295</u>	<u>1,345</u>	<u>1,405</u>
2004B Refunding Issue - 3.00-5.00%	6,185	1,410	1,490	1,560	1,725
Less: Deferred Amount on Refunding	(98)	(32)	(32)	(32)	(2)
Plus: Unamortized Premium	219	71	71	71	6
	<u>6,306</u>	<u>1,449</u>	<u>1,529</u>	<u>1,599</u>	<u>1,729</u>
2005A Refunding Issue - 2.50 - 5.00%	56,590	85	90	90	4,445
Less: Deferred Amount on Refunding	(4,371)	(354)	(354)	(354)	(354)
Plus: Unamortized Premium	4,614	374	374	374	374
	<u>56,833</u>	<u>105</u>	<u>110</u>	<u>110</u>	<u>4,465</u>
2005B Refunding Issue - 2.8 - 5.25%	23,750	-	-	-	1,855
Less: Deferred Amount on Refunding	(803)	(66)	(66)	(66)	(66)
Plus: Unamortized Premium	2,179	179	179	179	179
	<u>25,126</u>	<u>113</u>	<u>113</u>	<u>113</u>	<u>1,968</u>
Total General Obligation Bonds	<u>244,913</u>	<u>16,969</u>	<u>20,622</u>	<u>21,234</u>	<u>20,990</u>

Maturities

Maturities
(thousands of dollars)

2011	2012- 2016	2017- 2021	2022- 2026	2027- 2031	2032- 2036
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,365	8,070	3,905	-	-	-
1,370	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,710	-	-	-	-	-
1,555	8,965	11,325	-	-	-
1,325	2,830	-	-	-	-
(50)	(102)	-	-	-	-
19	35	-	-	-	-
1,294	2,763	-	-	-	-
965	5,615	-	-	-	-
(70)	(296)	-	-	-	-
46	191	-	-	-	-
941	5,510	-	-	-	-
1,605	9,180	11,415	5,305	-	-
32	66	-	-	-	-
1,637	9,246	11,415	5,305	-	-
1,545	8,790	2,005	-	-	-
(92)	(460)	(39)	-	-	-
85	26	-	-	-	-
1,538	8,356	1,966	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,660	27,260	19,960	-	-	-
(354)	(1,772)	(829)	-	-	-
374	1,870	874	-	-	-
4,680	27,358	20,005	-	-	-
1,965	11,470	8,460	-	-	-
(66)	(330)	(143)	-	-	-
179	895	389	-	-	-
2,078	12,035	8,706	-	-	-
20,168	82,303	57,322	5,305	-	-

(thousands of dollars)

	Total	2007	2008	2009	2010
General Obligation Notes					
1998A Certificate of Indebtedness - 4.65-5.25%	29,510	3,445	3,620	3,800	4,000
1999 City Hall Project Notes - 4.75-7.00%	4,220	755	800	840	890
Property Acquisition - 4.77%	67	67	-	-	-
2000 Independence Stadium - Variable	24,295	155	160	170	195
2000A Independence Stadium - Variable	4,855	30	30	35	40
Capital Lease - 5.29%	100	100	-	-	-
Suntrust Lease/Purchase - 3.68%	1,203	1,203	-	-	-
2000A Convention Center Hotel - 4.495%	2,365	77	81	85	92
2005A Convention Center Hotel - 3.657%	40,000	-	-	125	300
Banc One Lease/Purchase - 3.07%	2,835	916	945	974	-
Community Bank Lease/Purchase	1,408	130	136	142	149
Chase Lease Purchase - 3.525%	1,605	380	394	408	423
Chase Lease Purchase - 3.734%	6,186	568	579	590	601
Capital Lease - Water and Sewerage - 5.29%	57	57	-	-	-
Chase Lease Purchase - Water and Sewer - 3.525%	624	148	153	159	164
Chase Lease Purchase - Fleet Services - 3.525%	73	17	18	19	19
Chase Lease Purchase - Golf - 3.525%	164	39	40	42	43
Loan Payable - Airport - 4.66%	859	-	43	43	43
2004 Certificate of Indebtedness - 2.0-4.2%	4,920	260	270	275	280
Less: Unamortized Discount	(48)	(3)	(3)	(3)	(3)
	<u>4,872</u>	<u>257</u>	<u>267</u>	<u>272</u>	<u>277</u>
Total General Obligation Debt	<u>370,211</u>	<u>25,313</u>	<u>27,888</u>	<u>28,938</u>	<u>28,226</u>
Municipal and Regional Airports					
1997A Issue - 5.375%	7,390	-	-	-	-
1997B PFC Issue - 4.20-5.375%	14,610 (2)	-	610	635	670
Total Revenue Bonds - Airports	<u>22,000</u>	<u>-</u>	<u>610</u>	<u>635</u>	<u>670</u>
Water and Sewerage					
1993B Issue - 4.25-9.00%	5,065	600	635	675	720
1997A Refunding Issue - 4.00-5.40%	845	845	-	-	-
Less: Deferred Amount on Refunding	(92)	(12)	(12)	(12)	(12)
	<u>753</u>	<u>833</u>	<u>(12)</u>	<u>(12)</u>	<u>(12)</u>
2000A Issue - 5.00-7.00%	895	280	300	315	-
2001A Issue - 3.95%	6,000	275	285	300	310
2001B Issue - 3.95%	6,000	275	285	300	310
2001C Issue - 3.95%	3,962	220	225	235	245
2002A Issue - 3.95%	12,189	-	-	-	-
2002B Issue - 3.95%	7,781	-	-	-	-
2003A Issue - 3.95%	12,901	-	-	-	-
2003B Issue - 3.95%	3,193	89	81	73	64
2004A Issue - 3.95%	11,072	-	-	-	-
2002A Refunding Issue - 4.00-4.65%	16,725	163	2,207	3,755	5,305
Less: Unamortized Discount	(2,559)	-	(183)	(448)	(857)
Less: Deferred Amount on Refunding	(582)	(116)	(116)	(116)	(116)
Plus: Unamortized Reoffer Call Premium	156	1	16	31	51
	<u>13,740</u>	<u>48</u>	<u>1,924</u>	<u>3,222</u>	<u>4,383</u>
2003A Refunding Issue - 4.00-5.00%	28,335	5,790	4,895	3,635	2,390
Less: Deferred Amount on Refunding	(1,958)	(245)	(245)	(245)	(245)
Plus: Unamortized Reoffer Call Premium	1,233	296	244	194	156
	<u>27,610</u>	<u>5,841</u>	<u>4,894</u>	<u>3,584</u>	<u>2,301</u>

(thousands of dollars)

2011	2012- 2016	2017- 2021	2022- 2026	2027- 2031	2032- 2036
4,210	10,435	-	-	-	-
935	-	-	-	-	-
-	-	-	-	-	-
250	2,255	4,460	7,565	9,085	-
50	450	890	1,510	1,820	-
-	-	-	-	-	-
-	-	-	-	-	-
96	571	759	604	-	-
200	2,625	5,150	8,275	11,625	11,700
-	-	-	-	-	-
155	696	-	-	-	-
-	-	-	-	-	-
612	3,236	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
43	215	215	215	42	-
290	1,605	1,940	-	-	-
(3)	(17)	(16)	-	-	-
287	1,588	1,924	-	-	-
27,006	104,374	70,720	23,474	22,572	11,700
-	-	-	4,125	3,265	-
700	4,060	5,240	2,695	-	-
700	4,060	5,240	6,820	3,265	-
765	1,670	-	-	-	-
-	-	-	-	-	-
(12)	(32)	-	-	-	-
(12)	(32)	-	-	-	-
-	-	-	-	-	-
325	1,810	2,200	495	-	-
325	1,810	2,200	495	-	-
255	1,435	1,347	-	-	-
-	2,835	8,128	1,226	-	-
619	3,484	3,678	-	-	-
656	3,686	4,476	4,083	-	-
300	1,500	1,086	-	-	-
733	4,123	5,004	1,212	-	-
5,295	-	-	-	-	-
(1,071)	-	-	-	-	-
(118)	-	-	-	-	-
57	-	-	-	-	-
4,163	-	-	-	-	-
2,570	9,055	-	-	-	-
(245)	(733)	-	-	-	-
131	212	-	-	-	-
2,456	8,534	-	-	-	-

Maturities
(thousands of dollars)

	Total	2007	2008	2009	2010
2003B Refunding Issue - 2.00-5.00%	15,250	1,680	1,725	1,775	1,855
Less: Deferred Amount on Refunding	(1,069)	(134)	(134)	(134)	(134)
Plus: Unamortized Original Issuance Premium	401	80	74	68	57
	<u>14,582</u>	<u>1,626</u>	<u>1,665</u>	<u>1,709</u>	<u>1,778</u>
2003C Refunding Issue - 4.00%	9,220	1,000	1,040	1,085	1,125
Less: Deferred Amount on Refunding	(59)	(7)	(7)	(7)	(7)
Plus: Unamortized Reoffer Call Premium	283	64	56	49	40
	<u>9,444</u>	<u>1,057</u>	<u>1,089</u>	<u>1,127</u>	<u>1,158</u>
2004B Refunding Issue - 4.00-5.00%	7,930	1,855	1,925	2,025	2,125
Less: Deferred Amount on Refunding	(64)	(18)	(18)	(18)	(10)
Plus: Unamortized Reoffer Call Premium	255	108	81	50	16
	<u>8,121</u>	<u>1,945</u>	<u>1,988</u>	<u>2,057</u>	<u>2,131</u>
2005 LCDA Note - Variable	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2006A Refunding Issue - 4.00%	11,210	75	710	545	705
Less: Deferred Amount on Refunding	(873)	(66)	(66)	(66)	(66)
Plus: Unamortized Reoffer Call Premium	140	14	14	13	13
	<u>10,477</u>	<u>23</u>	<u>658</u>	<u>492</u>	<u>652</u>
Total Revenue Bonds -- Water and Sewerage	<u>228,785</u>	<u>13,112</u>	<u>14,017</u>	<u>14,077</u>	<u>14,040</u>
Total Principal	<u>620,996</u>	<u>38,425</u>	<u>42,515</u>	<u>43,650</u>	<u>42,936</u>
INTEREST REQUIREMENTS:					
General Obligation Debt	143,568	15,648	14,785	13,870	12,970
Revenue Bonds and Notes					
Water and Sewerage	93,785	8,848	8,863	8,929	9,122
Municipal and Regional Airports	15,082 (2)	-	1,158	1,129	1,098
Total Interest Requirements	<u>252,435</u>	<u>24,496</u>	<u>24,806</u>	<u>23,928</u>	<u>23,190</u>
Total Future Debt Requirements	<u>\$ 873,431</u>	<u>\$ 62,921</u>	<u>\$ 67,321</u>	<u>\$ 67,578</u>	<u>\$ 66,126</u>

(1) The principal and interest for the 1987A General Obligation Bond Issues which were due January 1, 2007 were paid as of December 31, 2006; therefore, there were no requirements for 2007.

(2) The principal and interest for the 1997B PFC Revenue Bonds due January 1, 2007 were paid as of December 31, 2006; therefore, there were no requirements for 2007.

Maturities
(thousands of dollars)

2011	2012- 2016	2017- 2021	2022- 2026	2027- 2031	2032- 2036
1,930	6,285	-	-	-	-
(134)	(399)	-	-	-	-
47	75	-	-	-	-
<u>1,843</u>	<u>5,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,170	3,800	-	-	-	-
(7)	(24)	-	-	-	-
32	42	-	-	-	-
<u>1,195</u>	<u>3,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>9,920</u>	<u>30,130</u>	<u>34,950</u>	<u>-</u>	<u>-</u>
740	3,955	2,405	2,075	-	-
(66)	(266)	(170)	(107)	-	-
12	45	24	5	-	-
<u>686</u>	<u>3,734</u>	<u>2,259</u>	<u>1,973</u>	<u>-</u>	<u>-</u>
<u>14,309</u>	<u>54,288</u>	<u>60,508</u>	<u>44,434</u>	<u>-</u>	<u>-</u>
<u>42,015</u>	<u>162,722</u>	<u>136,468</u>	<u>74,728</u>	<u>25,837</u>	<u>11,700</u>
11,864	40,035	19,112	9,456	4,731	1,097
8,931	28,247	15,815	5,030	-	-
1,065	4,765	3,585	2,016	266	-
<u>21,860</u>	<u>73,047</u>	<u>38,512</u>	<u>16,502</u>	<u>4,997</u>	<u>1,097</u>
<u>\$ 63,875</u>	<u>\$ 235,769</u>	<u>\$ 174,980</u>	<u>\$ 91,230</u>	<u>\$ 30,834</u>	<u>\$ 12,797</u>

General Obligation Bonds

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

In October 2004, the City issued \$17,060,000 in General Obligation Refunding Bonds, Series 2004A to advance refund a portion of the General Obligation Bonds, Series 1997. The amount refunded was \$16,000,000 with maturity dates from 2008 through 2017. These bonds will be called for redemption in 2007 and have been removed from the governmental activities column of the Statement of Net Assets. The principal outstanding at December 31, 2006 on the bonds refunded was \$16,000,000.

In February 2005, the City issued \$56,675,000 in General Obligation Refunding Bonds, Series 2005A to advance refund a portion of the General Obligation Bonds, Series 1999A. The amount refunded was \$56,775,000 with maturity dates from 2010, through 2019. These bonds will be called for redemption in 2009 and have been removed from the governmental activities column of the Statement of Net Assets. The principal outstanding at December 31, 2006 on the bonds refunded was \$56,775,000.

In September 2005, the City issued \$23,840,000 in General Obligation Refunding Bonds, Series 2005B to advance refund a portion of the General Obligation Bonds, Series 1999. The amount refunded was \$24,890,000 with maturity dates from 2010, through 2019. These bonds will be called for redemption in 2009 and have been removed from the governmental activities column of the Statement of Net Assets. The principal outstanding at December 31, 2006 on the bonds refunded was \$24,890,000.

Community Development Notes

In March 2004, the City entered into a Section 108 Housing and Urban Development (HUD) guaranteed loan for \$2,500,000 for Shreveport Inner City Economic Development Initiative (SICEDI). The initial drawdown was for \$450,000 in 2004. The balance of \$2,050,000 was received in 2006. The maturity dates are 2007 through 2023 with interest rates from 4.96% to 5.66% and principal payments of \$131,000 to \$142,000.

In December 2004, the City entered into a Non-Revolving Line of Credit of \$2,000,000 with the Federal National Mortgage Association to provide interim financing for construction of 26 affordable homes. Principal is due upon completion of each home and conversion to permanent financing with Hibernia Bank. Interest is computed at 3-month LIBOR plus 230 basis points. No draws were made prior to the year 2006. At December 31, 2006, \$116,582 had been drawndown and interest accrued of \$2,385. The maturity of the drawdowns is 12 months, assuming financing has not been obtained.

The City has four other HUD loans received in prior years. The loans are secured by a note receivable from the developer with a first lien mortgage and a pledge of the City's current and future CDBG funds. The note receivable and loan payable are recorded in the Community Development Fund due to the flow of funds between the developer, the City, and HUD. The developer makes payments to the City and the City services the loan to HUD. An allowance for doubtful accounts has been provided for one note originally made for \$2,200,000 and still outstanding for the full amount. Another note originally made for \$5,000,000 is not collectible. An amount of \$315,000 and \$3,586,000 respectively, has been recorded as due from HUD at December 31, 2006 in relation to these notes as well as \$779,652 for interest paid but not drawn down at this date.

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

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 1,106,582	\$ 495,124
2008	680,000	449,561
2009	685,000	409,762
2010	690,000	369,166
2011	695,000	327,524
2012-2016	3,190,000	982,703
2017-2021	1,047,000	246,898
2022-2023	<u>273,000</u>	<u>23,437</u>
Total	<u>\$8,366,582</u>	<u>\$3,304,175</u>

Municipal and Regional Airports Revenue Bonds

The resolutions applicable to the Municipal and Regional Airports Revenue Bonds require the establishment of various bond principal and interest sinking funds and the establishment of a debt service reserve fund. For financial statement reporting, these funds have been consolidated within the Municipal and Regional Airport fund. Net assets of the Municipal and Regional Airport fund have been restricted in accordance with the provisions of the respective bond indentures in the amount of \$1,775,039 at December 31, 2006, which represents the restricted assets included in the debt service funds at that date with no current liabilities payable from these restricted assets.

The City has covenanted in the General Bond Resolution that it will at all times fix, prescribe and collect rents, fees and other charges for the services and facilities furnished by the Airport System sufficient to yield net revenues during each fiscal year equal to at least 125% of debt service for such fiscal year and to yield revenues during each fiscal year equal to at least 100% of the aggregate amounts required to be deposited during the first year in each account created by the General Bond Resolution.

Restricted assets on the balance sheet of the Municipal and Regional Airport fund primarily represent amounts which are required to be maintained pursuant to ordinances relating to bonded indebtedness. A summary of restricted assets at December 31, 2006 follows:

<u>Fund</u>	
Debt Service Reserve Funds	\$1,775,039
Other Miscellaneous Reserve Funds	2,093,639
Bond and Interest Sinking Funds	<u>203,966</u>
Total restricted assets	<u>\$4,072,644</u>

Department of Water and Sewerage Revenue Bonds

In prior years, the City has issued Water and Sewer Revenue Bonds for system upgrades through a series of Loan and Pledge Agreements with the Louisiana Department of Environmental Quality (DEQ). The DEQ as the initial purchaser of the bonds, purchases the bonds in increments as project costs are incurred, and interest is payable only on the amount purchased from the date of purchase. At December 31, 2006, the bonds authorized that have not been fully purchased and the amount purchased to date are the 2001C \$5,540,000 (\$4,757,420), 2002A \$25,000,000 (\$24,403,215), 2002B \$13,000,000 (\$11,503,903), 2003A \$16,000,000 (\$15,824,214), 2003B \$6,000,000 (\$4,298,913), 2004A \$16,000,000 (\$14,930,602). The amounts drawdown and issued in 2006 were 2001C \$1,124,865, 2002A \$250,128, 2002B \$4,211,851, 2003B \$558,335, and 2004A \$5,084,342.

In September 2005, the City entered into a Loan Agreement for \$75,000,000 with the Louisiana Local Governmental Environmental Facilities and Community Development Authority. The Authority issued \$75,000,000 of its Revenue Bonds (Shreveport Utility System Project) Series 2005. The bonds were initially issued in the weekly rate mode which would, in the opinion of the remarketing agent, result in the market value of the bonds being 100% of the principal amount on the interest determination date. Any bond may be converted to a different interest mode and different bonds may be in different interest rate modes at the same time. Through a Swap Agreement with JP Morgan Chase Bank, the City has fixed the interest rate at 3.56%.

The bonds are subject to purchase on demand of the holder on any business day at a price equal to the principal plus accrued interest on seven days notice and delivery to the City's remarketing agent, J. P. Morgan Securities, Inc. Under a standby purchase agreement with JP Morgan Chase Bank, the trustee is entitled to draw an amount sufficient to pay the purchase price of tendered bonds which have not been remarketed. The initial agreement is equal to the sum of (a) \$75,000,000 constituting the principal face amount of the bonds and (b) \$838,837 equal to 34 days interest on the bond at 12% and shall be adjusted by any changes in the principal commitment. The agreement is valid through September 27, 2007, but may be extended by agreement in writing between the City and the bank. Interest is payable at the Purchased Bond Rate which is the greater of the banks prime rate or the Overnight Effective Federal Funds Rate plus .50%. Commencing on the earlier of the sixtieth day after the purchase date or the first business day of the sixth month after the end of the purchase period, purchased bonds are subject to special mandatory redemption over a five-year period in ten equal installments of principal and interest at the Purchased Bond Rate which is the prime rate plus 1%. At December 31, 2006, there were no draws outstanding. If the balance of the issue was converted to a five-year semi-annual installment loan, the semi-annual payments would be \$9,536,754 assuming a 9.25% interest rate. The City is required to pay a fee of .0008% per annum of the aggregate amount of bonds outstanding for the remarketing agreement on a quarterly basis in advance and .0085% per annum on the average daily amount of the available commitment of the standby purchase agreement payable quarterly in arrears.

In January 2006, the City issued \$11,315,000 in Water and Sewer Revenue Bonds, 2006 Refunding Series A to advance refund a portion of the 1997 Refunding Series A and 2000 Series A bonds and to pay for the costs of issuance. The bonds refunded were \$2,835,000 of the 1997 Refunding Series A bonds with maturity dates of 2008 through 2014 and \$7,635,000 of the 2000 Series A bonds with maturity dates of 2010 through 2024. The refunding bonds have maturity dates of 2006 through 2024 with principal payments of \$75,000 to \$805,000 and interest rates from 4.00% to 5.00%. Included in the bond proceeds was a premium of \$152,241. Existing sinking funds of \$48,124 along with the net proceeds of \$11,097,162 were placed in an irrevocable trust for future debt service payments on the refunded bonds. The refunded 1997 Refunding Series A bonds will be called for redemption on December 1, 2007 and the 2000 Series A bonds will be called for redemption on December 1, 2009. These bonds have been removed from the business activities column of the Statement of Net Assets. The reacquisition price of the 1997 Refunding Series A bonds exceeded the carrying amount by \$284,528. This amount is being netted against the new debt and amortized over the life of the old debt through 2014. The reacquisition price of the 2000 Series A bonds exceeded the carrying amount by \$654,783. This amount is being netted against the new debt and amortized over the life of the new debt which is the same as the old debt. The refundings were undertaken to reduce future debt service payments by \$560,790 and resulted in an economic gain of \$415,795. The principal outstanding at December 31, 2006 on the bonds refunded was \$2,835,000 on the 1997 Refunding Service A bonds and \$7,635,000 on the 2000 Series A bonds.

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

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

Restricted assets on the balance sheet of the Department of Water and Sewerage primarily represent amounts which are required to be maintained pursuant to ordinances relating to bonded indebtedness (construction, debt service, and bond principal and interest sinking funds). A summary of restricted assets by bond issue at December 31, 2006 follows:

<u>Fund</u>	
1990A and B Bonds Construction Funds	\$ 155,742
Debt Service Reserve Funds	3,422,856
Bond and Interest Sinking Funds	1,072,723
2000A Bond Construction Fund	692,390
2001B Bond Construction Fund	215,749
2005 LCDA Loan Agreement	71,273,061
Miscellaneous Bond Construction Fund	<u>4,283,104</u>
Total restricted assets	<u>\$81,115,625</u>

Convention Center Hotel

In April 2005, the City entered into a Loan Agreement for \$40,000,000 with the Louisiana Local Governmental Environmental Facilities and Community Developmental Authority. The Authority issued \$40,000,000 of its Revenue Bonds (Shreveport Convention Center Hotel Project) Series 2005. The bonds were issued initially as auction rate securities for generally successive 35-day auction periods. At the election of borrower, the bonds may be converted, in whole, to bear interest on the basis of a 7-day period or other interest rate periods as provided. Through a Swap Agreement with JP Morgan Chase Bank, the City has fixed the interest rate at 3.657%.

Restricted assets on the balance sheet of the Convention Center Hotel primarily represent amounts required to be maintained in accordance with the Trust Indenture and Loan Agreement. A summary of restricted assets at December 31, 2006 follows:

<u>Fund</u>	
Capitalized Interest Fund	\$ 454,448
Debt Service Reserve Fund	1,739,013
Construction Fund	<u>11,387,004</u>
Total	<u>\$13,580,465</u>

Interest Rate Swap Agreements

Independence Stadium Notes (Two swap agreements)

Swap Agreement One

Objective of the interest rate swap. In October, 2003 the City entered into an interest rate swap with JP Morgan Chase Bank in connection with the balance of the \$30 million of Independence Stadium notes issued in 2000. The swap was done to lower the City's total cost to service the notes.

Terms. The bonds mature in March 2030, however, the swap agreement matures in September 2008. The notional amount of the bonds is \$29,150,000 and matches the swap agreement through termination in 2008. The bonds were initially marketed in the weekly mode at Bond Market Association Municipal Swap Index (BMA) +0.12% plus remarketing fees of 0.125% and liquidity fees of 0.24% for a total of BMA + 0.485%. The bonds were remarketed at an average fixed rate of 2.935% through September 1, 2008. Through the swap agreement, the City receives the fixed amount for bond payments and pays the BMA + 0.30%. The net effect is a savings of 0.185%.

Fair Value. As of December 31, 2006, the swap had a negative fair value of \$478,593. The fair value was estimated using a proprietary valuation model which calculates the present value of future cash flows.

Credit risk. As of December 31, 2006, the City was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the City would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty was rated AA- by Standard & Poor's, and Aa2 by Moody's Investors Service as of December 31, 2006. The City will be exposed to credit risk only if the counterparty defaults or the swap is terminated.

Basis risk. There is no basis risk since the BMA is the only variable rate used. The payment received and paid to the bondholders is a fixed rate.

Termination risk. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City if the counterparty's credit rating falls below Baa1 as determined by Moody's or BBB+ as determined by Standard & Poor's. If at the time of termination, the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

Swap Agreement Two

Objective of the interest rate swap. In July 2005, the City entered into a second swap agreement with JP Morgan Chase Bank in connection with the balance of the \$30 million of Independence Stadium notes issued in 2000. The intention of the swap was to effectively change the City's variable interest rate on the bonds to a synthetic fixed rate of 3.877%. This agreement was amended in June 2006.

Terms. The bonds and the related swap agreement mature in March 2030, and the swap's notional amount of \$29,150,000 matches the bonds. Under the amended swap, the City pays a fixed payment of 3.877% and receives a variable payment computed as 68.2% of the 5-year USD-ISDA swap rate. Conversely, the bond's variable rate under swap one is BMA + 0.30%.

Fair value. As of December 31, 2006, the swap had a negative fair value of \$502,914. The fair value was estimated using a proprietary valuation model which calculates the present value of future cash flows.

Credit risk. As of December 31, 2006, the City was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the City would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty was rated AA- by Standard & Poor's, and Aa2 by Moody's Investors Service as of December 31, 2006. The City will be exposed to credit risk only if the counterparty defaults or the swap is terminated.

Basis risk. The swap exposes the City to basis risk should the relationship between the 5-year USD-ISDA swap rate and BMA converge, changing the synthetic rate of the bonds. If a change occurs that results in rates' moving to convergence, the expected cost savings may not be realized.

Termination risk. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City if the counterparty's credit rating falls below Baa1 as determined by Moody's or BBB+ as determined by Standard & Poor's. If the swap is terminated, the bonds would no longer carry a synthetic rate. If at the time of termination, the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

Swap payments and associated debt. Using rates as of December 31, 2006, debt service requirements of the debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, bond interest payments and net swap payments will vary.

Fiscal Year Ending December 31	Bonds		Interest Rate	Interest Rate	Total
	Principal	Interest	Swaps, Net (1)	Swaps, Net (2)	Debt Service
2007	\$ 185,000	\$ 855,743	\$370,483	\$ 154,525	\$ 1,565,751
2008	190,000	851,285	368,093	153,528	1,562,906
2009	205,000	1,159,633	-	152,477	1,517,110
2010	235,000	1,151,371	-	151,308	1,537,679
2011	300,000	1,141,901	-	149,885	1,591,786
2012-2016	2,705,000	5,466,698	-	714,181	8,885,879
2017-2021	5,350,000	4,723,161	-	609,031	10,682,192
2022-2026	9,075,000	3,365,657	-	419,995	12,860,652
2026-2031	<u>10,905,000</u>	<u>1,145,731</u>	-	<u>122,191</u>	<u>12,172,922</u>
Total	<u>\$29,150,000</u>	<u>\$19,861,180</u>	<u>\$738,576</u>	<u>\$2,627,121</u>	<u>\$52,376,877</u>

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

Swap Agreement One

Objective of the interest rate swap. In July 2005, the City entered into an interest rate swap with Ambac Financial Services, LLC in connection with the \$40 million Shreveport Convention Center Hotel Project Series 2005 Revenue Bonds. The bonds were initially issued in the auction rate mode. The intention of the swap was to change the auction rate bonds to a synthetic fixed rate of 3.657%.

Terms. The bonds and the related swap agreement mature on April 1, 2035, and the swap's notional amount of \$40 million matches the \$40 million variable rate bonds. The swap was entered at the same time the bonds were issued (July 2005). Starting in fiscal year 2009, the notional value of the swap and the principal amount of the associated debt will decline. Under the swap, the City pays the counterparty a fixed payment of 3.657% and receives a variable payment computed as 70% of USD-LIBOR-BBA plus 0.05%. Conversely, the bonds are based on successive 35-day auction periods.

Fair Value. As of December 31, 2006, the swap had a positive fair value of \$281,442. The fair value was estimated using a proprietary valuation model which calculates the present value of future cash flows.

Credit risk. As of December 31, 2006, the City was exposed to credit risk in the amount of the swap's fair value. The swap counterparty is rated AAA by Standard & Poor's and Moody's Investor Services as of December 31, 2006. The swap is guaranteed by Ambac Assurance Corporation. The City will only be exposed to credit risk if the insurer's AAA credit rating falls below A- for Standard & Poor's and A3 in the case of Moody's.

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

Termination risk. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City if the insurer's rating falls below A- for Standard & Poor's and A3 in the case of Moody's. If the swap is terminated, the bonds would no longer carry a synthetic interest rate. If at the time of termination, the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

Swap Agreement Two

Objective of the interest rate swap. In June 2006, the City entered into an interest rate swap with Morgan Keegan Financial Products, Inc. in connection with the \$40 million Shreveport Convention Center Hotel Project Series 2005 Revenue Bonds. The swap was done to lower the City's cost to service the bonds.

Terms. The bonds and the related swap agreement mature on April 1, 2035, and the swap's notional amount of \$40 million matches the variable rate bonds. Starting in fiscal year 2009, the notional value of the swap and the principal amount of the associated debt will decline. Under the swap, the City pays the counterparty 70% of the USD-LIBOR-BBA plus 0.05% and receives 64.09% of the 5-year USD-ISDA swap rate.

Fair Value. As of December 31, 2006, the swap had a negative fair value of \$769,687. The fair value was estimated using a proprietary valuation model which calculates the present value of future cash flows.

Credit risk. As of December 31, 2006, the City was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the City would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty is rated AA- by Standard and Poor's and AA3 by Moody's Investors Services as of December 31, 2006. The City will be exposed to credit risk only if the counterparty defaults or the swap is terminated.

Basis risk. The swap exposes the City to basis risk should the relationship between the 5-year USD-ISDA swap rate and the USD-LIBOR-BBA rate coverage. If a change occurs that results in rates moving to convergence, the expected cost savings may not be realized.

Termination risk. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City if the counterparty's credit rating falls below Baa1 as determined by Moody's or BBB+ as determined by Standard and Poor's. If the swap is terminated, the costs savings would not be achieved. If at the time of termination, the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

Swap payments and associated debt. Using rates as of December 31, 2006, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term were as follows. As rates vary, bond interest payments and net swap payments will vary.

Fiscal Year Ending December 31	Variable-Rate Bonds		Interest Rate	Interest Rate	Total
	Principal	Interest	Swaps, Net (1)	Swaps, Net (2)	Debt Service
2007	\$ -	\$ 1,460,000	\$ (55,040)	\$ 260,400	\$ 1,665,360
2008	-	1,460,000	(55,040)	260,400	1,665,360
2009	125,000	1,460,000	(55,040)	260,400	1,790,360
2010	300,000	1,455,438	(54,868)	259,586	1,960,156
2011	200,000	1,444,488	(54,455)	257,633	1,847,666
2012-2016	2,625,000	7,031,726	(265,086)	1,254,153	10,645,793
2017-2021	5,150,000	6,380,200	(240,525)	1,137,949	12,427,624
2022-2026	8,275,000	5,224,064	(196,939)	931,743	14,233,868
2027-2031	11,625,000	3,455,659	(130,272)	616,335	15,566,722
2032-2036	<u>11,700,000</u>	<u>1,094,975</u>	<u>(41,282)</u>	<u>195,298</u>	<u>12,948,991</u>
Total	<u>\$40,000,000</u>	<u>\$30,466,550</u>	<u>\$(1,148,547)</u>	<u>\$5,433,897</u>	<u>\$74,751,900</u>

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

Swap Agreement One

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

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

Fair value. As of December 31, 2006, the swap had a positive fair value of \$643,688. The fair value was estimated using a proprietary valuation model which calculates the present value of future cash flows.

Credit risk. As of December 31, 2006, the City was not exposed to credit risk because the total swap portfolio with JP Morgan Chase Bank had a negative fair value. However, should interest rates change and the fair value of the total swap portfolio become positive, the City would be exposed to credit risk in the amount of the swap's portfolio fair value. The swap counterparty is rated AA- by Standard & Poor's, and Aa2 by Moody's Investors Service as of December 31, 2006. The swap is guaranteed by Financial Security Assurance. The City will only be exposed to credit risk if the insurer's AAA credit rating falls below A from Standard & Poor's and below A2 from Moody's.

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

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

Swap Agreement Two

Objective of the interest rate swap. In May 2006, the City entered into an interest rate swap with Morgan Keegan Financial Products, Inc. in connection with the \$75 million Shreveport Utility System Project Series 2005 Revenue Bonds. The swap was done to lower the City's cost to service the bonds.

Terms. The bonds and the related swap agreement mature on October 1, 2026, and the swap's notional amount of \$50 million matches the proportional amount of the \$75 million variable rate bonds. The balance, \$25 million, is matched by a similar swap with JP Morgan Chase Bank. Starting in fiscal year 2013, the notional value of the swap and the principal amount of the associated debt will decline. Under the swap, the City pays the counterparty 70% of the USD-LIBOR-BBA and receives 63% of the 5-year USD-ISDA swap rate.

Fair Value. As of December 31, 2006, the swap had a negative fair value of \$871,927. The fair value was estimated using a proprietary valuation model which calculates the present value of future cash flows.

Credit risk. As of December 31, 2006 the City was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the City would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty is rated AA- by Standard and Poor's and AA3 by Moody's Investor Services as of December 31, 2006. The City will be exposed to credit risk only if the counterparty defaults or the swap is terminated.

Basis risk. The swap exposes the City to basis risk should the relationship between the 5-year USD-ISDA swap rate and the USD-LIBOR-BBA rate converge. If a change occurs that results in rates moving to convergence, the expected cost savings may not be realized.

Termination risk. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City if the counterparty's credit rating falls below Baa1 as determined by Moody's or BBB+ as determined by Standard and Poor's. If the swap is terminated, the costs savings would not be achieved. If at the time of termination, the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

Swap Agreement Three

Objective of the interest rate swap. In May 2006, the City entered into an interest rate swap with JP Morgan Chase Bank. in connection with the \$75 million Shreveport Utility System Project Series 2005 Revenue Bonds. The swap was done to lower the City's cost to service the bonds.

Terms. The bonds and the related swap agreement mature on October 1, 2026, and the swap's notional amount of \$25 million matches the proportional amount of the \$75 million variable rate bonds. The balance, \$50 million, is matched by a similar swap with Morgan Keegan Financial Products, Inc. Starting in fiscal year 2013, the notional value of the swap and the principal amount of the associated debt will decline. Under the swap, the City pays the counterparty 70% of the USD-LIBOR-BBA and receives 63% of the 5-year USD-ISDA swap rate.

Fair Value. As of December 31, 2006, the swap had a negative fair value of \$462,203. The fair value was estimated using a proprietary valuation model which calculates the present value of future cash flows.

Credit risk. As of December 31, 2006 the City was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the City would be exposed to credit risk in the amount of the swap's fair value. The swap

counterparty is rated AA- by Standard and Poor's and Aa2 by Moody's Investor Services as of December 31, 2006. The City will be exposed to credit risk only if the counterparty defaults or the swap is terminated.

Basis risk. The swap exposes the City to basis risk should the relationship between the 5-year USD-ISDA swap rate and the USD-LIBOR-BBA rate converge. If a change occurs that results in rates moving to convergence, the expected cost savings may not be realized.

Termination risk. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City if the counterparty's credit rating falls below Baa1 as determined by Moody's or BBB+ as determined by Standard and Poor's. If the swap is terminated, the costs savings would not be achieved. If at the time of termination, the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

Swap payments and associated debt. Using rates as of December 31, 2006, debt service requirements of the debt and net swap payments, assuming current interest rates remain the same for their term were as follows. As rates vary, bond interest payments and net swap payments will vary.

Fiscal Year Ending December 31	Variable-Rate Bonds		Interest Rate	Interest Rate	Total
	Principal	Interest	Swaps, Net(1)	Swaps, Net (2)(3)	Debt Service
2007	\$ -	\$ 2,962,500	\$ (138,428)	\$ 490,815	\$ 3,314,887
2008	-	2,962,500	(138,428)	490,815	3,314,887
2009	-	2,962,500	(138,428)	490,815	3,314,887
2010	-	2,962,500	(138,428)	490,815	3,314,887
2011	-	2,962,500	(138,428)	490,815	3,314,887
2012-2016	9,920,000	14,507,758	(677,899)	2,403,587	26,153,446
2017-2021	30,130,000	10,508,976	(491,047)	1,741,085	41,889,014
2022-2026	<u>34,950,000</u>	<u>4,342,236</u>	<u>(202,898)</u>	<u>719,404</u>	<u>39,808,742</u>
Total	<u>\$75,000,000</u>	<u>\$44,171,470</u>	<u>\$(2,063,984)</u>	<u>\$7,318,151</u>	<u>\$124,425,637</u>

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

Objective of the Bermuda Swaption. In March 2006, the City entered into a forward starting swap agreement with Morgan Keegan Financial Products, Inc. to change the variable rate of refunding bonds to be issued to a synthetic fixed rate of 4.66% and receive an up-front payment.

Terms. The interest rate swap, when exercised, will be a hybrid instrument consisting of a pay-fixed interest rate swap with a fixed rate of 4.66%, and a borrowing in the amount of \$858,583. The interest rate swap portion of the hybrid instrument will have a notional amount of \$22,220,000 when the refunding bonds are issued. The City will pay a fixed amount of 4.66% and receive 71% of LIBOR reset weekly. The agreement will mature on January 1, 2028 which is the maturity date for the bonds. The borrowing will be repaid in equal installments over the life of the agreement. The exercise dates for the Bermuda Option are October 4, 2007, April 1, 2008, October 6, 2008, April 1, 2009, and October 5, 2009 and expiring on October 5, 2009.

Fair Value. At December 31, 2006, the swap had a negative fair value of \$1,865,490. The fair value was estimated using a proprietary valuation model which calculates the present value of future cash flows.

Credit risk. As of December 31, 2006, the City was not exposed to credit risk because the swap portion of the hybrid instrument had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the City would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty was rated AA- by Standard and Poor's and AA3 by Moody's Investors

Service as of December 31, 2006. The City will be exposed to credit risk only if the counterparty defaults or the swap is terminated.

Basis risk. The swap portion of the hybrid instrument exposes the City to basis risk should the relationship between the floating rate to be determined and USD-LIBOR-BBA converge, changing the synthetic rate of the bonds. If a change occurs that results in rates moving to convergence, the expected cost saving may not be realized.

Termination risk. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City if the counterparty's credit rating falls below Baa1 as determined by Moody's or BBB+ as determined by Standard and Poor's. If the hybrid instrument is terminated, the bonds would no longer carry a synthetic rate. Also, if at the time of termination, the components of the hybrid instrument have an aggregate negative fair value, the City would be liable to the counterparty for a payment equal to the hybrid instrument's fair value.

Swap payments and associated debt. At December 31, 2006, there was no debt service schedule required because the swap was not exercised in 2006.

IV. Other Information

A. Retirement Commitments - Defined Benefit Pension Plans and Defined Contribution Plan

The City of Shreveport administers three defined benefit pension plans: the Firemen's Pension and Relief Fund (FPRF), the Policemen's Pension and Relief Fund (PPRF) and the Employees' Retirement System (ERS). These plans do not issue stand-alone financial reports and are not included in the report of a public employee retirement system or another entity and are therefore included as combining statements under the sections entitled "Combining and Individual Fund Statements and Schedules".

Summary of Significant Accounting Policies

Basis of Accounting - The three City administered pension plans' financial statements are prepared using the accrual basis of accounting. Plan members contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments – Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. The cash surrender value of life insurance policies is recorded as another asset for the FPRF and PPRF. The policies are valued at their cash value as of the date of the financial statements. The policies provide assets to fund benefits of the plan.

Concentration of Investments

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

Plan Descriptions and Contribution Information

Membership of each plan consisted of the following at December 31, 2006:

	<u>FPRF</u>	<u>PPRF</u>	<u>ERS</u>
Retirees and beneficiaries receiving benefits	367	204	781
Terminated plan members entitled to but not yet receiving benefits	-	-	45
Active plan members:			
Vested	63	3	614
Nonvested	<u>-</u>	<u>-</u>	<u>806</u>
Total	<u>430</u>	<u>207</u>	<u>2,246</u>
Number of participating employers	1	1	5

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

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

Firemen’s Pension and Relief Fund

Plan Description - The FPRF is a single-employer defined benefit pension plan that temporarily covers firefighters who retire after January 1, 1983 and meet the eligibility requirements of the local retirement plans but not the State plan.

Until January 1, 1983, the Firemen’s Pension and Relief Fund provided the primary retirement benefits for two groups of employees. Firefighters hired before July 12, 1977 were covered under an “Old Plan”. Firefighters hired on or after July 12, 1977 were covered by a “New Plan”. Under the Old Plan, a firefighter was eligible to retire at any age with 20 years of service. Benefits are payable monthly for life equal to 50% of the fireman’s monthly salary, plus 3 1/3% for each year of service between 20 and 25 years, plus 1 2/3% for each year of service between 25 and 30 years. Under the New Plan, a firefighter is eligible to retire at age 50 with 20 years of service or age 55 with 12 years of service. Benefits are 2 1/2% of three-year average pay times years of service up to 10, plus 3% of each year of service over 10. The benefit cannot exceed 85% of final salary. The City guarantees that it will pay the benefits under the Old and New Plans until the member is eligible for a benefit from the Statewide Firefighters Retirement System. It also guarantees to pay the excess benefit of these plans over the Statewide Firefighters Retirement System.

Disability benefits are payable under the Old Plan on the basis of: (1) temporary total disability in the line of duty, (2) total disability in the line of duty, (3) occupational disability in the line of duty, or (4) total disability not in the line of duty. Disability benefits payable are (1) 66 2/3% of the monthly salary, payable for no more than one year; (2) 66 2/3% of the salary of active members holding the position corresponding to that held by the disabled member at the time he became disabled is payable for the duration of the disability or until the member reaches eligibility for retirement on service basis, except the benefit will end as of the time when the member would have completed 30 years of service; (3) 50% of salary of active members holding the position corresponding to that held by the disabled, not to exceed 66 2/3% of first class hoseman’s salary, payable for duration if disability or until eligible for service retirement; and (4) 25% of salary of active members holding the position corresponding to that held by the disabled member at the time he became disabled, plus an additional 2% of such salary for each year

of service over 5 years, but not to exceed 50% of a first class hoseman's salary payable for the duration of the disability. Under the New Plan, the disability benefit is (1) 60% of the fireman's monthly salary or (2) 75% of the accrued benefit. The City guarantees it will pay any excess of the benefits of this plan over the Statewide Firefighters Retirement System.

Under the Old Plan, death benefits equal to 50% of a beginning fireman's salary are payable to a surviving spouse. The City guarantees that it will pay this benefit for each fireman holding a guarantee of benefits contract. Under the New Plan, there is not an automatic benefit provided. Death benefits are based on the option chosen by the member at retirement.

There was not a vesting provision under the Old Plan. Members were eligible for benefits only after serving the time requirement for normal retirement. Under the New Plan, members vest after twelve years service and may receive a benefit at age 50 with twenty years service or at age 55 with a minimum of twelve years service. Benefits are established and may be amended by State statutes.

The guaranteed benefits are paid to a closed group of firefighters. A significant part of the guaranteed benefits are the temporary benefits payable until age 50. The value of these temporary benefits can fluctuate widely, since it directly depends upon how many people retire before age 50.

Only the employer makes contributions on a pay-as-you-go basis. The employer contribution obligations are established and may be amended by State statutes. Contributions are made from the General Fund. The City's contribution rate is currently 34.1% of annual covered payroll.

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

Annual required contribution	\$ 2,046,177
Interest on net pension obligation	85,613
Adjustment to annual required contribution	(159,485)
Annual pension cost	1,972,305
Contributions made	<u>1,407,540</u>
Increase in net pension obligation	564,765
Net pension obligation beginning of year	<u>1,070,157</u>
Net pension obligation end of year	<u>\$ 1,634,922</u>

The net pension obligation is \$1,634,922 at December 31, 2006, and it is recorded in the governmental activities of the government-wide statement of net assets.

The annual required contribution for the current year was determined as part of the December 31, 2006 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return and (b) projected salary increases of 5% and cost-of-living adjustments of 3.5%. An inflation factor of 3.5% was used. The actuarial value of assets was determined using market value. The unfunded actuarial liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 2006 was 10 years.

Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/04	\$1,217,022	100.9%	\$ 220,355
12/31/05	2,078,337	59.1	1,070,157
12/31/06	1,972,305	71.4	1,634,922

Policemen's Pension and Relief Fund

Plan Description - The PPRF is a single-employer defined benefit pension plan that temporarily covers policemen who retire after January 1, 1983 and meet the eligibility requirements of the local retirement plans but not the state plan.

Until July 12, 1977, all police officers hired became participants in the plan as a condition of employment. After July 12, 1977, all new policemen were placed directly into the State's Municipal Police Employees' Retirement System (MPERS). Currently only policemen who retire after January 1, 1983, and who meet the eligibility requirements for a retirement benefit from the local plan but not the state plan, are being paid from this fund. Under this plan, a policeman hired before 1969 can retire at any age with 20 years of service; policemen hired after 1968 can retire at any age with 25 years of service. Benefits are payable monthly at 66 2/3% of monthly salary, plus an additional 0.833% for each year of service over 20 served after July 12, 1977. An additional 1.66% is paid for each year of service over 25 if the employee was hired after 1968. The benefit cannot exceed 75% of the policeman's monthly salary. The City guarantees that it will pay the benefit under this plan until the member is eligible for the Municipal Police Employee's Retirement System. It guarantees to pay the excess benefits, if any, of this plan over the Municipal Police Employee's Retirement System for the life of the member.

Disability benefits are payable on the basis of: (1) temporary total disability in the line of duty; (2) total and permanent disability in the line of duty; and (3) occupational disability that is total and permanent and received in the line of duty which renders the member unable to function in his police duties. Benefits payable are: (1) 66 2/3% of monthly salary of active member holding a position corresponding to that which had been held by a disabled member at the time he became disabled. Payments will be made for no more than one year or benefits will continue until member becomes eligible for service retirement; or (2) 50% of monthly salary of active member holding a position corresponding to that which had been held by a disabled member at the time he became disabled. Benefits will continue until member becomes eligible for service retirement. The City guarantees that it will pay any excess of the benefits of this plan over the MPERS.

A death benefit is payable to a surviving spouse equal to 50% of a beginning policeman's salary. The City guarantees that it will pay this benefit for each policeman holding a guarantee-of-benefits only after serving the time requirement for normal retirement. Benefits are established and may be amended by State statutes.

The guaranteed benefits are paid to a closed group of policemen. A significant part of the guaranteed benefits are the temporary benefits payable until age 50.

Only the employer makes contributions. The employer contribution obligations are established and may be amended by State statutes. The funding approach is to amortize all benefits over 25 years. However, the contribution cannot be less than the expected benefit payments for the year. Contributions are made from the General Fund. The City's contribution rate is currently 508.4% of covered payroll.

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

Annual required contribution	\$ 1,398,435
Interest on net pension asset	(46,080)
Adjustment to annual required contribution	<u>85,841</u>
Annual pension cost	1,438,196
Contributions made	<u>1,398,435</u>
Decrease in net pension asset	(39,761)
Net pension asset beginning of year	<u>576,001</u>
Net pension asset end of year	<u>\$ 536,240</u>

The net pension asset is \$536,240 at December 31, 2006, and it is recorded in the governmental activities of the government-wide statement of net assets.

The annual required contribution for the current year was determined as part of the December 31, 2006 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return and (b) projected salary increases of 5% and cost-of-living adjustments of 3.5%. An inflation factor of 3.5% was used. The actuarial value of assets was determined using market value. The unfunded actuarial liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 2006 was 10 years.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Asset
12/31/04	\$1,279,124	96.6%	\$834,357
12/31/05	1,493,888	82.7	576,001
12/31/06	1,438,196	97.2	536,240

Employees' Retirement System (ERS)

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

Non-City employees employed by the following organizations may become members in the system: Caddo Parish Library, Caddo-Shreveport Sales and Use Tax Commission, Caddo-Bossier Civil Defense Agency, Metropolitan Planning Commission, and other non-City employees recommended by the Board of Trustees and approved by the City Council. Appointed officials of the City and the Mayor have the option to join by filing an application within 90 days after taking office. However, by joining the retirement system, they may not participate in the deferred compensation program for appointed employees.

Prior to October 1, 1999, to be eligible for regular retirement benefits, members must have 30 years of service regardless of age or be age 65 with 10 years of service, and if hired before January 1, 1979 be 55 years of age with 20 years of service. If hired on or after January 1, 1979 members must be 55 years of age with 25 years of service or age 60 with 20 years of service. As of October 1, 1999, eligibility for regular retirement has been extended to any member who has 20 years of service at age 55. The difference before and after a hire of January 1, 1979 has been eliminated. Members become vested in the

system after ten years of creditable service. Benefit provisions are established and may be amended by City ordinance.

Benefits available to members hired before January 1, 1996, consist of an annuity, which is the actuarial equivalent of the employee's accumulated contributions; plus an annual pension, which together with the annuity, provides a total retirement allowance equal to 3% of average compensation times years of creditable service. Beginning January 1, 1996, the retirement allowance was increased to 3 1/3% of average compensation times years of creditable service for 1996 and future years of service. An early retirement provision has been implemented for any member who has at least ten years of service and is within ten years of a member's normal retirement age. The benefit is reduced. The plan allows members who have met eligibility requirements to defer receipt of benefits until termination. At December 31, 2006, there is \$3,571,156 being held for members in the Deferred Retirement Option Plan.

Prior to October 1, 1999, plan members were required by City ordinance to contribute 9% of compensation to the Plan. The City or other employers were required by the same ordinance to contribute 9.15% of compensation. As of October 1, 1999, member contributions were reduced to 5% of compensation while the City and other employers continued with a 9.15% total rate which is allocated between the Plan and the ERS Employer Contribution Plan which is a savings plan for members. Under this new employer allocation, 5.1% is contributed to the retirement plan and up to 4.05% is contributed to the savings plan based on a matching of member contributions. Any amounts not matched are contributed to the retirement plan. These percentages can vary from year to year based on actuarial evaluations, but in no case will the employer total rate of 9.15% change. Contribution amounts from plan members, the City and other employers may be amended by City ordinance. Effective October 1, 2002, the City's contributions to the savings plan were temporarily suspended in order to provide additional funding for the retirement plan. This increased the contribution to the retirement plan back to the full 9.15%. Effective August 1, 2006, the employees' contributions to the plan were increased to 7% from 5% and the employers' contributions were increased to 11.15% from 9.15%. Contributions are made from the fund that the employee is paid from or from the organizations noted above. The contribution rate is currently 9.6% of annual covered payroll.

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

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

Annual required contribution	\$ 7,375,855
Interest on net pension asset	287,620
Adjustment to annual required contribution	(302,276)
Annual pension cost	7,361,199
Contributions made	4,254,231
Increase in net pension obligation	3,106,968
Net pension obligation beginning of year	3,383,760
Net pension obligation end of year	\$ <u>6,490,728</u>

The net pension obligation is \$6,490,728 at December 31, 2006 and is recorded in the governmental activities of the government-wide statement of net assets.

The annual required contribution for the current year was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumption included (a) 8.5% investment rate of return and (b) projected salary increases of 4% for classified employees and 3% for non-classified employees plus age-related merit and seniority increases. An inflation factor of 3% was used. Cost-of-living adjustments are contingent on funding levels and overall rate of return on investments. The actuarial value of investments was determined using market value. The unfunded actuarial liability is being amortized as a level dollar amount on an open 30-year basis.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension (Asset) Obligation</u>
12/31/04	\$9,252,093	39.1%	\$1,257,315
12/31/05	5,907,283	64.0	3,383,760
12/31/06	7,361,199	57.8	6,490,728

Employees' Retirement System - Employer Contribution Plan

The ERS Employer Contribution Plan is a defined contribution plan that covers the same group of employees as described under the ERS plan and is administered by the City. A maximum amount of 4.05% of compensation is contributed to the plan based on a matching of member contributions. The match is 50% of contributions up to 4% of compensation and 25% of contributions exceeding 4% up to and including 6%. This is a total maximum of 2.5%. In addition, all members receive 1.55% of compensation with no matching requirements. These percentages can vary from year-to-year based on actuarial evaluations. This plan is established by City ordinance and may be amended. Effective October 1, 2002, the City's match of up to 2.5% and the non-matching contributions of 1.55% were temporarily suspended in order to provide additional funding for the retirement plan. Plan members are not required to contribute. Employer contributions are made from the fund the employee is paid from or from the organization described under the ERS plan. In 2006, the employing entities made no contributions.

Statewide Firefighters' Retirement System (SFRS)

Plan Description

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

Funding Policy

Plan members are required to contribute 8% of their annual compensation and the City is currently required to contribute 15.5% of annual compensation, excluding overtime but including State supplemental pay. The contribution requirements of plan members and the City are established and may be amended by the SFRS Board of Trustees. The City's contributions to SFRS for the years ending December 31, 2006, 2005, and 2004 were \$4,480,420, \$5,647,222, and \$7,990,196, respectively, equal to

the required contributions for each year. The plans pension liability was determined in accordance with GASB Statement Number 27 and equaled zero before and after the transition.

Municipal Police Employees Retirement System (MPERS)

Plan Description

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

Funding Policy

Plan members are required to contribute 7.5% of their annual compensation and the City is currently required to contribute 15.5% of annual compensation, excluding overtime but including State supplemental pay. The contribution requirements of plan members and the City are established and may be amended by State statute. The City's contributions to MPERS for the years ending December 31, 2006, 2005, and 2004 were \$3,854,022, \$4,470,784, and \$4,087,599, respectively, equal to the required contributions for each year. The plans pension liability was determined in accordance with GASB Statement Number 27 and equaled zero before and after the transition.

B. Transit System

The Shreveport Area Transit System (Transit System) is managed and operated for the City by a management company pursuant to an agreement which expires September 30, 2011. Based on terms of the agreement, management fees included in operating expenses were \$209,489. The City is required to reimburse the management company for the excess of expenses over revenues derived from the operation of the Transit System. Pursuant to an agreement between the City of Shreveport and the City of Bossier City, Bossier City will pay the Transit System for the excess of expenses incurred over revenues derived from operations of transit services in Bossier City. The City reimbursed the Transit System \$4,168,842. Bossier City reimbursed the Transit System \$578,376.

C. Post-Employment Health Care Benefits

In addition to providing pension benefits, the City provides medical and dental care coverage for any retiree who receives a monthly retirement check from one of the City's retirement plans. Retirees may also continue to cover their dependents after their retirement. Currently, there are 1,397 retirees who are eligible to receive benefits. The City's contribution is equal to 50% of the cost of the base plan. Provisions of the plan and obligations to contribute are established in the City Charter.

The post-employment medical and dental care benefits are accounted for in the City's Health Care Internal Service Fund along with medical and dental benefits for active employees. The benefits are recognized as expenses when claims are incurred. At year-end, an estimate is made for incurred but not reported claims. The actual cost of the post-employment benefits is based directly on the amount of claims actually incurred. The costs are funded on a pay-as-you-go basis. For 2006, the total costs to the City for retirees' medical premium and dental benefits were \$2,923,177.

D. Contingencies

Litigation

The City is a defendant in various lawsuits in addition to those accrued in the Retained Risk Fund. These lawsuits have not been accrued because the amount of the loss cannot be reasonably estimated at this time. It is the City's opinion that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grant Disallowances

The City participates in a number of federally assisted grant programs, principal of which are the Workforce Investment Act, Community Development Block Grant, and various construction grants. These programs are subject to program compliance audits under the Single Audit Act. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. City management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

E. Landfill and Sludge Facility Closure and Post-Closure Care Cost

State and federal laws and regulations require the City to place a final cover on its Woolworth Road landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The City has entered into a sanitary landfill services contract with a contractor. The contractor is responsible for the operation and closure of that portion of the landfill on which it conducted operations. The City is responsible for the maintenance and construction of all monitoring facilities and the conduct of all monitoring programs. If the contractor defaults on the contract, the City would be liable for all costs. We have reviewed the financial capability and stability of the contractor to ensure that the contractor will be able to meet the closure obligations when they are due. We believe that the contractor will be able to meet the obligations. An amount of \$2,784,224 has been reported at December 31, 2006 for post-closure care cost and represents the cumulative costs reported based on 44% of the capacity of the landfill having been used to date. The landfill has an estimated remaining life of 19 years. This amount has been accrued in the government-wide financial statements within the governmental activities and has been reported as a designation of fund balance in the General Fund. The estimated total current cost of post-closure care remaining to be recognized is \$3,543,558. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The estimated closure of the sludge facility is \$8,505. This amount has been accrued in the business-like activities as a liability in the Water and Sewerage Fund. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is the permit holder for the landfill and the sludge facility, and Louisiana Solid Waste Rules and Regulations require all permit holders to demonstrate financial responsibility by one of a group of financial tests contained within the regulations. The City has demonstrated its financial responsibility by the fact that the tangible net worth of the City is at least \$10 million, the net worth is at least six times the estimate of the closure and post-closure costs, and at least 90% of the assets are located in the United States.

F. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. All self-insurance programs are accounted for within Internal Service Funds. The City has included incurred but not reported claims in determining its claims liability in both self-insurance programs.

The Retained Risk Fund is used to account for self-insurance activities involving property damage, workers' compensation and general liability claims. The City is retaining the risk for its automobile and general liability exposures, except for exposures related to Fire Department vehicles. Liability policies are maintained with third-party insurance carriers for the City's fire vehicles, the drivers, and attendants. The Municipal and Regional Airports are insured with a third-party carrier with liability limits to \$200 million combined single limit. The liability for workers' compensation was insured with a third-party insurance carrier with statutory limits in excess of the City's self-insured retention. The City retains \$500,000 of liability per occurrence for Louisiana Workers' Compensation benefits, and for U.S. Longshoremen and Harbors Workers Act, Jones Act, and other Maritime Act benefits per occurrence on its excess workers' compensation policy. The City retains \$1,350,000 per occurrence of loss pursuant to the provisions of a Commercial General Liability Policy which also provides coverage for Law Enforcement Liability, including the operation of the City jail. Property insurance was maintained with a third-party carrier subject to a \$50,000 per occurrence of loss deductible. Property coverage was also maintained with third-party carriers on heavy equipment and boilers and machinery.

There were no reductions in insurance coverage from coverage in the prior year. No property damage claim has exceeded the City's insurance coverage during the past three fiscal years.

Payments to the Retained Risk Fund are accounted for as revenues by the receiving fund and expenditures/expenses by the paying funds. Payments into the fund are available to pay claims and administrative costs of the program. Payments in excess of actual expenses are recorded as transfers. At December 31, 2006, the total net assets of \$6,716,003 were designated for future catastrophic losses.

Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors, including the effects of specific, incremental claim adjustment expenses, salvage and subrogation. No other allocated or unallocated claim adjustment expenses are included. The claims liability of \$20,799,162 reported in the fund at December 31, 2006 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount in fiscal years 2005 and 2006 were:

<u>Retained Risk Fund</u>				
	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-end</u>
2005	\$ 7,535,296	\$ 9,763,869	\$6,928,506	\$10,370,659
2006	10,370,659	18,319,266	7,890,763	20,799,162

The City also maintains a self-insurance program to cover medical and dental care claims of City employees, retirees, and dependents. This program is accounted for in the Employees Health Care Fund, an Internal Service Fund.

Changes in the fund's claims liability amount in fiscal years 2005 and 2006 were:

Employees Health Care Fund

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at Fiscal <u>Year-end</u>
2005	\$3,554,470	\$15,795,174	\$15,890,668	\$3,458,976
2006	3,458,976	15,916,195	16,231,440	3,143,731

G. Compensation Paid to Council Members

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

**CITY OF SHREVEPORT, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
FISCAL YEARS ENDED DECEMBER 31, 2001 THROUGH DECEMBER 31, 2006
(UNAUDITED)**

Year Ended December 31,	Employer Contributions					
	FPRF		PPRF		ERS	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2001	\$ 736,703	113.9%	\$ 890,371	100.0%	\$ 2,259,514	94.1%
2002	689,618	99.0	735,295	103.6	4,533,371	56.9
2003	877,210	100.0	804,354	100.0	8,746,333	41.5
2004	1,228,535	100.0	1,235,533	100.0	9,233,118	39.1
2005	2,091,576	58.7	1,443,763	85.6	5,912,729	63.9
2006	2,046,177	68.8	1,398,435	100.0	7,375,855	57.8

CITY OF SHREVEPORT, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
FISCAL YEARS ENDED DECEMBER 31, 2001 THROUGH DECEMBER 31, 2006
(UNAUDITED)

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2-1)	Funded Ratio (1/2)	Covered Payroll	UAAL as a Percentage of Covered Payroll (3/5)
<u>FPRF</u>						
12/31/01	\$9,656,613	\$14,456,922	\$4,800,309	66.8%	\$6,366,279	75.4%
12/31/02	9,364,621	15,338,375	5,973,734	61.1	6,321,556	94.5
12/31/03	10,046,806	18,213,703	8,166,897	55.2	6,225,182	131.2
12/31/04	10,648,644	24,733,533	14,084,889	43.1	4,029,125	349.6
12/31/05	11,111,469	24,034,935	12,923,466	46.2	3,978,077	324.9
12/31/06	11,853,874	24,388,921	12,535,047	48.6	4,125,853	303.8
<u>PPRF</u>						
12/31/01	6,998,000	12,548,000	5,550,000	55.8	1,685,000	329.4
12/31/02	7,240,269	13,177,286	5,937,017	54.9	892,608	665.1
12/31/03	7,684,138	16,489,611	8,805,473	46.6	442,696	1,989.1
12/31/04	8,465,793	18,742,368	10,276,575	45.2	321,228	3,199.2
12/31/05	9,198,733	18,559,813	9,361,080	49.6	256,764	3,645.8
12/31/06	10,494,057	19,883,774	9,389,717	52.8	275,070	3,413.6
<u>ERS</u>						
12/31/01	175,992,000	200,328,000	24,336,000	87.9	36,592,000	66.5
12/31/02	154,413,000	221,956,000	67,543,000	69.6	37,726,000	179.0
12/31/03	172,751,000	241,897,000	69,236,000	71.4	38,552,000	179.6
12/31/04	180,013,000	217,866,000	37,853,000	82.6	39,429,000	96.0
12/31/05	181,305,000	234,183,000	52,878,000	77.4	38,817,000	136.2
12/31/06	191,081,000	241,070,000	49,989,000	79.3	44,403,000	112.6

Nonmajor Governmental Funds Special Revenue Funds

Special revenue funds are used for specific revenues that are legally restricted to expenditures for particular purposes.

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

Riverfront Development Fund - This fund accounts for the collection and disbursement of funds from the riverfront gaming activities.

Police Grants Fund - This fund accounts for the collection and disbursement of various state and federal grants to the City of Shreveport Police Department.

Downtown Entertainment Economic Development Fund - This fund is used to account for incremental sales tax revenues collected from the development area to promote development of the area and associated projects.

Redevelopment Fund - This fund is used to acquire and land bank vacant adjudicated property for future redevelopment projects and to acquire other property for current redevelopment projects in redevelopment areas.

Environmental Grants Fund - This fund accounts for grants received for Brownfields assessment, cleanup loan fund, job training, and economic development.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Miscellaneous General Obligation Bond Funds - These funds are used to account for bonds issued for the purpose of constructing and/or improving streets, public safety, drainage systems, waste disposal, parks, an industrial park, and a Sportran maintenance facility.

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

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

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

2003A General Obligation Bond Fund - This fund is used to account for bonds issued for the purpose of constructing, acquiring, and improving works of neighborhood public improvement, recreation facilities, and police and fire facilities.

**CITY OF SHREVEPORT, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2006**

	Special Revenue Funds						Total
	Enrichment	Riverfront Development	Police Grants	Downtown Entertainment Economic Development	Redevelopment	Environmental Grants	
ASSETS							
Cash and cash equivalents	\$ 299,993	\$ 1,036,800	\$ 91,711	\$ 38,974	\$ 41,766	\$ 100,315	\$ 1,609,559
Investments	693,411	2,396,488	211,983	90,084	96,538	231,870	3,720,374
Accounts receivable, net	-	1,155,244	-	-	-	-	1,155,244
Due from other governments	-	-	481,359	-	-	109,171	590,530
Due from other funds	7,817	-	-	-	-	-	7,817
Assets held for resale	-	-	-	-	236,948	-	236,948
Total assets	<u>\$ 1,001,221</u>	<u>\$ 4,588,532</u>	<u>\$ 785,053</u>	<u>\$ 129,058</u>	<u>\$ 375,252</u>	<u>\$ 441,356</u>	<u>\$ 7,320,472</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 33,480	\$ 158,995	\$ 84,314	\$ -	\$ -	\$ 20,077	\$ 296,866
Due to other funds	-	2,181,567	-	-	-	-	2,181,567
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>33,480</u>	<u>2,340,562</u>	<u>84,314</u>	<u>-</u>	<u>-</u>	<u>20,077</u>	<u>2,478,433</u>
Fund balance:							
Reserved for:							
Encumbrances	35,211	274,597	249,991	-	-	20,969	580,768
Assets held for resale	-	-	-	-	236,948	-	236,948
Unreserved:							
Designated for subsequent year's expenditures	932,530	1,973,373	450,748	129,058	138,304	400,310	4,024,323
Unreserved, undesignated	-	-	-	-	-	-	-
Total fund balance	<u>967,741</u>	<u>2,247,970</u>	<u>700,739</u>	<u>129,058</u>	<u>375,252</u>	<u>421,279</u>	<u>4,842,039</u>
Total liabilities and fund balance	<u>\$ 1,001,221</u>	<u>\$ 4,588,532</u>	<u>\$ 785,053</u>	<u>\$ 129,058</u>	<u>\$ 375,252</u>	<u>\$ 441,356</u>	<u>\$ 7,320,472</u>

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

Capital Project Funds

Miscellaneous General Obligation Bond Funds	Miscellaneous Capital Projects Fund	1999 General Obligation Bond Fund	1999A General Obligation Bond Fund	2003A General Obligation Bond Fund	Total	Total Nonmajor Governmental Funds
\$ 2,942,730	\$ 1,642,579	\$ -	\$ 1,470,003	\$ -	\$ 6,055,312	\$ 7,664,871
6,802,432	1,093,934	-	3,397,806	25,345,306	36,639,478	40,359,852
-	-	11,255	-	44,957	56,212	1,211,456
2,427,473	155,146	524,096	-	-	3,106,715	3,697,245
-	3,124,482	15,482,606	2,020,458	-	20,627,546	20,635,363
-	-	-	-	-	-	236,948
<u>\$ 12,172,635</u>	<u>\$ 6,016,141</u>	<u>\$ 16,017,957</u>	<u>\$ 6,888,267</u>	<u>\$ 25,390,263</u>	<u>\$ 66,485,263</u>	<u>\$ 73,805,735</u>
\$ 1,048,063	\$ 659,683	\$ 355,054	\$ 500,180	\$ -	\$ 2,562,980	\$ 2,859,846
2,079,132	-	2,020,458	-	4,612,215	8,711,805	10,893,372
-	-	9,759	-	-	9,759	9,759
<u>3,127,195</u>	<u>659,683</u>	<u>2,385,271</u>	<u>500,180</u>	<u>4,612,215</u>	<u>11,284,544</u>	<u>13,762,977</u>
4,071,229	12,739,587	460,015	1,050,490	16,035	18,337,356	18,918,124
-	-	-	-	-	-	236,948
4,974,211	(7,383,129)	13,172,671	5,337,597	20,762,013	36,863,363	40,887,686
-	-	-	-	-	-	-
<u>9,045,440</u>	<u>5,356,458</u>	<u>13,632,686</u>	<u>6,388,087</u>	<u>20,778,048</u>	<u>55,200,719</u>	<u>60,042,758</u>
<u>\$ 12,172,635</u>	<u>\$ 6,016,141</u>	<u>\$ 16,017,957</u>	<u>\$ 6,888,267</u>	<u>\$ 25,390,263</u>	<u>\$ 66,485,263</u>	<u>\$ 73,805,735</u>

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Special Revenue Funds						Total
	Enrichment	Riverfront Development	Police Grants	Downtown Entertainment		Environmental Grants	
				Economic Development	Redevelopment		
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 1,574,435	\$ -	\$ -	\$ 301,167	\$ 1,875,602
Gaming	-	12,273,760	-	-	-	-	12,273,760
Investment earnings	51,185	160,145	11,972	899	3,950	19,312	247,463
Miscellaneous	365,337	925,049	7,909	216,859	-	-	1,515,154
Total revenues	416,522	13,358,954	1,594,316	217,758	3,950	320,479	15,911,979
EXPENDITURES							
Current:							
General government	-	-	-	-	-	235,351	235,351
Public safety	434,013	-	2,258,488	-	-	-	2,692,501
Culture and recreation	42,306	-	-	-	-	-	42,306
Economic development	-	5,324,451	-	-	-	-	5,324,451
Capital outlay	-	-	-	-	-	-	-
Total expenditures	476,319	5,324,451	2,258,488	-	-	235,351	8,294,609
Excess (deficiency) of revenues over (under) expenditures	(59,797)	8,034,503	(664,172)	217,758	3,950	85,128	7,617,370
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	231,116	-	300,000	-	531,116
Transfers out	-	(7,115,902)	-	(200,000)	-	(64,115)	(7,380,017)
Total other financing sources and uses	-	(7,115,902)	231,116	(200,000)	300,000	(64,115)	(6,848,901)
Net change in fund balances	(59,797)	918,601	(433,056)	17,758	303,950	21,013	768,469
Fund balances-beginning	1,027,538	1,329,369	1,133,795	111,300	71,302	400,266	4,073,570
Fund balances-ending	\$ 967,741	\$ 2,247,970	\$ 700,739	\$ 129,058	\$ 375,252	\$ 421,279	\$ 4,842,039

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

Capital Project Funds

Miscellaneous General Obligation Bond Funds	Miscellaneous Capital Projects Fund	1999 General Obligation Bond Fund	1999A General Obligation Bond Fund	2003A General Obligation Bond Fund	Total	Total Nonmajor Governmental Funds
\$ 507,546	\$ 669,604	\$ 1,545,945	\$ -	\$ -	\$ 2,723,095	\$ 4,598,697
-	-	-	-	-	-	12,273,760
425,015	80,922	712,589	642,954	481,254	2,342,734	2,590,197
528	(3,980)	675,719	46,022	-	718,289	2,233,443
<u>933,089</u>	<u>746,546</u>	<u>2,934,253</u>	<u>688,976</u>	<u>481,254</u>	<u>5,784,118</u>	<u>21,696,097</u>
-	-	-	-	-	-	235,351
-	-	-	-	-	-	2,692,501
-	-	-	-	-	-	42,306
-	-	-	-	-	-	5,324,451
9,962,432	2,062,488	4,101,521	8,152,509	135,497	24,414,447	24,414,447
<u>9,962,432</u>	<u>2,062,488</u>	<u>4,101,521</u>	<u>8,152,509</u>	<u>135,497</u>	<u>24,414,447</u>	<u>32,709,056</u>
<u>(9,029,343)</u>	<u>(1,315,942)</u>	<u>(1,167,268)</u>	<u>(7,463,533)</u>	<u>345,757</u>	<u>(18,630,329)</u>	<u>(11,012,959)</u>
7,740,648	3,479,710	1,480,513	-	-	12,700,871	13,231,987
(1,317,174)	-	(1,873,648)	-	(6,794,509)	(9,985,331)	(17,365,348)
<u>6,423,474</u>	<u>3,479,710</u>	<u>(393,135)</u>	<u>-</u>	<u>(6,794,509)</u>	<u>2,715,540</u>	<u>(4,133,361)</u>
(2,605,869)	2,163,768	(1,560,403)	(7,463,533)	(6,448,752)	(15,914,789)	(15,146,320)
<u>11,651,309</u>	<u>3,192,690</u>	<u>15,193,089</u>	<u>13,851,620</u>	<u>27,226,800</u>	<u>71,115,508</u>	<u>75,189,078</u>
<u>\$ 9,045,440</u>	<u>\$ 5,356,458</u>	<u>\$ 13,632,686</u>	<u>\$ 6,388,087</u>	<u>\$ 20,778,048</u>	<u>\$ 55,200,719</u>	<u>\$ 60,042,758</u>

CITY OF SHREVEPORT, LOUISIANA
RIVERFRONT DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 100,000	\$ 100,000	\$ 160,145	\$ 60,145
Gaming	11,445,000	11,445,000	12,273,760	828,760
Miscellaneous	<u>855,000</u>	<u>855,000</u>	<u>925,049</u>	<u>70,049</u>
Total revenues	<u>12,400,000</u>	<u>12,400,000</u>	<u>13,358,954</u>	<u>958,954</u>
EXPENDITURES				
Current:				
Economic development:				
Salaries, wages and employee benefits	282,100	282,100	200,423	81,677
Materials and supplies	2,300	2,300	1,028	1,272
Contractual services	2,351,294	2,351,294	2,264,958	86,336
Other charges	<u>2,947,908</u>	<u>2,947,908</u>	<u>2,858,042</u>	<u>89,866</u>
Total expenditures	<u>5,583,602</u>	<u>5,583,602</u>	<u>5,324,451</u>	<u>259,151</u>
Excess of revenues over expenditure	<u>6,816,398</u>	<u>6,816,398</u>	<u>8,034,503</u>	<u>1,218,105</u>
OTHER FINANCING USES				
Transfers out	<u>(7,214,200)</u>	<u>(7,214,200)</u>	<u>(7,115,902)</u>	<u>98,298</u>
Total other financing uses	<u>(7,214,200)</u>	<u>(7,214,200)</u>	<u>(7,115,902)</u>	<u>98,298</u>
Net change in fund balance	(397,802)	(397,802)	918,601	1,316,403
Fund balances -beginning	<u>1,329,369</u>	<u>1,329,369</u>	<u>1,329,369</u>	<u>-</u>
Fund balances-ending	<u>\$ 931,567</u>	<u>\$ 931,567</u>	<u>\$ 2,247,970</u>	<u>\$ 1,316,403</u>

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

Nonmajor Enterprise Funds

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

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

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

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2006

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 267,599	\$ 119,940	\$ 34,649	\$ 422,188
Investments	127,308	277,231	80,088	484,627
Receivables, net	274,987	505	-	275,492
Due from other funds	530,308	-	-	530,308
Due from other governments	359,693	-	-	359,693
Inventories	437,391	12,567	-	449,958
Prepaid items	161,150	-	-	161,150
Total current assets	<u>2,158,436</u>	<u>410,243</u>	<u>114,737</u>	<u>2,683,416</u>
Capital Assets:				
Land	1,940,408	-	-	1,940,408
Buildings	8,298,792	268,840	-	8,567,632
Improvements other than buildings	-	868,530	-	868,530
Equipment	14,141,381	558,002	-	14,699,383
Construction in progress	259,061	-	-	259,061
Less accumulated depreciation	(10,951,179)	(777,586)	-	(11,728,765)
Total noncurrent assets	<u>13,688,463</u>	<u>917,786</u>	<u>-</u>	<u>14,606,249</u>
Total assets	<u>15,846,899</u>	<u>1,328,029</u>	<u>114,737</u>	<u>17,289,665</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	293,254	5,050	807	299,111
Accrued liabilities	234,685	25,901	-	260,586
Deferred revenue	-	83,566	-	83,566
Leases payable	-	38,982	-	38,982
Compensated absences	235,913	13,423	-	249,336
Total current liabilities	<u>763,852</u>	<u>166,922</u>	<u>807</u>	<u>931,581</u>
Noncurrent Liabilities:				
Leases payable	-	125,462	-	125,462
Compensated absences	-	54,697	-	54,697
Total noncurrent liabilities	<u>-</u>	<u>180,159</u>	<u>-</u>	<u>180,159</u>
Total liabilities	<u>763,852</u>	<u>347,081</u>	<u>807</u>	<u>1,111,740</u>
NET ASSETS				
Invested in capital assets, net of related debt	13,688,463	917,786	-	14,606,249
Unrestricted	<u>1,394,584</u>	<u>63,162</u>	<u>113,930</u>	<u>1,571,676</u>
Total Net Assets	<u>\$ 15,083,047</u>	<u>\$ 980,948</u>	<u>\$ 113,930</u>	<u>\$ 16,177,925</u>

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 2,148,755	\$ 1,424,839	\$ 577,620	\$ 4,151,214
Miscellaneous	31,129	22,141	-	53,270
Total operating revenues	<u>2,179,884</u>	<u>1,446,980</u>	<u>577,620</u>	<u>4,204,484</u>
OPERATING EXPENSES				
Personal services	6,102,641	914,449	-	7,017,090
Contractual services and other expenses	1,730,994	254,969	425,666	2,411,629
Utilities	128,572	148,043	-	276,615
Repairs and maintenance	48,550	9,798	-	58,348
Materials and supplies	2,157,707	270,440	-	2,428,147
Depreciation	1,125,497	87,161	-	1,212,658
Total operating expenses	<u>11,293,961</u>	<u>1,684,860</u>	<u>425,666</u>	<u>13,404,487</u>
Operating income (loss)	<u>(9,114,077)</u>	<u>(237,880)</u>	<u>151,954</u>	<u>(9,200,003)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	-	15,490	10,696	26,186
Interest expense	-	(6,678)	-	(6,678)
Intergovernmental	3,653,272	-	-	3,653,272
Loss on disposal of capital assets	-	(7,831)	-	(7,831)
Total nonoperating revenues	<u>3,653,272</u>	<u>981</u>	<u>10,696</u>	<u>3,664,949</u>
Income (loss) before contributions and transfers	(5,460,805)	(236,899)	162,650	(5,535,054)
Capital contributions	302,094	-	-	302,094
Transfers in	4,333,336	230,000	-	4,563,336
Transfers out	-	-	(220,000)	(220,000)
Change in net assets	(825,375)	(6,899)	(57,350)	(889,624)
Total net assets-beginning	<u>15,908,422</u>	<u>987,847</u>	<u>171,280</u>	<u>17,067,549</u>
Total net assets-ending	<u>\$ 15,083,047</u>	<u>\$ 980,948</u>	<u>\$ 113,930</u>	<u>\$ 16,177,925</u>

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

**CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Shreveport Area Transit System	Golf	Downtown Parking	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from operations	\$ 1,851,157	\$ 1,667,995	\$ 577,620	\$ 4,096,772
Payments to suppliers	(4,003,974)	(583,554)	(460,830)	(5,048,358)
Payments to employees	(6,049,231)	(909,806)	-	(6,959,037)
Other receipts	31,129	-	-	31,129
Other payments	-	(85,000)	-	(85,000)
Net cash provided by (used in) operating activities	(8,170,919)	89,635	116,790	(7,964,494)
Cash flows from noncapital financing activities:				
Subsidy from federal grant	3,543,709	-	-	3,543,709
Transfers in	4,333,336	230,000	-	4,563,336
Transfers out	-	-	(220,000)	(220,000)
Net cash provided by (used in) noncapital financing activities	7,877,045	230,000	(220,000)	7,887,045
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(298,361)	-	-	(298,361)
Principal paid on debt	-	(37,760)	-	(37,760)
Interest paid on debt	-	(6,678)	-	(6,678)
Capital grants	302,341	-	-	302,341
Contributed capital by others	10,734	-	-	10,734
Net cash provided by (used in) capital and related financing activities	14,714	(44,438)	-	(29,724)
Cash flows from investing activities:				
Purchase of investments	(28,516)	(208,176)	-	(236,692)
Proceeds from sale and maturity of investments	-	-	54,315	54,315
Interest	-	15,490	10,696	26,186
Net cash provided by (used in) investing activities	(28,516)	(192,686)	65,011	(156,191)
Net increase (decrease) in cash and cash equivalents	(307,676)	82,511	(38,199)	(263,364)
Cash and cash equivalents - beginning of year	575,275	37,429	72,848	685,552
Cash and cash equivalents - end of year	\$ 267,599	\$ 119,940	\$ 34,649	\$ 422,188

	<u>Shreveport Area Transit System</u>	<u>Golf</u>	<u>Downtown Parking</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (9,114,077)	\$ (237,880)	\$ 151,954	\$ (9,200,003)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,125,497	87,161	-	1,212,658
(Increase)Decrease in assets:				
Receivables	9,373	202,214	-	211,587
Due from other funds	37,327	-	-	37,327
Inventories	(78,204)	4,053	-	(74,151)
Prepaid items	59	-	-	59
Increase(Decrease) in liabilities:				
Accounts payable	139,994	(8,634)	(35,164)	96,196
Accrued liabilities	(324,057)	24,443	-	(299,614)
Deferred revenue	-	17,674	-	17,674
Compensated absences	33,169	604	-	33,773
Total adjustments	<u>943,158</u>	<u>327,515</u>	<u>(35,164)</u>	<u>1,235,509</u>
Net cash provided by (used in) operating activities	<u>\$ (8,170,919)</u>	<u>\$ 89,635</u>	<u>\$ 116,790</u>	<u>\$ (7,964,494)</u>

Non-cash investing, capital and financing activities:

The Golf Fund had a loss on disposal of capital assets of \$7,831.

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



Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, and to other government, on a cost reimbursement basis.

Employees Health Care Fund - This fund is used to account for self-insurance activities involving medical and dental care claims by the City's employees, retirees, and dependents.

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

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2006

	<u>Employees Health Care</u>	<u>Retained Risk</u>	<u>Fleet Services</u>	<u>Total Internal Service Funds</u>
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 8,838,276	\$ 4,033,145	\$ -	\$ 12,871,421
Investments	-	9,322,321	-	9,322,321
Receivables, net	2,206,220	-	-	2,206,220
Due from other funds	-	14,107,231	-	14,107,231
Inventories	-	-	238,395	238,395
Prepaid items	-	505,408	-	505,408
Total current assets	<u>11,044,496</u>	<u>27,968,105</u>	<u>238,395</u>	<u>39,250,996</u>
Noncurrent Assets:				
Capital Assets:				
Land	-	-	62,000	62,000
Buildings	-	-	913,088	913,088
Equipment	-	14,192	695,791	709,983
Less accumulated depreciation	-	(11,630)	(1,140,125)	(1,151,755)
Total noncurrent assets	<u>-</u>	<u>2,562</u>	<u>530,754</u>	<u>533,316</u>
Total assets	<u>11,044,496</u>	<u>27,970,667</u>	<u>769,149</u>	<u>39,784,312</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	9,238	449,180	72,515	530,933
Due to other funds	1,753,547	-	530,301	2,283,848
Compensated absences	-	926	9,432	10,358
Lease payable	-	-	17,333	17,333
Claims and judgments	3,143,731	20,799,162	-	23,942,893
Total current liabilities	<u>4,906,516</u>	<u>21,249,268</u>	<u>629,581</u>	<u>26,785,365</u>
Noncurrent Liabilities:				
Lease payable	-	-	55,784	55,784
Compensated absences	-	5,396	57,522	62,918
Total noncurrent liabilities	<u>-</u>	<u>5,396</u>	<u>113,306</u>	<u>118,702</u>
Total liabilities	<u>4,906,516</u>	<u>21,254,664</u>	<u>742,887</u>	<u>26,904,067</u>
NET ASSETS				
Invested in capital assets, net of related debt	-	2,562	530,754	533,316
Unrestricted (deficit)	6,137,980	6,713,441	(504,492)	12,346,929
Total net assets	<u>\$ 6,137,980</u>	<u>\$ 6,716,003</u>	<u>\$ 26,262</u>	<u>\$ 12,880,245</u>

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

**CITY OF SHREVEPORT, LOUISIANA
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006**

	Employees Health Care	Retained Risk	Fleet Services	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 18,790,801	\$ 18,928,214	\$ 3,592,697	\$ 41,311,712
Miscellaneous	552,558	1,134,583	5,180	1,692,321
Total operating revenues	19,343,359	20,062,797	3,597,877	43,004,033
OPERATING EXPENSES				
Personal services	63,762	243,699	1,389,063	1,696,524
Contractual services and other expenses	1,736,046	2,339,687	168,442	4,244,175
Utilities	-	-	23,567	23,567
Repairs and maintenance	-	-	897,890	897,890
Materials and supplies	4,674	4,446	1,157,680	1,166,800
Claims	15,916,195	18,319,266	-	34,235,461
Depreciation	-	-	77,382	77,382
Total operating expenses	17,720,677	20,907,098	3,714,024	42,341,799
Operating income (loss)	1,622,682	(844,301)	(116,147)	662,234
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	270,540	554,312	-	824,852
Interest expense	-	-	(31,803)	(31,803)
Total nonoperating revenues (expenses)	270,540	554,312	(31,803)	793,049
Income (loss) before transfers	1,893,222	(289,989)	(147,950)	1,455,283
Transfers out	-	(40,000)	-	(40,000)
Change in net assets	1,893,222	(329,989)	(147,950)	1,415,283
Total net assets-beginning	4,244,758	7,045,992	174,212	11,464,962
Total net assets-ending	\$ 6,137,980	\$ 6,716,003	\$ 26,262	\$ 12,880,245

**CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Employees Health Care	Retained Risk	Fleet Services	Total Internal Service Funds
Cash flows from operating activities:				
Receipts from operations	\$ 18,824,596	\$ 12,809,514	\$ 3,687,783	\$ 35,321,893
Payments to suppliers	(853,616)	(2,013,033)	(2,232,076)	(5,098,725)
Payments to employees	(63,762)	(249,052)	(1,401,336)	(1,714,150)
Claims	(16,231,440)	(7,890,763)	-	(24,122,203)
Net cash provided by operating activities	1,675,778	2,656,666	54,371	4,386,815
Cash flows from noncapital financing activities:				
Transfer out	-	(40,000)	-	(40,000)
Interest paid on operations	-	-	(28,834)	(28,834)
Net cash used in noncapital financing activities	-	(40,000)	(28,834)	(68,834)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	-	(5,779)	(5,779)
Principal paid on debt	-	-	(16,789)	(16,789)
Interest paid on debt	-	-	(2,969)	(2,969)
Net cash used in capital and related financing activities	-	-	(25,537)	(25,537)
Cash flows from investing activities:				
Purchase of investments	-	(2,715,702)	-	(2,715,702)
Interest on investments	256,786	554,312	-	811,098
Net cash provided by (used in) investing activities	256,786	(2,161,390)	-	(1,904,604)
Net increase in cash and cash equivalents	1,932,564	455,276	-	2,387,840
Cash and cash equivalents - beginning of year	6,905,712	3,577,869	-	10,483,581
Cash and cash equivalents - end of year	\$ 8,838,276	\$ 4,033,145	\$ -	\$ 12,871,421

	<u>Employees Health Care</u>	<u>Retained Risk</u>	<u>Fleet Services</u>	<u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,622,682	\$ (844,301)	\$ (116,147)	\$ 662,234
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	77,382	77,382
(Increase)Decrease in assets:				
Receivables	(518,763)	-	89,906	(428,857)
Due from other funds	-	(7,253,283)	-	(7,253,283)
Inventories	-	-	9,138	9,138
Prepaid items	-	(110,954)	-	(110,954)
Increase(Decrease) in liabilities:				
Accounts payable	9,238	442,054	30,218	481,510
Accrued liabilities	(315,245)	10,428,503	-	10,113,258
Due to other funds	877,866	-	(23,853)	854,013
Compensated absences	-	(5,353)	(12,273)	(17,626)
Total adjustments	<u>53,096</u>	<u>3,500,967</u>	<u>170,518</u>	<u>3,724,581</u>
Net cash provided by operating activities	<u>\$ 1,675,778</u>	<u>\$ 2,656,666</u>	<u>\$ 54,371</u>	<u>\$ 4,386,815</u>

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



Fiduciary Funds
Pension Trust Funds

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

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

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2006

	<u>Firemen's Pension and Relief</u>	<u>Policemen's Pension and Relief</u>	<u>Employees' Retirement System</u>	<u>Total Employee Retirement Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,739,236	\$ 1,585,448	\$ 11,502,580	\$ 14,827,264
Receivables:				
Interest receivable	41,697	53,792	542,175	637,664
Accounts receivable	-	15,925	5,072	20,997
Due from other funds	117,295	116,536	-	233,831
Prepaid items	312,381	263,461	-	575,842
Investments, at fair value:				
U.S. government obligations	1,954,518	1,650,862	22,979,931	26,585,311
Mutual funds	1,372,779	1,112,125	1,450,256	3,935,160
Domestic corporate bonds	956,072	741,132	21,202,502	22,899,706
Collateralized mortgage obligations	-	-	25,814,941	25,814,941
Domestic equities	1,229,535	1,011,861	89,308,840	91,550,236
International equities	<u>46,864</u>	<u>38,466</u>	<u>27,974,744</u>	<u>28,060,074</u>
Total investments	5,559,768	4,554,446	188,731,214	198,845,428
Other assets:				
Cash surrender value of life insurance policies	<u>4,461,921</u>	<u>3,904,449</u>	<u>-</u>	<u>8,366,370</u>
Total assets	<u>12,232,298</u>	<u>10,494,057</u>	<u>200,781,041</u>	<u>223,507,396</u>
LIABILITIES				
Due to other funds	378,424	-	6,128,987	6,507,411
Employees' deposits held in escrow	<u>-</u>	<u>-</u>	<u>3,571,156</u>	<u>3,571,156</u>
Total liabilities	<u>378,424</u>	<u>-</u>	<u>9,700,143</u>	<u>10,078,567</u>
NET ASSETS				
Held in trust for pension benefits	<u><u>\$ 11,853,874</u></u>	<u><u>\$ 10,494,057</u></u>	<u><u>\$191,080,898</u></u>	<u><u>\$213,428,829</u></u>

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

CITY OF SHREVEPORT, LOUISIANA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Firemen's Pension and Relief</u>	<u>Policemen's Pension and Relief</u>	<u>Employees' Retirement System</u>	<u>Total Employee Retirement Funds</u>
ADDITIONS				
Contributions:				
Employer	\$ 1,407,540	\$ 1,398,435	\$ 4,254,231	\$ 7,060,206
Plan members	<u>-</u>	<u>-</u>	<u>2,885,358</u>	<u>2,885,358</u>
Total contributions	<u>1,407,540</u>	<u>1,398,435</u>	<u>7,139,589</u>	<u>9,945,564</u>
Investment earnings:				
Net appreciation (depreciation) in fair value of investments	99,160	103,402	12,221,429	12,423,991
Interest	135,270	103,606	3,433,442	3,672,318
Dividends	<u>277,966</u>	<u>218,508</u>	<u>2,477,876</u>	<u>2,974,350</u>
Total investment income	512,396	425,516	18,132,747	19,070,659
Less investment expense	<u>13,950</u>	<u>13,977</u>	<u>856,074</u>	<u>884,001</u>
Net investment income	498,446	411,539	17,276,673	18,186,658
Miscellaneous	<u>330,000</u>	<u>650,000</u>	<u>627</u>	<u>980,627</u>
Total additions	<u>2,235,986</u>	<u>2,459,974</u>	<u>24,416,889</u>	<u>29,112,849</u>
DEDUCTIONS				
Pensions	1,244,242	833,326	13,288,995	15,366,563
Refund of member contribution	-	-	986,318	986,318
Administrative expenses	21,097	21,319	309,105	351,521
Life insurance	<u>228,242</u>	<u>310,005</u>	<u>-</u>	<u>538,247</u>
Total deductions	<u>1,493,581</u>	<u>1,164,650</u>	<u>14,584,418</u>	<u>17,242,649</u>
Change in net assets	742,405	1,295,324	9,832,471	11,870,200
Net assets - beginning	<u>11,111,469</u>	<u>9,198,733</u>	<u>181,248,427</u>	<u>201,558,629</u>
Net assets - ending	<u>\$ 11,853,874</u>	<u>\$ 10,494,057</u>	<u>\$ 191,080,898</u>	<u>\$ 213,428,829</u>

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



Discretely Presented Component Unit

This special revenue fund accounts for receipts and disbursements which occur in conjunction with coordinating City planning, preparing and enforcing zoning laws, and keeping City annexation policies current.

**CITY OF SHREVEPORT, LOUISIANA
METROPOLITAN PLANNING COMMISSION
BALANCE SHEET
DECEMBER 31, 2006**

ASSETS

Cash and cash equivalents	\$ 60,964
Accounts receivable	<u>750</u>
Total assets	<u><u>61,714</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	2,715
Due to primary government	1,379
Due to other governments	<u>57,620</u>
Total liabilities	<u><u>61,714</u></u>

Fund balance:

Reserved for encumbrances	28,696
Unreserved, undesignated	<u>(28,696)</u>
Total fund balance	-

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

Capital assets reported in governmental activities are not financial assets and, therefore, are not reported in governmental funds.	<u>895,541</u>
---	----------------

Net assets	<u><u>\$ 895,541</u></u>
------------	--------------------------

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

**CITY OF SHREVEPORT, LOUISIANA
METROPOLITAN PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2006**

REVENUES

Intergovernmental	\$ 153,000
Miscellaneous	<u>235,376</u>
Total revenues	<u>388,376</u>

EXPENDITURES

General government	<u>1,263,535</u>
Total expenditures	<u>1,263,535</u>

Deficiency of revenues under expenditures (875,159)

OTHER FINANCING SOURCES

Payment from City of Shreveport	<u>875,159</u>
---------------------------------	----------------

Net change in fund balance -

Fund balance - beginning -

Fund balance - ending -

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

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

Capital outlay	29,797
Depreciation expense	<u>(15,832)</u>

Change in net assets \$ 13,965

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



Statistical Section

This part of the City of Shreveport's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	136
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	144
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	151
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	157
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	159

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities							
Invested in capital assets, net of related debt	\$ 363,475,742	\$ 386,337,758	\$ 401,451,485	\$ 429,187,376	\$ 444,476,123	\$ 483,359,022	\$ 495,015,044
Restricted	32,160,795	35,913,697	40,223,848	44,544,140	46,843,692	43,179,343	48,021,783
Unrestricted(Deficit)	<u>(12,680,977)</u>	<u>(3,967,719)</u>	<u>(3,327,268)</u>	<u>(4,662,353)</u>	<u>(15,914,897)</u>	<u>(10,485,180)</u>	<u>(5,981,760)</u>
Total governmental activities net assets	<u>\$ 382,955,560</u>	<u>\$ 418,283,736</u>	<u>\$ 438,348,065</u>	<u>\$ 469,069,163</u>	<u>\$ 475,404,918</u>	<u>\$ 516,053,185</u>	<u>\$ 537,055,067</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 239,021,514	\$ 252,793,513	\$ 266,393,949	\$ 285,700,991	\$ 299,719,309	\$ 313,801,300	\$ 332,708,732
Restricted	2,481,627	2,074,186	1,935,948	1,770,036	1,771,797	5,257,124	3,930,459
Unrestricted	<u>31,070,226</u>	<u>24,050,244</u>	<u>12,997,293</u>	<u>4,397,075</u>	<u>5,300,077</u>	<u>5,385,880</u>	<u>5,666,173</u>
Total business-type activities net assets	<u>\$ 272,573,367</u>	<u>\$ 278,917,943</u>	<u>\$ 281,327,190</u>	<u>\$ 291,868,102</u>	<u>\$ 306,791,183</u>	<u>\$ 324,444,304</u>	<u>\$ 342,305,364</u>
Primary government							
Invested in capital assets, net of related debt	\$ 602,497,256	\$ 639,131,271	\$ 667,845,434	\$ 714,888,367	\$ 744,195,432	\$ 797,160,322	\$ 827,723,776
Restricted	34,642,422	37,987,883	42,159,796	46,314,176	48,615,489	48,436,467	51,952,242
Unrestricted(Deficit)	<u>18,389,249</u>	<u>20,082,525</u>	<u>9,670,025</u>	<u>(265,278)</u>	<u>(10,614,820)</u>	<u>(5,099,300)</u>	<u>(315,587)</u>
Total primary government net assets	<u>\$ 655,528,927</u>	<u>\$ 697,201,679</u>	<u>\$ 719,675,255</u>	<u>\$ 760,937,265</u>	<u>\$ 782,196,101</u>	<u>\$ 840,497,489</u>	<u>\$ 879,360,431</u>

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

Unaudited - see accompanying independent auditor's report.

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses							
Governmental activities:							
General government	\$ 28,072,096	\$ 23,869,494	\$ 26,399,777	\$ 27,937,299	\$ 35,556,332	\$ 31,642,982	\$ 41,202,664
Public safety	62,641,752	65,099,358	69,823,550	77,375,851 (1)	84,274,805 (2)	83,788,205	86,563,843
Public works	35,006,139	36,255,777	36,793,698	38,137,157	41,031,932	41,698,053	47,526,978
Culture and recreation	12,446,448	13,647,941	13,117,753	13,448,883	15,353,039	15,773,260	22,528,381
Health and welfare	674,884	493,450	483,659	359,725	293,575	389,502	431,756
Community development	5,461,824	8,935,495	4,194,155	5,344,620	6,022,108	3,669,884	4,094,946
Economic development	3,328,001	3,558,794	4,703,913	4,770,448	5,073,823	6,151,081	6,823,742
Economic opportunity	2,220,321	2,749,050	3,481,716	2,940,163	4,596,238	5,075,413	3,613,591
Interest on long-term debt	20,601,385	20,132,573	19,415,444	17,811,208	17,540,449	15,152,212	15,539,408
Total governmental activities expenses	<u>170,452,850</u>	<u>174,741,932</u>	<u>178,413,665</u>	<u>188,125,354</u>	<u>209,742,301</u>	<u>203,340,592</u>	<u>228,325,309</u>
Business-type activities							
Municipal and Regional Airports	8,777,071	8,956,664	9,345,117	10,368,441	10,208,330	10,698,537	11,755,786
Water and Sewerage	34,710,498	35,962,172	39,320,447	39,781,854	43,058,325	44,707,461	54,485,362
Convention Center Hotel	-	-	-	-	-	485,540	1,967,861
Shreveport Area Transit System	8,891,520	8,971,869	8,565,331	8,907,815	9,728,821	10,581,217	11,293,961
Golf	1,455,213	1,488,054	1,497,866	1,419,103	1,334,610	1,572,192	1,699,369
Downtown Parking	410,000	382,000	391,404	400,008	433,000	417,800	425,666
Total business-type activities expenses	<u>54,244,302</u>	<u>55,760,759</u>	<u>59,120,165</u>	<u>60,877,221</u>	<u>64,763,086</u>	<u>68,462,747</u>	<u>81,628,005</u>
Total primary government expenses	<u>\$ 224,697,152</u>	<u>\$ 230,502,691</u>	<u>\$ 237,533,830</u>	<u>\$ 249,002,575</u>	<u>\$ 274,505,387</u>	<u>\$ 271,803,339</u>	<u>\$ 309,953,314</u>

(continued)

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

(2) Increase in state pension expenses

(continued)

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

	2000	2001	2002	2003	2004	2005	2006
Program Revenues							
Governmental Activities							
Charges for services:							
Public safety	\$ 5,702,773	\$ 6,231,153	\$ 7,320,162	\$ 7,258,684	\$ 7,579,210	\$ 8,434,247	\$ 9,203,269
Public works	10,564,315	9,476,608	9,004,094	10,257,092	11,570,980	12,738,976	11,585,956
Other activities	649,368	506,835	614,299	818,910	923,166	952,331	1,149,882
Operating grants and contributions	15,912,879	20,457,049	15,529,060	15,579,961	17,894,434	15,862,194	15,634,442
Capital grants and contributions	<u>4,270,485</u>	<u>9,653,756</u>	<u>5,711,584</u>	<u>13,521,203</u>	<u>7,199,579</u>	<u>27,165,717</u>	<u>12,399,644</u>
Total governmental activities program revenues	<u>37,099,820</u>	<u>46,325,401</u>	<u>38,179,199</u>	<u>47,435,850</u>	<u>45,167,369</u>	<u>65,153,465</u>	<u>49,973,193</u>
Business-type activities							
Charges for services:							
Municipal and Regional Airports	6,202,481	6,291,485	6,183,233	6,635,056	7,103,457	7,555,898	7,967,886
Water and Sewerage	37,952,957	35,385,428	36,894,698	38,420,146	45,695,302 (3)	56,108,108	58,589,864
Convention Center Hotel	-	-	-	-	-	-	-
Shreveport Area Transit System	2,438,339	2,405,553	2,060,173	1,987,715	1,968,562	2,050,464	2,179,884
Golf	1,280,664	1,357,923	1,307,630	1,197,848	989,289	1,383,371	1,446,980
Downtown Parking	460,909	510,825	657,619	676,890	598,239	551,857	577,620
Operating grants and contributions	2,278,871	2,627,499	3,014,352	2,861,410	3,824,635	2,750,760	4,288,852
Capital grants and contributions	<u>8,792,078</u>	<u>7,687,141</u>	<u>6,868,899</u>	<u>15,724,693</u>	<u>14,793,291</u>	<u>9,044,417</u>	<u>14,997,350</u>
Total business-type activities program revenues	<u>59,406,299</u>	<u>56,265,854</u>	<u>56,986,604</u>	<u>67,503,758</u>	<u>74,972,775</u>	<u>79,444,875</u>	<u>90,048,436</u>
Total primary government program revenues	<u>96,506,119</u>	<u>102,591,255</u>	<u>95,165,803</u>	<u>114,939,608</u>	<u>120,140,144</u>	<u>144,598,340</u>	<u>140,021,629</u>
Net(Expense) Revenue							
Governmental activities	\$ (133,353,030)	\$ (128,416,531)	\$ (140,234,466)	\$ (140,689,504)	\$ (164,574,932)	\$ (138,187,127)	\$ (178,352,116)
Business-type activities	<u>5,161,997</u>	<u>505,095</u>	<u>(2,133,561)</u>	<u>6,626,537</u>	<u>10,209,689</u>	<u>10,982,128</u>	<u>8,420,431</u>
Total primary government net expense	<u>\$ (128,191,033)</u>	<u>\$ (127,911,436)</u>	<u>\$ (142,368,027)</u>	<u>\$ (134,062,967)</u>	<u>\$ (154,365,243)</u>	<u>\$ (127,204,999)</u>	<u>\$ (169,931,685)</u>

(3) Increase in rates for system improvements

(continued)

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

	2000	2001	2002	2003	2004	2005	2006
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes:							
Property taxes	\$ 45,577,546	\$ 47,142,092	\$ 47,838,744	\$ 48,929,547	\$ 51,007,550	\$ 51,498,165	\$ 54,196,554
Sales taxes	75,574,131	75,481,654	75,971,486	82,343,007 (4)	87,911,418	93,713,711	109,163,966
Franchise taxes	6,570,678	7,086,954	6,351,685	6,858,781	6,924,341	7,648,385	7,635,287
Occupational licenses	5,140,510	5,517,782	5,872,509	5,752,899	5,892,082	6,233,140	6,276,736
Gaming	7,209,309	14,819,542	15,052,411	13,754,595	12,891,549	11,617,496	12,273,760
Unrestricted grants and contributions	2,194,244	1,846,462	1,697,191	1,614,228	2,932,256	3,246,134	3,878,809
Investment earnings	13,751,278	11,000,534	6,145,817	5,094,309	3,840,636	4,289,082	5,124,099
Miscellaneous	4,618,887	3,528,956	4,269,479	10,004,905	3,493,196	4,495,820	4,133,123
Transfers	<u>(3,298,051)</u>	<u>(2,679,269)</u>	<u>(2,900,527)</u>	<u>(2,941,669)</u>	<u>(3,982,341)</u>	<u>(3,906,539)</u>	<u>(3,328,336)</u>
Total governmental activities	<u>157,338,532</u>	<u>163,744,707</u>	<u>160,298,795</u>	<u>171,410,602</u>	<u>170,910,687</u>	<u>178,835,394</u>	<u>199,353,998</u>
Business-type activities:							
Investment earnings	4,844,613	3,160,212	1,642,281	972,706	731,051	2,764,454	6,112,293
Transfers	<u>3,298,051</u>	<u>2,679,269</u>	<u>2,900,527</u>	<u>2,941,669</u>	<u>3,982,341</u>	<u>3,906,539</u>	<u>3,328,336</u>
Total business-type activities	<u>8,142,664</u>	<u>5,839,481</u>	<u>4,542,808</u>	<u>3,914,375</u>	<u>4,713,392</u>	<u>6,670,993</u>	<u>9,440,629</u>
Total primary government	<u>\$ 165,481,196</u>	<u>\$ 169,584,188</u>	<u>\$ 164,841,603</u>	<u>\$ 175,324,977</u>	<u>\$ 175,624,079</u>	<u>\$ 185,506,387</u>	<u>\$ 208,794,627</u>
Change in Net Assets							
Governmental activities	\$ 23,985,502	\$ 35,328,176	\$ 20,064,329	\$ 30,721,098	\$ 6,355,755	\$ 40,648,267	\$ 21,001,882
Business-type activities	<u>13,304,661</u>	<u>6,344,576</u>	<u>2,409,247</u>	<u>10,540,912</u>	<u>14,923,081</u>	<u>17,653,121</u>	<u>17,861,060</u>
Total primary government	<u>\$ 37,290,163</u>	<u>\$ 41,672,752</u>	<u>\$ 22,473,576</u>	<u>\$ 41,262,010</u>	<u>\$ 21,278,836</u>	<u>\$ 58,301,388</u>	<u>\$ 38,862,942</u>

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

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

Unaudited - see accompanying independent auditor's report.

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

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund										
Reserved	\$ 3,383,955	\$ 5,230,337	\$ 4,846,965	\$ 4,191,127	\$ 3,041,473	\$ 3,268,357	\$ 3,092,599	\$ 4,721,106	\$ 3,660,795	\$ 9,502,791
Unreserved	<u>9,820,252</u>	<u>13,151,858</u>	<u>11,682,496</u>	<u>8,565,785</u>	<u>9,077,939</u>	<u>8,565,714</u>	<u>9,937,233</u>	<u>10,454,961</u>	<u>13,815,804</u>	<u>10,327,081</u>
Total General Fund	<u>\$ 13,204,207</u>	<u>\$ 18,382,195</u>	<u>\$ 16,529,461</u>	<u>\$ 12,756,912</u>	<u>\$ 12,119,412</u>	<u>\$ 11,834,071</u>	<u>\$ 13,029,832</u>	<u>\$ 15,176,067</u>	<u>\$ 17,476,599</u>	<u>\$ 19,829,872</u>
All Other Governmental Funds										
Reserved	\$ 45,976,932	\$ 46,867,307	\$ 46,621,819	\$ 50,995,311	\$ 115,130,828	\$ 123,238,342	\$ 141,585,098	\$ 83,314,849	\$ 88,598,046	\$ 67,233,427
Unreserved, reported in:										
Special revenue funds	8,390,865	3,125,281	4,988,376	5,796,904	7,907,059	7,819,641	6,322,038	2,934,920	2,234,205	2,750,223
Capital project funds	<u>35,319,503</u>	<u>44,598,043</u>	<u>155,132,055</u>	<u>139,886,153</u>	<u>89,317,228</u>	<u>68,932,622</u>	<u>77,124,069</u>	<u>80,038,721</u>	<u>26,185,480</u>	<u>36,863,363</u>
Total all other governmental funds	<u>\$ 89,687,300</u>	<u>\$ 94,590,631</u>	<u>\$ 206,742,250</u>	<u>\$ 196,678,368</u>	<u>\$ 212,355,115</u>	<u>\$ 199,990,605</u>	<u>\$ 225,031,205</u>	<u>\$ 166,288,490</u>	<u>\$ 117,017,731</u>	<u>\$ 106,847,013</u>

Unaudited - see accompanying independent auditor's report.



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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Taxes	\$ 111,357,774	\$ 116,672,572	\$ 120,416,777	\$ 126,601,642	\$ 130,797,660	\$ 129,350,141	\$ 138,588,656	\$ 144,861,587	\$ 153,389,462	\$ 170,919,781
Licenses and permits	6,059,329	6,394,715	6,648,966	6,327,862	6,590,052	7,024,635	6,905,770	7,600,397	8,211,268	8,144,443
Intergovernmental	18,623,027	26,912,514	25,654,634	19,350,829	22,772,010	17,202,092	18,066,364	25,172,181	26,272,456	22,112,233
Charges for services	15,318,550	14,310,216	13,327,285	16,321,194	15,308,068	16,481,825	17,706,972	19,241,503	20,635,745	20,184,618
Fines and forfeitures	3,699,970	3,601,167	3,074,359	2,888,110	3,051,065	2,533,660	2,839,434	2,799,844	3,231,362	3,555,633
Gaming	7,420,610	6,779,360	7,300,677	7,209,309	14,819,542	15,052,411	13,754,595	12,891,549	11,617,496	12,273,760
Investment earnings	5,603,181	6,028,088	6,689,506	13,138,178	9,595,427	5,793,620	4,953,583	3,694,378	3,938,911	4,423,360
Miscellaneous	4,791,581	2,006,727	2,238,039	4,618,887	4,378,278	4,269,479	10,004,905	3,642,621	4,495,820	4,133,123
Total revenues	172,874,022	182,705,359	185,350,243	196,456,011	207,312,102	197,707,863	212,820,279	219,904,060	231,792,520	245,746,951
Expenditures										
General government	28,464,650	32,269,228	33,255,757	31,160,204	26,846,543	24,971,584	27,759,577	33,072,046	32,393,215	38,900,339
Public safety	59,057,314	57,472,321	62,695,370	60,899,205	63,779,843	68,731,189	72,337,147	82,694,307	84,754,554	90,574,313
Public works	25,059,130	24,683,745	24,008,583	27,090,411	27,155,205	28,580,522	25,992,785	33,005,430	30,502,540	34,062,025
Culture and recreation	9,545,451	9,968,862	10,785,474	10,606,983	11,475,437	11,350,929	10,780,702	11,096,644	12,417,996	12,998,481
Health and welfare	191,991	390,998	411,809	674,884	493,450	483,659	359,725	293,575	389,502	431,756
Community development	3,285,455	4,483,770	5,549,549	5,460,123	8,883,571	3,851,432	5,141,498	4,814,883	3,444,802	3,477,313
Economic development	1,744,973	3,831,019	4,616,895	3,328,001	3,558,794	4,703,913	4,770,448	5,073,823	6,151,081	6,823,742
Economic opportunity	3,269,045	3,361,290	3,773,472	2,220,321	2,749,050	3,481,716	2,940,163	4,596,238	5,075,413	3,613,591
Capital outlay	28,911,027	35,807,551	40,670,776	54,992,381	34,853,955	24,117,279	27,194,815	72,154,435	57,465,679	24,414,447
Debt service										
Principal	11,407,584	14,175,866	12,101,307	22,581,167	26,360,111	26,100,991	28,233,630	28,278,794	29,908,186	26,517,782
Interest	14,345,094	18,461,893	17,567,250	16,931,849	16,755,523	16,811,211	15,606,416	15,778,900	14,013,453	14,648,081
Other charges	101,671	1,329,734	595,084	548,862	136,360	2,762	750,216	1,048,354	2,584,664	-
Total expenditures	185,383,385	206,236,277	216,031,326	236,494,391	223,047,842	213,187,187	221,867,122	291,907,429	279,101,085	256,461,870
Excess(deficiency) of revenues over (under) expenditures	(12,509,363)	(23,530,918)	(30,681,083)	(40,038,380)	(15,735,740)	(15,479,324)	(9,046,843)	(72,003,369)	(47,308,565)	(10,714,919)

(continued)

(continued)

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Other Financing Sources(Uses)										
Bonds issued	25,000,000	25,000,000	126,985,000	-	33,000,000	-	37,000,000	-	-	-
Refunding bonds issued	-	11,145,000	10,875,000	-	-	-	28,035,000	24,715,000	80,515,000	-
Premium on bonds issued	-	59,773	254,379	-	3,182	-	1,095,891	588,117	7,702,353	-
Certificate of indebtedness issued	-	59,430,000	630,000	-	-	-	-	5,375,000	-	-
Premium on certificate of indebtedness issued	-	446,099	-	-	-	-	-	-	-	-
Discount on certificate of indebtedness issued	-	(11,710)	-	-	-	-	-	(53,910)	-	-
Loan proceeds	-	-	8,000,000	30,000,000	-	-	182,949	1,295,025	-	-
Capital leases	-	-	5,670,000	-	451,074	5,730,000	-	6,107,126	1,973,508	6,185,810
Payment to refunded bond escrow agent	-	(11,026,684)	(10,959,411)	-	-	-	(28,088,967)	(24,637,089)	(86,423,980)	-
Payment to retirement system	-	(51,624,035)	-	-	-	-	-	-	-	-
Transfers in	14,780,036	30,684,547	31,853,353	37,321,530	28,365,345	28,425,251	34,055,629	39,902,243	31,898,342	32,148,537
Transfers out	(15,686,636)	(30,490,753)	(32,328,353)	(41,119,581)	(31,044,614)	(31,325,778)	(36,997,298)	(37,884,623)	(35,326,885)	(35,436,873)
Total other financing sources(uses)	<u>24,093,400</u>	<u>33,612,237</u>	<u>140,979,968</u>	<u>26,201,949</u>	<u>30,774,987</u>	<u>2,829,473</u>	<u>35,283,204</u>	<u>15,406,889</u>	<u>338,338</u>	<u>2,897,474</u>
Net change in fund balances	<u>\$ 11,584,037</u>	<u>\$ 10,081,319</u>	<u>\$ 110,298,885</u>	<u>\$ (13,836,431)</u>	<u>\$ 15,039,247</u>	<u>\$ (12,649,851)</u>	<u>\$ 26,236,361</u>	<u>\$ (56,596,480)</u>	<u>\$ (46,970,227)</u>	<u>\$ (7,817,445)</u>
Debt service as a percentage of noncapital expenditures	<u>16.5%</u>	<u>19.9%</u>	<u>17.3%</u>	<u>22.1%</u>	<u>23.0%</u>	<u>22.7%</u>	<u>22.9%</u>	<u>20.5%</u>	<u>21.0%</u>	<u>17.7%</u>

Unaudited - see accompanying independent auditor's report.

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

Fiscal Year Ended December 31	Residential Property	Commercial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
1997	\$ 301,642	\$ 522,645	\$ 832,136	51.63	\$ 6,943,579	11.98%
1998	307,342	540,344	854,888	51.63	7,126,401	12.00
1999	309,507	538,288	855,952	51.63	7,143,818	11.98
2000	332,686	558,627	898,929	51.30	7,527,501	11.94
2001	337,096	591,604	937,276	51.30	7,888,214	11.88
2002	345,120	593,431	946,648	51.30	8,137,516	11.63
2003	357,203	601,009	964,939	51.30	8,253,849	11.69
2004	455,083	641,799	1,105,691	46.64	9,637,710	11.47
2005	468,149	641,769	1,118,623	46.64	9,787,609	11.43
2006	486,846	673,164	1,169,282	46.64	10,244,280	11.41

Note:

Assessed values are established by the Caddo Parish Tax Assessor on January 1 of each year at approximately 10-25% of assumed market value. A revaluation of all property is required to be completed no less than every 4 years. The last revaluation was completed for the roll of January 1, 2004. The next revaluation will be completed as of January 1, 2008 for the 2008 tax roll. Tax rates are per \$1,000 of assessed value.

Unaudited - see accompanying independent auditor's report.

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

Fiscal Year Ended December 31,	City Direct Rates										Overlapping Rates		
	Debt Service (1)	General Alimony (2)	Police Three-Platoon System (2)	Police and Fire Uniforms and Equipment Equipment (3)	Salary & Wage Schedule (3)	Street Improvements (3)	Employee Benefits (3)	Parks and Recreational Facilities (3)	Total Direct Debt	School Board	Parish	Total	
1997	\$ 30.54	\$ 12.32	\$ 1.76	\$ 1.33	\$ 1.33	\$ 1.33	\$ 2.02	\$ 1.00	\$ 51.63	\$ 85.08	\$ 41.87	\$ 178.58	
1998	30.54	12.32	1.76	1.33	1.33	1.33	2.02	1.00	51.63	84.48	41.17	177.28	
1999	30.54	12.32	1.76	1.33	1.33	1.33	2.02	1.00	51.63	83.98	41.17	176.78	
2000	30.54	12.13	1.73	1.31	1.31	1.31	1.99	0.98	51.30	85.63	38.95	175.88	
2001	30.54	12.13	1.73	1.31	1.31	1.31	1.99	0.98	51.30	86.03	40.16	177.49	
2002	30.54	12.13	1.73	1.31	1.31	1.31	1.99	0.98	51.30	87.27	40.40	178.97	
2003	30.54	12.13	1.73	1.31	1.31	1.31	1.99	0.98	51.30	87.27	40.40	178.97	
2004	27.82	10.99	1.57	1.19	1.19	1.19	1.80	0.89	46.64	87.27	36.58	170.49	
2005	27.82	10.99	1.57	1.19	1.19	1.19	1.80	0.89	46.64	81.73	37.31	165.68	
2006	27.82	10.99	1.57	1.19	1.19	1.19	1.80	0.89	46.64	81.73	37.31	165.68	

(1) Political subdivisions in Louisiana are required to levy taxes without limitation at such rates as may be necessary to service general obligation bonds.

(2) City Council is authorized by Louisiana Constitution to levy, after public hearing by a two-thirds affirmative vote, a millage rate of up to, but not in excess of:
(a) 12.65 mills for General Alimony
(b) 1.81 mills for Police Three-Platoon System

(3) Special millage approved by referendum and must be reapproved by referendum every 5 years.
(Last submitted and approved on April 5, 2003).

Unaudited - see accompanying independent auditor's report.

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

146

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
AEP Southwestern Electric Power Company	\$ 42,395,660	1	3.6%	\$ 34,145,070	1	4.1%
Bell South	23,442,160	2	2.0	28,371,490	2	3.4
Sam's Town	17,592,380	3	1.5	7,624,280	9	0.9
AmSouth Bank	11,193,200	4	1.0	12,403,780	6	1.5
Hibernia	10,720,850	5	0.9	8,307,970	7	1.0
Calcumet Lubricants	10,679,340	6	0.9	22,479,650	3	2.7
Walmart	8,014,210	7	0.7			
Centerpoint Energy	7,032,750	8	0.6	8,236,600	8	1.0
JP Morgan Chase	6,618,180	9	0.6	14,893,430	4	1.8
Libby Glass	6,098,130	10	0.5			
Lucent Technologies				14,653,750	5	1.8
Casino Magic				7,175,270	10	0.8
	<u>\$ 143,786,860</u>		<u>12.3%</u>	<u>\$ 158,291,290</u>		<u>19.0%</u>

Unaudited - see accompanying independent auditor's report.

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

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 42,905,989	\$ 29,695,944	69.2	\$ 12,054,146	\$ 41,750,090	97.3
1998	44,133,525	31,217,228	70.7	12,015,024	43,232,252	98.0
1999	44,113,404	32,450,812	73.6	10,945,460	43,396,273	98.4
2000	45,926,818	28,639,568	62.4	16,322,821	44,962,389	97.9
2001	48,082,314	25,268,585	52.6	21,731,652	47,000,237	97.7
2002	48,563,087	36,601,835	75.4	10,877,573	47,479,408	97.8
2003	49,501,452	37,818,593	76.4	10,882,652	48,701,245	98.4
2004	51,569,430	36,169,905	70.1	13,464,778	49,634,683	96.2
2005	52,172,566	36,329,211	69.6	14,772,957	51,102,168	97.9
2006	54,535,297	41,076,693	75.3	-	41,076,693	75.3

Unaudited - see accompanying independent auditor's report.

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Motor vehicle dealers	\$ 292,336	\$ 296,238	\$ 319,552	\$ 348,135	\$ 321,093	\$ 325,579	\$ 340,389	\$ 351,422	\$ 339,595	\$ 355,024
Restaurant, food services and drinking places	189,430	205,883	218,195	224,549	232,057	239,940	248,425	262,048	291,080	304,988
Discount stores	139,295	182,466	219,881	237,292	262,908	257,443	255,244	260,352	275,136	278,608
Grocery Stores	293,590	275,801	269,743	284,401	268,036	265,961	234,162	237,239	263,986	348,106
Department Stores	119,240	116,407	112,360	97,399	103,535	111,484	115,458	109,464	120,492	125,978
Miscellaneous general merchandise stores	66,169	67,943	70,418	71,175	75,274	80,087	98,653	103,400	115,262	121,428
Drug stores	71,352	73,439	80,893	87,128	95,492	109,505	102,311	103,356	112,727	133,956
Lumber and other building materials dealers	76,868	66,468	74,373	77,791	77,695	84,181	84,413	85,399	107,622	116,530
Wholesale - Machinery, equipment and supplies	129,188	119,971	107,870	112,502	115,610	87,683	80,867	97,386	99,437	116,671
Wholesale - professional and commercial equipment	78,798	89,581	90,602	90,479	81,380	83,457	78,290	93,883	89,856	96,333
All others	1,079,933	1,201,052	1,265,140	1,379,544	1,428,339	1,428,663	1,340,388	1,420,858	1,564,908	1,906,431
Total	\$ 2,536,199	\$ 2,695,249	\$ 2,829,027	\$ 3,010,395	\$ 3,061,419	\$ 3,073,983	\$ 2,978,600	\$ 3,124,807	\$ 3,380,101	\$ 3,904,053
City sales tax rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%

Source: Caddo-Shreveport Sales and Use Tax Commission

Unaudited - see accompanying independent auditor's report.

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

<u>Year</u>	<u>City of Shreveport</u>	<u>Caddo Parish School Board</u>	<u>Caddo Law Enforcement District</u>	<u>State of Louisiana</u>	<u>Total Rate</u>
1997	2.50%	1.50%	0.25%	4.00%	8.25%
1998	2.50	1.50	0.25	4.00	8.25
1999	2.50	1.50	0.25	4.00	8.25
2000	2.50	1.50	0.25	4.00	8.25
2001	2.50	1.50	0.25	4.00	8.25
2002	2.50	1.50	0.25	4.00	8.25
2003	2.75	1.50	0.35	4.00	8.60
2004	2.75	1.50	0.35	4.00	8.60
2005	2.75	1.50	0.35	4.00	8.60
2006	2.75	1.50	0.35	4.00	8.60

Source: Caddo-Shreveport Sales and Use Tax Commission

Note: The City's sales tax rate may be changed with voter approval.

Unaudited - see accompanying independent auditor's report.

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

	Fiscal Year 2005				Fiscal Year 2006			
	Number of Filers	Percent of Total	Tax Liability	Percent of Total	Number of Filers	Percent of Total	Tax Liability	Percent of Total
Retail trade	2,858	33.56	\$ 60,710,497	64.79	2,888	33.16	\$ 67,241,787	61.60
Services	2,135	25.07	13,917,994	14.85	2,204	25.31	20,304,523	18.60
Wholesale Trade	2,442	28.68	14,067,681	15.01	2,514	28.87	15,349,862	14.06
Transportation, communications, electric, and gas	140	1.64	1,432,004	1.53	147	1.69	1,888,073	1.72
Manufacturing	279	3.28	1,462,985	1.56	274	3.15	1,882,685	1.73
Other	159	1.87	1,025,558	1.09	156	1.79	1,167,014	1.07
Construction	299	3.51	648,660	0.69	296	3.40	784,227	0.72
Mining	95	1.12	118,994	0.13	117	1.34	210,743	0.19
Finance, insurance, and real estate	61	0.72	210,709	0.22	67	0.77	205,302	0.19
Agricultural	41	0.48	79,894	0.09	39	0.45	83,760	0.08
Government	6	0.07	38,735	0.04	6	0.07	45,990	0.04
Total	8,515	100.00	\$ 93,713,711	100.00	8,708	100.00	\$ 109,163,966	100.00

Source: Caddo-Shreveport Sales and Use Tax Commission

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. The amounts shown are gross collections prior to refunds and collections of amounts due from prior years. Fiscal years 2005 and 2006 are the most recent years for which data are available.

Unaudited - see accompanying independent auditor's report.

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

Fiscal Year	Governmental Activities				Business Type Activities							Total Primary Government	Percentage of Personal Income	City Per Capita
	General Obligation Bonds	Certificates of Indebtedness	Loans and Notes	Capital Leases	Municipal and Regional Airports Revenue Bonds	Municipal and Regional Airports Loan	Water and Sewerage Revenue Bonds	Water and Sewerage Loan	Convention Center Hotel Loan	Capital Leases				
1997	\$ 173,878	\$ 2,410	\$ 6,467	\$ -	\$ -	\$ -	\$ 120,187	\$ -	\$ -	\$ -	\$ -	\$ 302,942	5.4%	\$ 1,503
1998	185,644	58,215	6,137	-	26,000	-	115,528	-	-	-	-	391,524	6.7	1,945
1999	302,473	55,335	13,805	5,670	25,570	-	110,600	-	-	-	-	513,453	8.6	2,548
2000	288,091	51,530	43,469	4,250	25,125	-	115,306	-	-	-	-	527,771	8.3	2,637
2001	303,897	47,460	42,580	3,218	24,660	-	117,861	-	-	-	255	539,931	8.0	2,685
2002	286,717	43,225	41,501	7,698	24,175	-	114,726	-	-	-	255	518,297	7.5	2,577
2003	306,186	38,785	36,173	5,476	23,665	-	129,201	-	181	210	-	539,877	7.5	2,671
2004	285,465	41,136	35,306	9,886	23,135	-	154,325	-	1,470	162	-	550,885	7.2	2,716
2005	263,520	37,884	34,394	9,778	22,580	-	155,107	75,000	42,479	1,170	-	641,912	8.2	3,163
2006	244,913	34,382	33,437	13,410	22,000	859	153,785	75,000	42,365	845	-	620,996	N/A	3,061

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the Schedule of Demographic and Economic Statistics for personal income and population data.

N/A - Statistical information is not available.

Unaudited - see accompanying independent auditor's report.

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	City Per Capita
1997	\$ 173,878	\$ 22,629	\$ 151,249	2.18%	\$ 750
1998	185,644	23,942	161,702	2.27	803
1999	302,473	27,429	275,044	3.85	1,001
2000	288,091	28,977	259,114	3.44	1,295
2001	303,897	33,983	269,914	3.42	1,342
2002	286,717	37,298	249,419	3.07	1,240
2003	306,186	42,480	263,706	3.19	1,305
2004	285,465	44,616	240,849	2.50	1,187
2005	263,520	40,239	223,281	2.28	1,100
2006	244,913	44,276	200,637	1.96	989

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 See the Schedule of Assessed and Actual Value of Taxable Property for property value data.
 See the Schedule of Demographics and Economic Statistics for population data.

Unaudited - see accompanying independent auditor's report.

CITY OF SHREVEPORT, LOUISIANA
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2006
 (dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Caddo Parish Commission	\$ 5,000	76.0%	\$ 3,800
Caddo Parish School Board	520,934	76.0%	<u>395,910</u>
Subtotal, Overlapping Debt			399,710
City direct debt			<u>326,142</u>
Total direct and overlapping debt			<u><u>\$ 725,852</u></u>

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

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

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

Unaudited - see accompanying independent auditor's report.

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

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt limit	\$ 291,248	\$ 299,211	\$ 299,583	\$ 314,625	\$ 328,047	\$ 331,330	\$ 337,729	\$ 386,992	\$ 391,518	\$ 409,249
Total debt applicable to limit	<u>173,878</u>	<u>185,643</u>	<u>268,297</u>	<u>258,857</u>	<u>278,642</u>	<u>264,673</u>	<u>287,762</u>	<u>272,730</u>	<u>254,487</u>	<u>237,602</u>
Legal debt margin	<u>\$ 117,370</u>	<u>\$ 113,568</u>	<u>\$ 31,286</u>	<u>\$ 55,768</u>	<u>\$ 49,405</u>	<u>\$ 66,657</u>	<u>\$ 49,967</u>	<u>\$ 114,262</u>	<u>\$ 137,031</u>	<u>\$ 171,647</u>
Total debt applicable to the limit as a percentage of debt limit	59.70%	62.04%	89.56%	82.27%	84.94%	79.88%	85.21%	70.47%	65.00%	58.06%

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed value	\$ 1,169,282
Debt limit (35% of total assessed value)	409,249
Debt applicable to limit:	
General obligation bonds	<u>237,602</u>
Total debt applicable to limit	
Legal debt margin	<u>\$ 171,647</u>

Note: Total debt applicable to limit includes all general obligation bonds payable from assessed property taxes in their original principal amount outstanding. State law allows a maximum of 10% of the assessed valuation for bonded debt for any purpose. However, the 10% maximum can be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuations.

Unaudited - see accompanying independent auditor's report.

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

Fiscal Year	Gross Revenues(1)	Less: Operating Expenses(2)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
1997	\$ 40,440,600	\$ 23,190,429	\$ 17,250,171	\$ 6,371,625	\$ 4,874,574	\$ 11,246,199	1.53
1998	43,248,948	22,443,312	20,805,636	6,419,766	4,782,788	11,202,554	1.86
1999	40,480,054	23,423,832	17,056,222	6,483,541	4,664,645	11,148,186	1.53
2000	41,984,620	22,064,086	19,920,534	4,351,300	3,064,987	7,416,287	2.69
2001	37,994,398	24,424,890	13,569,508	4,658,766	3,038,722	7,697,488	1.76
2002	38,582,686	27,804,941	10,777,745	5,267,979	2,275,652	7,543,631	1.43
2003	39,359,740	27,041,477	12,318,263	6,010,064	1,973,357	7,983,421	1.54
2004	47,331,098	28,726,157	18,604,941	7,065,796	2,401,669	9,467,465	1.97
2005	57,713,962	30,578,978	27,134,984	10,982,563	4,438,531	15,421,094	1.76
2006	63,131,449	36,874,335	26,257,114	11,782,506	4,766,703	16,549,209	1.59

(1) Includes operating revenues, interest income, changes in fair value of investments and intergovernmental revenues.

(2) Before depreciation and amortization expenses and after transfers out.

Unaudited - see accompanying independent auditor's report.

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

Fiscal Year	Gross Revenues(1)	Less: Operating Expenses(2)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
1998	\$ 7,270,646	\$ 4,121,013	\$ 3,149,633	\$ -	\$ 414,866	\$ 414,866	7.59
1999	6,574,886	4,359,948	2,214,938	-	787,709	787,709	2.81
2000	6,997,236	5,143,977	1,853,259	-	664,766	664,766	2.79
2001	6,830,601	5,245,607	1,584,994	-	927,204	927,204	1.71
2002	6,756,147	5,648,894	1,107,253	-	967,263	967,263	1.14
2003	7,120,564	6,363,397	757,167	-	596,097	596,097	1.27
2004	7,607,130	6,311,705	1,295,425	-	470,494	470,494	2.75
2005	8,053,251	6,822,081	1,231,170	-	478,020	478,020	2.58
2006	9,017,059	7,353,327	1,663,732	-	523,861	523,861	3.18

(1) Includes operating revenues, interest income, intergovernmental revenues, net fair value adjustment of investments, transfers in and excludes passenger facility charges and associated PFC debt up to the amount of the charges.

(2) Before depreciation and amortization expenses but including transfers out.

Unaudited - see accompanying independent auditor's report.

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

Fiscal Year	City Population	Caddo Parish Population	Caddo Parish Personal Income (in thousands)	Caddo Parish Per Capita Personal Income	City Unemployment Rate
1997	201,568	252,025	\$ 5,597,431	\$ 22,210	5.8%
1998	201,325	251,782	5,883,025	23,366	4.7
1999	201,500	251,876	5,968,299	23,695	3.6
2000	200,145	251,979	6,332,480	25,131	4.9
2001	201,059	251,298	6,718,410	26,735	7.1
2002	201,100	250,506	6,955,738	27,767	6.6
2003	202,096	250,434	7,233,555	28,884	6.1
2004	202,851	250,158	7,626,067	30,485	5.7
2005	202,938	250,438	7,870,765	31,428	4.7
2006	202,851	N/A	N/A	N/A	4.0

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

N/A - Statistical information is not available.

Unaudited - see accompanying independent auditor's report.

CITY OF SHREVEPORT, LOUISIANA
 PRINCIPAL EMPLOYERS
 SHREVEPORT-BOSSIER CITY, METROPOLITAN AREA
 FOR THE YEARS 2005 AND 2000

158

Employer	2005			2000		
	Employees	Rank	Percentage of Area Employment	Employees	Rank	Percentage of Area Employment
State of Louisiana	13,522	1	7.85	7,658	3	4.37
Barksdale Air Force Base	9,423	2	5.47	8,930	1	5.09
Caddo Parish School Board	6,289	3	3.65	7,697	2	4.39
LSU Health Sciences Center	5,902	4	3.43	5,644	4	3.22
Willis Knighton Health System	4,306	5	2.50	4,150	5	2.37
Harrah's	3,332	6	1.94	2,645	7	1.51
General Motors	3,002	7	1.74	2,541	8	1.45
City of Shreveport	2,731	8	1.59	2,808	6	1.60
Bossier Parish School System	2,633	9	1.53	2,499	10	1.43
Christus Schumpert Health System	2,074	10	1.20	2,500	9	1.43
Total	<u>53,214</u>		<u>30.90</u>	<u>47,072</u>		<u>26.86</u>

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

Note: 2005 was the most recent year available and 2000 was the earliest year available.

Unaudited - see accompanying independent auditor's report.

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

Function/Program	Full-time Equivalent Employees of December 31									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General government	265	265	264	268	274	275	275	280	282	290
Public safety	1,320	1,305	1,275	1,299	1,292	1,268	1,261	1,268	1,267	1,200
Public works	431	429	431	460	476	489	505	491	513	522
Culture and recreation	264	264	258	252	276	287	294	252	250	241
Health and welfare	2	2	2	2	2	2	2	2	2	2
Community development	10	10	10	13	16	18	26	26	26	22
Economic development	10	11	11	10	15	15	15	15	15	15
Economic opportunity	34	35	34	29	29	30	32	30	30	21
Municipal and Regional Airports	82	78	78	77	76	69	61	60	52	53
Water and Sewerage	303	303	303	287	279	271	303	394 (2)	623	587
Convention Center Hotel (1)	-	-	-	-	-	-	-	-	-	-
Shreveport Area Transit System (1)	-	-	-	-	-	-	-	-	-	-
Golf	30	29	30	30	31	34	34	35	32	28
Downtown Parking (1)	-	-	-	-	-	-	-	-	-	-
Total	<u>2,751</u>	<u>2,731</u>	<u>2,696</u>	<u>2,727</u>	<u>2,766</u>	<u>2,758</u>	<u>2,808</u>	<u>2,853</u>	<u>3,092</u>	<u>2,981</u>

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

(2) Department reorganized.

Unaudited - see accompanying independent auditor's report.

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

Function/Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government										
Property standards inspections made	30,000	35,000	38,000	28,000	26,000	27,000	39,360	43,021	46,000	46,000
Lots cut	5,000	5,500	5,900	14,201	14,108	14,701	11,182	11,182	10,000	10,000
Public safety										
Prisoners booked in City jail	14,000	16,000	14,000	16,000	11,740	9,500	9,668	5,421	11,000	12,400
Complaints dispatched	145,000	150,000	145,000	150,000	237,072	240,000	235,069	237,400	238,000	240,000
Traffic citations issued	24,730	48,891	39,140	38,004	40,426	42,884	43,000	42,973	53,318	53,800
Fires reported	1,388	1,875	1,550	1,600	1,603	1,580	1,600	1,573	1,575	1,200
Fire responses	26,207	27,200	29,850	29,900	31,780	32,523	33,459	33,795	33,800	33,800
Fire inspections	11,200	14,000	14,500	19,500	16,048	14,691	15,160	11,998	19,600	19,000
EMS responses	20,182	24,322	21,369	23,292	22,700	24,288	23,214	23,214	24,300	25,000
Public works										
Refuse collected (tons)	136,800	137,000	136,800	137,200	137,200	137,400	136,600	137,400	135,600	141,000
Building permits issued	4,876	6,000	5,429	7,074	6,026	6,400	4,336	4,177	4,274	4,400
Potholes repaired	8,671	9,000	8,671	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Street resurfacing (miles)	N/A	N/A	N/A	N/A	55	52	52	55	52	52
Culture and recreation										
Events at all facilities	279	314	375	404	288	332	338	355	334	346
Acres of City parks maintained	N/A	N/A	N/A	N/A	20,681	21,171	21,171	21,171	21,171	21,171
Participants in team sports	N/A	N/A	N/A	N/A	6,230	6,500	8,331	8,967	9,500	10,000
Senior program participants	N/A	N/A	N/A	N/A	46,144	52,389	27,520	35,240	37,840	45,000
Community development										
Programs funded	N/A	N/A	N/A	N/A	N/A	N/A	N/A	68	58	52
Economic development										
Housing units assisted	238	180	293	190	270	295	252	245	198	170
Small business loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11	10	12
Economic opportunity										
Participants served	1,322	1,156	1,355	1,297	1,593	1,955	1,894	1,879	2,130	N/A
Municipal and Regional Airports										
Capital projects managed	9	7	9	12	12	16	17	20	22	20
Contracts/leases monitored	N/A	N/A	N/A	N/A	N/A	N/A	N/A	251	255	261
Water and Sewerage										
Water treated and pumped per day (MGD)	36	36	36	36	37	35	35	36	39	36
Wastewater treated per day (MGD)	29	29	29	31	31	37	37	37	35	37
Water mains (miles)	1,000	1,010	1,020	1,020	1,030	1,040	1,050	1,060	1,096	1,250
Sewer mains (miles)	1,008	1,010	1,020	1,030	1,040	1,041	1,036	1,050	1,067	1,120
Fire hydrants	6,265	6,265	6,265	6,313	6,350	6,400	6,860	6,900	7,107	7,462
Shreveport Area Transit System										
Passenger trips (thousands)	3,586	3,752	3,755	3,542	3,526	2,852	2,863	2,838	2,932	3,145
Golf										
Golf rounds played	84,000	100,000	95,000	100,000	96,557	94,714	94,663	82,842	90,000	95,000
Downtown Parking (1)										
Citations issued	N/A	N/A	N/A	40,000	40,000	42,000	40,104	42,470	42,000	42,000

Source: City of Shreveport Annual Budget Book

Note - No indicators are available for Health and Welfare or the Convention Center Hotel.

The Hotel will not be completed until the year 2007.

(1) Downtown Parking Fund began operations January 1, 2000.

N/A - Statistical information is not available.

Unaudited - see accompanying independent auditor's report.

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

Functions:	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Public Safety										
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Patrol Units	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	364
Fire Stations	20	21	21	21	21	21	21	21	21	21
Police and fire academy facility	1	1	1	1	1	1	1	1	1	1
City courts facility	1	1	1	1	1	1	1	1	1	1
Public Works:										
Collection Trucks	N/A	N/A	57	57	54	52	52	52	52	52
Streets (miles)	1,562	1,563	1,563	1,563	1,574	1,564	1,564	1,564	1,624	1,998
Street lights	28,877	29,569	29,730	29,649	29,599	29,433	30,125	30,013	29,990	30,085
Traffic signals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	350
Culture and recreation										
Parks acreage	3,173	3,180	3,180	3,180	3,181	3,181	1,783	1,783	1,783	1,783
Number of playgrounds	43	43	43	43	43	43	46	46	46	46
Number of picnic areas	32	34	34	34	34	34	42	42	42	42
Swimming pools	11	11	11	11	11	11	11	11	11	11
Tennis courts	29	29	29	29	29	29	29	29	29	29
Community centers	16	17	18	18	19	19	19	19	20	20
Baseball park	1	1	1	1	1	1	1	1	1	1
Multipurpose stadium	1	1	1	1	1	1	1	1	1	1
Auditorium	1	1	1	1	1	1	1	1	1	1
Multicultural center	-	-	-	-	-	-	-	-	1	1
Theater	1	1	1	1	1	1	1	1	1	1
Coliseum	1	1	1	1	1	1	1	1	1	1
Convention center	1	1	1	1	1	1	1	1	1	1
Softball and soccer complex	1	1	1	1	1	1	1	1	1	1
Stage works movie facility	-	-	-	-	-	-	-	-	-	1
Planetariums	1	1	1	1	1	1	1	2	2	2
Municipal and Regional Airports:										
Number of airports	2	2	2	2	2	2	2	2	2	2
Water and Sewerage:										
Number of water accounts	65,075	65,205	64,685	64,343	65,000	65,000	66,000	66,000	66,500	67,050
Water mains (miles)	1,041	1,041	1,041	1,049	1,054	1,060	1,064	1,072	1,080	1,089
Maximum daily capacity (thousands of gallons)	35,600	34,400	33,100	40,000	29,000	33,000	40,000	40,000	40,000	40,000
Number of water storage tanks	10	10	10	14	13	13	13	13	13	13
Capacity of water storage tanks (thousands of gallons)	33,000	32,000	32,000	35,600	35,500	35,500	35,500	35,500	35,500	35,500
Number of sewerage accounts	63,415	63,195	62,692	62,808	62,000	63,000	63,000	63,000	63,500	63,701
Sanitary sewers (miles)	1,010	1,011	1,011	1,018	1,024	1,030	1,036	1,044	1,053	1,063
Storm sewers (miles)	223	223	225	225	227	229	230	231	231	232
Maximum daily treatment capacity (thousands of gallons)	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	100,000
Golf:										
Number of municipal golf courses	3	3	3	3	3	3	3	3	3	3
Shreveport Area Transit System:										
Number of transit buses	49	48	45	45	45	45	54	47	44	28
Number of transit liftline vehicles	16	14	14	19	12	12	12	12	12	12

Sources: Various City departments.

Note - No capital asset indicators are available for general government, health and welfare, community development, economic development, economic opportunity, convention center hotel and downtown parking.

N/A - Statistical information is not available.

Unaudited - see accompanying independent auditor's report.

