

2164



# CITY OF BOSSIER CITY

P. O. BOX 5337  
BOSSIER CITY, LOUISIANA 71171-5337

June 23, 2015

Louisiana Legislative Auditor  
1600 North Third Street  
Baton Rouge, Louisiana 70804-9397

To Whom It May Concern:

Attached is the updated 2011 reporting package. The package was updated to reflect a restatement of the Schedule of Expenditures of Federal Awards to properly reflect amounts in the Highway Planning and Construction Cluster (CFDA 20.205) and the resulting update to the *Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards and the Schedule of Findings and Questioned Costs.*

As stated in the Notes to the Schedule of Expenditures of Federal Awards in the updated OMB Circular A-133 Reports (Single Audit), during 2014, the City determined that certain amounts previously accounted for as local expenditures for the year ended December 31, 2011 should have been considered expenditures of federal awards. Additionally, the City determined that certain local matching amounts were incorrectly reported as federal expenditures due to applying the incorrect matching rate to the funds when calculating federal share for reporting purposes. Accordingly, the City has added the Shed Road project to the Highway Planning and Construction Cluster (CFDA No. 20.205) expenditures and removed the local match from the Hamilton Road project in the Highway Planning and Construction Cluster on the Schedule of Expenditures of Federal Awards for the year ended December 31, 2011. The net effect of this restatement was to increase total federal expenditures for the year ended December 31, 2011 by \$475,882.

Due to this restatement, the Highway Planning and Construction was added to the major programs audited as part of the 2011 Single Audit. An additional finding, finding number 11-6 was added to the report due to the restatement. The corrective action plan included in the reporting package was updated to include this finding.

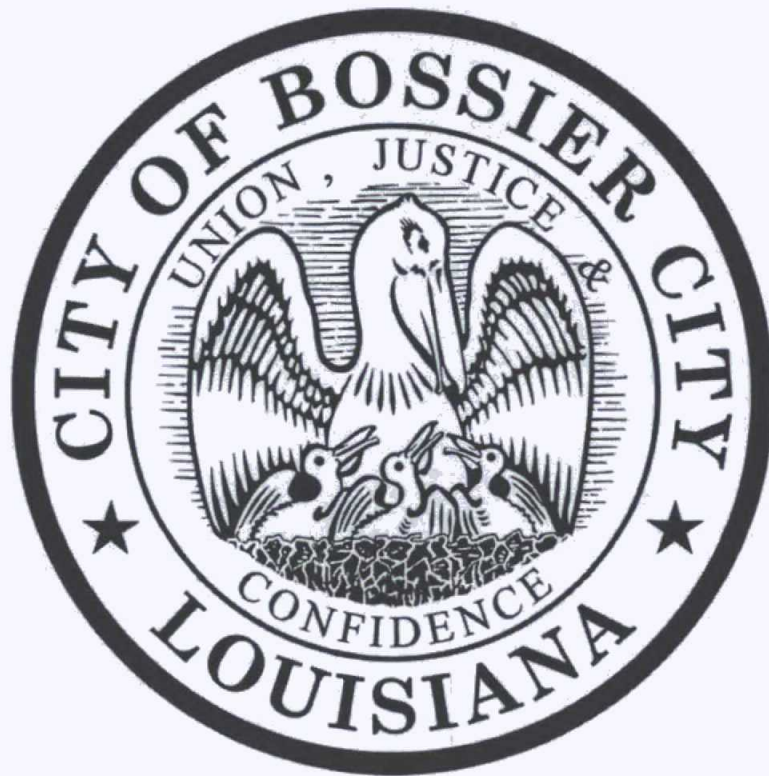
Molly Haugen, Comptroller  
City of Bossier City

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

Release Date     JUL 08 2015

**REISSUE**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**

*Of The*  
*City of*  
*Bossier City, Louisiana*



*For The*  
*Year Ended December 31, 2011*

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

of the

**CITY OF BOSSIER CITY, LOUISIANA**

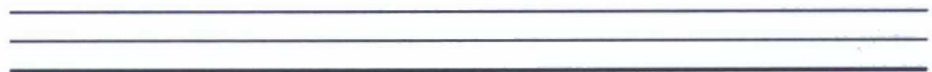
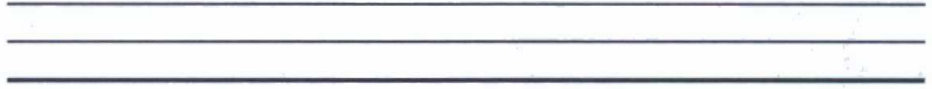
Year Ended December 31, 2011

**Lorenz "Lo" Walker  
Mayor**

**William J. Buffington  
Director of Finance**

Prepared by Department of Finance

**INTRODUCTORY  
SECTION**



**CITY OF BOSSIER CITY, LOUISIANA**

**Comprehensive Annual Financial Report**

Year ended December 31, 2011

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**Comprehensive Annual Financial Report**

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# CITY OF BOSSIER CITY

P.O. BOX 5337

BOSSIER CITY, LOUISIANA 71171-5337

June 15, 2012

The Honorable Lorenz "Lo" Walker, Mayor,  
and Members of the City Council  
City of Bossier City, Louisiana:

In accordance with Section 4.06, paragraph (7) of the City of Bossier City Charter, I am pleased to submit the Comprehensive Annual Financial Report for the year ended December 31, 2011. The financial statements were prepared in conformity with U.S. generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, by a firm of licensed certified public accountants. I believe this report presents comprehensive information about the City of Bossier City's (the City) financial and operating activities during 2011 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 an internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the 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. 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 3.10 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, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2011 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The Honorable Lorenz "Lo" Walker, Mayor,  
and Members of the City Council  
June 15, 2012

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

## **PROFILE OF THE CITY OF BOSSIER CITY**

The City was incorporated in 1907. It is located on the east bank of the Red River in Northwest Louisiana, approximately 35 miles south of Arkansas and 20 miles east of Texas. The area dates back to the 1830s when it was the Elysian Groves Plantation of James and Mary Cane. Steamboat loads of cotton, corn, and sweet potatoes were shipped to markets in the south and east, from the plantation port known to many as "Canes Landing." The current area of the City is approximately 43 square miles.

The City has been organized under a mayor-council form of government since 1977, when the current City Charter was adopted by the voters. The charter provides for a seven-member council, with five members selected for four-year terms from separate districts of the City and two members elected at large by all the qualified electors 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, culture and recreational activities, general government functions, and others.

These financial statements present the City (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 Bossier City Court, Bossier City Marshal, the Metropolitan Planning Commission, and the Bossier Public Trust Financing 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. Prior to October 15, the Mayor files with the Bossier City Clerk 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.

The Honorable Lorenz "Lo" Walker, Mayor,  
and Members of the City Council  
June 15, 2012

Legal budgetary control for operating budgets is exercised at the department/object class. The ordinances provide lump-sum appropriation at the object level. 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. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

## **LOCAL ECONOMY**

The City is a dynamic growing area with a proud past and a future filled with the promise of continued growth. It is an area that continues to be defined by the Red River and major cultural features including Barksdale Air Force Base and riverboat casinos. Some of the key factors in the development of the area include its central location among major southern cities and its importance as a transportation hub. Barksdale Air Force Base is one of the largest military installations in the nation and by far the most significant employment generator in the area. The direct impact of Barksdale Air Force Base on the local economy is estimated to be in excess of \$430 million. The City and Bossier Parish have continued to gain in population in recent decades with both growing at a faster pace than statewide rates for Louisiana. The City added 19,720 residents between 1970 and 2011, and is currently estimated to have a population of 61,315.

The Bossier riverfront has undergone significant changes over the last decade. The area has seen the addition of Red River locks and dams stabilizing navigation channels, the Arthur Ray Teague Parkway extension, and riverboat casinos. Bossier's Riverfront Development District is evolving into an entertainment area and is anchored by a new Louisiana Boardwalk Project adjacent to the Horseshoe Casino and Hotel, the top-grossing casino in Louisiana. It consists of entertainment, retail, hospitality, and restaurant elements. The approximate 56 acres of riverfront property is situated in the heart of the Bossier/Shreveport metropolitan area. The project includes a variety of live music, performance theaters, restaurants, a blend of retail specialty shops, a multiplex movie theater, and a hotel. It is not only a major attraction for the 14 million plus gaming tourist visitors annually, but also to residents of the metropolitan area and surrounding region's growing population and was recently indicated as the top tourist attraction by the Shreveport Bossier Tourist Bureau, narrowly edging out the riverboat casinos. Gross sales for the "Louisiana Boardwalk" were \$117.8 million for 2011 generating \$2.9 million in sales tax revenue for the City.

Also along the Riverfront District is the Bossier City CenturyTel Arena. The arena can house a variety of sporting and performance programs, as well as serve as a major assembly hall for the community. Since opening in late 2000, the Bossier City CenturyTel Center Arena has grown in national prominence within the event and entertainment industry, consistently placing in the top 100 venues in the world for ticket sales, according to Pollstar Magazine, the leading industry tracking firm.

The City and the Bossier Parish Police Jury, combined, issued bonds totaling \$50 million for the development of the Cyber Innovation Center (CIC) and National Cyber Research Park. The State of Louisiana has appropriated \$57 million to facilitate the development of these facilities and related infrastructure to support this development. Sixty-four acres of property was acquired in close proximity to Barksdale Air Force Base and close to the Louisiana Optical Network Initiative (LONI) line, which will provide access to high-speed computer capability and also provide a connection to all the major universities in the United States of America. Construction began in January of 2008. The Cyber Innovation Facility will support the activities at Barksdale Air Force Base, including the Air Force Network Operations Center (AFNOC). The AFNOC makes Barksdale Air Force Base the traffic hub for all Air

The Honorable Lorenz “Lo” Walker, Mayor,  
 and Members of the City Council  
 June 15, 2012

Force communication and the enterprise level organization in the Air Force for communications. Barksdale has been selected as the location for a larger unit, Global Strike Command. Global Strike Command began operations at Barksdale in September 2010 and employs about 900 people. The CIC has a distinguished list of academic research institutions serving as an academic advisory board. Currently, many of the major defense and technology companies have joined the CIC. The CIC became fully operational in May 2011.

The voters of Bossier Parish approved the construction of the Margaritaville Resort Casino in November 2011, leading to the developers officially breaking ground on their \$197 million dollar project on February 29, 2012. Construction of the casino and hotel, which is targeted to open in June 2013, is projected to provide more than 1,200 jobs and more than \$12 million in local tax revenue to the state, parish, and city. The casino will feature a 30,000 square foot, single-level gaming floor, the famous 5 o'clock Somewhere bar, an 18-story hotel with 396 rooms, a 900 seat entertainment venue, spa and fitness center, outdoor pool deck and dining area, and four up-scale dining venues, including the trademark Margaritaville Restaurant. The Bossier City location will be the third and largest of the Margaritaville-themed casinos.

Overall, the local economy is stable and the outlook is good.

**LONG-TERM FINANCIAL PLANNING**

In accordance with Section 6.09 of the City Charter, the Mayor submitted the year 2012 – 2016 Capital Improvement Program to the City Council in the first quarter of 2012. There are 18 projects that total approximately \$179 million in progress as of December 31, 2011. There are 30 planned projects from year 2012 through 2016, which total approximately \$238 million. Some of the major projects and funding of these projects are summarized as follows:

| <u>Project</u>                                  | <u>Funding</u>                   | <u>Amount</u> |
|---|----------------------------------|---------------|
| 20 Million Gallon Per Day Water Plant Expansion | 2008 and 2010 Utility Bond Issue | \$ 71,673,000 |
| Art – North                                     | 2007 Capital Bond Issue          | 24,028,581    |
| Red River Treatment Plant (Phase I)             | DEQ Loans                        | 22,000,000    |
| New Raw Water Pump Station                      | 2008 and 2010 Utility Bond Issue | 15,000,000    |
| Swan Lake Widening (Shed to I-220) Construction | 2007 Capital Bond Issue          | 12,000,000    |
| Swan Lake Road (U.S. 80 to Shed)                | 2007 Capital Bond Issue          | 9,500,000     |
| Shed Road (Benton to Airline)                   | 2007 Capital Bond Issue          | 6,000,000     |
| Water Meter Replacement                         | 2008 and 2010 Utility Bond Issue | 6,500,000     |

The City’s administration plans to continue the process of looking ahead financially for its operational and capital needs.

The Honorable Lorenz "Lo" Walker, Mayor,  
and Members of the City Council  
June 15, 2012

## **FINANCIAL POLICIES**

The budget policy of the City can be found in the City Charter Ch. 6. Budgets, §§ 6.01 – 6.10.

The City Council may revise or amend the budget at its discretion during legally convened sessions. 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.

The City Council shall consider and adopt the capital budget within the first sixty (60) days of each fiscal year. The capital budget shall contain a program of capital improvement projects for the current fiscal year and the succeeding four (4) years. It shall include estimates of the cost of each such improvement project and proposals as to the means of financing the same.

## **MAJOR INITIATIVES**

The City issued \$125 million of Bonds in 2008 for multiple Water and Sewer Projects with the major project being the expansion of the Water Treatment Plant and Rehabilitation of the Existing Water Plant to meet future water needs and incorporate new technologies that will provide safer and cleaner water for Bossier City residents for the future anticipated growth of Bossier City. It is anticipated that this project will have a total price of approximately \$72 million and is scheduled to be complete in mid-2013.

In October 2009, the City Council passed an Ordinance #80 of 2009 to construct two alternative fuel stations. These stations will provide CNG and E85 fuel for City vehicles as well as the general public. The first station opened in October 2010 and the second station opened in August 2011. They employ proprietary accounting policies in a manner similar to the Water and Sewer department.

## **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 for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. 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 more than 25 years (beginning with our Comprehensive Annual Financial Report for the fiscal year ended December 31, 1981).

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, 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 GAAP and applicable legal requirements.

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

The Honorable Lorenz "Lo" Walker, Mayor,  
and Members of the City Council  
June 15, 2012

Sincere appreciation is expressed to the entire staff in the Finance Department and especially to the professional accounting staff whose dedicated and efficient services have made the timely preparation of this report possible. Thanks to the Mayor and City Council for your support of excellence in financial reporting and fiscal integrity.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William J. Buffington", written in a cursive style.

William J. Buffington  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bossier City  
Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

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:



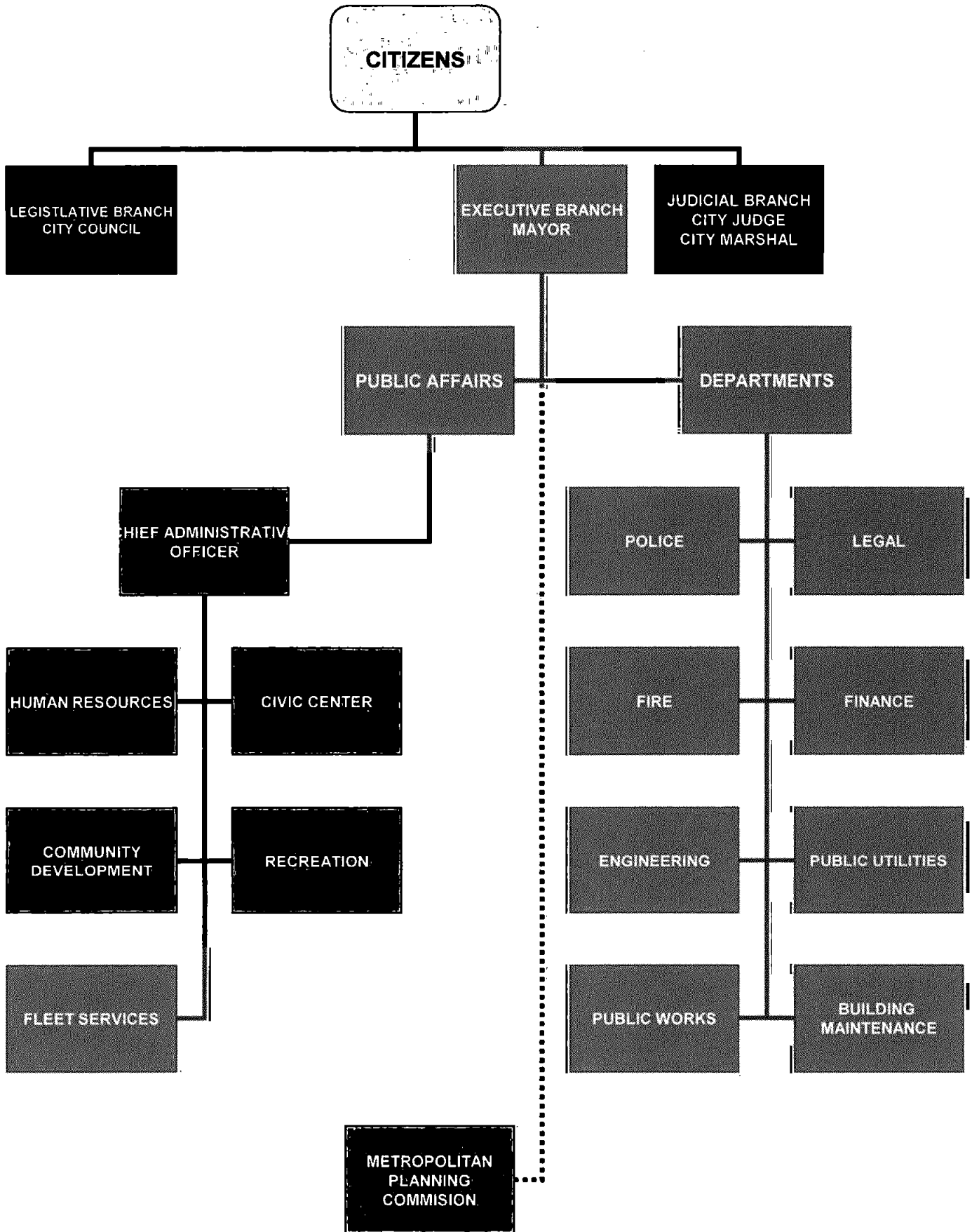
*Linda C. Danison*

President

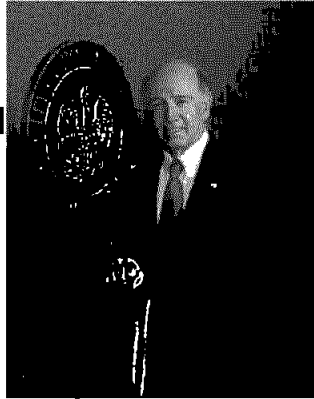
*Jeffrey R. Emer*

Executive Director

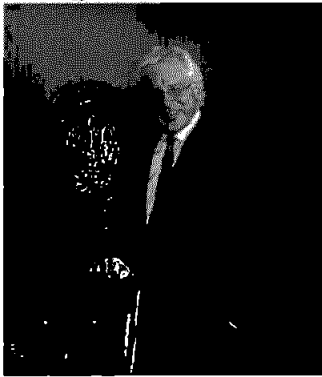
ORGANIZATION CHART



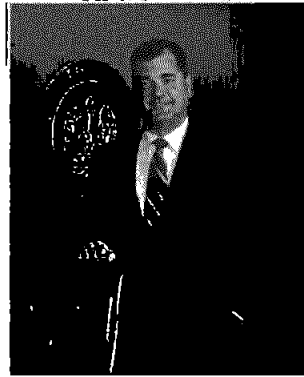
## ELECTED OFFICIALS



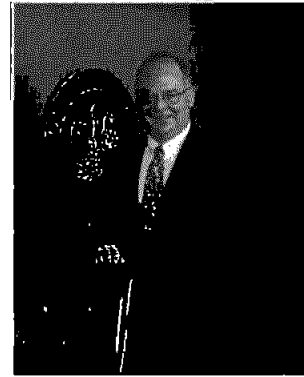
**MAYOR LORENZ "LO" WALKER**



**Council Member at Large  
TIMOTHY LARKIN**



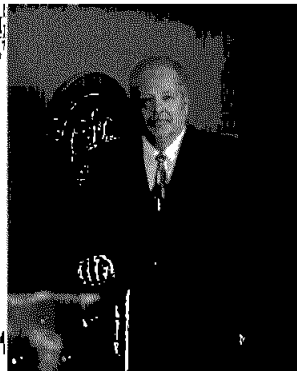
**Council Member at Large  
DAVID MONTGOMERY, JR**



**Council Member District 1  
SCOTT IRWIN**



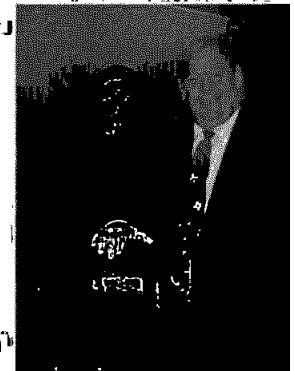
**Council Member District 2  
JEFFERY DARBY**



**Council Member District 3  
DON WILLIAMS**



**Council Member District 4  
DAVID JONES**



**Council Member District 5  
LARRY HANISEE**

**FINANCIAL  
SECTION**

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

## Independent Auditors' Report

The Honorable Members of the City Council and  
the Honorable Lorenz "Lo" Walker, Mayor  
City of Bossier City, 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 Bossier City, Louisiana (City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2011, 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 financial statements of the Bossier Public Trust Financing Authority (Authority), the Bossier City Court (Court), and the Bossier City Marshal (Marshal), which represents 97%, 97%, and 66%, respectively, of the assets, net 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 Authority, the Court, and the Marshal, 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. The financial statements of the Authority were not audited in accordance with *Government Auditing Standards*. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the 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 of Bossier City, Louisiana as of December 31, 2011, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended, in conformity with U.S. generally accepted accounting principles. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, enterprise, internal service, and fiduciary

fund of the City of Bossier City, Louisiana as of December 31, 2011, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

As discussed in note 1 to the financial statements, the City adopted provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of January 1, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2012 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.

U.S. generally accepted accounting principles require that the management's discussion and analysis, schedules of funding progress, and budgetary comparison information listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the individual fund schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The individual fund schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

KPMG LLP

June 15, 2012

## CITY OF BOSSIER CITY, LOUISIANA

### Management's Discussion and Analysis

December 31, 2011

We offer readers of the City of Bossier City's financial statements this narrative overview and analysis of the financial activities of the City of Bossier City for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

#### Financial Highlights

Key financial highlights for the 2011 fiscal year include the following:

- The assets of the City of Bossier City exceeded its liabilities at the close of the most recent fiscal year by \$463.3 million (net assets). Of this amount, approximately \$80.2 million (unrestricted net assets) may be used to meet the City's obligations to citizens and creditors.
- The total net assets of the City of Bossier City increased by \$17.4 million for the year ended December 31, 2011. Net assets of governmental activities increased by \$9.7 million and net assets of business-type activities increased by \$7.7 million.
- As of the close of the current fiscal year, the City of Bossier City's governmental funds reported combined ending fund balance of \$144.0 million, a decrease of \$19.1 million in comparison with the prior fiscal year. Of this amount, \$10.1 million was unassigned; \$0.2 million was assigned; \$47.8 million was committed civic center operations and capital projects, \$67.6 million was restricted for debt service, capital projects, federal grants, and public health and safety, and \$18.3 million was nonspendable in the form of prepaid assets, inventories, and permanent fund principal.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10.2 million or 19.1% of total General Fund expenditures.

#### Overview of the Financial Statements

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

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

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

## CITY OF BOSSIER CITY, LOUISIANA

### Management's Discussion and Analysis

December 31, 2011

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

The statement of net assets and the statement of activities distinguish functions of the City of Bossier City that are principally supported by taxes, intergovernmental revenues, and charges for services (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City of Bossier City's governmental activities include general government, public safety, highways and streets, cultural and recreation, and Bossier City Court and Bossier City Marshal. The business-type activities of the City of Bossier City include water and sewerage, Emergency Medical Services (EMS), sanitation, and alternative fuel.

**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 of Bossier City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Bossier City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City of Bossier City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Bossier City maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Riverboat Gaming Special Revenue Fund, Arena Special Revenue Fund, Riverboat Gaming Capital Projects Fund, 2007 Bond Issue Capital Projects Fund, and Public Health and Safety Permanent Fund, all of which are considered to be major funds. Data for the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

## CITY OF BOSSIER CITY, LOUISIANA

### Management's Discussion and Analysis

December 31, 2011

*Proprietary funds* – The City of Bossier City maintains three 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, only in more detail. The City of Bossier City uses enterprise funds to account for its water and sewerage, EMS, sanitation, and alternative fuel services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Bossier City's various functions. The City of Bossier City uses internal service funds to account for its dental healthcare and workers' compensation benefits. 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 fund financial statements provide separate information for the water and sewerage operations, which is considered to be a major fund of the City of Bossier City. Data for the other three proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

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

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

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

*Other information* – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Bossier City's progress in funding its obligation to provide pension benefits to its employees and compliance with budgets for its major funds.

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

#### **Financial Analysis of Government-wide Activities**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Bossier City, assets exceed liabilities by \$463.3 million at the close of the most recent fiscal year.

The largest portion of the City of Bossier City's net assets totaling approximately \$332.7 million (71.8%) is invested in capital assets.

**CITY OF BOSSIER CITY, LOUISIANA**

Management's Discussion and Analysis

December 31, 2011

**City of Bossier City's Net Assets**

December 31, 2011 and 2010

|  | Governmental activities |                    | Business-type activities |                    | Total              |                    |
|--|-------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
|  | 2011                    | 2010               | 2011                     | 2010               | 2011               | 2010               |
| Current and other assets                           | \$ 160,879,589          | 180,915,526        | 132,890,128              | 161,555,636        | 293,769,717        | 342,471,162        |
| Capital assets                                     | 387,836,548             | 362,408,356        | 157,609,326              | 128,825,750        | 545,445,874        | 491,234,106        |
| <b>Total assets</b>                                | <b>548,716,137</b>      | <b>543,323,882</b> | <b>290,499,454</b>       | <b>290,381,386</b> | <b>839,215,591</b> | <b>833,705,268</b> |
| Current and other liabilities                      | 7,228,984               | 6,062,668          | 7,469,916                | 12,042,748         | 14,698,900         | 18,105,416         |
| Long-term liabilities                              | 160,697,099             | 166,187,621        | 200,472,676              | 203,471,657        | 361,169,775        | 369,659,278        |
| <b>Total liabilities</b>                           | <b>167,926,083</b>      | <b>172,250,289</b> | <b>207,942,592</b>       | <b>215,514,405</b> | <b>375,868,675</b> | <b>387,764,694</b> |
| <b>Net assets:</b>                                 |                         |                    |                          |                    |                    |                    |
| Invested in capital assets,<br>net of related debt | 286,876,352             | 265,878,613        | 45,842,696               | 45,322,279         | 332,719,048        | 311,200,892        |
| Restricted   | 37,974,592              | 27,739,942         | 12,491,968               | 12,449,487         | 50,466,560         | 40,189,429         |
| Unrestricted                                       | 55,939,110              | 77,455,038         | 24,222,198               | 17,095,215         | 80,161,308         | 94,550,253         |
| <b>Total net assets</b>                            | <b>\$ 380,790,054</b>   | <b>371,073,593</b> | <b>82,556,862</b>        | <b>74,866,981</b>  | <b>463,346,916</b> | <b>445,940,574</b> |

There were 10.9% of net assets, which represent resources that are subject to external restrictions on how they may be used. Restrictions for debt service account for \$22.2 million of the total of restricted net assets. The remaining balance is moneys restricted for public health and safety, economic development and facility operations, and capital projects. State law requires the proceeds from the sale of the Bossier Medical Center be held in perpetuity; however, the investment earnings may be spent each year for purposes of public health and safety. As of December 31, 2011, the nonexpendable portion was \$18.0 million.

The remaining balance of unrestricted net assets of \$80.2 million is used to meet the City of Bossier City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Bossier City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The City of Bossier City's net assets increased by \$17.4 million during the current fiscal year. Key elements of this increase are as follows:

**CITY OF BOSSIER CITY, LOUISIANA**

Management's Discussion and Analysis

December 31, 2011

**City of Bossier City's Changes in Net Assets**

|                                    | <u>Governmental activities</u> |                    | <u>Business-type activities</u> |                   | <u>Total</u>       |                    |
|------------------------------------|--------------------------------|--------------------|---------------------------------|-------------------|--------------------|--------------------|
|                                    | <u>2011</u>                    | <u>2010</u>        | <u>2011</u>                     | <u>2010</u>       | <u>2011</u>        | <u>2010</u>        |
| <b>Revenues:</b>                   |                                |                    |                                 |                   |                    |                    |
| <b>Program revenues:</b>           |                                |                    |                                 |                   |                    |                    |
| Charges for services               | \$ 7,630,834                   | 7,619,757          | 38,378,631                      | 33,737,649        | 46,009,465         | 41,357,406         |
| Operating grants and contributions | 5,057,716                      | 5,997,747          | —                               | —                 | 5,057,716          | 5,997,747          |
| Capital grants and contributions   | 1,113,863                      | 16,712,265         | —                               | —                 | 1,113,863          | 16,712,265         |
| <b>General revenues:</b>           |                                |                    |                                 |                   |                    |                    |
| Sales taxes                        | 44,610,974                     | 43,939,781         | —                               | —                 | 44,610,974         | 43,939,781         |
| Other taxes                        | 16,347,842                     | 15,372,593         | —                               | —                 | 16,347,842         | 15,372,593         |
| Gaming                             | 11,747,922                     | 12,373,348         | —                               | —                 | 11,747,922         | 12,373,348         |
| Other general revenues             | 4,569,531                      | 3,589,605          | 2,764,675                       | 1,615,174         | 7,334,206          | 5,204,779          |
| <b>Total revenues</b>              | <b>91,078,682</b>              | <b>105,605,096</b> | <b>41,143,306</b>               | <b>35,352,823</b> | <b>132,221,988</b> | <b>140,957,919</b> |
| <b>Expenses:</b>                   |                                |                    |                                 |                   |                    |                    |
| General government                 | 18,156,178                     | 17,170,564         | —                               | —                 | 18,156,178         | 17,170,564         |
| Public safety                      | 39,687,586                     | 39,271,725         | —                               | —                 | 39,687,586         | 39,271,725         |
| Highways and streets               | 3,316,533                      | 2,648,297          | —                               | —                 | 3,316,533          | 2,648,297          |
| Culture and recreation             | 7,695,741                      | 7,415,268          | —                               | —                 | 7,695,741          | 7,415,268          |
| City Court and Marshal             | 2,010,443                      | 2,019,156          | —                               | —                 | 2,010,443          | 2,019,156          |
| Interest on long-term debt         | 7,007,140                      | 7,720,642          | —                               | —                 | 7,007,140          | 7,720,642          |
| Water and sewerage                 | —                              | —                  | 25,681,851                      | 22,773,218        | 25,681,851         | 22,773,218         |
| EMS                                | —                              | —                  | 5,373,016                       | 5,497,689         | 5,373,016          | 5,497,689          |
| Sanitation                         | —                              | —                  | 3,822,573                       | 3,827,973         | 3,822,573          | 3,827,973          |
| Alternative fuel station           | —                              | —                  | 2,064,585                       | 168,412           | 2,064,585          | 168,412            |
| <b>Total expenses</b>              | <b>77,873,621</b>              | <b>76,245,652</b>  | <b>36,942,025</b>               | <b>32,267,292</b> | <b>114,815,646</b> | <b>108,512,944</b> |
| Excess before transfers            | 13,205,061                     | 29,359,444         | 4,201,281                       | 3,085,531         | 17,406,342         | 32,444,975         |
| Transfers                          | (3,488,600)                    | (775,652)          | 3,488,600                       | 775,652           | —                  | —                  |
| Change in net assets               | 9,716,461                      | 28,583,792         | 7,689,881                       | 3,861,183         | 17,406,342         | 32,444,975         |
| Net assets, beginning of year      | 371,073,593                    | 342,489,801        | 74,866,981                      | 71,005,798        | 445,940,574        | 413,495,599        |
| Net assets, end of year            | \$ <u>380,790,054</u>          | <u>371,073,593</u> | <u>82,556,862</u>               | <u>74,866,981</u> | <u>463,346,916</u> | <u>445,940,574</u> |

**CITY OF BOSSIER CITY, LOUISIANA**

**Management's Discussion and Analysis**

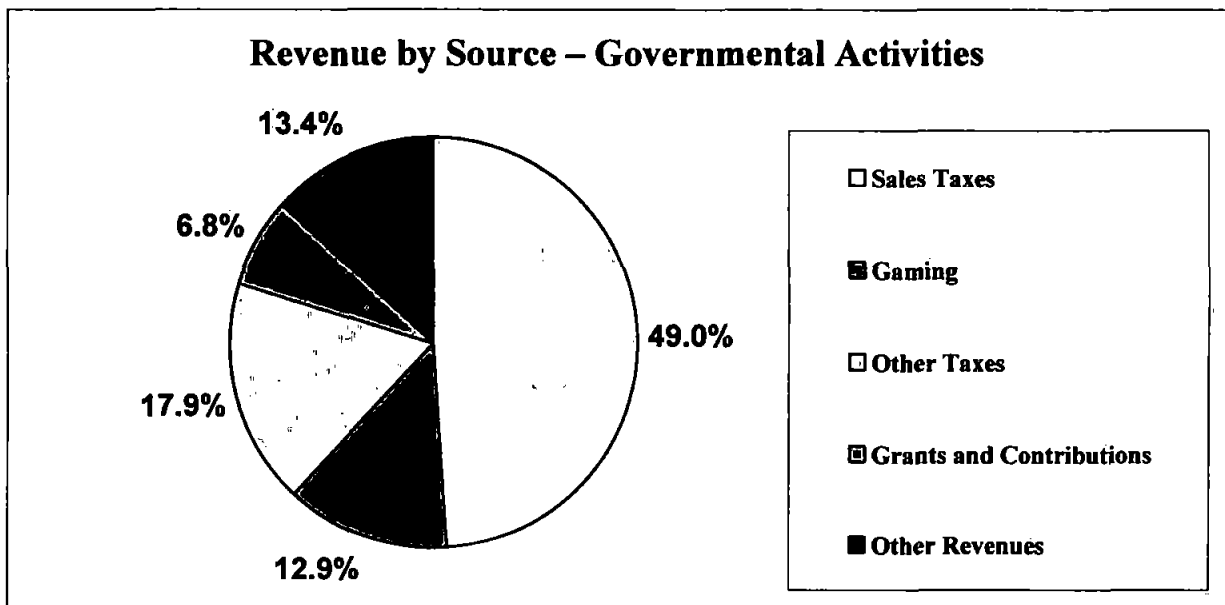
December 31, 2011

**Governmental Activities**

Revenues for the City of Bossier City's governmental activities for the year ended December 31, 2011 were \$91.1 million, compared to \$105.6 million in 2010.

Program revenues for governmental activities decreased by \$16.5 million in 2011. The decrease is primarily attributable to the capital grant received in 2010 from the state of Louisiana for construction of the Cyber Innovation Center that was not received in the current year.

In total, general revenues increased by \$2.0 million. This increase is primarily attributable to an increase in sales tax revenue.



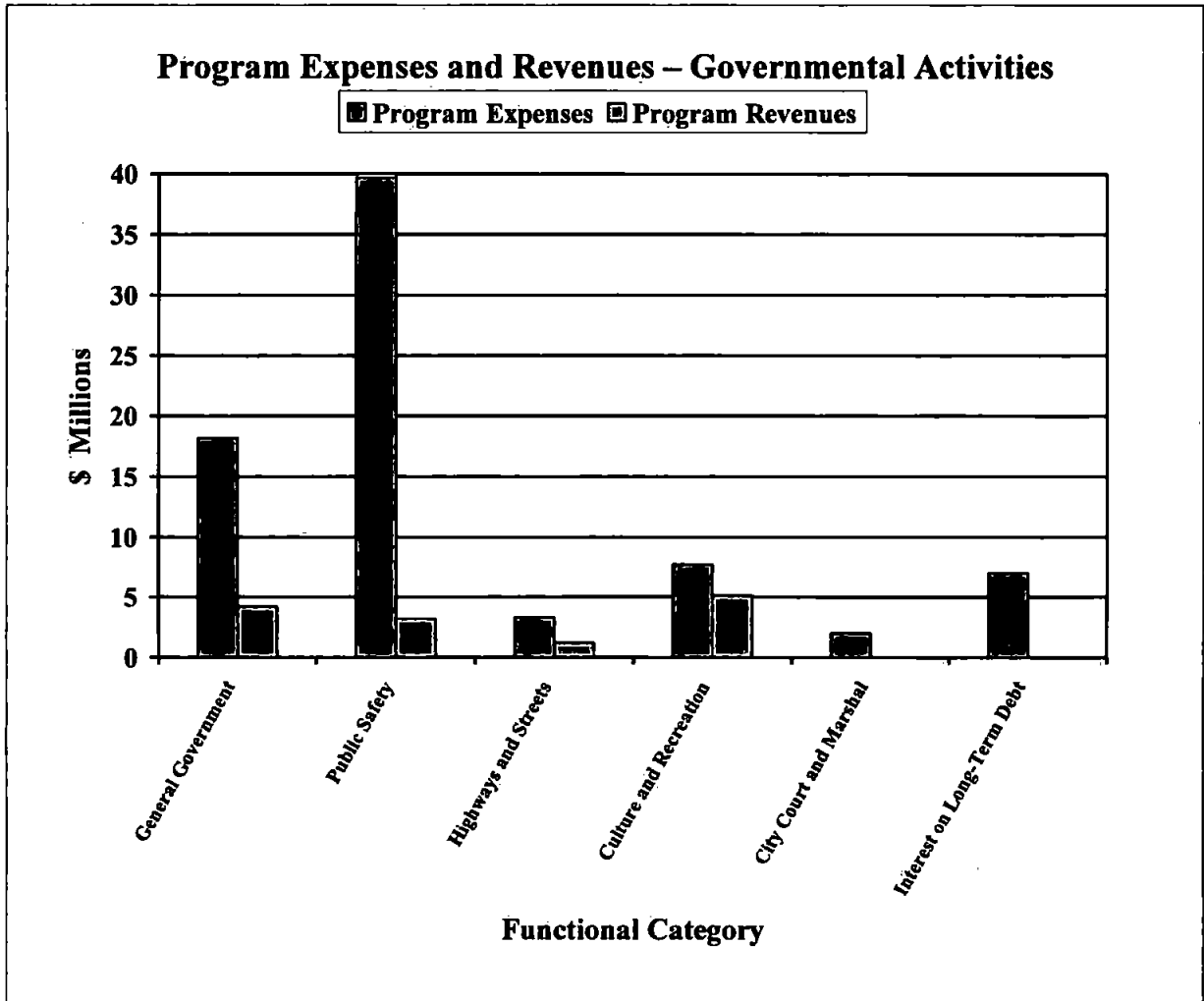
The cost of all governmental activities in 2011 was \$77.9 million, an increase of \$1.6 million. This increase is predominately due to increased postemployment benefit obligations and liability fund claims offset by decreased interest on long-term debt.

**CITY OF BOSSIER CITY, LOUISIANA**

Management's Discussion and Analysis

December 31, 2011

The City of Bossier City's largest programs are public safety, general government, highways and streets, culture and recreation, and City Court and Marshal. The graph below shows the expenses and program revenues generated by governmental activities:



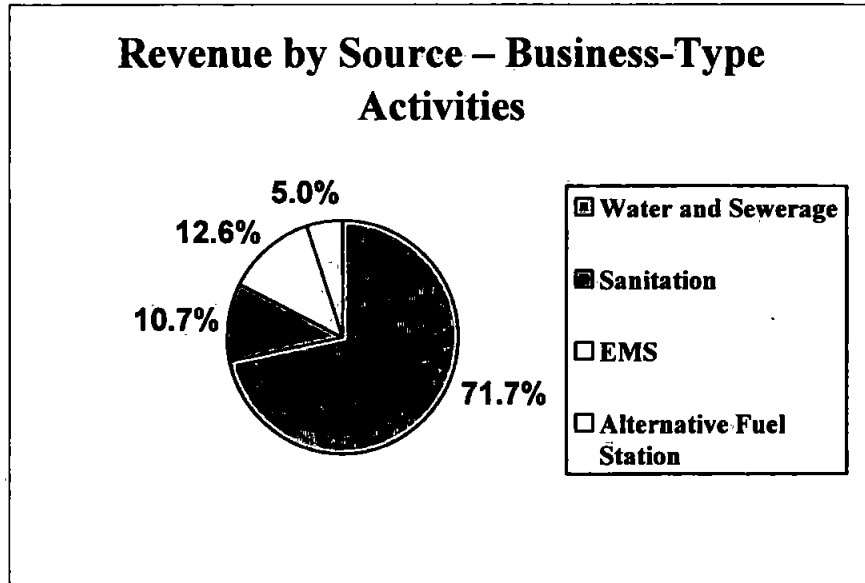
**Business-Type Activities**

Charges for services for the City of Bossier City's business-type activities were \$38.4 million in 2011 an increase of \$4.6 million. The Water and Sewerage and Alternative Fuel Station funds had increases in charges for services while the EMS and Sanitation funds had small decreases.

**CITY OF BOSSIER CITY, LOUISIANA**

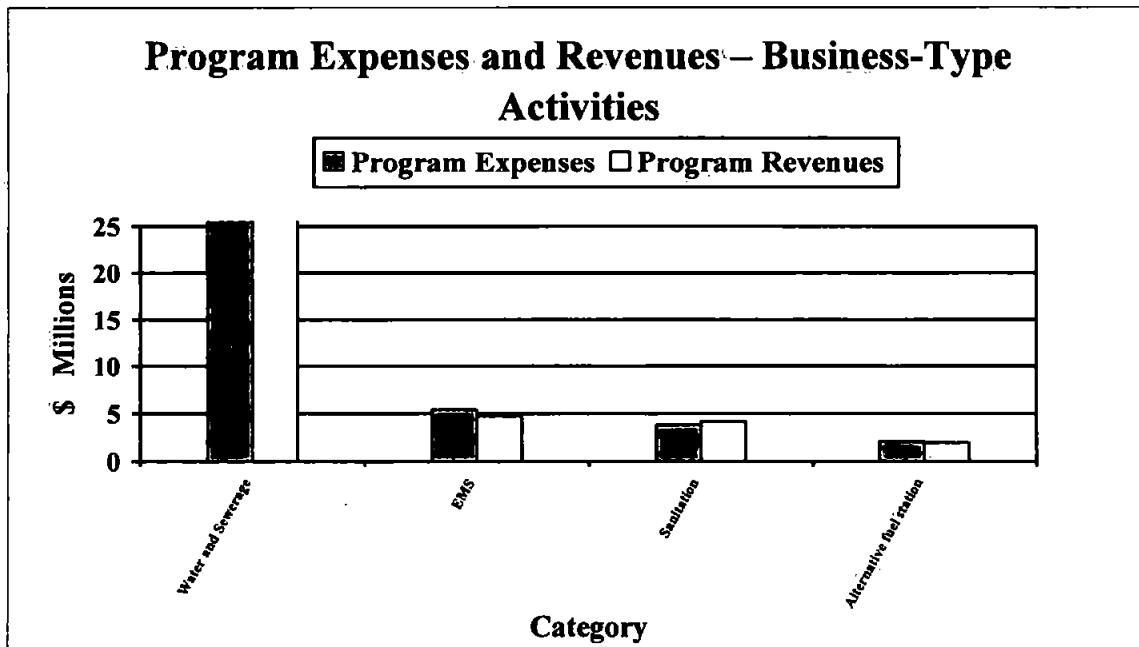
Management's Discussion and Analysis

December 31, 2011



**Expenses and Program Revenues – Business-Type Activities**

The costs of these activities were \$36.9 million in 2011, an increase of \$4.7 million. The Water and Sewerage and Alternative Fuel Station funds had increases expenses while the EMS and Sanitation funds had small decreases.



**CITY OF BOSSIER CITY, LOUISIANA**

**Management's Discussion and Analysis**

December 31, 2011

**Financial Analysis of the City of Bossier City's Funds**

**Governmental Funds**

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

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

- As of the close of the current fiscal year, the City of Bossier City's governmental funds reported a combined ending fund balance of \$144.0 million, a decrease of \$19.1 million in comparison with the prior fiscal year. Of this amount, \$10.1 million, or 7.0%, was unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is not available for new spending and has been classified into the following categories:

|              |    |            |
|--------------|----|------------|
| Nonspendable | \$ | 18,352,546 |
| Restricted   |    | 67,125,895 |
| Committed    |    | 48,209,390 |
| Assigned     |    | 171,623    |

- The General Fund is the chief operating fund of the City of Bossier City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10.2 million. The total unassigned is available for spending at the City Council's discretion. The fund balance of the City of Bossier City's General Fund increased by \$1.9 million. The key factor in the increase was a decrease in spending.
- The Riverboat Gaming Special Revenue Fund has a total fund balance of \$30.1 million, all of which is committed for capital projects. Riverboat gaming revenues collected prior to 1999 were accumulated in this fund until a base amount of \$30 million was attained, as required by city ordinance. A net decrease of \$23,977 occurred during the current fiscal year.
- The Arena Special Revenue Fund accounts for the operations of the Bossier City CenturyTel Arena (Arena). The Arena has a fund deficit of \$5,976, which reflected an improvement of \$255,308 in 2011. Operations of the Arena in 2011 were consistent with those in 2010. The increase in fund balance was attributable to a transfer from the City of Bossier.
- The Riverboat Gaming Capital Projects Fund has a total fund balance of \$7.2 million. This fund balance is committed by the City Council to be used for capital projects. A net decrease of \$4.4 million occurred during the current fiscal year due to a transfer to the sewer fund for supplementing the utility debt service fund.

## **CITY OF BOSSIER CITY, LOUISIANA**

### **Management's Discussion and Analysis**

December 31, 2011

- The 2007 Bond Issue Capital Projects Fund has a total fund balance of \$46.0 million which is restricted for capital projects. This fund was created in 2007 to account for the proceeds and expenditure of the City's \$100 million of bonds issued in 2007. The bonds were issued for the purpose of various capital projects.
- The Public Health and Safety Permanent Fund has a total fund balance of \$18.2 million, of which \$18.0 million is the nonspendable principal balance. The remainder is restricted for public health and safety. The fund experienced a net decrease in fund balance of \$145,693.
- Other Governmental Funds had a total fund balance of \$31.9 million, which reflected an increase of \$2.7 million primarily due to income in the Land Acquisition capital projects fund from the sale of property.

#### **General Fund Budgetary Highlights**

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

The original budget for the General Fund of the City of Bossier City was adopted on December 21, 2010. For the year ended December 31, 2011, three amendments were made to the General Fund. The first amendment was to appropriate funds for the City's share of costs to host the Louisiana Municipal Convention. The second was for the city limits portion of the Bossier Comprehensive Land Use and Development Plan Update. The third was to update the building maintenance and recreation department budgets and appropriate from the general fund to supplement the building maintenance department.

Differences between the budget and the actual results of the General Fund are as follows:

#### *Revenues*

- Utility taxes were \$408,595 higher than the budget due to the continuing impact of the passing of Ordinance #8 in 2010 increasing SWEPCO from 2% to 5%.
- Supplemental pay revenue was \$203,091 lower than the budget due to lower head count in police and fire.
- Fines and Penalties were \$657,247 lower than the budget due to less penalties collected than expected.

#### *Expenditures*

- Police department expenditures were less than budget by \$1,114,941 due to lower head count and related salaries expense and benefits cost.
- Fire department expenses were less than budget by \$454,647 due to lower head count and related salaries expense and benefits cost.

**CITY OF BOSSIER CITY, LOUISIANA**

Management's Discussion and Analysis

December 31, 2011

**Capital Assets and Debt Administration**

Capital Assets: The City of Bossier City's investment in capital assets as of December 31, 2011 amounts to \$545.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements, streets, drainage, furniture and equipment, and construction in progress. The table below shows the value at the end of the fiscal year:

**City of Bossier City's Capital Assets  
(Net of depreciation)**

|                                      | Governmental activities |                    | Business-type activities |                    |
|--------------------------------------|-------------------------|--------------------|--------------------------|--------------------|
|                                      | 2011                    | 2010               | 2011                     | 2010               |
| Land and land improvements           | \$ 106,064,244          | 92,528,612         | 861,184                  | 861,184            |
| Buildings and structures             | 142,179,045             | 89,903,609         | —                        | —                  |
| Equipment and vehicles               | 7,638,692               | 7,033,255          | 2,879,923                | 3,227,063          |
| Water and reservoir treatment plant  | —                       | —                  | 43,247,936               | 43,213,120         |
| Transmission and distribution system | —                       | —                  | —                        | 36,099,654         |
| Infrastructure                       | 103,548,416             | 101,580,671        | 35,766,231               | —                  |
| Construction in progress – buildings | 28,406,151              | 71,362,209         | 74,854,052               | 45,424,729         |
| <b>Total</b>                         | <b>\$ 387,836,548</b>   | <b>362,408,356</b> | <b>157,609,326</b>       | <b>128,825,750</b> |

Major capital asset events during the current fiscal year included the following:

- Swan Lake Improvements
- Arthur Teague Parkway Improvements
- Construction of the fire/police academy training center
- Water Treatment Plant Expansion

**CITY OF BOSSIER CITY, LOUISIANA**

Management's Discussion and Analysis

December 31, 2011

Long-term debt: At the end of the current fiscal year, the City of Bossier City had total debt outstanding of \$348,060,750. The City of Bossier City has no general bonded debt outstanding. The following table summarizes bonds outstanding at December 31, 2011 and 2010:

**City of Bossier City's  
Outstanding Debt**

|               | <u>Governmental activities</u> |             | <u>Business-type activities</u> |             |
|---------------|--------------------------------|-------------|---------------------------------|-------------|
|               | <u>2011</u>                    | <u>2010</u> | <u>2011</u>                     | <u>2010</u> |
| Revenue bonds | \$ 148,111,499                 | 155,246,000 | 199,949,251                     | 202,921,437 |

There were no changes in the ratings of the City's bonds. Moody's Investors Service assigned an Aa3 rating and Standard and Poor's Corporation assigned an A+ rating to the City of Bossier City.

For additional information regarding capital assets and long-term debt, see notes 5 and 6, respectively, in the notes to the basic financial statements.

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

The following economic factors were considered when the budget for fiscal year 2011 was presented to the City Council:

The plan is designed to continue supporting the following broadly stated objectives: (1) to improve current level of services to our citizens; (2) to continue improving City facilities and infrastructure; (3) to provide continuous support of residential expansion and economic development; and (4) to maintain and improve the quality of life for our citizens.

For the year 2012, the City has budgeted a 2.7% increase in sales tax dollars over 2011 actual. This increase is the continued success of the Boardwalk and Stirling Property Shopping Center. Preliminary 2012 figures reflect an increase of 4.3% for the first quarter. In 2011, the assessed value of property with the City increased by 1.7%. Actual licenses and permits collected during 2011 were 3.5% higher than 2010, and are budgeted 3.3% higher in 2012 due to multiple new subdivisions that are being planned and designed in addition to other planned developments.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Bossier City's finances for all those with an interest in the City of Bossier City's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to: Director of Finance of the City of Bossier City, 620 Benton Road, Bossier City, LA 71111, or by calling 318-741-8525.

**BASIC FINANCIAL  
STATEMENTS**

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**CITY OF BOSSIER CITY, LOUISIANA**

Statement of Net Assets

December 31, 2011

| Assets  | Primary government      |                          |                    | Component units  |
|---|-------------------------|--------------------------|--------------------|------------------|
|   | Governmental activities | Business-type activities | Total              |                  |
| Cash and cash equivalents                       | \$ 52,258,592           | 27,205,159               | 79,463,751         | 3,399,463        |
| Investments                                     | 87,807,550              | 95,323,492               | 183,131,042        | 704,892          |
| Receivables, net                                | 9,821,706               | 5,718,651                | 15,540,357         | 105,920          |
| Internal balances                               | 1,292,679               | (1,292,679)              | —                  | —                |
| Prepaid items and other assets                  | 539,494                 | —                        | 539,494            | 2,948            |
| Inventories                                     | 425,749                 | 189,511                  | 615,260            | —                |
| Net pension asset                               | 6,453,264               | —                        | 6,453,264          | —                |
| Bond issue costs, net                           | 2,280,555               | 5,745,994                | 8,026,549          | —                |
| Capital assets:                                 |                         |                          |                    |                  |
| Land and construction in progress               | 134,470,395             | 75,715,236               | 210,185,631        | —                |
| Other capital assets, net of depreciation       | 253,366,153             | 81,894,090               | 335,260,243        | 379,396          |
| <b>Total assets</b>                             | <b>548,716,137</b>      | <b>290,499,454</b>       | <b>839,215,591</b> | <b>4,592,619</b> |
| <b>Liabilities</b>                              |                         |                          |                    |                  |
| Accounts payable                                | 3,877,003               | 4,759,966                | 8,636,969          | 63,466           |
| Accrued liabilities                             | 420,977                 | 98,997                   | 519,974            | —                |
| Accrued interest payable                        | 558,141                 | 2,292,289                | 2,850,430          | 408              |
| Deposits and deferred charges                   | 2,372,863               | 318,664                  | 2,691,527          | —                |
| Noncurrent liabilities:                         |                         |                          |                    |                  |
| Due within one year                             | 11,817,351              | 4,465,916                | 16,283,267         | 20,000           |
| Due in more than one year                       | 148,879,748             | 196,006,760              | 344,886,508        | —                |
| <b>Total liabilities</b>                        | <b>167,926,083</b>      | <b>207,942,592</b>       | <b>375,868,675</b> | <b>83,874</b>    |
| <b>Net Assets</b>                               |                         |                          |                    |                  |
| Invested in capital assets, net of related debt | 286,876,352             | 45,842,696               | 332,719,048        | 379,396          |
| Restricted for:                                 |                         |                          |                    |                  |
| Debt service – expendable                       | 9,729,984               | 12,491,968               | 22,221,952         | —                |
| Public health and safety – nonexpendable        | 18,000,000              | —                        | 18,000,000         | —                |
| Public health and safety                        | 181,914                 | —                        | 181,914            | —                |
| Capital projects                                | 8,824,909               | —                        | 8,824,909          | —                |
| Federal grants                                  | 14,144                  | —                        | 14,144             | —                |
| Economic development and facility operations    | 1,223,641               | —                        | 1,223,641          | —                |
| Victims of juvenile crime                       | —                       | —                        | —                  | 3,622            |
| Facility expenses                               | —                       | —                        | —                  | 1,205,711        |
| Other   | —                       | —                        | —                  | 38,297           |
| Unrestricted                                    | 55,939,110              | 24,222,198               | 80,161,308         | 2,881,719        |
| <b>Total net assets</b>                         | <b>\$ 380,790,054</b>   | <b>82,556,862</b>        | <b>463,346,916</b> | <b>4,508,745</b> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**  
**Statement of Activities**  
**Year ended December 31, 2011**

| Functions/programs   | Program revenues      |                      |                          |                          | Net (expenses) revenues and changes in net assets |                          |                     | Component units  |
|--|-----------------------|----------------------|--------------------------|--------------------------|---|--------------------------|---------------------|------------------|
|  | Expenses              | Charges for services | Operating                | Capital                  | Primary government                                |                          |                     |                  |
|  |                       |                      | grants and contributions | grants and contributions | Governmental activities                           | Business-type activities | Total               |                  |
| <b>Primary government:</b>                                   |                       |                      |                          |                          |   |                          |                     |                  |
| <b>Governmental activities:</b>                              |                       |                      |                          |                          |   |                          |                     |                  |
| General government   | \$ 18,156,178         | 3,423,460            | 814,632                  | —                        | (13,918,086)                                      | —                        | (13,918,086)        | —                |
| Public safety  | 39,687,586            | 1,390,782            | 1,856,209                | —                        | (36,440,595)                                      | —                        | (36,440,595)        | —                |
| Highways and streets   | 3,316,533             | 127,128              | —                        | 1,113,863                | (2,075,542)                                       | —                        | (2,075,542)         | —                |
| Cultural and recreation                                      | 7,695,741             | 2,689,464            | 2,386,875                | —                        | (2,619,402)                                       | —                        | (2,619,402)         | —                |
| City Court and City Marshal                                  | 2,010,443             | —                    | —                        | —                        | (2,010,443)                                       | —                        | (2,010,443)         | —                |
| Interest on long-term debt                                   | 7,007,140             | —                    | —                        | —                        | (7,007,140)                                       | —                        | (7,007,140)         | —                |
| <b>Total governmental activities</b>                         | <b>77,873,621</b>     | <b>7,630,834</b>     | <b>5,057,716</b>         | <b>1,113,863</b>         | <b>(64,071,208)</b>                               | <b>—</b>                 | <b>(64,071,208)</b> | <b>—</b>         |
| <b>Business-type activities:</b>                             |                       |                      |                          |                          |   |                          |                     |                  |
| Water and sewerage   | 25,681,851            | 27,460,816           | —                        | —                        | —   | 1,778,965                | 1,778,965           | —                |
| EMS  | 5,373,016             | 4,744,778            | —                        | —                        | —   | (628,238)                | (628,238)           | —                |
| Sanitation   | 3,822,573             | 4,157,102            | —                        | —                        | —   | 334,529                  | 334,529             | —                |
| Alternative fuel station                                     | 2,064,585             | 2,015,935            | —                        | —                        | —   | (48,650)                 | (48,650)            | —                |
| <b>Total business-type activities</b>                        | <b>36,942,025</b>     | <b>38,378,631</b>    | <b>—</b>                 | <b>—</b>                 | <b>—</b>  | <b>1,436,606</b>         | <b>1,436,606</b>    | <b>—</b>         |
| <b>Total primary government</b>                              | <b>\$ 114,815,646</b> | <b>46,009,465</b>    | <b>5,057,716</b>         | <b>1,113,863</b>         | <b>(64,071,208)</b>                               | <b>1,436,606</b>         | <b>(62,634,602)</b> | <b>—</b>         |
| <b>Component units:</b>                                      |                       |                      |                          |                          |   |                          |                     |                  |
| Bossier Public Trust Financing Authority                     | \$ 7,125              | 24,206               | —                        | —                        | —   | —                        | —                   | 17,081           |
| City Court   | 249,873               | 368,726              | —                        | —                        | —   | —                        | —                   | 118,853          |
| City Marshal   | 377,173               | 428,865              | —                        | —                        | —   | —                        | —                   | 51,691           |
| Metropolitan Planning Commission                             | 470,800               | 241,739              | —                        | —                        | —   | —                        | —                   | (229,061)        |
| <b>Total component units</b>                                 | <b>\$ 1,104,971</b>   | <b>1,063,536</b>     | <b>—</b>                 | <b>—</b>                 | <b>—</b>  | <b>—</b>                 | <b>—</b>            | <b>(41,436)</b>  |
| <b>General revenues:</b>                                     |                       |                      |                          |                          |   |                          |                     |                  |
| <b>Taxes:</b>  |                       |                      |                          |                          |   |                          |                     |                  |
| Property taxes levied for general purposes                   |                       |                      |                          |                          | \$ 11,856,831                                     | —                        | 11,856,831          | —                |
| Sales taxes levied for general purposes                      |                       |                      |                          |                          | 15,515,545  | —                        | 15,515,545          | —                |
| Sales taxes levied for capital projects                      |                       |                      |                          |                          | 12,733,955  | —                        | 12,733,955          | —                |
| Sales taxes levied for debt service                          |                       |                      |                          |                          | 7,457,616   | —                        | 7,457,616           | —                |
| Sales taxes levied for pension plans                         |                       |                      |                          |                          | 8,903,858   | —                        | 8,903,858           | —                |
| Franchise taxes  |                       |                      |                          |                          | 4,491,011   | —                        | 4,491,011           | —                |
| Gaming   |                       |                      |                          |                          | 11,747,922  | —                        | 11,747,922          | —                |
| Grants and contributions not restricted to specific purposes |                       |                      |                          |                          | 414,154   | —                        | 414,154             | —                |
| Investment earnings  |                       |                      |                          |                          | 1,483,070   | 766,582                  | 2,249,652           | 15,147           |
| Payments from City of Bossier City                           |                       |                      |                          |                          | —   | —                        | —                   | 187,140          |
| Miscellaneous  |                       |                      |                          |                          | 2,672,307   | 1,998,093                | 4,670,400           | 8,795            |
| <b>Total general revenues and transfers</b>                  |                       |                      |                          |                          | <b>(3,488,600)</b>                                | <b>3,488,600</b>         | <b>—</b>            | <b>—</b>         |
| <b>Change in net assets</b>                                  |                       |                      |                          |                          | <b>9,716,461</b>                                  | <b>7,689,881</b>         | <b>17,406,342</b>   | <b>169,646</b>   |
| <b>Net assets, beginning</b>                                 |                       |                      |                          |                          | <b>371,073,593</b>                                | <b>74,866,981</b>        | <b>445,940,574</b>  | <b>4,339,099</b> |
| <b>Net assets, ending</b>                                    |                       |                      |                          |                          | <b>\$ 380,790,054</b>                             | <b>82,556,862</b>        | <b>463,346,916</b>  | <b>4,508,745</b> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

**Balance Sheet**

**Governmental Funds**

**December 31, 2011**

| Assets  | General              | Riverboat         | Arena            | Riverboat        | 2007 Bond         | Public Health     | Other             | Total              |
|---|----------------------|-------------------|------------------|------------------|-------------------|-------------------|-------------------|--------------------|
|   |                      | Gaming Special    | Special          | Gaming Capital   | Issue Capital     | and Safety        | governmental      | governmental       |
|   |                      | Revenue Fund      | Revenue          | Projects Fund    | Projects Fund     | Permanent         | funds             | funds              |
| Cash and cash equivalents                           | \$ 1,505,879         | 13,418,699        | 1,225,521        | 3,081,853        | 9,980,616         | 8,109,285         | 14,644,445        | 51,966,298         |
| Investments   | 3,893,539            | 16,612,442        | —                | 3,815,353        | 36,591,419        | 10,039,349        | 16,393,587        | 87,345,689         |
| Receivables, net                                    | 5,211,116            | 382,451           | 492,514          | 994,226          | 244,333           | 33,295            | 2,463,771         | 9,821,706          |
| Due from other funds                                | 2,142,530            | —                 | —                | —                | —                 | —                 | —                 | 2,142,530          |
| Prepaid items and other assets                      | —                    | —                 | 21,688           | —                | —                 | —                 | —                 | 21,688             |
| Inventories, at cost                                | 330,858              | —                 | —                | —                | —                 | —                 | —                 | 330,858            |
| Investments - restricted                            | —                    | —                 | —                | —                | —                 | 100,000           | —                 | 100,000            |
| <b>Total assets</b>                                 | <b>\$ 13,083,922</b> | <b>30,413,592</b> | <b>1,739,723</b> | <b>7,891,432</b> | <b>46,816,368</b> | <b>18,281,929</b> | <b>33,501,803</b> | <b>151,728,769</b> |
| <b>Liabilities and Fund Balance</b>                 |                      |                   |                  |                  |                   |                   |                   |                    |
| <b>Liabilities:</b>                                 |                      |                   |                  |                  |                   |                   |                   |                    |
| Accounts payable                                    | \$ 628,085           | 327,563           | 349,524          | 626,390          | 419,343           | 15                | 1,155,413         | 3,506,333          |
| Accrued liabilities                                 | 317,712              | —                 | —                | —                | —                 | 100,000           | 3,265             | 420,977            |
| Due to other funds                                  | —                    | —                 | —                | —                | 446,753           | —                 | 364,483           | 811,236            |
| Deferred revenue                                    | 1,458,802            | —                 | 342,685          | 91,533           | —                 | —                 | 35,081            | 1,928,101          |
| Deposits and deferred charges                       | —                    | —                 | 1,053,490        | —                | —                 | —                 | —                 | 1,053,490          |
| <b>Total liabilities</b>                            | <b>2,404,599</b>     | <b>327,563</b>    | <b>1,745,699</b> | <b>717,923</b>   | <b>866,096</b>    | <b>100,015</b>    | <b>1,558,242</b>  | <b>7,720,137</b>   |
| <b>Fund balance:</b>                                |                      |                   |                  |                  |                   |                   |                   |                    |
| <b>Nonspendable:</b>                                |                      |                   |                  |                  |                   |                   |                   |                    |
| Prepays   | —                    | —                 | 21,688           | —                | —                 | —                 | —                 | 21,688             |
| Inventories   | 330,858              | —                 | —                | —                | —                 | —                 | —                 | 330,858            |
| Permanent fund principal                            | —                    | —                 | —                | —                | —                 | 18,000,000        | —                 | 18,000,000         |
| <b>Restricted for:</b>                              |                      |                   |                  |                  |                   |                   |                   |                    |
| Debt service  | —                    | —                 | —                | —                | —                 | —                 | 9,729,984         | 9,729,984          |
| Capital projects                                    | —                    | —                 | —                | —                | 45,950,272        | —                 | 10,025,940        | 55,976,212         |
| Federal grants                                      | —                    | —                 | —                | —                | —                 | —                 | 14,144            | 14,144             |
| Public Health and Safety                            | —                    | —                 | —                | —                | —                 | 181,914           | —                 | 181,914            |
| Economic development and facility operations        | —                    | —                 | —                | —                | —                 | —                 | 1,223,641         | 1,223,641          |
| <b>Committed for:</b>                               |                      |                   |                  |                  |                   |                   |                   |                    |
| Civic Center operations                             | —                    | —                 | —                | —                | —                 | —                 | 988,261           | 988,261            |
| Capital projects                                    | —                    | 30,086,029        | —                | 7,173,509        | —                 | —                 | —                 | 37,259,538         |
| Facility maintenance                                | —                    | —                 | —                | —                | —                 | —                 | 9,961,591         | 9,961,591          |
| Assigned  | 171,623              | —                 | —                | —                | —                 | —                 | —                 | 171,623            |
| Unassigned  | 10,176,842           | —                 | (27,664)         | —                | —                 | —                 | —                 | 10,149,178         |
| <b>Total fund balance (deficit)</b>                 | <b>10,679,323</b>    | <b>30,086,029</b> | <b>(5,976)</b>   | <b>7,173,509</b> | <b>45,950,272</b> | <b>18,181,914</b> | <b>31,943,561</b> | <b>144,008,632</b> |
| <b>Total liabilities and fund balance (deficit)</b> | <b>\$ 13,083,922</b> | <b>30,413,592</b> | <b>1,739,723</b> | <b>7,891,432</b> | <b>46,816,368</b> | <b>18,281,929</b> | <b>33,501,803</b> | <b>151,728,769</b> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

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

December 31, 2011

|  |                     |                       |
|--|---------------------|-----------------------|
| Fund balances – total governmental funds   |                     | \$ 144,008,632        |
| Amounts reported for governmental activities in the statement of net assets are different because of the following:  |                     |                       |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:   |                     |                       |
| Governmental capital assets  | \$ 478,332,323      |                       |
| Less accumulated depreciation  | <u>(90,495,775)</u> | 387,836,548           |
| Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:   |                     |                       |
| Unamortized bond issuance costs  |                     | 2,280,555             |
| Net pension assets represent the excess cumulative contributions to pension plans and are not considered as financial resources for governmental funds   |                     |                       |
| Policemen’s Pension and Relief Fund  | 3,369,348           |                       |
| Firemen’s Pension and Relief Fund  | <u>3,083,916</u>    | 6,453,264             |
| Some of the City of Bossier City’s property taxes and other revenues 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 |                     |                       |
|  |                     | 608,728               |
| Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds:  |                     |                       |
| Deferred loss on refunding   | 2,814,689           |                       |
| Accrued interest payable   | (558,141)           |                       |
| Compensated absences   | (1,285,051)         |                       |
| Claims   | (2,971,500)         |                       |
| Bonds, notes, and loans payable  | (150,926,188)       |                       |
| Net other postemployment benefit obligation – unfunded actuarial accrued liability   | <u>(6,311,280)</u>  | (159,237,471)         |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities                              |                     |                       |
|  |                     | <u>(1,160,202)</u>    |
| Net assets of governmental activities  |                     | <u>\$ 380,790,054</u> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**Year ended December 31, 2011**

| Revenues   | General            | Riverboat                            | Arena                      | Riverboat                          | 2007 Bond                      | Public                                    | Other             | Total               |
|--|--------------------|--------------------------------------|----------------------------|------------------------------------|--------------------------------|---|-------------------|---------------------|
|  |                    | Gaming<br>Special<br>Revenue<br>Fund | Special<br>Revenue<br>Fund | Gaming<br>Capital<br>Projects Fund | Issue Capital<br>Projects Fund | Health and<br>Safety<br>Permanent<br>Fund |                   |                     |
| Taxes  | \$ 40,682,972      | —                                    | —                          | —                                  | —                              | —   | 20,191,571        | 60,874,543          |
| Licenses and permits   | 3,423,460          | —                                    | —                          | —                                  | —                              | —   | —                 | 3,423,460           |
| Intergovernmental  | 2,270,361          | —                                    | —                          | 990,322                            | —                              | —   | 3,227,515         | 6,488,198           |
| Video poker fees   | 376,538            | —                                    | —                          | —                                  | —                              | —   | —                 | 376,538             |
| Fees and rentals   | 1,280,615          | —                                    | 2,316,880                  | 127,128                            | —                              | —   | 372,584           | 4,097,207           |
| Fines and penalties  | 1,342,753          | —                                    | —                          | —                                  | —                              | —   | 48,029            | 1,390,782           |
| Racing commission – Louisiana<br>Downs                                   | 667,969            | —                                    | —                          | —                                  | —                              | —   | —                 | 667,969             |
| Gaming   | —                  | —                                    | —                          | 10,703,415                         | —                              | —   | —                 | 10,703,415          |
| Investment earnings  | 58,885             | 415,823                              | —                          | 119,306                            | 213,681                        | 252,228                                   | 423,147           | 1,483,070           |
| Miscellaneous  | —                  | —                                    | —                          | —                                  | —                              | 2,335                                     | 2,371,392         | 2,373,727           |
| <b>Total revenues</b>  | <b>50,103,553</b>  | <b>415,823</b>                       | <b>2,316,880</b>           | <b>11,940,171</b>                  | <b>213,681</b>                 | <b>254,563</b>                            | <b>26,634,238</b> | <b>91,878,909</b>   |
| <b>Expenditures</b>  |                    |                                      |                            |                                    |                                |   |                   |                     |
| <b>Current:</b>  |                    |                                      |                            |                                    |                                |   |                   |                     |
| General government   | 11,158,212         | —                                    | —                          | —                                  | —                              | —   | 833,079           | 11,991,291          |
| Public safety  | 37,096,447         | —                                    | —                          | —                                  | —                              | —   | —                 | 37,096,447          |
| Highways and streets   | 457,797            | —                                    | —                          | —                                  | —                              | —   | —                 | 457,797             |
| Culture and recreation   | 2,247,837          | —                                    | 2,885,572                  | —                                  | —                              | —   | 734,990           | 5,868,399           |
| City Court and City Marshal  | 1,893,926          | —                                    | —                          | —                                  | —                              | —   | 42,400            | 1,936,326           |
| <b>Debt service:</b>   |                    |                                      |                            |                                    |                                |   |                   |                     |
| Principal  | —                  | —                                    | —                          | —                                  | —                              | —   | 7,055,000         | 7,055,000           |
| Interest and other charges   | —                  | —                                    | —                          | —                                  | —                              | —   | 6,953,000         | 6,953,000           |
| Capital outlay   | —                  | —                                    | —                          | 6,941,283                          | 19,652,721                     | 256                                       | 9,386,987         | 35,981,247          |
| Metropolitan planning – payments<br>to component units                   | 187,140            | —                                    | —                          | —                                  | —                              | —   | —                 | 187,140             |
| <b>Total expenditures</b>  | <b>53,041,359</b>  | <b>—</b>                             | <b>2,885,572</b>           | <b>6,941,283</b>                   | <b>19,652,721</b>              | <b>256</b>                                | <b>25,005,456</b> | <b>107,526,647</b>  |
| <b>Excess (deficiency) of<br/>revenues over (under)<br/>expenditures</b> | <b>(2,937,806)</b> | <b>415,823</b>                       | <b>(568,692)</b>           | <b>4,998,888</b>                   | <b>(19,439,040)</b>            | <b>254,307</b>                            | <b>1,628,782</b>  | <b>(15,647,738)</b> |
| <b>Other financing sources (uses):</b>                                   |                    |                                      |                            |                                    |                                |   |                   |                     |
| Transfers in   | 4,844,682          | —                                    | 824,000                    | —                                  | —                              | —   | 6,886,054         | 12,554,736          |
| Transfers out  | —                  | (439,800)                            | —                          | (9,400,554)                        | —                              | (400,000)                                 | (5,802,982)       | (16,043,336)        |
| <b>Total other financing<br/>sources and uses</b>                        | <b>4,844,682</b>   | <b>(439,800)</b>                     | <b>824,000</b>             | <b>(9,400,554)</b>                 | <b>—</b>                       | <b>(400,000)</b>                          | <b>1,083,072</b>  | <b>(3,488,600)</b>  |
| <b>Net change in fund<br/>balances</b>                                   | <b>1,906,876</b>   | <b>(23,977)</b>                      | <b>255,308</b>             | <b>(4,401,666)</b>                 | <b>(19,439,040)</b>            | <b>(145,693)</b>                          | <b>2,711,854</b>  | <b>(19,136,338)</b> |
| Fund balances (deficit), beginning                                       | 8,772,447          | 30,110,006                           | (261,284)                  | 11,575,175                         | 65,389,312                     | 18,327,607                                | 29,231,707        | 163,144,970         |
| Fund balances (deficit), ending  | \$ 10,679,323      | 30,086,029                           | (5,976)                    | 7,173,509                          | 45,950,272                     | 18,181,914                                | 31,943,561        | 144,008,632         |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

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

Year ended December 31, 2011

|   |                     |                     |
|---|---------------------|---------------------|
| Net change in fund balances – total governmental funds  |                     | \$ (19,136,338)     |
| Amounts reported for governmental activities in the statement of activities are different because of the following:   |                     |                     |
| 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 (net of retirements of \$982,035)  | \$ 36,756,354       |                     |
| Depreciation expense  | <u>(11,328,162)</u> | 25,428,192          |
| 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, which includes property taxes and other miscellaneous revenues  |                     | 181,808             |
| 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 and related items is as follows: |                     |                     |
| Principal payments  |                     | 7,055,000           |
| 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:   |                     |                     |
| Policemen's Pension and Relief Fund net asset   | (881,301)           |                     |
| Firemen's Pension and Relief Fund net obligation  | 584,452             |                     |
| Net other postemployment benefit obligation   | <u>(1,136,420)</u>  | (1,433,269)         |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.   |                     |                     |
| Amortization of deferred loss on refunding  | (281,248)           |                     |
| Amortization of bond issue costs  | (259,558)           |                     |
| Amortization of bond premium and discount   | 360,749             |                     |
| Decrease in compensated absences  | (8,745)             |                     |
| Claims  | (265,500)           |                     |
| Increase in accrued interest  | <u>125,917</u>      | (328,385)           |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities   |                     | <u>(2,050,547)</u>  |
| Change in net assets of governmental activities   |                     | <u>\$ 9,716,461</u> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Statement of Net Assets

Proprietary Funds

December 31, 2011

| Assets  | Business-type activities enterprise funds |                        |                    | Governmental activities internal service funds |
|---|---|------------------------|--------------------|--|
|   | Water and sewerage                        | Other enterprise funds | Total              |  |
| <b>Current assets:</b>  |   |                        |                    |  |
| Cash and cash equivalents   | \$ 2,400                                  | 1,046,650              | 1,049,050          | 292,294  |
| Investments   | 17,680,272                                | 1,295,758              | 18,976,030         | 361,861  |
| Receivables, net  | 3,462,011                                 | 1,616,617              | 5,078,628          | 94,891   |
| Prepaid items   | —   | —                      | —                  | 517,806  |
| Inventories   | —   | 63,004                 | 63,004             | —  |
| <b>Restricted:</b>  |   |                        |                    |  |
| Cash and cash equivalents   | 2,483,868                                 | —                      | 2,483,868          | —  |
| Accrued interest receivable                                       | 640,023                                   | —                      | 640,023            | —  |
| <b>Total current assets</b>                                       | <b>24,268,574</b>                         | <b>4,022,029</b>       | <b>28,290,603</b>  | <b>1,266,852</b>                               |
| <b>Noncurrent assets:</b>   |   |                        |                    |  |
| <b>Restricted:</b>  |   |                        |                    |  |
| Cash and cash equivalents   | 23,672,241                                | —                      | 23,672,241         | —  |
| Investments   | 76,347,462                                | —                      | 76,347,462         | —  |
| <b>Capital assets:</b>  |   |                        |                    |  |
| Land and land improvements  | 861,164                                   | —                      | 861,164            | —  |
| Construction in process   | 74,854,052                                | —                      | 74,854,052         | —  |
| Water reservoir and treatment plant                               | 68,238,455                                | —                      | 68,238,455         | —  |
| Transmission and distribution system                              | 59,932,298                                | —                      | 59,932,298         | —  |
| Equipment   | 12,163,018                                | —                      | 12,163,018         | —  |
| Less accumulated depreciation                                     | (58,439,661)                              | —                      | (58,439,661)       | —  |
| <b>Total capital assets (net of accumulated depreciation)</b>     | <b>157,609,326</b>                        | <b>—</b>               | <b>157,609,326</b> | <b>—</b>                                       |
| Deferred bond costs, net  | 5,745,994                                 | —                      | 5,745,994          | —  |
| Other deferred charges  | 126,507                                   | —                      | 126,507            | —  |
| <b>Total other assets</b>   | <b>5,872,501</b>                          | <b>—</b>               | <b>5,872,501</b>   | <b>—</b>                                       |
| <b>Total noncurrent assets</b>                                    | <b>263,501,530</b>                        | <b>—</b>               | <b>263,501,530</b> | <b>—</b>                                       |
| <b>Total assets</b>   | <b>287,770,104</b>                        | <b>4,022,029</b>       | <b>291,792,133</b> | <b>1,266,852</b>                               |
| <b>Liabilities</b>  |   |                        |                    |  |
| <b>Current liabilities (payable from current assets):</b>         |   |                        |                    |  |
| Accounts payable  | 4,554,588                                 | 205,378                | 4,759,966          | 370,670  |
| Accrued liabilities   | 87,566                                    | 11,431                 | 98,997             | —  |
| Due to other fund   | 1,214,124                                 | 78,555                 | 1,292,679          | 38,615   |
| Customer deposits   | 318,664                                   | —                      | 318,664            | —  |
| Accrued claims  | —   | —                      | —                  | 2,017,769                                      |
| Compensated absences  | 193,255                                   | 320,978                | 514,233            | —  |
| <b>Total current liabilities (payable from current assets)</b>    | <b>6,368,197</b>                          | <b>616,342</b>         | <b>6,984,539</b>   | <b>2,427,054</b>                               |
| <b>Current liabilities (payable from restricted assets):</b>      |   |                        |                    |  |
| Accrued interest on revenue bonds                                 | 2,292,289                                 | —                      | 2,292,289          | —  |
| Current portion of long-term debt                                 | 3,951,683                                 | —                      | 3,951,683          | —  |
| <b>Total current liabilities (payable from restricted assets)</b> | <b>6,243,972</b>                          | <b>—</b>               | <b>6,243,972</b>   | <b>—</b>                                       |
| <b>Total current liabilities</b>                                  | <b>12,612,169</b>                         | <b>616,342</b>         | <b>13,228,511</b>  | <b>2,427,054</b>                               |
| <b>Noncurrent liabilities:</b>                                    |   |                        |                    |  |
| Compensated absences  | 9,192                                     | —                      | 9,192              | —  |
| Bonds and notes payable   | 195,997,568                               | —                      | 195,997,568        | —  |
| <b>Total noncurrent liabilities</b>                               | <b>196,006,760</b>                        | <b>—</b>               | <b>196,006,760</b> | <b>—</b>                                       |
| <b>Total liabilities</b>  | <b>208,618,929</b>                        | <b>616,342</b>         | <b>209,235,271</b> | <b>2,427,054</b>                               |
| <b>Net assets</b>   |   |                        |                    |  |
| Invested in capital assets, net of related debt                   | 45,842,696                                | —                      | 45,842,696         | —  |
| Restricted for debt service                                       | 12,491,968                                | —                      | 12,491,968         | —  |
| Unrestricted  | 20,816,511                                | 3,405,687              | 24,222,198         | (1,160,202)                                    |
| <b>Total net assets</b>   | <b>\$ 79,151,175</b>                      | <b>3,405,687</b>       | <b>82,556,862</b>  | <b>(1,160,202)</b>                             |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Statement of Revenues, Expenses, and Changes in Net Assets

Proprietary Funds

Year ended December 31, 2011

|  | Business-type activities enterprise funds |                        |                     | Governmental activities internal service funds |
|--|---|------------------------|---------------------|--|
|  | Water and sewerage                        | Other enterprise funds | Total               |  |
| <b>Operating revenues</b>  |   |                        |                     |  |
| Charges for services pledged as security for revenue bonds (net of allowance of \$198,700) | \$ 27,460,816                             | —                      | 27,460,816          | 2,454,929                                      |
| Charges for services (net of allowance of \$595,624)                                       | —   | 10,917,815             | 10,917,815          | 278,610  |
| Miscellaneous  | 1,550,775                                 | 447,318                | 1,998,093           | 105,000  |
| <b>Total operating revenues</b>  | <b>29,011,591</b>                         | <b>11,365,133</b>      | <b>40,376,724</b>   | <b>2,838,539</b>                               |
| <b>Operating expenses</b>  |   |                        |                     |  |
| Personal services  | 5,375,929                                 | 5,759,856              | 11,135,785          | —  |
| Supplies   | 1,652,789                                 | 2,361,024              | 4,013,813           | —  |
| Administrative   | 474,000                                   | 80,000                 | 554,000             | —  |
| Utilities  | 1,083,174                                 | 143,565                | 1,226,739           | —  |
| Repairs and maintenance  | 2,055,500                                 | 359,011                | 2,414,511           | —  |
| Travel and training  | 21,205                                    | 14,702                 | 35,907              | —  |
| Professional services  | 104,234                                   | 66,520                 | 170,754             | —  |
| Insurance  | 177,000                                   | 2,361,637              | 2,538,637           | 466,407  |
| Contractual expenses   | 55,028                                    | 94,642                 | 149,670             | —  |
| Miscellaneous  | 67,421                                    | 19,217                 | 86,638              | 2,391,047                                      |
| Claims   | —   | —                      | —                   | 2,052,698                                      |
| Depreciation   | 3,510,136                                 | —                      | 3,510,136           | —  |
| <b>Total operating expenses</b>  | <b>14,576,416</b>                         | <b>11,260,174</b>      | <b>25,836,590</b>   | <b>4,910,152</b>                               |
| <b>Operating income (loss)</b>   | <b>14,435,175</b>                         | <b>104,959</b>         | <b>14,540,134</b>   | <b>(2,071,613)</b>                             |
| <b>Nonoperating revenues (expenses)</b>  |   |                        |                     |  |
| Investment earnings (losses)   | 732,253                                   | 34,329                 | 766,582             | 21,066   |
| Interest expense   | (10,566,877)                              | —                      | (10,566,877)        | —  |
| Amortization   | (383,773)                                 | —                      | (383,773)           | —  |
| Fiscal charges   | (154,785)                                 | —                      | (154,785)           | —  |
| <b>Total nonoperating revenues (expenses)</b>  | <b>(10,373,182)</b>                       | <b>34,329</b>          | <b>(10,338,853)</b> | <b>21,066</b>                                  |
| <b>Income (loss) before transfers</b>  | <b>4,061,993</b>                          | <b>139,288</b>         | <b>4,201,281</b>    | <b>(2,050,547)</b>                             |
| Transfers in   | 3,500,000                                 | —                      | 3,500,000           | —  |
| Transfers out  | —   | (11,400)               | (11,400)            | —  |
|  | <b>3,500,000</b>                          | <b>(11,400)</b>        | <b>3,488,600</b>    | <b>—</b>                                       |
| <b>Change in net assets</b>  | <b>7,561,993</b>                          | <b>127,888</b>         | <b>7,689,881</b>    | <b>(2,050,547)</b>                             |
| Total net assets, beginning  | 71,589,182                                | 3,277,799              | 74,866,981          | 890,345  |
| Total net assets (deficit), ending   | \$ 79,151,175                             | 3,405,687              | 82,556,862          | (1,160,202)                                    |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2011

|  | Business-type activities enterprise funds |                        |                     | Governmental activities internal service funds |
|--|---|------------------------|---------------------|--|
|  | Water and sewerage                        | Other enterprise funds | Total               |  |
| <b>Cash flows from operating activities:</b>                     |   |                        |                     |  |
| Receipts from operations   | \$ 27,399,590                             | 11,006,740             | 38,406,330          | 2,736,790                                      |
| Payments to suppliers  | (11,053,098)                              | (5,685,717)            | (16,738,815)        | (358,971)                                      |
| Payments to employees  | (5,379,338)                               | (5,785,944)            | (11,165,282)        | —  |
| Claims paid  | —   | —                      | —                   | (4,210,431)                                    |
| Other receipts   | 1,550,775                                 | 437,800                | 1,988,575           | 78,352   |
| <b>Net cash provided by (used in) operating activities</b>       | <b>12,517,929</b>                         | <b>(27,121)</b>        | <b>12,490,808</b>   | <b>(1,754,260)</b>                             |
| <b>Cash flows from noncapital financing activities:</b>          |   |                        |                     |  |
| Transfers in (out)   | 3,500,000                                 | (11,400)               | 3,488,600           | —  |
| Advance from other fund  | 968,295                                   | 78,555                 | 1,046,850           | 38,615   |
| <b>Net cash provided by noncapital financing activities</b>      | <b>4,468,295</b>                          | <b>67,155</b>          | <b>4,535,450</b>    | <b>38,615</b>                                  |
| <b>Cash flows from capital and related financing activities:</b> |   |                        |                     |  |
| Acquisition and construction of capital assets                   | (31,136,894)                              | —                      | (31,136,894)        | —  |
| Bond proceeds  | 993,035                                   | —                      | 993,035             | —  |
| Principal paid on debt   | (4,148,317)                               | —                      | (4,148,317)         | —  |
| Interest paid  | (10,327,110)                              | —                      | (10,327,110)        | —  |
| Fiscal charges   | (154,785)                                 | —                      | (154,785)           | —  |
| <b>Net cash used in capital and related financing activities</b> | <b>(44,774,071)</b>                       | <b>—</b>               | <b>(44,774,071)</b> | <b>—</b>                                       |
| <b>Cash flows from investing activities:</b>                     |   |                        |                     |  |
| Sale (purchase) of investments                                   | (22,530,745)                              | (33,881)               | (22,564,626)        | 942,749  |
| Interest received  | 2,231,867                                 | 29,287                 | 2,261,154           | 19,447   |
| <b>Net cash provided by (used in) investing activities</b>       | <b>(20,298,878)</b>                       | <b>(4,594)</b>         | <b>(20,303,472)</b> | <b>962,196</b>                                 |
| <b>Net increase (decrease) in cash and cash equivalents</b>      | <b>(48,086,725)</b>                       | <b>35,440</b>          | <b>(48,051,285)</b> | <b>(753,449)</b>                               |
| Cash and cash equivalents, beginning of year                     | 74,245,234                                | 1,011,210              | 75,256,444          | 1,045,743                                      |
| Cash and cash equivalents, end of year                           | \$ 26,158,509                             | 1,046,650              | 27,205,159          | 292,294  |

**CITY OF BOSSIER CITY, LOUISIANA**

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2011

|  | Business-type activities enterprise funds |                        |             | Governmental activities internal service funds |
|--|---|------------------------|-------------|--|
|  | Water and sewerage                        | Other enterprise funds | Total       |  |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:        |   |                        |             |  |
| Operating income   | \$ 14,435,175                             | 104,959                | 14,540,134  | (2,071,613)                                    |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |   |                        |             |  |
| Depreciation   | 3,510,136                                 | —                      | 3,510,136   | —  |
| Provision for bad debts  | (527,357)                                 | 595,624                | 68,267      | —  |
| Decrease (increase) in assets:   |   |                        |             |  |
| Accounts receivable  | 198,700                                   | (516,217)              | (317,517)   | 12,885   |
| Inventories  | 168,039                                   | (63,004)               | 105,035     | —  |
| Prepaid items  | —   | —                      | —           | (176,340)                                      |
| Other assets   | 204,167                                   | —                      | 204,167     | —  |
| Increase (decrease) in liabilities:  |   |                        |             |  |
| Accounts payable   | (5,530,786)                               | (99,072)               | (5,629,858) | 247,494  |
| Accrued liabilities  | 9,132                                     | (35,158)               | (26,026)    | —  |
| Compensated absences   | (12,541)                                  | (14,253)               | (26,794)    | —  |
| Customer deposits  | 63,264                                    | —                      | 63,264      | —  |
| Accrued claims   | —   | —                      | —           | 233,314  |
| Total adjustments  | (1,917,246)                               | (132,080)              | (2,049,326) | 317,353  |
| Net cash provided by (used in) operating activities  | \$ 12,517,929                             | (27,121)               | 12,490,808  | (1,754,260)                                    |
| Noncash items:   |   |                        |             |  |
| Amortization   | \$ 383,773                                | —                      | 383,773     | —  |
| Change in fair value of investments  | (2,324,051)                               | 6,488                  | (2,317,563) | 6,347  |
| Acquisition of capital assets included in accounts payable   | 1,156,818                                 | —                      | 1,156,818   | —  |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2011

| <b>Assets</b>                      | <b>Pension<br/>Trust<br/>Funds</b> | <b>Agency Funds</b>         |
|------------------------------------|------------------------------------|-----------------------------|
|                                    | <u>                    </u>        | <u>                    </u> |
| Cash and cash equivalents          | \$ 6,363,733                       | 212,683                     |
| Receivables:                       |                                    |                             |
| Interest receivable                | 368,090                            | 870                         |
| Other                              | —                                  | 307,144                     |
| Investments, at fair value:        |                                    |                             |
| U.S. government securities         | 57,993,018                         | 263,177                     |
| Corporate bonds                    | 2,171,365                          | —                           |
| Certificates of deposit            | 5,356,408                          | —                           |
| Total investments                  | <u>65,520,791</u>                  | <u>263,177</u>              |
| Total assets                       | <u>72,252,614</u>                  | <u>783,874</u>              |
|                                    |                                    |                             |
| <b>Liabilities</b>                 |                                    |                             |
| Accounts payable                   | —                                  | 34,215                      |
| Accrued liabilities                | —                                  | 5,012                       |
| Taxes paid under protest           | —                                  | 579,286                     |
| Refundable deposits                | —                                  | 113,070                     |
| Due to other governmental units    | —                                  | 52,291                      |
| Due to other funds                 | 90,721                             | —                           |
| Total liabilities                  | <u>90,721</u>                      | <u>783,874</u>              |
|                                    |                                    |                             |
| <b>Net assets</b>                  |                                    |                             |
| Held in trust for pension benefits | \$ <u>72,161,893</u>               | <u>                    </u> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**  
**Statement of Changes in Fiduciary Net Assets**  
**Pension Trust Funds**  
**Year ended December 31, 2011**

**Additions**

|                              |    |                   |
|------------------------------|----|-------------------|
| Contributions from the City: |    |                   |
| Sales taxes, net             | \$ | 8,903,858         |
| Fire insurance premiums      |    | 215,184           |
| City court fines             |    | 279,403           |
| City liquor licenses         |    | 6,921             |
| Total contributions          |    | <u>9,405,366</u>  |
| Investment earnings          |    | <u>5,892,267</u>  |
| Total additions              |    | <u>15,297,633</u> |

**Deductions**

|                         |    |                          |
|-------------------------|----|--------------------------|
| Pensions and benefits   |    | 6,334,390                |
| Administrative expenses |    | <u>67,291</u>            |
| Total deductions        |    | <u>6,401,681</u>         |
| Change in net assets    |    | 8,895,952                |
| Net assets, beginning   |    | <u>63,265,941</u>        |
| Net assets, ending      | \$ | <u><u>72,161,893</u></u> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Statement of Net Assets

Component Units

December 31, 2011

| <b>Assets</b>                             | <b>Bossier Public<br/>Trust Financing<br/>Authority</b> | <b>Bossier<br/>City<br/>Court</b> | <b>Bossier<br/>City<br/>Marshal</b> | <b>Metropolitan<br/>Planning<br/>Commission</b> | <b>Total</b>     |
|---|---|-----------------------------------|-------------------------------------|---|------------------|
| Cash and cash equivalents                 | \$ 3,786  | 3,155,512                         | 170,530                             | 69,635  | 3,399,463        |
| Investments                               | 368,055   | 150,877                           | 100,000                             | 85,960  | 704,892          |
| Receivables, net                          | —   | 2,176                             | 1,394                               | —   | 3,570            |
| Prepaid expenses                          | —   | —                                 | 2,250                               | 698   | 2,948            |
| Accrued interest                          | 1,874   | —                                 | —                                   | 284   | 2,158            |
| Due from other governments                | —   | —                                 | 100,192                             | —   | 100,192          |
| Capital assets:                           |   |                                   |                                     |   |                  |
| Other capital assets, net of depreciation | —   | 64,741                            | 314,655                             | —   | 379,396          |
| <b>Total assets</b>                       | <b>373,715</b>  | <b>3,373,306</b>                  | <b>689,021</b>                      | <b>156,577</b>                                  | <b>4,592,619</b> |
| <b>Liabilities</b>                        |   |                                   |                                     |   |                  |
| Accounts payable                          | —   | 15,870                            | 3,836                               | 43,760  | 63,466           |
| Accrued interest payable                  | 408   | —                                 | —                                   | —   | 408              |
| Noncurrent liabilities:                   |   |                                   |                                     |   |                  |
| Due within one year                       | 20,000  | —                                 | —                                   | —   | 20,000           |
| <b>Total liabilities</b>                  | <b>20,408</b>   | <b>15,870</b>                     | <b>3,836</b>                        | <b>43,760</b>                                   | <b>83,874</b>    |
| <b>Net assets</b>                         |   |                                   |                                     |   |                  |
| Invested in capital assets                | —   | 64,741                            | 314,655                             | —   | 379,396          |
| Restricted for:                           |   |                                   |                                     |   |                  |
| Victims of juvenile crime                 | —   | 3,622                             | —                                   | —   | 3,622            |
| Facility expenses                         | —   | 1,205,711                         | —                                   | —   | 1,205,711        |
| Other                                     | —   | —                                 | 38,297                              | —   | 38,297           |
| Unrestricted                              | 353,307   | 2,083,362                         | 332,233                             | 112,817   | 2,881,719        |
| <b>Total net assets</b>                   | <b>\$ 353,307</b>                                       | <b>3,357,436</b>                  | <b>685,185</b>                      | <b>112,817</b>                                  | <b>4,508,745</b> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Statement of Activities

Component Units

Year ended December 31, 2011

|  | Program revenues |                      | Net (expenses) revenues and changes in net assets |                    |                      |                                  | Total            |
|--|------------------|----------------------|---|--------------------|----------------------|----------------------------------|------------------|
|  | Expenses         | Charges for services | Bossier Public Trust Financing Authority          | Bossier City Court | Bossier City Marshal | Metropolitan Planning Commission |                  |
| Bossier Public Trust Financing Authority |                  |                      |   |                    |                      |                                  |                  |
| Mortgage operations                      | \$ 7,125         | 24,206               | 17,081  | —                  | —                    | —                                | 17,081           |
| Bossier City Court                       |                  |                      |   |                    |                      |                                  |                  |
| Judicial                                 | 249,873          | 368,726              | —   | 118,853            | —                    | —                                | 118,853          |
| Bossier City Marshal                     |                  |                      |   |                    |                      |                                  |                  |
| Judicial                                 | 377,174          | 428,865              | —   | —                  | 51,691               | —                                | 51,691           |
| Metropolitan Planning Commission         |                  |                      |   |                    |                      |                                  |                  |
| Planning and zoning                      | 470,800          | 241,739              | —   | —                  | —                    | (229,061)                        | (229,061)        |
|  | <u>1,104,972</u> | <u>1,063,536</u>     |   |                    |                      |                                  |                  |
| General revenues:                        |                  |                      |   |                    |                      |                                  |                  |
| Investment earnings                      |                  |                      | —   | 11,824             | 877                  | 2,446                            | 15,147           |
| Payment from the City of Bossier City    |                  |                      | —   | —                  | —                    | 187,140                          | 187,140          |
| Miscellaneous                            |                  |                      | —   | 4,014              | 3,625                | 1,156                            | 8,795            |
| Total general revenues                   |                  |                      | <u>—</u>  | <u>15,838</u>      | <u>4,502</u>         | <u>190,742</u>                   | <u>211,082</u>   |
| Change in net assets                     |                  |                      | 17,081  | 134,691            | 56,193               | (38,319)                         | 169,646          |
| Net assets, beginning                    |                  |                      | <u>336,226</u>                                    | <u>3,222,745</u>   | <u>628,992</u>       | <u>151,136</u>                   | <u>4,339,099</u> |
| Net assets, ending                       |                  |                      | <u>\$ 353,307</u>                                 | <u>3,357,436</u>   | <u>685,185</u>       | <u>112,817</u>                   | <u>4,508,745</u> |

See accompanying notes to basic financial statements.

## **CITY OF BOSSIER CITY, LOUISIANA**

### **Notes to Basic Financial Statements**

December 31, 2011

#### **(1) Summary of Significant Accounting Policies**

The City of Bossier City, Louisiana (the City) was incorporated in 1907 and operates under a City Charter dated July 1, 1977, which provides for a strong Mayor-Council form of government. The City provides the following services as authorized by its charter: public safety, highways and streets, sanitation, water and sewerage, culture and recreation, and general administrative services. Education and welfare are administered by other governmental entities.

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for 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 that is fiscally dependent on the primary government should be included in its reporting entity.

The financial statements present the City (the primary government) and its component units. The 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.

#### **Discretely Presented Component Units**

The component unit columns in the basic 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.

#### **Metropolitan Planning Commission**

The Metropolitan Planning Commission (Commission) is responsible for the orderly physical development of the City and the surrounding planning area. The Commission makes recommendations to the City Council and the Bossier Parish Police Jury. The Commission consists of nine members with four appointed by both the City and the Bossier Parish Police Jury, and one member is elected by joint action of the governing authorities. Although the Commission is legally separate, the City acts as its fiscal agent and has the ability to modify and approve its budget. The Commission serves the citizenry of the City and parish. The Commission does not issue separate financial statements. Condensed fund financial statements are as follows:

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

**Balance Sheet**

|                                    |                   |
|------------------------------------|-------------------|
| Assets:                            |                   |
| Cash and equivalents               | \$ 69,635         |
| Investments                        | 85,960            |
| Other current assets               | 982               |
| Total assets                       | <u>\$ 156,577</u> |
| Liabilities:                       |                   |
| Accounts payable                   | \$ 43,760         |
| Total liabilities                  | <u>43,760</u>     |
| Fund balance:                      |                   |
| Unassigned                         | <u>112,817</u>    |
| Total liabilities and fund balance | <u>\$ 156,577</u> |

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

|                               |                   |
|-------------------------------|-------------------|
| Revenues:                     |                   |
| Licenses and permits          | \$ 76,599         |
| Intergovernmental             | 165,140           |
| Payments from City of Bossier | 187,140           |
| Investment earnings           | 2,446             |
| Miscellaneous                 | 1,156             |
|                               | <u>432,481</u>    |
| Expenditures:                 |                   |
| General government            | <u>470,800</u>    |
| Total expenditures            | <u>470,800</u>    |
| Net change in fund balance    | (38,319)          |
| Fund balance, beginning       | <u>151,136</u>    |
| Fund balance, ending          | <u>\$ 112,817</u> |

**Bossier City Court**

The Bossier City Court (City Court) was created by the special legislative act. Its jurisdiction includes the incorporated area of the City. The City judge is elected and cannot be removed by City officials. The City Court is fiscally dependent on the City. The City has the ability to modify or approve its budget, which comes from the General Fund. There are certain funds collected by the City Court, pursuant to state statute, which are under the control of the City Court. The City Court serves the citizenry of the City. The financial statements of the City Court included in the accompanying financial statements are as of and for the fiscal year ended December 31, 2011.

## **CITY OF BOSSIER CITY, LOUISIANA**

### **Notes to Basic Financial Statements**

December 31, 2011

#### **Bossier City Marshal**

The Bossier City Marshal (City Marshal) is an elected official. The City Marshal is fiscally dependent on the City. The City has the ability to modify or approve the budget, which comes from the General Fund. There are certain funds collected 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. The financial statements of the City Marshal included in the accompanying financial statements are as of and for the fiscal year ended December 31, 2011.

#### **Bossier Public Trust Financing Authority**

The Bossier Public Trust Financing Authority was created by a trust indenture, pursuant to state enabling legislation, which made the City the beneficiary. There are five trustees appointed by the City Council for terms of five years. In accordance with 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 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 Bossier Public Trust Financing Authority. The Bossier Public Trust Financing Authority serves the citizenry of the City. The financial statements of the Bossier Public Trust Financing Authority included in the accompanying financial statements are as of and for the fiscal year ended November 30, 2011.

Complete financial statements of the individual component units with separately issued financial statements may be obtained at the following addresses:

Bossier City Court  
P.O. Box 5337  
Bossier City, LA 71171

Bossier City Marshal  
P.O. Box 5337  
Bossier City, LA 71171

Bossier Public Trust Financing Authority  
333 Texas Street  
Regions Bank Building, Floor 15  
Shreveport, LA 71101

The Metropolitan Planning Commission does not issue separate financial statements and consists of only one governmental fund. Their financial statements are included in this report and these financial statements can be obtained from the Finance Department, P. O. Box 5337, Bossier City, LA 71171.

## **CITY OF BOSSIER CITY, LOUISIANA**

### **Notes to Basic Financial Statements**

December 31, 2011

#### **Other Related Organizations**

##### **Bossier Housing Authority**

The Bossier Housing 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 Bossier Housing Authority since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the commissioners. The Bossier Housing Authority is fiscally independent, and there is no financial benefit or burden relationship with the City. Therefore, it is not included in the City's financial statements.

#### **Implementation of New Accounting Statements**

In 2011, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes accounting and financial reporting standards for all governments that report governmental funds. This statement establishes the criteria for classifying fund balances into a hierarchy based primarily on the extent to which the government is bound to honor any constraints that control how specific amounts can be spent. The statement also clarifies definitions for governmental fund types. This statement changed the City's presentation of the governmental fund balances by classifying these as Nonspendable, Restricted, Committed, Assigned, or Unassigned.

#### **Accounting Policies**

The accounting policies of the City conform to U.S. generally accepted accounting principles as applicable to governmental units. The accounting policies of the discretely presented component units are consistent with those of the City. The following is a summary of the more significant policies:

##### **(a) Government-wide and Fund Financial Statements**

The government-wide financial statements (GWFS) (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, 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 net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense is identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

and is reported separately on the statement of activities. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The GWFS are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and pension trust 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 have been met. Gaming revenues are based on gross receipts and, therefore, reported as general revenue.

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 this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Basic Financial Statements

December 31, 2011

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

#### **Governmental Funds**

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

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

*Riverboat Gaming Special Revenue Fund* – This fund accounts for the moneys received from the riverboats prior to 1999 and the earnings on those moneys. City ordinance required the riverboat moneys be accumulated in this fund until a base amount of \$30 million was attained. The funds will be used for capital and other undetermined projects.

*Arena Special Revenue Fund* – This fund accounts for the revenues received and operating expenses incurred in the operations of the City's CenturyTel Center Arena Fund (the Arena).

*Riverboat Gaming Capital Projects Fund* – This fund is used to account for expenditures associated with downtown development, major park improvements, and other major capital projects, and is funded by a percentage of gross gaming receipts and the initial payments made by three riverboat casinos and related interest earnings.

*2007 Bond Issue Capital Projects Fund* – This fund accounts for the proceeds and expenditures of the 2007 bonds that were issued for the purpose of constructing the Cyber Innovation Center and various other capital projects.

*Public Health and Safety Permanent Fund* – This fund was created to account for the proceeds from the sale of the Bossier Medical Center. The proceeds from the sale of \$18,000,000 may not be spent. Earnings on the principal may only be spent for the purpose of public health and safety.

Additionally, the City reports the following governmental fund types:

*Special Revenue Funds* – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

*Debt Service Funds* – The debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The debt service funds receive a portion of all ad valorem and sales taxes paid to the City.

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Basic Financial Statements

December 31, 2011

*Capital Project Funds* – Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

#### **Proprietary Funds**

Proprietary funds are used to account for the City's ongoing organizations and activities, which are similar to those often found in the private sector. All proprietary funds and the pension trust funds are accounted for on a capital maintenance measurement focus; that is, the measurement focus is upon determination of the change in net assets. The City reports the following major proprietary fund:

*Department of Water and Sewerage Enterprise Fund* – Operated as a self-sustaining utility of the City and is responsible for providing the residents of the City with water and sewerage treatment.

Additionally, the City reports the following proprietary fund types:

*Enterprise Funds* – Enterprise funds are used to account for activities in which established fees and charges are designed to recover its costs, including capital costs such as depreciation and debt service.

*Internal Service Funds* – Internal service funds are used to account for the financing of services provided by one department of the City to other departments on a cost-reimbursement basis. The City maintains two internal service funds for workmen's compensation and general insurance coverage.

#### **Fiduciary Funds**

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

*Pension Trust Funds* – The City maintains two retirement funds, which are accounted for and reported as fiduciary funds since economic resources are critical. These funds are the Firemen's Pension and Relief Fund (Firemen's Fund) and the Policemen's Pension and Relief Fund (Policemen's Fund).

*Agency Funds* – Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The Consolidated Sales Tax Fund accounts for the collection and distribution of sales taxes levied by the Bossier Parish School Board and various municipalities within the parish. The Riverboat Gaming Agency Fund accounts for the receipt and distribution of funds received from the riverboats and paid to other local government agencies under the terms of the agreements with the riverboats.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the GWFS and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Basic Financial Statements

December 31, 2011

Board (GASB). 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 GWFS. Exceptions to this general rule are charges between the government's water and sewer 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. Transactions that would be treated as revenues, expenditures, or expenses if they involved organizations external to the City, such as routine employer contributions from the General Fund to the pension trust funds, are accounted for as revenues and expenditures or expenses in the funds involved.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 City's enterprise and internal funds are charges to customers for sales and services. Operating expenses for enterprise 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, and then unrestricted resources as they are needed.

Unbilled service receivables of the Department of Water and Sewerage Fund, EMS Fund, and Public Service and Sanitation Fund are reflected in the accompanying financial statements at \$1,068,171, \$110,483, and \$134,894, respectively, at December 31, 2011.

**(c) 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 column in the GWFS. Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. The City maintains a threshold level for capitalization of assets except land and construction in progress. All land and construction in progress are capitalized, regardless of the amount. All other capital assets are capitalized utilizing a threshold of \$25,000 for land improvements; \$50,000 for buildings and building improvements; \$5,000 for furniture, equipment, and vehicles; and \$250,000 for infrastructure. 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.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

Capital assets are not reported in the governmental fund financial statements.

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

|                                      |               |
|--------------------------------------|---------------|
| Land improvements                    | 20 – 30 years |
| Infrastructure                       | 40 years      |
| Buildings                            | 40 years      |
| Building improvements                | 40 years      |
| Water reservoir and treatment plant  | 10 – 60 years |
| Transmission and distribution system | 10 – 50 years |
| Furniture and equipment              | 5 – 10 years  |
| Vehicles                             | 5 years       |

**(d) Long-Term Liabilities**

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

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

**(e) Investments**

For all funds, investments are stated at fair value based on quoted market prices. The investments at December 31, 2011 were primarily U.S. government instrumentalities (see note 2 for the City's investment policy).

**(f) Prepaid Items**

Prepaid items consist of items such as prepaid insurance and other prepaid expenditures. The cost is recorded as an asset at the time such items are purchased in both government-wide and fund financial statements. The nonspendable amount for prepaid expenditures in governmental fund types is equal to the amount of prepaid expenditures to indicate a portion of the fund balance is not available for expenditure.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

**(g) Inventories**

Inventories are valued at cost (first-in, first-out). Inventories in the General Fund consist of expendable supplies held for consumption. The cost is recorded as an asset at the time individual inventory items are purchased and charged as an expenditure when used in both government-wide and fund financial statements. The nonspendable amount for inventories in governmental fund type is equal to the amount of inventories to indicate a portion of fund balance is not available for expenditure. Inventories in the enterprise funds consist of repair materials and spare parts.

**(h) Refundable Deposits**

The Department of Water and Sewerage of the City requires that its first time water and sewer customers or customers not in good standing place a deposit before service is rendered. If customers maintain the status of good standing for one year, the deposits are returned. These moneys are not restricted by law and are generally used by the Department of Water and Sewerage in meeting current operating cash requirements.

The Sales Tax Department requires deposits of certain establishments involved in special events and before being allowed to sell alcohol. The deposits are used to offset delinquent tax bills or are returned upon the respective activity ceasing.

Proceeds from ticket sales for Arena events sold in advance are reflected as a deposit until the event occurs and settlement with the event promoter is complete.

**(i) Deferred Revenues**

Taxes not collected within 60 days after year-end are deferred in the governmental fund financial statements. Certain licenses are collected in advance; therefore, the recognition of revenue is deferred until the following year. Rental fees for luxury boxes and advertising at the Arena are collected in advance. The revenue is recognized over the term of the agreements.

In the GWFS, revenues that are not yet earned are deferred.

**(j) Vacation and Sick Leave**

City employees are granted vacation and sick leave in varying amounts. The maximum allowable accumulation of vacation and sick leave is up to 40 days and 100 days, respectively. In the event of termination, an employee is reimbursed for accumulated vacation days up to the maximum allowable accumulation. The City does not accrue vacation until matured in the governmental fund financial statements. Vacation and sick leave are recorded as an expenditure when paid in governmental funds. The estimated liability for unused vacation for governmental funds is recorded in the GWFS. Accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as it is earned by the employees.

**(k) Pension Plans**

The City and the State of Louisiana collectively have five pension plans, which cover substantially all employees who meet certain length of service requirements. See note 8 for details of these plans.

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Basic Financial Statements

December 31, 2011

**(l) *Restricted Assets***

Certain proceeds of the City's 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.

**(m) *Classifications of Fund Balance***

Fund balances in the governmental funds classified as restricted are amounts that are restricted to specific purposes that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. Committed fund balances are amounts that can only be used for specific purposes with constraints imposed by formal action of the City Council. Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Assigned fund balances are determined by City management based on City Council direction. Nonspendable fund balance are amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

The City considers an expenditure to be made from the most restrictive resources/funds when more than one classification is available.

**(n) *Interfund Receivables and Payables***

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

**(o) *Property Taxes***

Property taxes attach as an enforceable lien on property when the assessment is approved by the Louisiana Tax Commission. Taxes are normally levied in November of each year and are due on or before December 31. The City bills and collects its own property taxes. Historically, 95% of the taxes have been collected within 60 days after the due date.

The City currently levies the maximum tax allowed by state statutes and the Louisiana Constitution for general governmental services other than taxes for special purposes (such as the funds designated for the Fire and Police Departments) or the payment of long-term debt. The City is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose for the payment of principal and interest on long-term debt after approval by the voters of the City.

**(p) *Grants from Other Governmental Agencies***

Federal and state governmental agencies represent an important source of supplementary funding to finance housing, employment, construction programs, and other activities beneficial to the community. These funds, primarily in the form of grants, are recorded in the General Fund, special revenue funds, capital projects funds, and enterprise funds. The grants normally specify the purpose for which the funds may be used and are subject to audit by the granting agency or its representative.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

**(q) Cash and Cash Equivalents**

For purposes of the statement of cash flows, the City considers each fund's equity investment in the pooled cash account and all highly liquid debt instruments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

**(r) Self-Insurance Claims**

The City is self-insured up to \$250,000 for noncivil service employees and \$350,000 for civil service employees for workmen's compensation coverage. Self-insured claims are recorded in the City's internal service funds in accordance with GASB Statement No. 10.

Incurred but not reported claims are recorded as liabilities in the Insurance Fund and Liability Insurance Fund. An estimate for these claims is provided by a third-party administrator based on historical experience.

**(2) Cash and Investments**

**City of Bossier City (Primary Government)**

The City maintains a consolidated cash management pool that is available for use by all funds except the Pension Trust Funds. Each fund type's portion of the consolidated cash pool is displayed in the statement of net assets as "cash and cash equivalents" or "investments."

**(a) Deposits**

**Primary government, including agency funds and excluding pension trust funds**

Deposits (including demand deposit accounts and certificates of deposits) at December 31, 2011 for the City are summarized as follows:

| <u>Carrying amount</u> | <u>Bank balance</u> |
|------------------------|---------------------|
| \$18,432,233           | \$18,691,444        |

Certificates of deposit with a maturity of three months or more are classified in the statement of net assets as "investments" (\$100,000).

The City's bank balance of deposits at December 31, 2011 is not exposed to any custodial credit risk. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. All City deposits are covered by FDIC insurance or pledged securities.

The carrying amount of deposits does not include a cash-on-hand balance of \$5,600, which is not on deposit with a financial institution. Cash on hand includes petty cash and cash received but not yet deposited at year-end.

Money market funds of \$61,125,918 with original maturities of three months or less are classified as a cash equivalent in the statement of net assets but are an investment type.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

**Pension Trust Funds**

Deposits (including demand deposit accounts and certificates of deposits) at December 31, 2011 for the Fiduciary Funds are summarized as follows:

| <u>Carrying amount</u> | <u>Bank balance</u> |
|------------------------|---------------------|
| \$11,720,141           | \$11,730,889        |

Certificates of deposit with a maturity of three months or more are classified in the statement of net assets as "investments" (\$5,356,408). There were no certificates of deposits with a maturity of three months or less.

The Pension Trust Funds' bank balance of deposits at December 31, 2011 is not exposed to any custodial credit risk as all deposits are covered by FDIC insurance or pledged securities.

**(b) Investments**

**Primary government**

The primary government's investments are made in accordance with Louisiana Revised Statute (LSA R.S.) 33:2955. The state-authorized investments are as follows:

U.S. Treasury obligations

U.S. government agencies

U.S. government instrumentalities

Collateralized repurchase agreements

Collateralized certificates of deposit with Louisiana-domiciled institutions

Collateralized interest-bearing bank accounts

Mutual or trust funds that 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

Guaranteed investment contracts having one of the two highest short-term rating categories of either Standard and Poor's Corporation (S&P) or Moody's Investors Service (Moody's)

Investment-grade (A-1/P-1) commercial paper of domestic U.S. corporations

Louisiana Asset Management Pool (LAMP)

Any other investments allowed by state statute for local governments

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

At December 31, 2011, investments for the primary government, including agency funds and excluding pension trust funds, were as follows:

|                                   | <u>Investment maturity in years</u> |                    |                    | <u>Fair value</u>     |
|-----------------------------------|-------------------------------------|--------------------|--------------------|-----------------------|
|                                   | <u>Less than 1 year</u>             | <u>1 – 3 years</u> | <u>3 – 5 years</u> |                       |
| U.S. government instrumentalities | \$ 80,021,111                       | 37,413,815         | 65,696,116         | 183,131,042           |
| Money market                      | 61,125,918                          | —                  | —                  | 61,125,918            |
| <b>Total investments</b>          |                                     |                    |                    | <b>\$ 244,256,960</b> |

The investments with original maturities of three months or more when purchased totaling \$183,131,042 are classified as “investments” in the statement of net assets. There were no investments with original maturities of three months or less when purchased that are classified as cash and cash equivalents in the statement of net assets.

*Interest Rate Risk:* The City’s investment policy does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk:* State law limits investments in guaranteed investment contracts to those having one of the two highest short-term rating categories of either S&P (AAA or AA) or Moody’s (Aaa or Aa). State law also limits investments in commercial paper of domestic U.S. corporations with investment grade (A-1/P-1). The City’s investment policy does not further limit its investment choices. The City’s investment in money market funds is unrated. The investments in U.S. government instrumentalities have ratings of either AAA by S&P or Aaa by Moody’s.

*Concentration of Credit Risk:* The City places no limit on the amount the City may invest in any one issuer. More than 5% of the City’s investments are in Federal Home Loan Bank, Dreyfus Money Market, Capital One Money Market, and Fannie Mae. These investments are 24.75%, 7.32%, 13.81%, and 18.65%, respectively, of the City’s total investments.

**Pension Trust Funds**

The Pension Trust Funds are composed of two funds: the Firemen’s Fund and the Policemen’s Fund.

The Firemen’s Fund investments are made in accordance with LSA R.S. 11:3509. Such investments shall be only in interest-bearing bonds or securities issued or backed by the United States of America, the State of Louisiana, or the City, or in certificates of deposit in banks of the United States of America and/or the State of Louisiana.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

At December 31, 2011, the Pension Trust Funds' investments were all in U.S. government instrumentalities, certificates of deposit, municipal bonds, and corporate bonds. The certificates of deposit totaling \$5,356,408 mature in 1-5 years. Maturities of the remaining investments were as follows:

|                  |                      |
|------------------|----------------------|
| Less than 1 year | \$ 2,821,795         |
| 1 – 5 years      | 3,540,188            |
| 5 – 10 years     | 8,574,211            |
| 10 – 15 years    | 9,274,653            |
| 15 – 20 years    | 9,493,986            |
| 20 – 25 years    | 12,377,662           |
| 25 – 30 years    | 12,737,387           |
| 30 – 35 years    | <u>1,344,501</u>     |
|                  | <u>\$ 60,164,383</u> |

The investments with original maturities of three months or more when purchased totaling \$60,164,383 are classified as "investments" in the statement of net assets. There were no investments with an original maturity of three months or less when purchased.

*Interest Rate Risk:* The Pension Trust Funds do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk:* The Pension Trust Funds' investments are restricted by state law. State law does not restrict investments by rating. The Pension Trust Funds do not have an investment policy that further restricts investment choices by minimum ratings. At December 31, 2011, the Policemen's Fund's investments were corporate bonds with AA+ ratings, municipal bonds with AA, A+, A-, and AA- ratings, and Louisiana State Bonds in the amount of \$1,641,460, which are not rated.

The Firemen's Fund investments as of December 31, 2011 were all in U.S. government instrumentalities, the ratings of which are summarized in the table below. All issuers with whom investments are held are rated AAA except municipal bonds, which are rated AA, Financing Corporation CPN FICO Strips, Resolution Funding Corporation, Federal National Mortgage Association Strips, and Tennessee Valley Authority, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association, which are unrated.

|                     |                      |
|---------------------|----------------------|
| Unrated             | \$ 19,250,076        |
| S&P AAA/Moody's Aaa | 29,231,477           |
| S&P AA              | <u>4,061,069</u>     |
|                     | <u>\$ 52,542,622</u> |

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

*Concentration of Credit Risk:* The Pension Trust Funds place no limit on the amount they may invest in any one issuer. At December 31, 2011, the Pension Trust Funds had the following concentrations of investment of more than 5% of total investments in any one issuer:

**Firemen's Fund:**

|  |     |
|--|-----|
| Federal Farm Credit Bank                 | 21% |
| Government National Mortgage Association | 17  |
| Tennessee Valley Authority               | 16  |
| Federal Home Loan Bank                   | 10  |
| Federal Home Loan Mortgage               | 10  |
| Federal National Mortgage Association    | 9   |

**Policemen's Fund:**

|  |     |
|--|-----|
| Louisiana State LT Series A                  | 22% |
| Louisiana LCI Gov Env                        | 17  |
| Bossier Parish LA Parishwide School District | 14  |
| GMAC, Inc.                                   | 13  |
| General Electric Capital Corp.               | 12  |
| Lafayette LA Public Improvement              | 6   |
| Louisiana State Citizens Property            | 6   |

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Pension Trust Funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2011, the Pension Trust Funds did not have any investments that were exposed to custodial credit risk. All investments were insured, registered in the name of the Pension Trust Funds, or held by a counterparty in the Pension Trust Funds' name. The Pension Trust Funds do not have a policy with respect to custodial credit risk for investments.

**Component Units**

*City Court of Bossier City (Court)*

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States of America, or under the laws of the United States of America.

At December 31, 2011, the Court, including its fiduciary funds, which are not part of this report, had cash, cash equivalents, and investments (book balances) totaling \$3,811,706. The portion attributable to fiduciary funds was \$514,606 in cash and cash equivalents and \$141,588 in investments.

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Basic Financial Statements

December 31, 2011

These deposits with financial institutions are stated at cost, which approximates market value. At December 31, 2011, the carrying amount of the Court's deposits was \$4,104,171, and the collected bank balance was \$4,149,554. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Court in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2011, the Court held certificates of deposit totaling \$292,465 that were classified as investments since their maturity was in excess of 90 days subsequent to their initial purchase. These certificates of deposits are carried at cost, which approximates market value, and are secured by federal deposit insurance and the pledge of securities owned by the fiscal agent bank. Investments are limited by LSA R.S. 33:2955.

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. At year-end, bank balances of \$4,149,554 were protected by \$1,007,595 of federal depository insurance. The remaining bank balance of \$3,141,959 was exposed to custodial credit risk as uninsured deposits protected with pledged securities held by the custodial banks in the name of the Court.

*Interest Rate Risk:* The Court's certificates of deposit have maturities of two years or less, which limits exposure to fair value losses arising from rising interest rates.

*Credit Risk:* The Court's investments comply with LSA R.S. 33:2955. Under state law, the Court may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States of America. The Court may invest in U.S. bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

#### *Bossier City Marshal (Marshal)*

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Time deposits with original maturities in excess of 90 days are recorded as investments. Investments are stated at cost, which approximates market value.

The Marshal's investments comply with LSA R.S. 33:2955. Under state law, the Marshal may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States of America, or under the laws of the United States of America.

At December 31, 2011, the Marshal, including its fiduciary funds, which are not part of this report, had cash, cash equivalents, and investments (book balances) totaling \$296,216. The portion attributable to fiduciary funds was \$25,686 in cash and cash equivalents.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

These deposits are stated at cost, which approximates market value. At December 31, 2011, the carrying amount of the Marshal's deposits was \$296,216, and the collected bank balance was \$334,558. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent bank.

At December 31, 2011, the Marshal held certificates of deposit totaling \$100,000 that was classified as investments since their maturity was in excess of ninety days subsequent to their initial purchase. These certificates of deposit are carried at cost, which approximates market value, and are secured by federal deposit insurance.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2011, the Marshal's bank balance of \$334,558 was protected by \$303,946 of FDIC insurance and \$30,612 of NCUSIF insurance.

**(3) Ad Valorem 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 and Parish Tax Assessors and approved by the State of Louisiana Tax Commission. Total assessed value was \$531,543,350 in 2011. Property taxes are recorded as receivables and revenues in the year for which it was levied. The General Fund property tax receivable at December 31, 2011 is shown net of an allowance for uncollectible taxes as of year-end of \$65,000. The distribution of the City's levy (tax rate per \$1,000 of assessed value) was as follows for 2011:

|   | <u>2011 Levy</u> |
|---|------------------|
| General Fund – unrestricted                               | \$ 5.59          |
| General Fund – restricted for Fire and Police Departments | <u>17.24</u>     |
|   | <u>\$ 22.83</u>  |

A revaluation of all property is required to be completed no less than every four years. A revaluation was completed for the tax roll as of January 1, 2011.

**(4) Receivables**

Receivables as of year-end for the City's individual governmental and enterprise major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are outlined below:

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

|   | Customers           | Property taxes   | Other taxes      | Gaming fees      | Accrued interest | Due from other governments | Other            | Allowance for uncollectible accounts | Net receivables  |
|---|---------------------|------------------|------------------|------------------|------------------|----------------------------|------------------|--------------------------------------|------------------|
| <b>Governmental funds:</b>              |                     |                  |                  |                  |                  |                            |                  |                                      |                  |
| General Fund                            | \$ —                | 2,386,837        | 1,639,137        | 30,550           | 12,865           | 136,011                    | 1,070,716        | (65,000)                             | 5,211,116        |
| Riverboat Gaming Special Revenue Fund   | —                   | —                | —                | 327,563          | 54,888           | —                          | —                | —                                    | 382,451          |
| Arena Special Revenue Fund              | 492,514             | —                | —                | —                | —                | —                          | —                | —                                    | 492,514          |
| Riverboat Gaming Capital Projects Fund  | —                   | —                | —                | 886,087          | 12,606           | 95,533                     | —                | —                                    | 994,226          |
| 2007 Bond Issue Capital Projects Fund   | —                   | —                | —                | —                | 236,635          | —                          | 7,698            | —                                    | 244,333          |
| Public Health and Safety Permanent Fund | —                   | —                | —                | —                | 33,170           | —                          | 125              | —                                    | 33,295           |
| Nonmajor governmental funds             | —                   | —                | 2,249,923        | —                | 54,165           | 147,603                    | 12,080           | —                                    | 2,463,771        |
| <b>Total governmental funds</b>         | <b>\$ 492,514</b>   | <b>2,386,837</b> | <b>3,889,060</b> | <b>1,244,200</b> | <b>404,329</b>   | <b>379,147</b>             | <b>1,090,619</b> | <b>(65,000)</b>                      | <b>9,821,706</b> |
| <b>Proprietary funds:</b>               |                     |                  |                  |                  |                  |                            |                  |                                      |                  |
| Enterprise funds –                      |                     |                  |                  |                  |                  |                            |                  |                                      |                  |
| Water and Sewerage                      | \$ 2,106,202        | —                | —                | —                | 896,831          | —                          | 1,287,815        | (188,814)                            | 4,102,034        |
| Nonmajor enterprise funds               | 1,590,924           | —                | —                | —                | 4,281            | —                          | 330,644          | (309,232)                            | 1,616,617        |
| <b>Total enterprise funds</b>           | <b>3,697,126</b>    | <b>—</b>         | <b>—</b>         | <b>—</b>         | <b>901,112</b>   | <b>—</b>                   | <b>1,618,459</b> | <b>(498,046)</b>                     | <b>5,718,651</b> |
| Internal service funds                  | —                   | —                | —                | —                | 1,196            | —                          | 93,695           | —                                    | 94,891           |
| <b>Total proprietary funds</b>          | <b>\$ 3,697,126</b> | <b>—</b>         | <b>—</b>         | <b>—</b>         | <b>902,308</b>   | <b>—</b>                   | <b>1,712,154</b> | <b>(498,046)</b>                     | <b>5,813,542</b> |

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:

|  | <u>Unavailable</u> | <u>Unearned</u>  |
|--|--------------------|------------------|
| Delinquent property taxes receivable (General Fund)  | \$ 511,195         | —                |
| Other revenues not collected within 60 days of year-end (Riverboat Gaming and Parkway Capital Improvement Funds) | 97,533             | —                |
| Licenses collected in advance (General Fund)   | —                  | 59,751           |
| Civic center rental revenue collected in advance   | —                  | 29,081           |
| Arena rental and advertising revenues collected in advance   | —                  | 342,685          |
| Taxes paid in protest (General Fund)   | —                  | 28,425           |
| Grant drawdowns prior to meeting all eligibility requirements – General Fund                                     | —                  | 859,431          |
| <b>Total deferred revenue for governmental funds</b>   | <b>\$ 608,728</b>  | <b>1,319,373</b> |

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

**(5) Capital Assets**

A summary of changes in capital assets is as follows:

|   | <u>Balance,<br/>December 31,<br/>2010</u> | <u>Additions</u>         | <u>Retirements</u>         | <u>Balance,<br/>December 31,<br/>2011</u> |
|---|---|--------------------------|----------------------------|---|
| <b>Governmental activities:</b>                             |   |                          |                            |   |
| <b>Capital assets not being depreciated:</b>                |   |                          |                            |   |
| Land and land improvements                                  | \$ 92,528,612                             | 14,503,026               | (967,394)                  | 106,064,244                               |
| Construction in progress                                    | <u>71,362,209</u>                         | <u>22,587,609</u>        | <u>(65,543,667)</u>        | <u>28,406,151</u>                         |
| <b>Total capital assets not<br/>      being depreciated</b> | <u>163,890,821</u>                        | <u>37,090,635</u>        | <u>(66,511,061)</u>        | <u>134,470,395</u>                        |
| <b>Capital assets being depreciated:</b>                    |   |                          |                            |   |
| Buildings and structures                                    | 123,342,381                               | 56,777,922               | —                          | 180,120,303                               |
| Equipment and vehicles                                      | 30,884,096                                | 4,206,393                | (1,227,403)                | 33,863,086                                |
| Infrastructure  | <u>124,671,433</u>                        | <u>5,207,106</u>         | <u>—</u>                   | <u>129,878,539</u>                        |
| <b>Total capital assets being<br/>      depreciated</b>     | <u>278,897,910</u>                        | <u>66,191,421</u>        | <u>(1,227,403)</u>         | <u>343,861,928</u>                        |
| <b>Less accumulated depreciation for:</b>                   |   |                          |                            |   |
| Buildings and structures                                    | (33,438,772)                              | (4,502,486)              | —                          | (37,941,258)                              |
| Equipment and vehicles                                      | (23,850,841)                              | (3,586,315)              | 1,212,762                  | (26,224,394)                              |
| Infrastructure  | <u>(23,090,762)</u>                       | <u>(3,239,361)</u>       | <u>—</u>                   | <u>(26,330,123)</u>                       |
| <b>Total accumulated<br/>      depreciation</b>             | <u>(80,380,375)</u>                       | <u>(11,328,162)</u>      | <u>1,212,762</u>           | <u>(90,495,775)</u>                       |
| <b>Total capital assets being<br/>    depreciated, net</b>  | <u>198,517,535</u>                        | <u>54,863,259</u>        | <u>(14,641)</u>            | <u>253,366,153</u>                        |
| <b>Capital assets, net</b>                                  | \$ <u><u>362,408,356</u></u>              | <u><u>91,953,894</u></u> | <u><u>(66,525,702)</u></u> | <u><u>387,836,548</u></u>                 |

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

Construction in progress consisted of: \$7,875,599 for the Swan Lake Improvements; \$12,633,124 for Arthur Teague Parkway Improvements; \$1,090,759 for Highway 511 widening; \$2,661,506 for Fire Station #5 construction at Meadowview/Swan Lake; \$1,123,290 for construction of Fire/Police Academy Training Center; and \$3,021,873 related to many small various projects.

|  | <u>Balance,<br/>December 31,<br/>2010</u> | <u>Additions</u>   | <u>Retirements</u> | <u>Balance,<br/>December 31,<br/>2011</u> |
|--|---|--------------------|--------------------|---|
| Business-type activities – water and sewerage: |   |                    |                    |   |
| Capital assets not being depreciated:          |   |                    |                    |   |
| Land and land improvements                     | \$ 861,184                                | —                  | —                  | 861,184                                   |
| Construction in progress                       | 45,424,729                                | 31,123,415         | (1,694,092)        | 74,854,052                                |
| Total capital assets not being depreciated     | <u>46,285,913</u>                         | <u>31,123,415</u>  | <u>(1,694,092)</u> | <u>75,715,236</u>                         |
| Capital assets being depreciated:              |   |                    |                    |   |
| Water reservoir and treatment plant            | 66,797,201                                | 1,441,254          | —                  | 68,238,455                                |
| Transmission and distribution system           | 59,036,349                                | 895,949            | —                  | 59,932,298                                |
| Equipment                                      | 11,707,241                                | 527,186            | (71,409)           | 12,163,018                                |
| Total capital assets being depreciated         | <u>137,540,791</u>                        | <u>2,864,389</u>   | <u>(71,409)</u>    | <u>140,333,771</u>                        |
| Less accumulated depreciation for:             |   |                    |                    |   |
| Water reservoir and treatment plant            | (23,584,081)                              | (1,406,438)        | —                  | (24,990,519)                              |
| Transmission and distribution system           | (22,936,695)                              | (1,229,372)        | —                  | (24,166,067)                              |
| Equipment                                      | (8,480,178)                               | (874,326)          | 71,409             | (9,283,095)                               |
| Total accumulated depreciation                 | <u>(55,000,954)</u>                       | <u>(3,510,136)</u> | <u>71,409</u>      | <u>(58,439,681)</u>                       |
| Total capital assets being depreciated, net    | <u>82,539,837</u>                         | <u>(645,747)</u>   | <u>—</u>           | <u>81,894,090</u>                         |
| Capital assets, net                            | <u>\$ 128,825,750</u>                     | <u>30,477,668</u>  | <u>(1,694,092)</u> | <u>157,609,326</u>                        |

Construction in progress consisted of: \$65,832,342 for the Water Treatment Plant Expansion; \$1,006,000 for the Wastewater Master Plan Project; \$592,681 for the Head Works Red River Plant; and \$7,423,029 related to smaller water and sewer projects.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

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

|   |    |                   |
|---|----|-------------------|
| <b>Governmental activities:</b>                       |    |                   |
| General government                                    | \$ | 4,566,162         |
| Public safety   |    | 2,135,229         |
| Highways and streets                                  |    | 2,744,445         |
| Culture and recreation                                |    | 1,808,209         |
| City court and marshal                                |    | 74,117            |
| Civic center  |    | —                 |
| Total depreciation expense – governmental activities  | \$ | <u>11,328,162</u> |
| <b>Business-type activities:</b>                      |    |                   |
| Water and sewerage                                    | \$ | <u>3,510,136</u>  |
| Total depreciation expense – business-type activities | \$ | <u>3,510,136</u>  |

**(6) Long-Term Debt**

**City of Bossier City (Primary Government)**

The following is a summary of the long-term obligation activity for the year ended December 31, 2011:

|   | <u>Beginning<br/>balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending<br/>balance</u> | <u>Due within<br/>one year</u> |
|---|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| <b>Governmental activities:</b>                           |                              |                  |                   |                           |                                |
| Revenue bonds payable                                     | \$ 154,390,000               | —                | 7,055,000         | 147,335,000               | 8,850,000                      |
| Premium on bonds  | 3,961,387                    | —                | 363,468           | 3,597,919                 | —                              |
| Discount on bonds   | (9,450)                      | —                | (2,719)           | (6,731)                   | —                              |
| Deferred on refunding                                     | (3,095,937)                  | —                | (281,248)         | (2,814,689)               | —                              |
| Claims and judgments payable                              | 4,490,455                    | 2,318,198        | 1,819,384         | 4,989,269                 | 2,017,769                      |
| Net other postemployment<br>benefit obligation            | 5,174,860                    | 1,661,044        | 524,624           | 6,311,280                 | —                              |
| Compensated absences                                      | 1,276,306                    | 958,327          | 949,582           | 1,285,051                 | 949,582                        |
| <b>Governmental activity long-term<br/>liabilities</b>    | <b>\$ 166,187,621</b>        | <b>4,937,569</b> | <b>10,428,091</b> | <b>160,697,099</b>        | <b>11,817,351</b>              |
| <b>Business-type activities – water<br/>and sewerage:</b> |                              |                  |                   |                           |                                |
| Revenue bonds payable                                     | \$ 205,505,255               | 993,035          | 4,148,317         | 202,349,973               | 3,951,683                      |
| Discount on bonds   | (1,034,021)                  | —                | (52,127)          | (981,894)                 | —                              |
| Deferred on refunding                                     | (1,549,797)                  | —                | (130,969)         | (1,418,828)               | —                              |
| Compensated absences                                      | 214,987                      | 180,714          | 193,255           | 202,446                   | 193,255                        |
| <b>Water and sewerage long-term<br/>liabilities</b>       | <b>203,136,424</b>           | <b>1,173,749</b> | <b>4,158,476</b>  | <b>200,151,697</b>        | <b>4,144,938</b>               |
| <b>Other business-type activities:</b>                    |                              |                  |                   |                           |                                |
| Compensated absences                                      | 335,231                      | 238,636          | 252,889           | 320,978                   | 320,978                        |
| <b>Total business-type<br/>activities</b>                 | <b>\$ 203,471,655</b>        | <b>1,412,385</b> | <b>4,411,365</b>  | <b>200,472,675</b>        | <b>4,465,916</b>               |

**CITY OF BOSSIER CITY, LOUISIANA**

**Notes to Basic Financial Statements**

December 31, 2011

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 Insurance Fund and Liability Insurance 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 76% of these costs. For the governmental activities, the balance of compensated absences is generally liquidated by the General Fund. The net pension obligation will also be liquidated by the General Fund.

The following is a summary of bond transactions (all revenue bonds) for the year ended December 31, 2011:

|   |                       |
|---|-----------------------|
| Bonds payable, January 1, 2011              | \$ 358,167,437        |
| New issue, net                              | 993,035               |
| Debt retired                                | (11,203,317)          |
| Amortization of premium                     | (363,468)             |
| Amortization of discount                    | 54,846                |
| Amortization of deferral on refunding bonds | <u>412,217</u>        |
| Bonds payable, December 31, 2011            | <u>\$ 348,060,750</u> |

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

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In addition to \$11,203,317 of bonds retired, the City paid \$17,308,535 in interest.

Bonds payable at December 31, 2011 comprise the following issues:

Revenue bonds – applicable to general city operations:

|   |    |             |
|---|----|-------------|
| \$9,355,000 2001 Public Improvement Sales Tax Refunding Bonds due in annual installments of \$845,000 to \$1,010,000 through 2012; maturing November 1 of each year; interest at 3.00% to 4.25%   | \$ | 1,010,000   |
| \$29,260,000 2002 Public Improvement Sales Tax Bonds due in annual installments of \$630,000 to \$2,620,000 through 2022; maturing December 1 of each year; interest at 3% to 5%<br>These bonds were partially refunded in 2010. Remaining bonds will be paid off in 2012 and 2013    |    | 1,680,000   |
| \$7,160,000 Public Improvement Sales Tax Bonds due in annual installments of \$225,000 to \$545,000 through 2025; maturing December 1 of each year; interest at 4% to 7%  |    | 5,690,000   |
| \$27,400,000 Public Improvement Sales Tax Refunding Bonds due in annual installments of \$1,290,000 to \$2,465,000 through 2022; maturing December 1 of each year; interest at 4% to 5% (plus premium of \$121,837 and net of deferred amount on refunding \$822,237)                 |    | 21,149,600  |
| \$100,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds due in annual installments of \$1,570,000 to \$6,080,000 through 2037; maturing November 1 of each year; interest at 4.00% to 5.25% (plus premium of \$2,120,817) |    | 95,240,817  |
| \$4,250,000 Public Improvement Sales Tax Refunding Bonds due in annual installments of \$510,000 to \$790,000 through 2014; maturing November 1 of each year; interest at 1.5% to 2.625% (less discount of \$6,731 and deferred amount on refunding of \$56,926)                      |    | 2,251,342   |
| \$21,810,000 Public Improvement Sales Tax Refunding Bonds due in annual installments of \$140,000 to \$2,320,000 through 2022; maturing December 1 of each year; interest at 2% to 4% (plus debt premium of \$1,355,265 and deferred amount of \$1,935,525)                           |    | 21,089,740  |
|   |    | <hr/>       |
|   |    | 148,111,499 |

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

Revenue bonds – applicable to water and sewerage operations:

|   |                       |
|---|-----------------------|
| \$6,500,000 Utility Revenue Bonds, Series 1997 due in annual installments of \$260,000 to \$415,000 through 2019; maturing October 1 of each year; interest at 3.45%  | \$ 2,890,000          |
| \$3,500,000 Utility Revenue Bonds, Series 2001 due in annual installments of \$140,000 to \$245,000 through 2022; maturing October 1 of each year; interest at 3.45%  | 2,082,792             |
| \$16,410,000 Utility Revenue Refunding Bonds, Series 2002 due in annual installments of \$215,000 to \$1,510,000 through 2022; maturing October 1 of each year; interest at 3.5% to 5.0%<br>These bonds were partially refunded in 2010. The remainder will be paid off in 2012 | 1,280,000             |
| \$125,000,000 Utility Revenue Bonds, Series 2008 due in annual installments of \$145,000 to \$9,485,000 through 2038; maturing October 1 of each year; interest at 3.5% to 5.5%<br>(less discount of \$981,894)   | 122,093,106           |
| \$13,500,000 Utility Revenue Refunding Bonds, Series 2010 due in annual installments of \$155,000 to \$1,475,000 through 2022; maturing October 1 of each year; interest at 2.53% (less deferred amount of refunding of \$1,418,828)  | 11,926,172            |
| \$60,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds due in annual installments of \$1,225,000 to \$3,235,000 through 2040; maturing November 1 of each year; interest at 1.23% to 6.27%                          | 58,551,683            |
| \$22,000,000 Louisiana Department of Environmental Quality Utility Revenue Bonds, Series 2010 due in annual installments based on defined percentages based on funds drawn through October 31, 2031; maturing October 1 of each year; interest at 0.45%                         | <u>1,125,498</u>      |
| Total water and sewerage bonds  | <u>199,949,251</u>    |
| Total revenue bonds   | <u>\$ 348,060,750</u> |

In November 2010, the City entered into a Loan and Pledge Agreement with the Louisiana Department of Environmental in connection with the authorization of the issuance of \$22,000,000 Utility Revenue Bonds Series 2010, for the purpose of constructing a waste system (the project). Under the Loan and Pledge Agreement, funds are drawn as expenditures on the project are incurred. As of December 31, 2011, \$1,125,498 had been drawn.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

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The annual requirements, excluding \$3,597,919 premium on bonds, \$988,625 discount on bonds, and deferral on refundings of \$4,233,517, to amortize all debt outstanding as of December 31, 2011 are as follows:

|                             | <u>Governmental activities</u> |                   | <u>Business-type activities</u> |                    | <u>Total</u>       |
|-----------------------------|--------------------------------|-------------------|---------------------------------|--------------------|--------------------|
|                             | <u>Principal</u>               | <u>Interest</u>   | <u>Principal</u>                | <u>Interest</u>    |                    |
| Year(s) ending December 31: |                                |                   |                                 |                    |                    |
| 2012                        | \$ 8,850,000                   | 6,599,699         | 3,951,683                       | 10,178,340         | 29,579,722         |
| 2013                        | 6,480,000                      | 6,256,000         | 4,305,000                       | 10,048,331         | 27,089,331         |
| 2014                        | 6,630,000                      | 5,991,163         | 4,430,000                       | 9,913,009          | 26,964,172         |
| 2015                        | 6,160,000                      | 5,754,325         | 4,555,000                       | 9,778,965          | 26,248,290         |
| 2016                        | 6,330,000                      | 5,502,163         | 4,700,000                       | 9,621,544          | 26,153,707         |
| 2017 – 2021                 | 36,500,000                     | 23,174,746        | 25,920,000                      | 45,457,631         | 131,052,377        |
| 2022 – 2026                 | 23,335,000                     | 15,858,793        | 31,612,792                      | 39,432,646         | 110,239,231        |
| 2027 – 2031                 | 20,710,000                     | 11,314,125        | 41,065,498                      | 30,283,438         | 103,373,061        |
| 2032 – 2036                 | 26,260,000                     | 5,723,488         | 51,145,000                      | 17,885,813         | 101,014,301        |
| 2037 – 2040                 | 6,080,000                      | 319,200           | 30,665,000                      | 3,487,143          | 40,551,343         |
|                             | <u>\$ 147,335,000</u>          | <u>86,493,702</u> | <u>202,349,973</u>              | <u>186,086,860</u> | <u>622,265,535</u> |

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

Changes in the Department of Water and Sewerage assets restricted for debt service and unrestricted and invested in capital assets during the year ended December 31, 2011 were as follows:

Department of Water and Sewerage Fund:

Restricted:

|                                     |                   |
|-------------------------------------|-------------------|
| Balance, beginning of year          | \$ 12,449,487     |
| Transfer from unreserved net assets | <u>42,481</u>     |
| Balance, end of year                | <u>12,491,968</u> |

Invested in capital assets and unrestricted:

|                            |                      |
|----------------------------|----------------------|
| Balance, beginning of year | 59,139,695           |
| Changes in net assets      | 7,561,993            |
| Transferred to net assets  | <u>(42,481)</u>      |
| Balance, end of year       | <u>66,659,207</u>    |
| Total net assets           | <u>\$ 79,151,175</u> |

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

Details of restricted assets at December 31, 2011 are as follows:

|   |                       |
|---|-----------------------|
| <b>Department of Water and Sewerage:</b>                  |                       |
| <b>Water Division:</b>                                    |                       |
| Utility Revenue Bond Funds – 1997, 2001, 2002, 2008, and  |                       |
| 2010 Utility Revenue Serial Bonds Debt Service Fund:      |                       |
| Cash and cash equivalents                                 | \$ 24,327,127         |
| Investments   | 76,347,462            |
| Accrued interest receivable                               | <u>640,023</u>        |
|   | <u>101,314,612</u>    |
| <b>Water Capital Additions and Contingencies Fund:</b>    |                       |
| Cash and cash equivalents                                 | <u>1,826,474</u>      |
| <b>Total restricted assets applicable to the</b>          |                       |
| <b>Water Division</b>                                     | <u>1,826,474</u>      |
| <b>Sewerage Division – Sewerage Capital Additions and</b> |                       |
| <b>Contingencies Fund:</b>                                |                       |
| Cash and cash equivalents                                 | <u>2,508</u>          |
| <b>Total restricted assets applicable to the</b>          |                       |
| <b>Sewerage Division</b>                                  | <u>2,508</u>          |
| <b>Total Department of Water and Sewerage</b>             |                       |
| <b>restricted assets</b>                                  | <u>\$ 103,143,594</u> |

State law allows a maximum of 10% of assessed valuation of bonded debt for any one purpose or 35% of the total assessed value for all purposes. The City assessed property value at December 31, 2011 is \$531,543,350. The maximum debt allowable for any one purpose and total debt allowable by state law as of December 31, 2011 is \$53,154,335 and \$186,040,173, respectively. Therefore, at December 31, 2011, the City has a debt margin of \$186,040,173 available for issuance pursuant to the 35% limitation.

**Component Units**

The following is a summary of the long-term obligation activity for the year ended November 30, 2010:

|                            |                  |
|----------------------------|------------------|
| Balance, November 30, 2010 | \$ 115,000       |
| Additions                  | —                |
| Reductions                 | <u>(95,000)</u>  |
| Balance, November 30, 2010 | <u>\$ 20,000</u> |

At November 30, 2011, bonds payable of \$20,000 consist of Single Family Mortgage Revenue Bonds, 1995 Series Term Bond, 6.0% interest, maturing on August 1, 2028.

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Basic Financial Statements

December 31, 2011

The principal amount of bonds called for early redemption for the year ended November 30, 2011 was \$80,000.

Under provisions of the indenture, the City has the option to redeem remaining outstanding bonds in whole at any time on or after August 1, 2005 from available funds at an initial redemption price of 102% of par and subsequently at prices declining to par. The bonds are collateralized by the income derived from the mortgage loans and the funds and accounts held under or pledged to the program pursuant to the indenture.

In February 2012, the remaining bond were called for full redemption totaling \$15,000 (\$5,000 were redeemed in December 2011).

#### (7) Sales Tax

The Consolidated Sales Tax Agency Fund accounts for the collection of a two-and-one-half-cent City sales and use tax and the distribution of this tax to other funds of the City. This fund also accounts for the collection and distribution of sales taxes levied by the Bossier Parish School Board, Bossier Parish Police Jury, Bossier Parish Sheriff, and various municipalities within the parish. For financial reporting purposes, sales taxes are recorded as revenue in the individual funds, which account for operations or projects for which the taxes were levied and as approved for expenditure by ordinance of the City Council.

The original one-cent sales tax is used initially to pay operating expenses incurred in the administration and collection of sales taxes. Scheduled payments are made on a monthly basis into the Sales Tax Bond and Interest Sinking Funds for debt service requirements. After these payments, the amount, if any, up to one-half of the total monthly sales tax revenues (net of collection expense) is payable to the General Fund for Fire and Police Department operations and maintenance. The remaining amount, if any, is payable to the Sales Tax Capital Improvement Fund.

A half-cent sales tax was approved by the voters in 1982. This revenue, net of expenses incurred in collecting the tax, is to be paid to the Firemen's and Policemen's Funds to liquidate the unfunded liabilities of the plans over 30 years. The remaining amount, if any, is payable to the General Fund for salaries of police, fire, and other city employees.

In 1987, a half-cent sales tax was approved by the voters. The additional revenue, net of expenses incurred in collecting the tax, is to be used for retirement of principal and payment of interest on sales tax bonds issued for the design and construction of a parkway adjacent to the Red River. During 2002, the voters approved a rededication of sales tax revenues, whereby any amounts in excess of debt service requirements are payable for the purpose of operating and maintaining fire, police, and other departments of the City and for previously authorized purposes, which would include payments to the Parkway Capital Projects Fund.

In 1991, an additional half-cent sales tax was approved by the voters for the purposes of constructing and operating two new fire stations and a training facility, operating and maintaining the city jail and municipal buildings, maintaining and upgrading streets and drainage, and for salaries for personnel other than firemen and policemen.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

The cost associated with collecting and distributing the sales tax is funded by the City and the Bossier Parish School Board. The two entities fund the sales tax departmental expenditures on a pro rata basis. The various municipalities are charged a 1% commission on sales tax collected and distributed. The amounts recorded as sales tax revenue in the various funds are net of operating expenses of the sales tax department and includes other miscellaneous revenues related to the operation of the department and the collection of the tax.

Sales and other taxes collected on behalf of others are as follows:

**City of Bossier City – Collections on Behalf of Other Taxing Authorities**

|   | Annual Totals – 2011 Tax Periods |                 |                   |
|---|----------------------------------|-----------------|-------------------|
|   | Total collections                | Collection cost | Final             |
| <b>Sales tax:</b>                                 |                                  |                 |                   |
| Bossier Parish School Board (1.75%)               | \$ 45,061,380                    | 424,738         | 44,636,642        |
| Bossier Parish Police Jury (2.25%)                |                                  |                 |                   |
| Rural Tax (1.5%)                                  | 9,436,140                        | 76,578          | 9,359,562         |
| Special District Tax (.25%)                       | 1,856,142                        | 15,312          | 1,840,830         |
| Capital Projects Tax (.5%)                        | 12,877,919                       | 116,371         | 12,761,548        |
|   | <u>24,170,201</u>                | <u>208,261</u>  | <u>23,961,940</u> |
| Law Enforcement District of Bossier Parish (.25%) | 6,436,585                        | 58,162          | 6,378,423         |
| Town of Benton (2.5%)                             | 1,211,230                        | 11,438          | 1,199,792         |
| Town of Haughton (2.5%)                           | 1,298,584                        | 11,128          | 1,287,456         |
| Town of Plain Dealing (2.5%)                      | 324,088                          | 2,923           | 321,165           |
| <b>Hotel/Motel Occupancy Tax:</b>                 |                                  |                 |                   |
| Shreveport Bossier Tourist Commission (3%)        | 1,485,471                        | 12,503          | 1,472,968         |
| City of Shreveport (.75%)                         | 371,368                          | —               | 371,368           |
| <b>Gaming Gross Revenues Tax:</b>                 |                                  |                 |                   |
| Boomtown –  |                                  |                 |                   |
| Bossier Parish SB (6% of 810)                     | 141,726                          | —               | 141,726           |
| Bossier Sheriff (4% of 810)                       | 94,484                           | —               | 94,484            |
| Bossier Parish Police Jury (6% of 810)            | 141,726                          | —               | 141,726           |
| Economic Development (3% of 810)                  | 70,863                           | —               | 70,863            |
| Johnny Gray Jones (1% of 810)                     | 23,621                           | —               | 23,621            |
| Horseshoe –                                       |                                  |                 |                   |
| Bossier Parish SB (.56% of receipts)              | 1,236,054                        | —               | 1,236,054         |
| Bossier Sheriff (.20% of receipts)                | 441,448                          | —               | 441,448           |
| Bossier Parish PJ (.63% of receipts)              | 1,390,560                        | —               | 1,390,560         |
| Economic Development (.12% of receipts)           | 264,869                          | —               | 264,869           |
| Johnny Gray Jones (.04% of receipts)              | 88,290                           | —               | 88,290            |
| <b>Totals</b>                                     | <u>\$ 84,252,548</u>             | <u>729,153</u>  | <u>83,523,395</u> |

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

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**(8) Defined Benefit Pension Plans**

The City administers two defined benefit pension plans: the Firemen's Fund and the Policemen's Fund.

**A. Summary of Significant Accounting Policies**

**Basis of Accounting** – The two City-administered pension plans' financial statements are prepared using the accrual basis of accounting. Employer and plan members' contributions are recognized when due, pursuant to statutory requirements. 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.

**B. Concentration of Investments**

The Firemen's Fund and Policemen's Fund investments are discussed in note 2(b). There are no investments in loans to or leases with parties related to the pension plans.

**C. Plan Descriptions and Contribution Information**

Membership of each plan consisted of the following at December 31, 2011:

|   | <u>Firemen's<br/>Fund</u> | <u>Policemen's<br/>Fund</u> |
|---|---------------------------|-----------------------------|
| Retirees and beneficiaries receiving benefits | 93                        | 43                          |

There were no active employees in the plans in 2011.

Administrative costs of the Firemen's Fund and Policemen's Fund are financed through the plan revenues. These plans do not have any legally required reserves.

**Firemen's Pension and Relief Fund (Firemen's Fund)**

**Plan Description** – The Firemen's Fund is a single-employer defined benefit pension plan that covers substantially all members of the City's Fire Department employed by the City before January 1, 1980. All firemen employed by the City on or after January 1, 1980 must join the Firefighter's Retirement System of Louisiana Plan.

**Pension Benefits** – Employees with 20 years of service are eligible to receive monthly retirement benefits. These benefits are equal to two-thirds (2/3) of average final compensation, as defined. The beneficiary receives an additional amount equal to 1% of such salary for each year of service after the member has reached the age of 50 years and has served 20 years, provided that the maximum benefit shall not exceed 75% of the salary. Benefits can only be paid out monthly and employee and employer contributions are forfeited upon termination of an employee without the required length of service.

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Basic Financial Statements

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**Death and Disability Benefits** – If an active employee or an employee eligible for or receiving benefits shall die from any cause, a monthly benefit shall be paid to the member's surviving spouse and children. The spouse, while remaining unmarried, shall receive 50% of the eligible benefits to which the deceased member would be entitled. Each surviving minor child under the age of 18 years shall receive 24% of said benefits until the age of 18 or until married, whichever is sooner. If there is no widow, but there are children, each child receives 30% until age 18 years or until married, whichever is sooner. These amounts paid to the family of the deceased will not exceed two-thirds (2/3) of the member's salary.

If an active employee becomes disabled by reason of serving the department, he or she shall receive monthly a sum that, with the benefits from the Workmen's Compensation Act, shall be equal to 75% of the monthly salary of the active member holding the position corresponding to that held by the beneficiary at the time he or she became disabled. The benefits shall continue as long as the disability shall continue or until he or she becomes eligible for retirement on a service basis, whichever is sooner. If an active member with at least 10 years of service becomes disabled by reason of causes not arising or developing directly from employment, with certain exceptions, the member shall receive monthly a sum equal to one-third (1/3) of the monthly salary of the active member holding the position corresponding to that held by the beneficiary at the time he or she became disabled, plus an additional 2% of such salary for each year of active service rendered over 5 years. The maximum benefit shall not exceed two-thirds (2/3) of the monthly salary of the active member holding the position corresponding to that held by the beneficiary at the time the member became disabled.

**Deferred Retirement Option Plan** – The Firemen's Fund provides for a Deferred Retirement Option Plan (DROP). Under the DROP, any member who has at least 20 years of creditable service and who is eligible for a service retirement allowance may elect to defer receipt of these benefits for a period of three years. The monthly retirement benefits that would have been payable had the member elected to cease employment and receive a service retirement allowance will be paid into the DROP account. Upon termination of employment at the end of the specified period of participation, the monthly benefits that were being paid into the DROP account during the period of participation begin being paid to the retiree. The participant may elect to receive payment in the form of one lump sum or an annuity based upon the account balance.

**Funding Sources** – The plan is funded from the following sources, as established and may be amended by city ordinance:

- Proceeds from the City's portion of the State of Louisiana 2% Fire Insurance Tax Account
- The sale of condemned property owned and used by the Fire Department
- Reimbursement by the General Fund for the operating deficit, if any
- Income from investments owned by the Firemen's Fund
- Amounts from the sales tax levy sufficient to liquidate the unfunded liability over a period not to exceed 30 years

**Funding Status** – The table below represents the most recent actuarial determined funding progress of the Plan; a historical schedule of funding progress can be found following the financial statement notes in the

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

required supplementary information to be used to determine trend information about the funding status of the Plan.

| <u>Fiscal year</u> | <u>(1)</u><br><u>Actuarial value of assets</u> | <u>(2)</u><br><u>Actuarial accrued liability (AAL) - entry age</u> | <u>(3)</u><br><u>Unfunded AAL (UAAL) (2-1)</u> | <u>(4)</u><br><u>Funded ratio (1/2)</u> | <u>(5)</u><br><u>Covered payroll</u> | <u>(6)</u><br><u>UAAL as a percentage of covered payroll (3/5)</u> |
|--------------------|--|--|--|---|--------------------------------------|--|
| 2011               | \$ 54,825,136                                  | 78,678,830   | 23,853,694                                     | 69.7%                                   | \$ N/A                               | N/A  |

**Annual Pension Cost and Net Pension Obligation** – A pension liability at transition was determined in accordance with GASB Statement No. 27 (GASB 27), *Accounting for Pensions by State and Local Governmental Employers*, and equaled \$0 before and after transition. The City’s annual pension cost and net pension obligations to the Firemen’s Fund for the current year were as follows:

|                                      |                              |
|--------------------------------------|------------------------------|
| Annual required contribution         | \$ 5,941,161                 |
| Amortization adjustment              | 492,438                      |
| Interest                             | <u>(124,973)</u>             |
| Annual pension cost                  | 6,308,626                    |
| Contributions made                   | <u>(6,893,078)</u>           |
| Decrease in net pension obligation   | (584,452)                    |
| Net pension asset, beginning of year | <u>(2,499,464)</u>           |
| Net pension asset, end of year       | \$ <u><u>(3,083,916)</u></u> |

The annual required contribution (ARC) for the current year was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. Significant actuarial assumptions included: (a) 5.00% investment rate of return, compounded annually, including inflation of 3.75%; (b) cost of living adjustments of 3.75%; and (c) amortization method of level percentage of payroll over a 10-year closed period. The actuarial value of assets is based upon fair value.

**Three-Year Trend Information**

| <u>Fiscal year ended</u> | <u>Annual pension cost</u> | <u>Percentage of annual pension cost contributed</u> | <u>Net pension asset (obligation)</u> |
|--------------------------|----------------------------|--|---------------------------------------|
| December 31:             |                            |  |                                       |
| 2009                     | \$ 4,457,732               | 152%   | \$ 2,548,321                          |
| 2010                     | 6,794,477                  | 99   | 2,499,464                             |
| 2011                     | 6,308,626                  | 109  | 3,083,916                             |

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Basic Financial Statements

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The Firemen's Fund issues a publicly available financial report that includes required supplementary information. That report may be obtained by writing to Mr. Joe Buffington, Director of Finance, City of Bossier City, P.O. Box 5337, Bossier City, LA 71171-5337.

#### **Policemen's Pension and Relief Fund (Policemen's Fund)**

**Plan description** – The Policemen's Fund is a single-employer defined benefit pension plan that covers a limited number of members of the City's Police Department not covered under the Municipal Police Employee Retirement System of Louisiana. All policemen employed on or after September 9, 1977 must join the Municipal Police Employee Retirement System of Louisiana Plan.

**Pension Benefits** – Employees with 20 years of service or employees with 18 consecutive years of service and that have reached 65 years of age are eligible for monthly retirement benefits. These benefits shall be two-thirds (2/3) of average final compensation, as defined, but not less than \$100 per month. Benefits can only be paid monthly and employee contributions are forfeited upon termination of an employee without the required length of service.

The Policemen's Plan provides for a joint and survivor benefit option. This option gives the recipient the choice of reducing the amount of retirement drawn and increases amounts paid to survivors upon death. This option is actuarially equivalent to the original service retirement benefit. Benefits paid, regardless of option, remain at two-thirds (2/3) of monthly salary, but not less than \$100 per month.

**Deferred Retirement Option Plan** – The Policemen's Plan provides for a DROP. Under the DROP, any member who has at least 20 years of creditable service and who is eligible for a service retirement allowance may elect to defer receipt of these benefits for a period of three years. The monthly retirement benefits that would have been payable had the member elected to cease employment and receive a service retirement allowance will be paid into the DROP account. Upon termination of employment at the end of the specified period of participation, the monthly benefits that were being paid into the DROP account during the period of participation will begin being paid to the retiree. The participant may elect to receive payment in the form of no more than two payments per year in increments of at least \$1,000 or an annuity based upon the account balance.

**Death and Disability Benefits** – All participants are either retired or under the DROP program. Therefore, if a member dies while receiving a pension and leaves a child or children under 18 years of age, a widow, or a dependent mother, these survivors should be paid as follows: dependent mother, \$100 per month; widow, survivor benefits based upon the election of the participant; each child under 18 years of age or who is attending college, \$150 per month, regardless of the number of children.

If a member became disabled while in the performance of his or her duties, he or she receives pension benefits as stated above for normal retirees.

**Funding Sources** – The Policemen's Fund is funded from the following sources, as established by city ordinance:

- 20% of all amounts collected for City Court fines

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Notes to Basic Financial Statements

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- 10% of all funds collected by the City for taxes, licenses, or permits for the sale of alcoholic beverages
- Income from investments owned by the Policemen's Fund
- Reimbursement by the General Fund for the operating deficit of the prior year, if any
- Amounts from the 1982 sales tax levy sufficient to liquidate the unfunded liability over a period not to exceed 30 years.

**Funding Status** – The table below represents the most recent actuarial determined funding progress of the Plan, a historical schedule of funding progress can be found following the financial statement notes in the required supplementary information to be used to determine trend information about the funding status of the Plan.

| <u>Fiscal year</u> | <u>(1)</u><br><u>Actuarial value of assets</u> | <u>(2)</u><br><u>Actuarial accrued liability (AAL) - entry age</u> | <u>(3)</u><br><u>Unfunded AAL (UAAL) (2-1)</u> | <u>(4)</u><br><u>Funded ratio (1/2)</u> | <u>(5)</u><br><u>Covered payroll</u> | <u>(6)</u><br><u>UAAL as a percentage of covered payroll (3/5)</u> |
|--------------------|--|--|--|---|--------------------------------------|--|
| 2011               | \$ 17,336,757                                  | 29,693,844   | 12,357,083                                     | 58.4%                                   | \$ N/A                               | N/A  |

**Annual Pension Cost and Net Pension Asset** – A pension liability at transition was determined in accordance with GASB 27 and equaled \$0 before and after transition. The City's annual pension cost and net pension asset to the Policemen's Fund for the current year were as follows:

|                                      |                              |
|--------------------------------------|------------------------------|
| Annual required contribution         | \$ 2,708,450                 |
| Amortization adjustment              | 837,452                      |
| Interest                             | <u>(212,532)</u>             |
| Annual pension cost                  | 3,333,370                    |
| Contributions made                   | <u>(2,452,069)</u>           |
| Decrease in net pension asset        | 881,301                      |
| Net pension asset, beginning of year | <u>(4,250,649)</u>           |
| Net pension asset, end of year       | \$ <u><u>(3,369,348)</u></u> |

The ARC for the current year was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. Significant actuarial assumptions included: (a) 5.00% investment rate of return, compounded annually, including inflation of 3.75%; (b) cost of living adjustments of 3.75%; and (c) amortization method of level percentage of payroll over a ten-year closed period. The actuarial value of assets is based upon fair value.

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**Three-Year Trend Information**

| Fiscal year ended | <u>Annual pension cost</u> | <u>Percentage of annual pension cost contributed</u> | <u>Net pension asset</u> |
|-------------------|----------------------------|--|--------------------------|
| December 31:      |                            |  |                          |
| 2009              | \$ 2,291,952               | 113%   | 5,137,049                |
| 2010              | 3,390,524                  | 74   | 4,250,649                |
| 2011              | 3,333,370                  | 75   | 3,369,348                |

The Policemen's Fund issues a publicly available financial report that includes required supplementary information. That report may be obtained by writing to Mr. Joe Buffington, Director of Finance, City of Bossier City, P. O. Box 5337, Bossier City, LA 71171-5337.

**Multiple-Employer Cost-Sharing Benefit Plans – Public Employee Retirement Systems**

**Municipal Employees' Retirement System of Louisiana**

**Plan Description** – The City contributes to the Municipal Employees' Retirement System of Louisiana (MERS), a cost-sharing multiple-employer defined benefit pension plan administered by the board of trustees of the MERS. MERS covers substantially all employees of the City not covered by the fire and police pension plans. Benefits are established and may be amended by state statutes. The MERS 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, Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, LA 70809 or by calling 504-925-4810.

**Funding policy** – Plan members are required to contribute 5.0% of their annual compensation and the City is required to contribute 6.5% of annual compensation. The contribution requirements of plan members and the City are established and may be amended by state statute. The City's contributions to MERS for the years ended December 31, 2011, 2010, and 2009 were \$1,487,374, \$1,483,234, and \$1,610,541, respectively, equal to the required contributions for each year. The plan's net pension obligation was \$0 at December 31, 2011.

The City's pension liability at transition was determined in accordance with GASB 27 and equaled \$0 before and after transition.

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#### **Municipal Police Employees' Retirement System of Louisiana**

**Plan Description** – The City contributes to the Municipal Police Employees' Retirement System of Louisiana (MPERS) Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the MPERS. 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, LA 70806 or by calling 1-800-443-4248.

**Funding Policy** – Plan members are required to contribute 7.5% of their annual compensation. The City was required to contribute 15.5% of annual compensation, excluding overtime but including state supplemental pay in 2011. 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 ended December 31, 2011, 2010, and 2009 were \$3,159,850, \$2,456,123, and \$1,852,938, respectively, equal to the required contributions for each year. The plan's net pension obligation was \$0 at December 31, 2011.

The City's pension liability at transition was determined in accordance with GASB 27 and equaled \$0 before and after transition.

#### **Statewide Firefighters' Retirement System**

**Plan Description** – The City contributes to the Statewide Firefighters' Retirement System (SFRS) Pension Plan, a cost-sharing, multiple-employer defined benefit pension plan administered by the SFRS. SFRS covers firefighters employed by any municipality, parish, or fire protection district of the state of Louisiana under the provisions of LSA R.S. 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, LA 70808-4136 or by calling 504-925-4060.

**Funding Policy** – The contribution requirements of plan members and the City are established and may be amended by the SFRS board of trustees. Plan members are required to contribute 8.0% of their annual compensation. The City was required to contribute 15.5% of annual compensation, excluding overtime, but including state supplemental pay. The City's contributions to SFRS for the years ended December 31, 2011, 2010, and 2009 were \$3,244,956, \$2,772,266, and \$2,492,482, respectively, equal to the required contributions for each year prior to the settlement discussed above. The plan's net pension obligation was \$0 at December 31, 2011.

The City's pension liability at transition was determined in accordance with GASB 27 and equaled \$0 before and after transition.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

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**(9) Postemployment Benefits**

**Plan Description** – The City’s medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

The employees are covered by one of two retirement systems: the Municipal Employees’ Retirement System of Louisiana and the Municipal Police Retirement System of Louisiana, both of which are cost-sharing multiple-employer plans. The City has assumed retirement eligibility (D.R.O.P. entry) according to the Municipal Employees’ Retirement System of Louisiana, as follows: 30 years of service at any age; or, age 60 and 10 years of service. Complete plan provisions are included in the official plan documents.

**Contribution Rates** – Employees do not contribute to their postemployment benefits (PEB) costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents. Premiums for retirees are determined by the plan.

**Fund Policy** – Until 2008, the City recognized the cost of providing postemployment medical benefits (the City of Bossier City’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis. The funding policy is not to fund the ARC except to the extent of the current year’s retiree funding costs. In 2011, the City of Bossier City’s portion of healthcare funding cost for retired employees totaled \$524,624.

**Annual Required Contribution** – The City’s ARC is an amount actuarially determined in accordance with GASB No. 45. The ARC is the sum of the normal cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level-dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the postemployment benefits. The total ARC for the fiscal year beginning January 1, 2011 is \$1,753,313, as set forth below:

|                                 | <u>Medical</u>      |
|---------------------------------|---------------------|
| Normal cost                     | \$ 577,404          |
| 30-year UAL amortization amount | <u>1,175,909</u>    |
| Annual required contribution    | <u>\$ 1,753,313</u> |

**Net Postemployment Benefit Obligation (Asset)** – The table below shows the City’s net Other Postemployment Benefit (OPEB) obligation for fiscal year ended December 31, 2011:

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|   | <u>Medical</u> |                  |
|---|----------------|------------------|
| Net OPEB obligation as of January 1, 2011   | \$             | 5,174,860        |
| Annual required contribution                |                | 1,753,313        |
| Interest on net OPEB obligation             |                | 206,994          |
| ARC adjustment                              |                | <u>(299,263)</u> |
| OPEB cost                                   |                | 1,661,044        |
| Contribution                                |                | —                |
| Current year retiree premium                |                | <u>(524,624)</u> |
| Net OPEB obligation as of December 31, 2011 | \$             | <u>6,311,280</u> |

The following table shows the City's annual PEB cost, percentage of the cost contributed, and the net unfunded PEB liability (asset):

| <u>Post-employment benefit</u> | <u>Fiscal year ended</u> | <u>Annual OPEB cost</u> | <u>Percentage of annual cost contributed</u> | <u>Net OPEB obligation (Asset)</u> |
|--------------------------------|--------------------------|-------------------------|--|------------------------------------|
| Medical                        | December 31, 2009        | \$ 2,661,261            | 29.99  | \$ 4,086,468                       |
| Medical                        | December 31, 2010        | 1,613,016               | 32.52  | 5,174,860                          |
| Medical                        | December 31, 2011        | 1,661,045               | 31.59  | 6,311,281                          |

**Funded Status and Funding Progress** – In the fiscal year ended December 31, 2011, the City made no contributions to its postemployment benefit plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of January 1, 2011, the most recent actuarial valuation, the AAL was \$21,147,497, which is defined as that portion, as determined by a particular actuarial cost method (the City uses the Projected Unit Credit Cost Method), of the actuarial present value of postemployment plan benefits and expenses that is not provided by normal cost. Since the plan was not funded in fiscal year 2011, the entire AAL of \$21,147,497 was unfunded. The plan does not issue stand-alone financial statements.

|  | <u>Medical</u> |            |
|--|----------------|------------|
| Actuarial accrued liability (AAL)                | \$             | 21,147,497 |
| Actuarial value of plan assets                   |                | <u>—</u>   |
| Unfunded actuarial accrued liability (UAAL)      |                | 21,147,497 |
| Funded ratio (actuarial valuation of assets/AAL) |                | 0%         |
| Covered payroll (active plan members)            | \$             | 31,800,324 |
| UAAL as a percentage of covered payroll          |                | 67%        |

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Basic Financial Statements

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**Actuarial Methods and Assumptions** – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for postemployment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) healthcare cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**Actuarial Cost Method** – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

**Actuarial Value of Plan Assets** – There are currently no assets as the plan has been on a pay-as-you-go basis. It is anticipated that in future valuations a smoothed market value will be utilized consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB 45.

**Turnover Rate** – An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. It has also been assumed, based on historical experience, that 40% of retirees decline coverage at retirement because of required premiums.

**Postemployment Benefit Plan Eligibility Requirements** – Based on past experience, it has been assumed that entitlement to benefits will commence four years after retirement eligibility (D.R.O.P. entry), as described above under “Plan Description.” Medical benefits are provided to employees upon actual retirement. The employees are covered by one of two retirement systems: the Municipal Employees’ Retirement System of Louisiana and the Municipal Police Retirement System of Louisiana. The City has assumed retirement eligibility (D.R.O.P. entry) according to the Municipal Employees’ Retirement System of Louisiana, as follows: 30 years of service at any age; or, age 60 and 10 years of service. Entitlement to benefits continues through Medicare to death.

**Investment Return Assumption (Discount Rate)** – GASB 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4.00% annual investment return has been used in this valuation. This is a

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Basic Financial Statements

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conservative estimate of the expected long-term return of a balanced and conservative investment portfolio under professional management.

**Health Care Cost Trend Rate** – The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare and Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990 – 2013, released in January 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). “State and Local” rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

**Mortality Rate** – The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is the mortality table that the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of “unblended” rates, the City has used the 94GAR mortality table described above to “unblend” the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

**Method of Determining Value of Benefits** – The “value of benefits” has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The retiree ostensibly pays 100% of the coverage for medical benefits, but it is based on subsidized premiums. Thus, the employer pays the remainder of the cost of the medical benefits for the retiree through the subsidy. Since GASB 45 mandates that “unblended” rates applicable to the coverage provided to retirees be used, the City has estimated these “unblended” rates for two broad groups: retired before Medicare eligibility, and retired after Medicare eligibility. It has been assumed that the retiree rate before Medicare eligibility is 130% of the blended active rate and that the retiree rate after Medicare eligibility is 80% of the blended active rate.

**Inflation rate** – Included in both the Investment Return Assumption and the Healthcare Cost Trend Rates above is an implicit inflation assumption of 2.5% annually.

#### (10) Deficits in Net Assets

At December 31, 2011, the City's internal service funds reported deficit net assets of \$1,160,202 comprising a \$2,820 in the Insurance Fund and a \$1,157,382 deficit in the liability Insurance Fund. The City plans to fund these deficits in 2012 from unrestricted fund balance of the General Fund.

#### (11) Lease Commitments

The City has commitments under several operating lease agreements for equipment, land, and a water supply reservoir. With the exception of the water supply reservoir, these lease agreements are cancelable by the City at any time. City management does feel, however, that such leases will generally be renewed or replaced each year. The City's lease agreement for the water supply reservoir calls for fixed annual payments of \$1,000 for the next 11 years.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

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Total rental expense for 2011 for all City operating leases was \$476,629.

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

**(a) Interfund Receivables and Payables**

Interfund balances at December 31, 2011 were as follows:

| Due from     | Due to                                |                             |                    |                        |                        | Total     |
|--------------|---------------------------------------|-----------------------------|--------------------|------------------------|------------------------|-----------|
|              | 2007 Bond Issue Capital Projects fund | Nonmajor governmental funds | Water and Sewerage | Other Enterprise Funds | Internal Service Funds |           |
| General Fund | \$ 446,753                            | 364,483                     | 1,214,124          | 78,555                 | 38,615                 | 2,142,530 |

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

**(b) Transfers**

Transfers for the year ended December 31, 2011 were as follows:

| Transfers in                                 | Transfers out                         |  |   |                                  |                           | Total      |
|--|---------------------------------------|--|---|----------------------------------|---------------------------|------------|
|  | Riverboat Gaming Special Revenue Fund | Riverboat Gaming Capital Projects Fund | Public Health and Safety Permanent Fund | Nonmajor governmental activities | Nonmajor Enterprise Funds |            |
| General Fund                                 | \$ 439,800                            | —                                      | 400,000                                 | 3,993,482                        | 11,400                    | 4,844,682  |
| Water and Sewerage Enterprise Fund           | —                                     | 3,000,000                              | —                                       | 500,000                          | —                         | 3,500,000  |
| CenturyTel Center Arena Special Revenue Fund | —                                     | —                                      | —                                       | 824,000                          | —                         | 824,000    |
| Nonmajor governmental activities             | —                                     | 6,400,554                              | —                                       | 485,500                          | —                         | 6,886,054  |
|  | \$ 439,800                            | 9,400,554                              | 400,000                                 | 5,802,982                        | 11,400                    | 16,054,736 |

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, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) return revenues from an enterprise fund to the capital projects fund from which amounts were originally transferred to support capital projects, in accordance with council authorization.

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### Notes to Basic Financial Statements

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#### **(13) 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 and Special Revenue 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 the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Supplementary salary payments are made by the state to certain groups of employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution from the state. For 2011, the state paid supplemental salaries to the following groups of employees: Fire Department employees, \$747,075; EMS employees, \$320,175; Police Department employees, \$1,060,884 and City Marshal employees (a component unit), \$48,250.

#### **(14) Commitments and Contingencies**

##### ***Construction Projects***

There are certain construction projects in progress at December 31, 2011, including construction of Fire Station #5, the Fire/Police Academy Training Center, Water Treatment Plant Expansion, the Waste Water Master Plan project, and various smaller projects.

There are also several transportation improvement projects under way, all funded from the 2007 Transportation Improvement Bond Issue, including the widening of Highway 511, Swan Lake Road, and the extension of Arthur Ray Teague both north and south.

##### ***Pension Funds***

According to existing legislative acts of the State of Louisiana, the City is required to reimburse the Firemen's Fund and the Policemen's Fund for operating deficits that may occur in any fiscal year.

##### ***Insurance Funds***

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Insurance and Liability Insurance Funds are used to account for self-insured activities involving workmen's compensation coverage, group dental coverage, and the self-insured retention for automobile, general liability, and property claims.

Payments are made from the operating funds to the Insurance Fund and the Liability Insurance Fund, which are accounted for as internal service funds. Payments are accounted for as revenues by the receiving fund and expenditures/expense by the paying funds. The City maintains stop-loss coverage with an insurance company of \$250,000 per occurrence related to noncivil service employees and \$350,000 related to civil service employees for workmen's compensation coverage with an aggregate limit of \$1,000,000. Employee life insurance premiums are also paid from the Insurance Fund.

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Liability policies are maintained by the City with third-party insurance carriers for its automobile, general liability, and property damage exposures. These policies are subject to a \$1,000,000 per occurrence limit with a \$100,000 per occurrence retention for claims involving third parties. The City maintained property insurance during 2011 on approximately \$245 million in city property, subject to a \$100,000 per occurrence retention for property claims. The maximum cumulative amount of self-insured retentions related to automobile and general liability claims is \$750,000.

There were no reductions in insurance coverage from coverage in the prior year. No claims exceeded the City's insurance coverage for each of the past four fiscal years.

A reconciliation of changes in the aggregate liabilities for claims for the self-insurance funds is as follows:

|   |    | <u>Accrued claims,<br/>January 1</u> | <u>Claims<br/>incurred</u> | <u>Claims paid</u> | <u>Accrued claims,<br/>December 31</u> |
|---|----|--------------------------------------|----------------------------|--------------------|--|
| <b>Insurance Fund:</b>                  |    |                                      |                            |                    |  |
| 2010                                    | \$ | —                                    | 450,027                    | 450,027            | —                                      |
| 2011                                    |    | —                                    | 435,254                    | 435,254            | —                                      |
| <b>Liability Insurance Fund:</b>        |    |                                      |                            |                    |  |
| 2010                                    | \$ | 1,594,215                            | 1,550,232                  | 1,359,992          | 1,784,455                              |
| 2011                                    |    | 1,784,455                            | 1,617,444                  | 1,384,130          | 2,017,769                              |
| <b>General liability claims (GWFS):</b> |    |                                      |                            |                    |  |
| 2010                                    | \$ | 1,961,500                            | 744,500                    | —                  | 2,706,000                              |
| 2011                                    |    | 2,706,000                            | 265,500                    | —                  | 2,971,500                              |

***Postretirement Benefits***

As an established practice, the City provides for a portion of the healthcare costs and life insurance costs of all retirees that meet the minimum service requirements of the retirement plan (as described in note 9) in which the employee participates. The City participates in a health management organization (HMO). As a result, the cost of providing benefits to the eligible retirees consists of the portion of the monthly premiums paid for coverage applicable to the retirees. These costs are accounted for on a pay-as-you-go basis. At December 31, 2011, 152 retirees are currently eligible to receive or are receiving benefits under the plan.

***Litigation***

The City is the defendant in a number of legal actions, most of which are partially covered by insurance. There are certain suits, including employee discrimination and civil rights violations suits, which are in the early stages of discovery and for which the availability of insurance coverage or estimates of the ultimate liability of the City cannot be determined. Resolution of some of these cases could involve liability to the City in excess of insurance limits if the courts find in favor of the various plaintiffs. The City evaluates the existing litigation and accrues appropriate amounts in accordance with Financial Accounting Standards Board Statement No. 5 as liabilities become probable and can be estimated. It is the policy of the City to pay uninsured judgments against the City on a current basis from the excess of revenues over expenditures.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Basic Financial Statements

December 31, 2011

***Grant Disallowances***

The City participates in federally assisted grant programs, principally 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.

***Revenues from the State of Louisiana***

The General Fund receives various revenues from the State of Louisiana including beer tax, mowing, video poker, and traffic signalization revenues. The continuation of these revenues at these amounts is contingent on a variety of factors at the state level.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION  
(Unaudited)**

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**CITY OF BOSSIER CITY, LOUISIANA**

Required Supplementary Information

Schedules of Funding Progress

Fiscal years ended December 31, 2009 through December 31, 2011  
(unaudited)

|   | <b>(1)</b>                       | <b>(2)</b>   | <b>(3)</b>                       | <b>(4)</b>                | <b>(5)</b>             | <b>(6)</b>   |
|---|----------------------------------|--|----------------------------------|---------------------------|------------------------|--|
| <b>Fiscal year</b>                      | <b>Actuarial value of assets</b> | <b>Actuarial accrued liability (AAL) – entry age</b> | <b>Unfunded AAL (UAAL) (2-1)</b> | <b>Funded ratio (1/2)</b> | <b>Covered payroll</b> | <b>UAAL as a percentage of covered payroll (3/5)</b> |
| <b>Firemen’s Fund:</b>                  |                                  |  |                                  |                           |                        |  |
| 2011                                    | \$ 54,825,136                    | 78,678,830   | 23,853,694                       | 69.7%                     | N/A                    | N/A  |
| 2010                                    | 46,975,795                       | 81,355,571   | 34,377,776                       | 57.7%                     | N/A                    | N/A  |
| 2009                                    | 41,740,584                       | 83,653,310   | 41,912,726                       | 49.9%                     | N/A                    | N/A  |
| <b>Policemen’s Fund:</b>                |                                  |  |                                  |                           |                        |  |
| 2011                                    | 17,336,757                       | 29,693,844   | 12,357,083                       | 58.4%                     | N/A                    | N/A  |
| 2010                                    | 16,290,146                       | 31,962,248   | 15,672,102                       | 51.0%                     | N/A                    | N/A  |
| 2009                                    | 15,670,894                       | 33,506,725   | 17,835,831                       | 46.8%                     | N/A                    | N/A  |
| <b>Postemployment Medical Benefits:</b> |                                  |  |                                  |                           |                        |  |
| 2011                                    | —                                | 21,147,497   | 21,147,497                       | 0%                        | 31,800,324             | 67.0%  |
| 2010                                    | —                                | 19,552,050   | 19,552,050                       | 0%                        | 33,072,374             | 59.0%  |
| 2009                                    | —                                | 30,752,231   | 30,752,231                       | 0%                        | 38,088,002             | 81.0%  |

See accompanying notes to required supplementary information and independent auditors’ report.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Required Supplementary Information

Year ended December 31, 2011  
(unaudited)

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

|                               | <u>Firemen's Fund</u>           | <u>Policemen's Fund</u>         |
|-------------------------------|---------------------------------|---------------------------------|
| Valuation date                | 1/1/12                          | 1/1/12                          |
| Actuarial cost method         | Entry age normal cost           | Entry age normal cost           |
| Amortization method           | Level percentage (closed basis) | Level percentage (closed basis) |
| Remaining amortization period | 10 years (minimum)              | 10 years (minimum)              |
| Asset valuation method        | Fair value                      | Fair value                      |
| Actuarial assumptions:        |                                 |                                 |
| Investment rate of return     | 5.0%                            | 5.0%                            |
| Projected salary increases    | N/A                             | N/A                             |
| Cost of living adjustments    | 3.75%                           | 3.75%                           |
| Amortization increase rate    | 2.65%                           | 3.40%                           |

**CITY OF BOSSIER CITY, LOUISIANA**

General Fund

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

Year ended December 31, 2011  
(unaudited)

|  | <u>Original<br/>budget</u> | <u>Final<br/>budget</u> | <u>Actual on a<br/>budgetary<br/>basis</u> | <u>Variance with<br/>final budget<br/>positive<br/>(negative)</u> |
|--|----------------------------|-------------------------|--|---|
| <b>Revenues:</b>   |                            |                         |  |   |
| <b>Taxes:</b>  |                            |                         |  |   |
| Sales, net   | \$ 15,603,008              | 15,603,008              | 15,515,545                                 | (87,463)  |
| Ad valorem   | 11,805,450                 | 11,805,450              | 11,772,556                                 | (32,894)  |
| Utility  | 3,200,000                  | 3,200,000               | 3,608,595                                  | 408,595   |
| Telephone  | 150,000                    | 150,000                 | 113,055                                    | (36,945)  |
| Franchise:   |                            |                         |  |   |
| Cable television   | 640,000                    | 640,000                 | 681,083                                    | 41,083  |
| Chain store  | 85,000                     | 85,000                  | 88,278                                     | 3,278   |
| Taxi   | —                          | —                       | —  | —   |
|  | <u>31,483,458</u>          | <u>31,483,458</u>       | <u>31,779,112</u>                          | <u>295,654</u>  |
| Licenses and permits   | 3,541,500                  | 3,541,500               | 3,423,460                                  | (118,040)   |
| <b>Intergovernmental:</b>  |                            |                         |  |   |
| Grants   | 100,000                    | 100,000                 | 131,842                                    | 31,842  |
| State and parish revenues:   |                            |                         |  |   |
| Supplemental pay   | 2,059,300                  | 2,059,300               | 1,856,209                                  | (203,091)   |
| Beer tax   | 110,000                    | 110,000                 | 101,103                                    | (8,897)   |
| Tobacco tax  | —                          | —                       | —  | —   |
| Special funds from State of Louisiana  | 161,040                    | 161,040                 | 260,847                                    | 99,807  |
|  | <u>2,430,340</u>           | <u>2,430,340</u>        | <u>2,350,001</u>                           | <u>(80,339)</u>   |
| Fines and penalties  | 2,000,000                  | 2,000,000               | 1,342,753                                  | (657,247)   |
| Racing commission – Louisiana Downs  | 725,000                    | 725,000                 | 667,969                                    | (57,031)  |
| Video poker  | 425,000                    | 425,000                 | 376,538                                    | (48,462)  |
| Investment earnings  | 50,000                     | 50,000                  | 58,885                                     | 8,885   |
| <b>Miscellaneous:</b>  |                            |                         |  |   |
| Payment in lieu of taxes – Federal Housing<br>Authority  | 45,000                     | 45,000                  | 52,202                                     | 7,202   |
| Parks and recreation   | 250,000                    | 250,000                 | 261,518                                    | 11,518  |
| Engineering fees   | 65,000                     | 65,000                  | 145,705                                    | 80,705  |
| Enterprise funds and Civic Center Fund pro rata<br>share of general and administrative<br>expenses | 500,000                    | 500,000                 | 495,000                                    | (5,000)   |
| Police department revenues   | 275,000                    | 275,000                 | 219,781                                    | (55,219)  |
| Other income   | 300,000                    | 300,000                 | 158,611                                    | (141,389)   |
| Total miscellaneous  | <u>1,435,000</u>           | <u>1,435,000</u>        | <u>1,332,817</u>                           | <u>(102,183)</u>  |
| Total revenues   | <u>42,090,298</u>          | <u>42,090,298</u>       | <u>41,331,535</u>                          | <u>(758,763)</u>  |

**CITY OF BOSSIER CITY, LOUISIANA**

General Fund

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

Year ended December 31, 2011  
(unaudited)

|   | <u>Original<br/>budget</u> | <u>Final<br/>budget</u> | <u>Actual on a<br/>budgetary<br/>basis</u> | <u>Variance with<br/>final budget<br/>positive<br/>(negative)</u> |
|---|----------------------------|-------------------------|--|---|
| <b>Expenditures:</b>  |                            |                         |  |   |
| <b>Current:</b>   |                            |                         |  |   |
| <b>General government:</b>  |                            |                         |  |   |
| Administration  | \$ 524,850                 | 524,850                 | 505,268                                    | 19,582  |
| Municipal building  | 1,915,404                  | 1,956,116               | 1,869,668                                  | 86,448  |
| Finance   | 878,021                    | 878,021                 | 783,986                                    | 94,035  |
| City garage   | 1,070,718                  | 1,070,718               | 978,962                                    | 91,756  |
| Traffic engineering and safety  | 1,029,382                  | 1,029,382               | 1,051,779                                  | (22,397)  |
| Purchasing  | 209,325                    | 209,325                 | 201,987                                    | 7,338   |
| Engineering   | 753,907                    | 753,907                 | 705,787                                    | 48,120  |
| Personnel   | 486,291                    | 486,291                 | 472,853                                    | 13,438  |
| Permits and inspections   | 1,233,349                  | 1,233,349               | 1,132,312                                  | 101,037   |
| City attorney   | 370,646                    | 370,646                 | 362,088                                    | 8,558   |
| Public works  | 272,739                    | 272,739                 | 254,495                                    | 18,244  |
| City council  | 254,861                    | 254,861                 | 244,108                                    | 10,753  |
| Community development   | 202,833                    | 202,833                 | 198,138                                    | 4,695   |
| Information services  | 757,556                    | 757,556                 | 593,075                                    | 164,481   |
| Payments to other governmental agencies   | 1,852,994                  | 1,891,994               | 1,910,651                                  | (18,657)  |
| Election  | 50,000                     | 50,000                  | 24,894                                     | 25,106  |
|   | <u>11,862,876</u>          | <u>11,942,588</u>       | <u>11,290,051</u>                          | <u>652,537</u>  |
| <b>Public safety:</b>   |                            |                         |  |   |
| Fire  | 11,566,894                 | 11,566,894              | 11,112,247                                 | 454,647   |
| Police  | 18,195,283                 | 18,195,283              | 17,080,342                                 | 1,114,941   |
|   | <u>29,762,177</u>          | <u>29,762,177</u>       | <u>28,192,589</u>                          | <u>1,569,588</u>  |
| Highways and streets  | 620,581                    | 620,581                 | 457,798                                    | 162,783   |
| Culture and recreation  | 2,291,592                  | 2,308,211               | 2,247,837                                  | 60,374  |
| <b>City Court and Marshal:</b>  |                            |                         |  |   |
| City Court  | 868,774                    | 868,774                 | 794,966                                    | 73,808  |
| Marshal's office  | 1,255,995                  | 1,255,995               | 1,098,961                                  | 157,034   |
|   | <u>2,124,769</u>           | <u>2,124,769</u>        | <u>1,893,927</u>                           | <u>230,842</u>  |
| <b>Total expenditures</b>   | <u>46,661,995</u>          | <u>46,758,326</u>       | <u>44,082,202</u>                          | <u>2,676,124</u>  |
| <b>Excess of expenditures over revenues</b>   | (4,571,697)                | (4,668,028)             | (2,750,667)                                | 1,917,361   |
| <b>Other financing sources (uses):</b>  |                            |                         |  |   |
| Transfers in  | 4,854,882                  | 4,854,882               | 4,844,682                                  | (10,200)  |
| Transfer to component unit  | (187,140)                  | (187,140)               | (187,140)                                  | —   |
|   | <u>4,667,742</u>           | <u>4,667,742</u>        | <u>4,657,542</u>                           | <u>(10,200)</u>   |
| <b>Excess (deficiency) of revenues and<br/>other sources over (under)<br/>expenditures and other uses</b> | 96,045                     | (286)                   | 1,906,875                                  | 1,907,161   |
| <b>Fund balance, beginning of year</b>  | <u>7,007,327</u>           | <u>7,007,327</u>        | <u>8,772,447</u>                           | <u>1,765,120</u>  |
| <b>Fund balance, end of year</b>  | <u>\$ 7,103,372</u>        | <u>7,007,041</u>        | <u>10,679,322</u>                          | <u>3,672,281</u>  |

See accompanying notes to budgetary comparison schedules and independent auditors' report.

**CITY OF BOSSIER CITY, LOUISIANA**

Special Revenue Fund  
Arena Fund

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

Year ended December 31, 2011  
(unaudited)

|   | <u>Original and<br/>final<br/>budget</u> | <u>Actual</u>    | <u>Variance with<br/>final budget<br/>positive<br/>(negative)</u> |
|---|--|------------------|---|
| <b>Revenues:</b>  |  |                  |   |
| Direct event income                                     | \$ 246,879                               | 88,703           | (158,176)   |
| Ancillary income  | 1,236,598                                | 865,402          | (371,196)   |
| Advertising   | 598,000                                  | 544,423          | (53,577)  |
| Luxury box income                                       | 558,000                                  | 687,166          | 129,166   |
| Other income  | <u>222,170</u>                           | <u>131,186</u>   | <u>(90,984)</u>   |
| Total revenues  | <u>2,861,647</u>                         | <u>2,316,880</u> | <u>(544,767)</u>  |
| <b>Expenditures – current – culture and recreation:</b> |  |                  |   |
| Executive   | 214,261                                  | 190,583          | 23,678  |
| Finance   | 204,135                                  | 177,978          | 26,157  |
| Operations  | 1,382,811                                | 1,232,369        | 150,442   |
| Marketing   | 181,472                                  | 162,733          | 18,739  |
| Box office  | 135,119                                  | 100,138          | 34,981  |
| Facility overhead                                       | <u>960,094</u>                           | <u>1,021,771</u> | <u>(61,677)</u>   |
| Total expenditures                                      | <u>3,077,892</u>                         | <u>2,885,572</u> | <u>192,320</u>  |
| Excess of expenditures over revenues                    | (216,245)                                | (568,692)        | (352,447)   |
| <b>Other financing sources:</b>                         |  |                  |   |
| Transfers in  | <u>250,000</u>                           | <u>824,000</u>   | <u>(574,000)</u>  |
| Net change in fund balance                              | 33,755                                   | 255,308          | (221,553)   |
| Fund deficit, beginning of year                         | <u>(261,284)</u>                         | <u>(261,284)</u> | <u>—</u>  |
| Fund deficit, end of year                               | <u>\$ (227,529)</u>                      | <u>(5,976)</u>   | <u>(221,553)</u>  |

See accompanying notes to budgetary comparison schedules and independent auditors' report.

## **CITY OF BOSSIER CITY, LOUISIANA**

### **Notes to Budgetary Comparison Schedules**

December 31, 2011  
(unaudited)

#### **Budget and Budgetary Accounting**

The City of Bossier City (the City) utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to October 15, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) A public hearing is then conducted, after proper official journal notification, to obtain taxpayer comments.
- (3) Prior to December 15, the budget is legally enacted through passage of an ordinance.
- (4) The budget ordinance is structured such that revenues are budgeted by source, and appropriations are budgeted by department and by principal object of expenditure. The City Charter provides that expenditures may not legally exceed appropriations on a departmental basis after considering fund surpluses or deficits. The City Council may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. For the year ended December 31, 2011, three amendments were made to the General Fund. The first amendment was to increase public affairs salaries. The second amendment was to correct technical errors in police department budget. The third amendment was to provide consulting fee for hazard mitigation plan update.
- (5) Comparison of budgeted and actual amounts, as shown in the accompanying financial statements, includes the General Fund and those special revenue funds, which are included in the annual operating budget (Civic Center, Hotel/Motel Taxes, Fire Improvements and Operations, Jail and Municipal Buildings, Streets and Drainage, and Arena). Annual operating budgets are not prepared for the State and Federal grant, Court Witness Fee, Public Safety Pension Reserve, and Riverboat Gaming Special Revenue Fund, but rather these funds are budgeted on a project basis. The capital budget ordinances, which encompass the capital projects funds, present cumulative as opposed to annual budget amounts, and thus, budget and actual comparisons are not reported in the accompanying financial statements for these funds. Budgetary control for the debt service funds is achieved through general bond indenture provisions.
- (6) All budgets are adopted on a basis substantially consistent with U.S. generally accepted accounting principles (GAAP), except that payments to the Firemen's and Policemen's Pension and Relief Funds are not budgeted in the General Fund and administrative expenditures allocated to the State and Federal Grant Special Revenue Fund are budgeted in the General Fund. Appropriations, which are not expended lapse at year-end, except appropriations for capital improvements, which do not lapse until the purpose of the appropriation, has been accomplished or abandoned.
- (7) The City is legally required to prepare annual operating budgets for the Department of Water and Sewerage, Sanitation, Emergency Medical Services, and Alternative Fuel operations. The City is not, however, required to present an actual-to-budget comparison for the enterprise funds. Budgets are not prepared for the internal service funds.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Budgetary Comparison Schedules

December 31, 2011  
(unaudited)

**Reconciliation of the Budgetary Basis and the GAAP Basis**

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

|  | <u>General Fund</u>  |
|--|----------------------|
| Budgetary basis expenses                           | \$ 44,082,202        |
| Administrative costs of State and Federal Grant    |                      |
| Special Revenue Fund                               | (131,842)            |
| Sales taxes dedicated to Firemen's and Policemen's |                      |
| Pension and Relief Funds                           | 8,903,859            |
| Payments to component units                        | <u>187,140</u>       |
| GAAP basis expenses                                | \$ <u>53,041,359</u> |

**Excess of Expenditures over Budget – Major Funds**

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

| Fund                                | <u>Budget</u> | <u>Actual on a<br/>budgetary<br/>basis</u> | <u>Negative<br/>variance</u> |
|-------------------------------------|---------------|--|------------------------------|
| General Fund:                       |               |  |                              |
| General government:                 |               |  |                              |
| Traffic engineering and safety      | \$ 1,029,382  | 1,051,779                                  | (22,397)                     |
| Payments to other governmental      | 1,891,994     | 1,910,651                                  | (18,657)                     |
| Special Revenue Fund – Arena Fund – |               |  |                              |
| Culture and recreation –            |               |  |                              |
| Facility overhead                   | 960,094       | 1,021,771                                  | (61,677)                     |

# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds

**State and Federal Grant** – This fund accounts for the receipt and disbursement of funds received under the Community Development Block Grant and other grant programs.

**Court Witness Fee** – This fund accounts for the proceeds of a special case charge on criminal matters. The revenues generated are dedicated to the payment of a special witness fee to law officers who are called to testify in City Court.

**Civic Center** – This fund accounts for the revenues received and operating expenses incurred in the operations of the City's Civic Center Complex.

**Hotel/Motel Taxes** – This fund accounts for the revenues received from taxes levied on the occupancy of hotel/motel rooms and related facilities. The revenues can only be used for riverboat/downtown development and the operation and maintenance of the Civic Center and multipurpose arena.

**Fire Improvements and Operations** – This fund accounts for the revenues received and operating expenses incurred in the construction and operation of two new fire stations and a new training facility.

**Jail and Municipal Buildings** – This fund accounts for the revenues received and the operating expenses incurred to operate and maintain the City Jail in accordance with Federally Mandated Standards and to operate and maintain City buildings.

**Streets and Drainage** – This fund accounts for the revenues received and the operating expenses incurred in maintaining and upgrading streets and drainage.

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### **Debt Service Funds**

**Sales Tax Bond Sinking and Reserve Fund** – Used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of the 1998, 2002, and 2003 bond series.

**Parkway Sales Tax Bond Sinking and Reserve Fund** – Used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of the 1997 and 2001 bond series.

**2007 Capital Projects Bond Issue Sinking and Reserve Fund** – Used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of the 2007 bond series.

### **Capital Projects Funds**

**Sales Tax Capital Improvement Fund** – This fund is used to account for expenditures associated with capital projects as presented and approved by Council Ordinance, and is funded by the excess one-half-cent sales tax after payment of debt service sales tax revenue bond issues and interest earned.

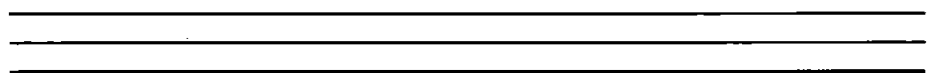
**Parkway Capital Projects Fund** – This fund is used to account for miscellaneous capital expenditures, as budgeted by the City Council, and is funded by the excess one-half-cent sales tax after payment of debt service on the Parkway Bond Issue and interest earned.

**Oil and Gas Royalties Capital Projects Fund** – This fund was established in 2011 to account for the proceeds received from oil and gas royalties on property owned by the City.

**2006 Sales Tax Bond Fund** – This fund was established in 2006 to account for the proceeds received from the Public Improvement Sales Tax Bonds and the expenditures of the bond moneys.

**Equipment Replacement Fund** – This fund was established to account for purchases and sales of various equipment not associated with bond issue-related expenditures.

**Land Acquisition Fund** – This fund is used to account for special land purchases and sales not associated with bond issue-related expenditures.



**CITY OF BOSSIER CITY, LOUISIANA**

Nonmajor Governmental Funds

Combining Balance Sheet – By Fund Type

December 31, 2011

| Assets  | <u>Special<br/>Revenue<br/>Funds</u> | <u>Debt<br/>Service<br/>Funds</u> | <u>Capital<br/>Projects<br/>Funds</u> | <u>Total</u>      |
|---|--------------------------------------|-----------------------------------|---------------------------------------|-------------------|
| <b>Assets:</b>                                  |                                      |                                   |                                       |                   |
| Cash and cash equivalents                       | \$ 5,493,369                         | 4,698,452                         | 4,452,624                             | 14,644,445        |
| Investments                                     | 6,446,107                            | 4,496,956                         | 5,450,524                             | 16,393,587        |
| Receivables, net:                               |                                      |                                   |                                       |                   |
| Taxes and other                                 | 678,910                              | 519,717                           | 1,063,376                             | 2,262,003         |
| Accrued interest                                | 21,297                               | 14,859                            | 18,009                                | 54,165            |
| Due from other governmental units               | 126,908                              | —                                 | 20,695                                | 147,603           |
| Total assets                                    | <u>\$ 12,766,591</u>                 | <u>9,729,984</u>                  | <u>11,005,228</u>                     | <u>33,501,803</u> |
| <b>Liabilities and Fund Balances</b>            |                                      |                                   |                                       |                   |
| <b>Liabilities:</b>                             |                                      |                                   |                                       |                   |
| Accounts payable                                | \$ 182,125                           | —                                 | 973,288                               | 1,155,413         |
| Accrued liabilities                             | 3,265                                | —                                 | —                                     | 3,265             |
| Due to other funds                              | 364,483                              | —                                 | —                                     | 364,483           |
| Deferred revenue                                | 29,081                               | —                                 | 6,000                                 | 35,081            |
| Total liabilities                               | <u>578,954</u>                       | <u>—</u>                          | <u>979,288</u>                        | <u>1,558,242</u>  |
| <b>Fund balances:</b>                           |                                      |                                   |                                       |                   |
| <b>Restricted for:</b>                          |                                      |                                   |                                       |                   |
| Debt service                                    | —                                    | 9,729,984                         | —                                     | 9,729,984         |
| Grants  | 14,144                               | —                                 | —                                     | 14,144            |
| Economic development and<br>facility operations | 1,223,641                            | —                                 | —                                     | 1,223,641         |
| Capital projects                                | —                                    | —                                 | 10,025,940                            | 10,025,940        |
| <b>Committed for:</b>                           |                                      |                                   |                                       |                   |
| Civic Center operations                         | 988,261                              | —                                 | —                                     | 988,261           |
| Facility maintenance                            | 9,961,591                            | —                                 | —                                     | 9,961,591         |
| Assigned  | —                                    | —                                 | —                                     | —                 |
| Total fund balances                             | <u>12,187,637</u>                    | <u>9,729,984</u>                  | <u>10,025,940</u>                     | <u>31,943,561</u> |
| Total liabilities and<br>fund balances          | <u>\$ 12,766,591</u>                 | <u>9,729,984</u>                  | <u>11,005,228</u>                     | <u>33,501,803</u> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances – By Fund Type**  
**Year ended December 31, 2011**

|  | <b>Special<br/>Revenue<br/>Funds</b> | <b>Debt<br/>Service<br/>Funds</b> | <b>Capital<br/>Projects<br/>Funds</b> | <b>Total</b>      |
|--|--------------------------------------|-----------------------------------|---------------------------------------|-------------------|
| <b>Revenues:</b>   |                                      |                                   |                                       |                   |
| Taxes  | \$ 6,338,013                         | 7,457,616                         | 6,395,942                             | 20,191,571        |
| Intergovernmental  | 3,201,507                            | —                                 | 26,008                                | 3,227,515         |
| Fees and rentals   | 372,584                              | —                                 | —                                     | 372,584           |
| Fines and penalties  | 48,029                               | —                                 | —                                     | 48,029            |
| Investment earnings  | 153,991                              | 139,872                           | 129,284                               | 423,147           |
| Miscellaneous  | 39                                   | —                                 | 2,371,353                             | 2,371,392         |
| Total revenues   | <u>10,114,163</u>                    | <u>7,597,488</u>                  | <u>8,922,587</u>                      | <u>26,634,238</u> |
| <b>Expenditures:</b>   |                                      |                                   |                                       |                   |
| <b>Current:</b>  |                                      |                                   |                                       |                   |
| General government   | 833,079                              | —                                 | —                                     | 833,079           |
| Culture and recreation                                       | 734,990                              | —                                 | —                                     | 734,990           |
| City Court and City Marshal                                  | 42,400                               | —                                 | —                                     | 42,400            |
| Capital outlay   | 2,842,647                            | —                                 | 6,544,340                             | 9,386,987         |
| <b>Debt service:</b>   |                                      |                                   |                                       |                   |
| Principal retirement   | —                                    | 7,055,000                         | —                                     | 7,055,000         |
| Interest and fiscal charges                                  | —                                    | 6,953,000                         | —                                     | 6,953,000         |
| Total expenditures   | <u>4,453,116</u>                     | <u>14,008,000</u>                 | <u>6,544,340</u>                      | <u>25,005,456</u> |
| Excess (deficiency) of revenues<br>over (under) expenditures | 5,661,047                            | (6,410,512)                       | 2,378,247                             | 1,628,782         |
| <b>Other financing sources (uses):</b>                       |                                      |                                   |                                       |                   |
| Transfers in   | 485,500                              | 6,400,554                         | —                                     | 6,886,054         |
| Transfers out  | (5,802,982)                          | —                                 | —                                     | (5,802,982)       |
| Total other financing sources (uses)                         | <u>(5,317,482)</u>                   | <u>6,400,554</u>                  | <u>—</u>                              | <u>1,083,072</u>  |
| Net change in fund balances                                  | 343,565                              | (9,958)                           | 2,378,247                             | 2,711,854         |
| Fund balances, beginning of year                             | <u>11,844,072</u>                    | <u>9,739,942</u>                  | <u>7,647,693</u>                      | <u>29,231,707</u> |
| Fund balances, end of year                                   | <u>\$ 12,187,637</u>                 | <u>9,729,984</u>                  | <u>10,025,940</u>                     | <u>31,943,561</u> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Nonmajor Special Revenue Funds

Combining Balance Sheet

December 31, 2011

| Assets  | State and<br>federal<br>grant | Court<br>witness<br>fee | Civic<br>center  | Hotel/motel<br>taxes | Fire<br>improvements<br>and<br>operations | Jail and<br>municipal<br>buildings | Streets and<br>drainage | Total             |
|---|-------------------------------|-------------------------|------------------|----------------------|---|------------------------------------|-------------------------|-------------------|
| Cash and cash equivalents                       | \$ 285,525                    | 4,537                   | 463,146          | 560,894              | 76,688                                    | 3,183,418                          | 919,161                 | 5,493,369         |
| Investments                                     |                               | 5,617                   | 572,141          | 694,390              | 94,939                                    | 3,941,094                          | 1,137,926               | 6,446,107         |
| Tax and other receivables                       |                               | —                       | 2,115            | —                    | 266,905                                   | 190,647                            | 219,243                 | 678,910           |
| Interest receivables                            |                               | 18                      | 1,890            | 2,294                | 313                                       | 13,022                             | 3,760                   | 21,297            |
| Due from other government agencies              | 124,113                       | 2,795                   | —                | —                    | —   | —                                  | —                       | 126,908           |
| <b>Total assets</b>                             | <b>\$ 409,638</b>             | <b>12,967</b>           | <b>1,039,292</b> | <b>1,257,578</b>     | <b>438,845</b>                            | <b>7,328,181</b>                   | <b>2,280,090</b>        | <b>12,766,591</b> |
| <b>Liabilities and Fund Balances</b>            |                               |                         |                  |                      |   |                                    |                         |                   |
| Liabilities:                                    |                               |                         |                  |                      |   |                                    |                         |                   |
| Accounts payable                                | \$ 31,011                     | —                       | 18,685           | 33,937               | —   | —                                  | 98,492                  | 182,125           |
| Accrued liabilities                             | —                             | —                       | 3,265            | —                    | —   | —                                  | —                       | 3,265             |
| Due to other funds                              | 364,483                       | —                       | —                | —                    | —   | —                                  | —                       | 364,483           |
| Deferred revenue                                | —                             | —                       | 29,081           | —                    | —   | —                                  | —                       | 29,081            |
| <b>Total liabilities</b>                        | <b>395,494</b>                | <b>—</b>                | <b>51,031</b>    | <b>33,937</b>        | <b>—</b>                                  | <b>—</b>                           | <b>98,492</b>           | <b>578,954</b>    |
| Fund balances:                                  |                               |                         |                  |                      |   |                                    |                         |                   |
| Restricted for:                                 |                               |                         |                  |                      |   |                                    |                         |                   |
| Grants  | 14,144                        | —                       | —                | —                    | —   | —                                  | —                       | 14,144            |
| Economic Development and<br>facility operations | —                             | —                       | —                | 1,223,641            | —   | —                                  | —                       | 1,223,641         |
| Committed for:                                  |                               |                         |                  |                      |   |                                    |                         |                   |
| Civic Center operations                         | —                             | —                       | 988,261          | —                    | —   | —                                  | —                       | 988,261           |
| Facility maintenance                            | —                             | 12,967                  | —                | —                    | 438,845                                   | 7,328,181                          | 2,181,598               | 9,961,591         |
| <b>Total fund balances</b>                      | <b>14,144</b>                 | <b>12,967</b>           | <b>988,261</b>   | <b>1,223,641</b>     | <b>438,845</b>                            | <b>7,328,181</b>                   | <b>2,181,598</b>        | <b>12,187,637</b> |
| <b>Total liabilities and<br/>fund balances</b>  | <b>\$ 409,638</b>             | <b>12,967</b>           | <b>1,039,292</b> | <b>1,257,578</b>     | <b>438,845</b>                            | <b>7,328,181</b>                   | <b>2,280,090</b>        | <b>12,766,591</b> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year ended December 31, 2011**

|  | State and<br>federal<br>grant | Court<br>witness<br>fee | Civic<br>center  | Hotel/motel<br>taxes | Fire<br>improvements<br>and<br>operations | Jail and<br>municipal<br>buildings | Streets and<br>drainage | Total             |
|--|-------------------------------|-------------------------|------------------|----------------------|---|------------------------------------|-------------------------|-------------------|
| <b>Revenues:</b>   |                               |                         |                  |                      |   |                                    |                         |                   |
| Sales tax, net   | \$ —                          | —                       | —                | —                    | 2,499,498                                 | 1,785,356                          | 2,053,159               | 6,338,013         |
| Fees and rentals   | —                             | —                       | 372,584          | —                    | —   | —                                  | —                       | 372,584           |
| <b>Intergovernmental:</b>  |                               |                         |                  |                      |   |                                    |                         |                   |
| U.S. government grants and entitlements                              | 814,632                       | —                       | —                | —                    | —   | —                                  | —                       | 814,632           |
| State and parish-shared revenues                                     | —                             | —                       | —                | 2,386,875            | —   | —                                  | —                       | 2,386,875         |
| <b>Total intergovernmental</b>                                       | <b>814,632</b>                | <b>—</b>                | <b>—</b>         | <b>2,386,875</b>     | <b>—</b>                                  | <b>—</b>                           | <b>—</b>                | <b>3,201,507</b>  |
| Fines and penalties  | —                             | 48,029                  | —                | —                    | —   | —                                  | —                       | 48,029            |
| Investment earnings  | —                             | —                       | 11,848           | 12,745               | 2,705                                     | 93,505                             | 33,188                  | 153,991           |
| Miscellaneous  | —                             | —                       | 39               | —                    | —   | —                                  | —                       | 39                |
| <b>Total revenues</b>  | <b>814,632</b>                | <b>48,029</b>           | <b>384,471</b>   | <b>2,399,620</b>     | <b>2,502,203</b>                          | <b>1,878,861</b>                   | <b>2,086,347</b>        | <b>10,114,163</b> |
| <b>Expenditures:</b>   |                               |                         |                  |                      |   |                                    |                         |                   |
| <b>Current:</b>  |                               |                         |                  |                      |   |                                    |                         |                   |
| General government   | 833,079                       | —                       | —                | —                    | —   | —                                  | —                       | 833,079           |
| Culture and recreation   | —                             | —                       | 734,990          | —                    | —   | —                                  | —                       | 734,990           |
| City Court and Marshal   | —                             | 42,400                  | —                | —                    | —   | —                                  | —                       | 42,400            |
| Capital outlay   | —                             | —                       | 35,772           | 552,306              | —   | —                                  | 2,254,569               | 2,842,647         |
| <b>Total expenditures</b>  | <b>833,079</b>                | <b>42,400</b>           | <b>770,762</b>   | <b>552,306</b>       | <b>—</b>                                  | <b>—</b>                           | <b>2,254,569</b>        | <b>4,453,116</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(18,447)</b>               | <b>5,629</b>            | <b>(386,291)</b> | <b>1,847,314</b>     | <b>2,502,203</b>                          | <b>1,878,861</b>                   | <b>(168,222)</b>        | <b>5,661,047</b>  |
| <b>Other financing sources (uses):</b>                               |                               |                         |                  |                      |   |                                    |                         |                   |
| Transfers in   | —                             | —                       | 450,000          | 35,500               | —   | —                                  | —                       | 485,500           |
| Transfers out  | —                             | —                       | —                | (1,809,500)          | (2,518,482)                               | (875,000)                          | (600,000)               | (5,802,982)       |
|  | —                             | —                       | 450,000          | (1,774,000)          | (2,518,482)                               | (875,000)                          | (600,000)               | (5,317,482)       |
| <b>Net change in fund balances</b>                                   | <b>(18,447)</b>               | <b>5,629</b>            | <b>63,709</b>    | <b>73,314</b>        | <b>(16,279)</b>                           | <b>1,003,861</b>                   | <b>(768,222)</b>        | <b>343,565</b>    |
| Fund balances, beginning of year                                     | 32,591                        | 7,338                   | 924,552          | 1,150,327            | 455,124                                   | 6,324,320                          | 2,949,820               | 11,844,072        |
| Fund balances, end of year   | \$ 14,144                     | 12,967                  | 988,261          | 1,223,641            | 438,845                                   | 7,328,181                          | 2,181,598               | 12,187,637        |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Nonmajor Debt Service Funds

Combining Balance Sheet

December 31, 2011

| Assets                      | <b>Sales<br/>Tax Bond<br/>Sinking and<br/>Reserve Fund</b> | <b>Parkway<br/>Sales Tax<br/>Bond Sinking<br/>and Reserve<br/>Fund</b> | <b>2007<br/>Capital Projects<br/>Bond Issue<br/>Sinking and<br/>Reserve Fund</b> | <b>Total</b>     |
|-----------------------------|--|--|--|------------------|
| Cash and cash equivalents   | \$ 2,565,172   | 1,067,247  | 1,066,033  | 4,698,452        |
| Investments                 | 3,175,698  | 1,321,258  | —  | 4,496,956        |
| Accounts receivable – taxes | 452,209  | 67,508   | —  | 519,717          |
| Accrued interest            | 10,493   | 4,366  | —  | 14,859           |
| <b>Total assets</b>         | <b>\$ 6,203,572</b>  | <b>2,460,379</b>   | <b>1,066,033</b>   | <b>9,729,984</b> |
| <br><b>Fund Balances</b>    |  |  |  |                  |
| Restricted for:             |  |  |  |                  |
| Debt service                | \$ 6,203,572   | 2,460,379  | 1,066,033  | 9,729,984        |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Nonmajor Debt Service Funds

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

Year ended December 31, 2011

|  | <b>Sales<br/>Tax Bond<br/>Sinking and<br/>Reserve Fund</b> | <b>Parkway<br/>Sales Tax<br/>Bond Sinking<br/>and Reserve<br/>Fund</b> | <b>2007<br/>Capital Projects<br/>Bond Issue<br/>Sinking and<br/>Reserve Fund</b> | <b>Total</b>       |
|--|--|--|--|--------------------|
| <b>Revenues:</b>   |  |  |  |                    |
| Sales taxes, net   | \$ 5,692,011   | 1,765,605  | —  | 7,457,616          |
| Investment earnings  | 100,732  | 39,140   | —  | 139,872            |
| <b>Total revenues</b>  | <b>5,792,743</b>   | <b>1,804,745</b>   | <b>—</b>   | <b>7,597,488</b>   |
| <b>Expenditures – debt service:</b>                                  |  |  |  |                    |
| Principal retirement   | 3,510,000  | 1,700,000  | 1,845,000  | 7,055,000          |
| Interest and fiscal charges  | 2,244,506  | 152,969  | 4,555,525  | 6,953,000          |
| <b>Total expenditures</b>  | <b>5,754,506</b>   | <b>1,852,969</b>   | <b>6,400,525</b>   | <b>14,008,000</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>38,237</b>  | <b>(48,224)</b>  | <b>(6,400,525)</b>   | <b>(6,410,512)</b> |
| <b>Other financing sources:</b>                                      |  |  |  |                    |
| Transfers in   | —  | —  | 6,400,554  | 6,400,554          |
| Transfers out  | —  | —  | —  | —                  |
| <b>Total other financing sources</b>                                 | <b>—</b>   | <b>—</b>   | <b>6,400,554</b>   | <b>6,400,554</b>   |
| <b>Net change in fund balances</b>                                   | <b>38,237</b>  | <b>(48,224)</b>  | <b>29</b>  | <b>(9,958)</b>     |
| Fund balances, beginning of year                                     | 6,165,335  | 2,508,603  | 1,066,004  | 9,739,942          |
| Fund balances, end of year   | \$ <b>6,203,572</b>  | <b>2,460,379</b>   | <b>1,066,033</b>   | <b>9,729,984</b>   |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Nonmajor Capital Projects Funds

Combining Balance Sheet

December 31, 2011

| <b>Assets</b>                                  | <b>Sales Tax<br/>Capital<br/>Improvement<br/>Fund</b> | <b>Parkway<br/>Capital<br/>Projects<br/>Fund</b> | <b>Oil and Gas<br/>Royalties<br/>Capital Projects<br/>Fund</b> | <b>2006 Sales<br/>Tax Bond<br/>Fund</b> | <b>Equipment<br/>Replacement<br/>Fund</b> | <b>Land<br/>Acquisition<br/>Fund</b> | <b>Total</b>      |
|--|---|--|--|---|---|--------------------------------------|-------------------|
| Cash and cash equivalents                      | \$ 1,586,000  | 1,481,597  | 49,962   | 84,846                                  | 273,708                                   | 976,511                              | 4,452,624         |
| Investments                                    | 1,963,479   | 1,834,226  | —  | 105,040                                 | 338,852                                   | 1,208,927                            | 5,450,524         |
| Taxes and other receivable                     | 501,022   | 552,390  | 9,964  | —                                       | —   | —                                    | 1,063,376         |
| Due from other government agencies             | 14,695  | 6,000  | —  | —                                       | —   | —                                    | 20,695            |
| Accrued interest                               | 6,488   | 6,060  | —  | 347                                     | 1,119                                     | 3,995                                | 18,009            |
| <b>Total assets</b>                            | <b>\$ 4,071,684</b>                                   | <b>3,880,273</b>                                 | <b>59,926</b>  | <b>190,233</b>                          | <b>613,679</b>                            | <b>2,189,433</b>                     | <b>11,005,228</b> |
| <b>Liabilities and Fund Balances</b>           |   |  |  |   |   |                                      |                   |
| <b>Liabilities:</b>                            |   |  |  |   |   |                                      |                   |
| Accounts payable                               | \$ 119,574  | 853,714  | —  | —                                       | —   | —                                    | 973,288           |
| Deferred revenue                               | —   | 6,000  | —  | —                                       | —   | —                                    | 6,000             |
| <b>Total liabilities</b>                       | <b>119,574</b>  | <b>859,714</b>                                   | <b>—</b>   | <b>—</b>                                | <b>—</b>                                  | <b>—</b>                             | <b>979,288</b>    |
| <b>Fund balances:</b>                          |   |  |  |   |   |                                      |                   |
| Restricted for:                                |   |  |  |   |   |                                      |                   |
| Debt service                                   | —   | —  | —  | —                                       | —   | —                                    | —                 |
| Capital projects                               | 3,952,110   | 3,020,559  | 59,926   | 190,233                                 | 613,679                                   | 2,189,433                            | 10,025,940        |
| Committed                                      | —   | —  | —  | —                                       | —   | —                                    | —                 |
| Assigned                                       | —   | —  | —  | —                                       | —   | —                                    | —                 |
| Unreserved                                     | —   | —  | —  | —                                       | —   | —                                    | —                 |
| Assigned                                       | —   | —  | —  | —                                       | —   | —                                    | —                 |
| <b>Total fund balances</b>                     | <b>3,952,110</b>                                      | <b>3,020,559</b>                                 | <b>59,926</b>  | <b>190,233</b>                          | <b>613,679</b>                            | <b>2,189,433</b>                     | <b>10,025,940</b> |
| <b>Total liabilities and<br/>fund balances</b> | <b>\$ 4,071,684</b>                                   | <b>3,880,273</b>                                 | <b>59,926</b>  | <b>190,233</b>                          | <b>613,679</b>                            | <b>2,189,433</b>                     | <b>11,005,228</b> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

**Nonmajor Capital Projects Funds**

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

Year ended December 31, 2011

|   | <b>Sales Tax<br/>Capital<br/>Improvement<br/>Fund</b> | <b>Parkway<br/>Capital<br/>Projects<br/>Fund</b> | <b>Oil and Gas<br/>Royalties<br/>Capital Projects<br/>Fund</b> | <b>2006 Sales<br/>Tax Bond<br/>Fund</b> | <b>Equipment<br/>Replacement<br/>Fund</b> | <b>Land<br/>Acquisition<br/>Fund</b> | <b>Total</b>      |
|---|---|--|--|---|---|--------------------------------------|-------------------|
| <b>Revenues:</b>  |   |  |  |   |   |                                      |                   |
| Sales taxes, net  | \$ 3,234,768  | 3,161,174  | —  | —                                       | —   | —                                    | 6,395,942         |
| Intergovernmental   | —   | 26,008   | —  | —                                       | —   | —                                    | 26,008            |
| Investment earnings   | 52,042  | 40,933   | —  | 2,615                                   | 7,913                                     | 25,781                               | 129,284           |
| Other income  | —   | —  | 59,926   | —                                       | 220,403                                   | 2,091,024                            | 2,371,353         |
| <b>Total revenues</b>   | <b>3,286,810</b>                                      | <b>3,228,115</b>                                 | <b>59,926</b>  | <b>2,615</b>                            | <b>228,316</b>                            | <b>2,116,805</b>                     | <b>8,922,587</b>  |
| <b>Expenditures:</b>  |   |  |  |   |   |                                      |                   |
| Capital outlay – project expenditures<br>and engineering fees | 3,583,552   | 2,750,216  | —  | —                                       | 74,701                                    | 135,871                              | 6,544,340         |
| <b>Total expenditures</b>                                     | <b>3,583,552</b>                                      | <b>2,750,216</b>                                 | <b>—</b>   | <b>—</b>                                | <b>74,701</b>                             | <b>135,871</b>                       | <b>6,544,340</b>  |
| Excess (deficiency) of revenues<br>over (under) expenditures  | (296,742)   | 477,899  | 59,926   | 2,615                                   | 153,615                                   | 1,980,934                            | 2,378,247         |
| <b>Other financing sources (uses):</b>                        |   |  |  |   |   |                                      |                   |
| Transfers in  | —   | —  | —  | —                                       | —   | —                                    | —                 |
| Transfers out   | —   | —  | —  | —                                       | —   | —                                    | —                 |
| <b>Total other financing<br/>sources (uses)</b>               | <b>—</b>  | <b>—</b>   | <b>—</b>   | <b>—</b>                                | <b>—</b>                                  | <b>—</b>                             | <b>—</b>          |
| <b>Net change in fund balances</b>                            | <b>(296,742)</b>                                      | <b>477,899</b>                                   | <b>59,926</b>  | <b>2,615</b>                            | <b>153,615</b>                            | <b>1,980,934</b>                     | <b>2,378,247</b>  |
| Fund balances, beginning of year                              | 4,248,852   | 2,542,660  | —  | 187,618                                 | 460,064                                   | 208,499                              | 7,647,693         |
| <b>Fund balances, end of year</b>                             | <b>\$ 3,952,110</b>                                   | <b>3,020,559</b>                                 | <b>59,926</b>  | <b>190,233</b>                          | <b>613,679</b>                            | <b>2,189,433</b>                     | <b>10,025,940</b> |

See accompanying notes to basic financial statements.

**NONMAJOR  
ENTERPRISE  
FUNDS**

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**EMS Fund** – Operated as a self-sustaining service of the City and is responsible for providing the residents of the City with emergency medical services. This fund was created in 2006, and previously, these activities were reported in the General Fund of the City.

**Public Service and Sanitation Fund** – Operated as a self-sustaining service of the City and is responsible for providing the residents of the City sanitation services.

**Alternative Fuel Station** – Operated as a self-sustaining service of the City and is providing the residents with access to CNG and E85 Fuel.

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**CITY OF BOSSIER CITY, LOUISIANA**

Nonmajor Enterprise Funds

Combining Statement of Net Assets

December 31, 2011.

| <b>Assets</b>                                      | <b>EMS<br/>Fund</b> | <b>Public Service<br/>and Sanitation<br/>Fund</b> | <b>Alternative<br/>Fuel Station<br/>Fund</b> | <b>Total</b>     |
|--|---------------------|---|--|------------------|
| Cash and cash equivalents                          | \$ 205,457          | 841,193   | —  | 1,046,650        |
| Investments  | 254,356             | 1,041,402   | —  | 1,295,758        |
| Receivables  | 1,044,828           | 499,255   | 72,534                                       | 1,616,617        |
| Inventories  | —                   | —   | 63,004                                       | 63,004           |
| Total assets                                       | <u>\$ 1,504,641</u> | <u>2,381,850</u>                                  | <u>135,538</u>                               | <u>4,022,029</u> |
| <b>Liabilities</b>                                 |                     |   |  |                  |
| Current liabilities (payable from current assets): |                     |   |  |                  |
| Accounts payable                                   | \$ 20,690           | 89,101  | 95,587                                       | 205,378          |
| Accrued liabilities                                | 3,365               | 8,066   | —  | 11,431           |
| Due to other funds                                 | —                   | —   | 78,555                                       | 78,555           |
| Compensated absences                               | 275,956             | 45,022  | —  | 320,978          |
| Total current liabilities                          | <u>300,011</u>      | <u>142,189</u>                                    | <u>174,142</u>                               | <u>616,342</u>   |
| Noncurrent liabilities:                            |                     |   |  |                  |
| Compensated absences                               | —                   | —   | —  | —                |
| Total noncurrent liabilities                       | <u>—</u>            | <u>—</u>  | <u>—</u>                                     | <u>—</u>         |
| Total liabilities                                  | <u>300,011</u>      | <u>142,189</u>                                    | <u>174,142</u>                               | <u>616,342</u>   |
| <b>Net Assets</b>                                  |                     |   |  |                  |
| Net assets – unrestricted                          | <u>1,204,630</u>    | <u>2,239,661</u>                                  | <u>(38,604)</u>                              | <u>3,405,687</u> |
| Total liabilities and net assets                   | <u>\$ 1,504,641</u> | <u>2,381,850</u>                                  | <u>135,538</u>                               | <u>4,022,029</u> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Nonmajor Enterprise Funds

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

Year ended December 31, 2011

|  | <b>EMS<br/>Fund</b> | <b>Public Service<br/>and Sanitation<br/>Fund</b> | <b>Alternative<br/>Fuel Station<br/>Fund</b> | <b>Total</b>      |
|--|---------------------|---|--|-------------------|
| Operating revenues:  |                     |   |  |                   |
| Charges for services (net of allowance of \$550,710,<br>\$44,914, and \$0, respectively) | \$ 4,744,778        | 4,157,102   | 2,015,935                                    | 10,917,815        |
| Miscellaneous revenue  | 320,175             | 127,143   | —  | 447,318           |
| <b>Total operating revenues</b>  | <b>5,064,953</b>    | <b>4,284,245</b>                                  | <b>2,015,935</b>                             | <b>11,365,133</b> |
| Operating expenses:  |                     |   |  |                   |
| Personal services  | 4,693,728           | 1,066,128   | —  | 5,759,856         |
| Supplies   | 238,342             | 169,412   | 1,953,270                                    | 2,361,024         |
| Administrative   | 50,000              | 30,000  | —  | 80,000            |
| Utilities  | 84,813              | 37,034  | 21,718                                       | 143,565           |
| Repairs and maintenance  | 53,925              | 215,489   | 89,597                                       | 359,011           |
| Travel and training  | 10,882              | 3,820   | —  | 14,702            |
| Professional services  | 2,520               | 64,000  | —  | 66,520            |
| Insurance  | 156,000             | 2,205,637   | —  | 2,361,637         |
| Contractual expenses   | 63,589              | 31,053  | —  | 94,642            |
| Miscellaneous  | 19,217              | —   | —  | 19,217            |
| <b>Total operating expenses</b>  | <b>5,373,016</b>    | <b>3,822,573</b>                                  | <b>2,064,585</b>                             | <b>11,260,174</b> |
| <b>Operating income (loss)</b>   | <b>(308,063)</b>    | <b>461,672</b>                                    | <b>(48,650)</b>                              | <b>104,959</b>    |
| Nonoperating revenues –  |                     |   |  |                   |
| Investment earnings  | 9,001               | 24,715  | 613  | 34,329            |
| Transfers out  | —                   | —   | (11,400)                                     | (11,400)          |
| <b>Change in net assets</b>  | <b>(299,062)</b>    | <b>486,387</b>                                    | <b>(59,437)</b>                              | <b>127,888</b>    |
| Net assets, beginning of year  | 1,503,692           | 1,753,274   | 20,833                                       | 3,277,799         |
| Net assets, end of year  | \$ <u>1,204,630</u> | <u>2,239,661</u>                                  | <u>(38,604)</u>                              | <u>3,405,687</u>  |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

Year ended December 31, 2011

|  | <u>EMS<br/>Fund</u> | <u>Public Service<br/>and Sanitation<br/>Fund</u> | <u>Alternative<br/>Fuel Station<br/>Fund</u> | <u>Total</u>     |
|--|---------------------|---|--|------------------|
| <b>Cash flows from operating activities:</b>   |                     |   |  |                  |
| Receipts from operations   | \$ 4,885,593        | 4,158,919   | 1,962,228                                    | 11,006,740       |
| Payments to suppliers  | (671,549)           | (2,958,648)                                       | (2,055,520)                                  | (5,685,717)      |
| Payments to employees  | (4,712,057)         | (1,073,887)                                       | —  | (5,785,944)      |
| Other receipts   | 315,697             | 122,103   | —  | 437,800          |
| Net cash provided by (used in)<br>operating activities   | <u>(182,316)</u>    | <u>248,487</u>                                    | <u>(93,292)</u>                              | <u>(27,121)</u>  |
| <b>Cash flows from noncapital financing activity:</b>  |                     |   |  |                  |
| Transfers out  | —                   | —   | (11,400)                                     | (11,400)         |
| Advances from other funds  | —                   | —   | 78,555                                       | 78,555           |
| Net cash provided by noncapital<br>financing activity  | <u>—</u>            | <u>—</u>  | <u>67,155</u>                                | <u>67,155</u>    |
| <b>Cash flows from investing activities:</b>   |                     |   |  |                  |
| Sale (purchase) of investments   | 97,663              | (145,713)   | 14,169                                       | (33,881)         |
| Interest received  | 7,987               | 20,691  | 609  | 29,287           |
| Net cash provided by (used in)<br>investing activities   | <u>105,650</u>      | <u>(125,022)</u>                                  | <u>14,778</u>                                | <u>(4,594)</u>   |
| Net increase (decrease) in cash  | <u>(76,666)</u>     | <u>123,465</u>                                    | <u>(11,359)</u>                              | <u>35,440</u>    |
| Cash and cash equivalents, beginning of year   | <u>282,123</u>      | <u>717,728</u>                                    | <u>11,359</u>                                | <u>1,011,210</u> |
| Cash and cash equivalents, end of year   | <u>\$ 205,457</u>   | <u>841,193</u>                                    | <u>—</u>                                     | <u>1,046,650</u> |
| <b>Reconciliation of operating income (loss) to net cash<br/>provided by (used in) operating activities:</b>   |                     |   |  |                  |
| Operating income (loss)  | \$ (308,063)        | 461,672   | (48,650)                                     | 104,959          |
| Adjustments to reconcile operating income<br>(loss) to net cash provided by (used in)<br>operating activities: |                     |   |  |                  |
| Provision for bad debts  | 550,710             | 44,914  | —  | 595,624          |
| Increase (decrease) in assets:   |                     |   |  |                  |
| Accounts receivables   | (414,373)           | (48,137)  | (53,707)                                     | (516,217)        |
| Inventories  | —                   | —   | (63,004)                                     | (63,004)         |
| Increase (decrease) in liabilities:  |                     |   |  |                  |
| Accounts payable   | (3,493)             | (167,648)   | 72,069                                       | (99,072)         |
| Accrued liabilities  | —                   | (35,158)  | —  | (35,158)         |
| Compensated absences   | (7,097)             | (7,156)   | —  | (14,253)         |
| Net cash provided by (used in)<br>operating activities   | <u>\$ (182,316)</u> | <u>248,487</u>                                    | <u>(93,292)</u>                              | <u>(27,121)</u>  |
| <b>Noncash item:</b>   |                     |   |  |                  |
| Change in fair value of investments  | \$ 1,771            | 4,649   | 68   | 6,488            |

See accompanying notes to basic financial statements.

## FIDUCIARY FUNDS

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**Pension Trust Funds** – The pension trust funds are used to account for assets held by the City in a trustee capacity. The pension trust funds reported in this section are the Firemen’s Pension and Relief Fund and the Policemen’s Pension and Relief Fund.

**Agency Funds** – The Consolidated Sales Tax Fund accounts for the collection of a two-cent city sales and use tax and the distribution of this tax to the various funds, which account for operations and projects for which the tax was levied. This fund also accounts for the collection and distribution of sales taxes levied by the Bossier Parish School Board and various municipalities within the parish. The Riverboat Gaming Agency Fund accounts for the receipt and disbursement of funds from the riverboats that the City receives and disburses to other local government agencies in accordance with the contractual provisions.

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**CITY OF BOSSIER CITY, LOUISIANA**

Pension Trust Funds

Combining Statement of Plan Net Assets

December 31, 2011

| Assets  | <u>Firemen's<br/>Pension and<br/>Relief<br/>Fund</u> | <u>Policemen's<br/>Pension and<br/>Relief<br/>Fund</u> | <u>Total</u>      |
|---|--|--|-------------------|
| Cash  | \$ 1,650,389   | 4,713,344  | 6,363,733         |
| Investments, at fair value:                                       |  |  |                   |
| U.S. Treasury bonds and U.S. government<br>and agency obligations | 52,542,622   | 5,450,396  | 57,993,018        |
| Corporate bonds   | —  | 2,171,365  | 2,171,365         |
| Certificates of deposit   | 398,475  | 4,957,933  | 5,356,408         |
|   | <u>52,941,097</u>                                    | <u>12,579,694</u>                                      | <u>65,520,791</u> |
| Accrued interest receivables                                      | 301,691  | 66,399   | 368,090           |
| Total assets  | <u>\$ 54,893,177</u>                                 | <u>17,359,437</u>                                      | <u>72,252,614</u> |
| <br><b>Liabilities and Fund Balances</b>                          |  |  |                   |
| Liabilities – due to other funds                                  | \$ 68,041  | 22,680   | 90,721            |
| Fund balances reserved for employees'<br>retirement system        | <u>54,825,136</u>                                    | <u>17,336,757</u>                                      | <u>72,161,893</u> |
| Total liabilities and fund balances                               | <u>\$ 54,893,177</u>                                 | <u>17,359,437</u>                                      | <u>72,252,614</u> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**  
Pension Trust Funds  
Combining Statement of Changes in Plan Net Assets  
Year ended December 31, 2011

| <b>Additions</b>                     | <b>Firemen's<br/>Pension and<br/>Relief<br/>Fund</b> | <b>Policemen's<br/>Pension and<br/>Relief<br/>Fund</b> | <b>Total</b>      |
|--------------------------------------|--|--|-------------------|
| <b>Contributions from the City:</b>  |  |  |                   |
| Sales taxes, net                     | \$ 6,677,894   | 2,225,964  | 8,903,858         |
| Fire insurance premiums              | 215,184  | —  | 215,184           |
| City court fines                     | —  | 279,403  | 279,403           |
| City liquor licenses                 | —  | 6,921  | 6,921             |
| <b>Total contributions</b>           | <b>6,893,078</b>                                     | <b>2,512,288</b>                                       | <b>9,405,366</b>  |
| <b>Investment earnings</b>           | <b>5,534,699</b>                                     | <b>357,568</b>   | <b>5,892,267</b>  |
| <b>Total additions</b>               | <b>12,427,777</b>                                    | <b>2,869,856</b>                                       | <b>15,297,633</b> |
| <b>Deductions</b>                    |  |  |                   |
| Pensions and benefits                | 4,541,902  | 1,792,488  | 6,334,390         |
| Administrative expenses              | 36,534   | 30,757   | 67,291            |
| <b>Total deductions</b>              | <b>4,578,436</b>                                     | <b>1,823,245</b>                                       | <b>6,401,681</b>  |
| <b>Change in net assets</b>          | <b>7,849,341</b>                                     | <b>1,046,611</b>                                       | <b>8,895,952</b>  |
| <b>Net assets, beginning of year</b> | <b>46,975,795</b>                                    | <b>16,290,146</b>                                      | <b>63,265,941</b> |
| <b>Net assets, ending of year</b>    | <b>\$ 54,825,136</b>                                 | <b>17,336,757</b>                                      | <b>72,161,893</b> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Fiduciary Funds

Combining Statement of Changes in Assets and Liabilities – Agency Funds

Year ended December 31, 2011

|                                    | <u>Balance,<br/>January 1,<br/>2011</u> | <u>Additions</u>   | <u>Deductions</u>  | <u>Balance,<br/>December 31,<br/>2011</u> |
|------------------------------------|---|--------------------|--------------------|---|
| <b>Consolidated Sales Tax Fund</b> |   |                    |                    |   |
| <b>Assets</b>                      |   |                    |                    |   |
| Cash and cash equivalents          | \$ 150,093                              | 128,829,791        | 128,767,201        | 212,683                                   |
| Investments                        | 186,212                                 | 265,057            | 188,092            | 263,177                                   |
| Other receivable                   | 471,945                                 | 315,257            | 480,058            | 307,144                                   |
| Accrued interest receivable        | 850                                     | 870                | 850                | 870                                       |
| <b>Total assets</b>                | <b>\$ 809,100</b>                       | <b>129,410,975</b> | <b>129,436,201</b> | <b>783,874</b>                            |
| <b>Liabilities</b>                 |   |                    |                    |   |
| Accounts payable                   | \$ 47,769                               | 72,016,398         | 72,029,952         | 34,215                                    |
| Accrued liabilities                | 5,017                                   | 5,013              | 5,018              | 5,012                                     |
| Taxes paid under protest           | 602,559                                 | 274,594            | 297,867            | 579,286                                   |
| Refundable deposits                | 103,870                                 | 10,400             | 1,200              | 113,070                                   |
| Due to other governmental units    | 49,885                                  | 2,406              | —                  | 52,291                                    |
| <b>Total liabilities</b>           | <b>\$ 809,100</b>                       | <b>72,308,811</b>  | <b>72,334,037</b>  | <b>783,874</b>                            |
| <b>Riverboat Gaming</b>            |   |                    |                    |   |
| <b>Assets</b>                      |   |                    |                    |   |
| Cash and cash equivalents          | \$ —                                    | 3,893,639          | 3,893,639          | —   |
| <b>Liabilities</b>                 |   |                    |                    |   |
| Due to other governmental units    | \$ —                                    | 3,893,639          | 3,893,639          | —   |
| <b>Total all Agency Funds</b>      |   |                    |                    |   |
| <b>Assets</b>                      |   |                    |                    |   |
| Cash and cash equivalents          | \$ 150,093                              | 132,723,430        | 132,660,840        | 212,683                                   |
| Investments                        | 186,212                                 | 265,057            | 188,092            | 263,177                                   |
| Other receivable                   | 471,945                                 | 315,257            | 480,058            | 307,144                                   |
| Accrued interest receivable        | 850                                     | 870                | 850                | 870                                       |
| <b>Total assets</b>                | <b>\$ 809,100</b>                       | <b>133,304,614</b> | <b>133,329,840</b> | <b>783,874</b>                            |
| <b>Liabilities</b>                 |   |                    |                    |   |
| Accounts payable                   | \$ 47,769                               | 72,016,398         | 72,029,952         | 34,215                                    |
| Accrued liabilities                | 5,017                                   | 5,013              | 5,018              | 5,012                                     |
| Taxes paid under protest           | 602,559                                 | 274,594            | 297,867            | 579,286                                   |
| Refundable deposits                | 103,870                                 | 10,400             | 1,200              | 113,070                                   |
| Due to other governmental units    | 49,885                                  | 3,896,045          | 3,893,639          | 52,291                                    |
| <b>Total liabilities</b>           | <b>\$ 809,100</b>                       | <b>76,202,450</b>  | <b>76,227,676</b>  | <b>783,874</b>                            |

See accompanying notes to basic financial statements.

**INTERNAL SERVICE  
FUNDS**

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The internal service funds are used to account for the costs of providing insurance coverage for the City. The City has two internal service funds.

**Insurance Fund** – This fund is used to account for contributions from city departments and withholdings from employee’s payroll used to pay the costs of providing group dental coverage for city employees.

**Liability Insurance Fund** – This fund is used to account for contributions from city departments for the payment of workmen’s compensation and liability insurance claims.

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**CITY OF BOSSIER CITY, LOUISIANA**

Internal Service Funds

Combining Statement of Net Assets

December 31, 2011

| <b>Assets</b>                           | <b>Insurance<br/>Fund</b> | <b>Liability<br/>Insurance<br/>Fund</b> | <b>Total</b>       |
|---|---------------------------|---|--------------------|
|   | <u>          </u>         | <u>          </u>                       | <u>          </u>  |
| Cash and cash equivalents               | \$ —                      | 292,294                                 | 292,294            |
| Investments                             | —                         | 361,861                                 | 361,861            |
| Prepaid items                           | 36,282                    | 481,524                                 | 517,806            |
| Accrued interest receivable             | —                         | 1,196                                   | 1,196              |
| Receivable – expense reimbursement      | —                         | 93,695                                  | 93,695             |
| <b>Total assets</b>                     | <b>\$ 36,282</b>          | <b>1,230,570</b>                        | <b>1,266,852</b>   |
| <br><b>Liabilities and Net Assets</b>   |                           |   |                    |
| Accounts payable                        | \$ 487                    | 370,183                                 | 370,670            |
| Due to other funds                      | 38,615                    | —                                       | 38,615             |
| Accrued claims                          | —                         | 2,017,769                               | 2,017,769          |
| <b>Total liabilities</b>                | <b>39,102</b>             | <b>2,387,952</b>                        | <b>2,427,054</b>   |
| <b>Net assets – unrestricted</b>        | <b>(2,820)</b>            | <b>(1,157,382)</b>                      | <b>(1,160,202)</b> |
| <b>Total liabilities and net assets</b> | <b>\$ 36,282</b>          | <b>1,230,570</b>                        | <b>1,266,852</b>   |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Internal Service Funds

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

Year ended December 31, 2011

|  | <u>Insurance<br/>Fund</u> | <u>Liability<br/>Insurance<br/>Fund</u> | <u>Total</u>       |
|--|---------------------------|---|--------------------|
| <b>Revenues:</b>                                   |                           |   |                    |
| Employers' contributions/premiums                  | \$ 186,558                | 2,268,371                               | 2,454,929          |
| Employees' contributions                           | 278,610                   | —                                       | 278,610            |
| Refunds and reimbursements                         | —                         | 105,000                                 | 105,000            |
| <b>Total revenues</b>                              | <u>465,168</u>            | <u>2,373,371</u>                        | <u>2,838,539</u>   |
| <b>Expenses:</b>                                   |                           |   |                    |
| Claims   | 435,254                   | 1,617,444                               | 2,052,698          |
| Employee insurance premiums                        | 121,333                   | 345,074                                 | 466,407            |
| Other  | —                         | 2,391,047                               | 2,391,047          |
| <b>Total expenses</b>                              | <u>556,587</u>            | <u>4,353,565</u>                        | <u>4,910,152</u>   |
| <b>Operating loss</b>                              | (91,419)                  | (1,980,194)                             | (2,071,613)        |
| <b>Nonoperating revenues – investment earnings</b> | <u>163</u>                | <u>20,903</u>                           | <u>21,066</u>      |
| <b>Change in net assets</b>                        | (91,256)                  | (1,959,291)                             | (2,050,547)        |
| <b>Net assets, beginning of year</b>               | <u>88,436</u>             | <u>801,909</u>                          | <u>890,345</u>     |
| <b>Net assets, end of year</b>                     | \$ <u>(2,820)</u>         | <u>(1,157,382)</u>                      | <u>(1,160,202)</u> |

See accompanying notes to basic financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**

Internal Service Funds

Combining Statement of Cash Flows

Year ended December 31, 2011

|   | <u>Insurance<br/>Fund</u> | <u>Liability<br/>Insurance<br/>Fund</u> | <u>Total</u>       |
|---|---------------------------|---|--------------------|
| <b>Cash flows from operating activities:</b>  |                           |   |                    |
| Receipts from operations  | \$ 468,419                | 2,268,371                               | 2,736,790          |
| Payments to suppliers   | (120,846)                 | (238,125)                               | (358,971)          |
| Claims paid   | (435,254)                 | (3,775,177)                             | (4,210,431)        |
| Other receipts (payments)   | (36,282)                  | 114,634                                 | 78,352             |
| <b>Net cash used in<br/>    operating activities</b>                                  | <u>(123,963)</u>          | <u>(1,630,297)</u>                      | <u>(1,754,260)</u> |
| <b>Cash flows from noncapital financing activity:</b>                                 |                           |   |                    |
| Advances from other funds   | 38,615                    | —                                       | 38,615             |
| <b>Net cash provided by noncapital<br/>    financing activities</b>                   | <u>38,615</u>             | <u>—</u>                                | <u>38,615</u>      |
| <b>Cash flows from investing activities:</b>  |                           |   |                    |
| Sale (purchase) of investments  | 47,287                    | 895,462                                 | 942,749            |
| Interest received   | 153                       | 19,294                                  | 19,447             |
| <b>Net cash provided by investing<br/>    activities</b>                              | <u>47,440</u>             | <u>914,756</u>                          | <u>962,196</u>     |
| <b>Net decrease in cash</b>   | <u>(37,908)</u>           | <u>(715,541)</u>                        | <u>(753,449)</u>   |
| Cash and cash equivalents, beginning of year  | 37,908                    | 1,007,835                               | 1,045,743          |
| Cash and cash equivalents, end of year  | \$ <u>—</u>               | <u>292,294</u>                          | <u>292,294</u>     |
| <b>Reconciliation of operating loss to net cash<br/>used in operating activities:</b> |                           |   |                    |
| Operating income (loss)   | \$ (91,419)               | (1,980,194)                             | (2,071,613)        |
| <b>Decrease (increase) in assets:</b>   |                           |   |                    |
| Receivables   | 3,251                     | 9,634                                   | 12,885             |
| Prepaid items   | (36,282)                  | (140,058)                               | (176,340)          |
| <b>Increase (decrease) in liabilities:</b>  |                           |   |                    |
| Accounts payable  | 487                       | 247,007                                 | 247,494            |
| Accrued claims  | —                         | 233,314                                 | 233,314            |
| <b>Net cash used in operating<br/>    activities</b>                                  | <u>\$ (123,963)</u>       | <u>(1,630,297)</u>                      | <u>(1,754,260)</u> |
| <b>Noncash item:</b>  |                           |   |                    |
| Change in fair value of investments   | \$ 225                    | 6,122                                   | 6,347              |

See accompanying notes to basic financial statements.

**INDIVIDUAL FUND  
SCHEDULES**

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## CITY OF BOSSIER CITY, LOUISIANA

Special Revenue Fund  
Civic Center FundSchedule of Revenues, Expenditures, and  
Changes in Fund Balance – Budget and ActualDecember 31, 2011  
(unaudited)

|  | Original<br>budget | Final<br>budget  | Actual           | Variance with<br>final budget<br>positive<br>(negative) |
|--|--------------------|------------------|------------------|---|
| <b>Revenues:</b>                                     |                    |                  |                  |   |
| Rental fees  | \$ 352,200         | 352,200          | 372,623          | 20,423  |
| Investment earnings                                  | 10,000             | 10,000           | 11,848           | 1,848   |
| <b>Total revenues</b>                                | <b>362,200</b>     | <b>362,200</b>   | <b>384,471</b>   | <b>22,271</b>   |
| <b>Expenditures:</b>                                 |                    |                  |                  |   |
| <b>Culture and recreation:</b>                       |                    |                  |                  |   |
| Salaries, fringe benefits, and payroll taxes         | 394,948            | 394,948          | 396,511          | (1,563)   |
| Insurance  | 21,850             | 21,850           | 21,850           | —   |
| Professional services                                | 2,000              | 2,000            | 2,000            | —   |
| Contract services                                    | 1,100              | 1,100            | 1,041            | 59  |
| Utilities  | 228,800            | 228,800          | 213,194          | 15,606  |
| Office and operating supplies                        | 45,455             | 45,455           | 37,646           | 7,809   |
| Administrative expenses                              | 29,400             | 29,400           | 29,400           | —   |
| Travel and training                                  | 2,000              | 2,000            | 1,417            | 583   |
| Maintenance  | 23,000             | 23,000           | 20,096           | 2,904   |
| Other  | 14,950             | 14,950           | 11,835           | 3,115   |
| Capital outlay                                       | 52,000             | 52,000           | 35,772           | 16,228  |
| <b>Total expenditures</b>                            | <b>815,503</b>     | <b>815,503</b>   | <b>770,762</b>   | <b>44,741</b>   |
| <b>Deficiency of revenues under<br/>expenditures</b> | <b>(453,303)</b>   | <b>(453,303)</b> | <b>(386,291)</b> | <b>67,012</b>   |
| <b>Other financing sources:</b>                      |                    |                  |                  |   |
| Transfer in  | 450,000            | 450,000          | 450,000          | —   |
| <b>Net change in fund balance</b>                    | <b>(3,303)</b>     | <b>(3,303)</b>   | <b>63,709</b>    | <b>67,012</b>   |
| <b>Fund balance, beginning of year</b>               | <b>855,526</b>     | <b>855,526</b>   | <b>924,552</b>   | <b>69,026</b>   |
| <b>Fund balance, end of year</b>                     | <b>\$ 852,223</b>  | <b>852,223</b>   | <b>988,261</b>   | <b>136,038</b>  |

See accompanying independent auditors' report.

**CITY OF BOSSIER CITY, LOUISIANA**Special Revenue Fund  
Hotel/Motel TaxesSchedule of Revenues, Expenditures, and  
Changes in Fund Balance – Budget and ActualDecember 31, 2011  
(unaudited)

|   | <u>Original<br/>budget</u> | <u>Final<br/>budget</u> | <u>Actual</u>      | <u>Variance with<br/>final budget<br/>positive<br/>(negative)</u> |
|---|----------------------------|-------------------------|--------------------|---|
| <b>Revenues:</b>  |                            |                         |                    |   |
| Intergovernmental – state and<br>parish-shared revenues | \$ 2,400,000               | 2,400,000               | 2,386,875          | (13,125)  |
| Investment earnings                                     | 2,500                      | 2,500                   | 12,745             | 10,245  |
| Total revenues  | <u>2,402,500</u>           | <u>2,402,500</u>        | <u>2,399,620</u>   | <u>(2,880)</u>  |
| <b>Expenditures:</b>                                    |                            |                         |                    |   |
| Capital outlay  | <u>404,000</u>             | <u>404,000</u>          | <u>552,306</u>     | <u>(148,306)</u>  |
| Total expenditures                                      | <u>404,000</u>             | <u>404,000</u>          | <u>552,306</u>     | <u>(148,306)</u>  |
| Excess of revenues over<br>expenditures                 | 1,998,500                  | 1,998,500               | 1,847,314          | (151,186)   |
| <b>Other financing sources (uses):</b>                  |                            |                         |                    |   |
| Transfer in   | —                          | —                       | 35,500             | 35,500  |
| Transfer out  | <u>(2,450,000)</u>         | <u>(2,450,000)</u>      | <u>(1,809,500)</u> | <u>640,500</u>  |
| Total other financing uses                              | <u>(2,450,000)</u>         | <u>(2,450,000)</u>      | <u>(1,774,000)</u> | <u>676,000</u>  |
| Net change in fund balance                              | (451,500)                  | (451,500)               | 73,314             | 524,814   |
| Fund balance, beginning of year                         | <u>8,296,028</u>           | <u>8,296,028</u>        | <u>1,150,327</u>   | <u>(7,145,701)</u>  |
| Fund balance, end of year                               | <u>\$ 7,844,528</u>        | <u>7,844,528</u>        | <u>1,223,641</u>   | <u>(6,620,887)</u>  |

See accompanying independent auditors' report.

**CITY OF BOSSIER CITY, LOUISIANA**  
**Special Revenue Fund**  
**Fire Improvements and Operations Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**December 31, 2011**  
**(unaudited)**

|   | <b>Original<br/>and final<br/>budget</b> | <b>Actual</b>      | <b>Variance with<br/>final budget<br/>positive<br/>(negative)</b> |
|---|--|--------------------|---|
| <b>Revenues:</b>                        |  |                    |   |
| Sales tax, net                          | \$ 2,518,482                             | 2,499,498          | (18,984)  |
| Investment earnings                     | 5,000                                    | 2,705              | (2,295)   |
| Total revenues                          | <u>2,523,482</u>                         | <u>2,502,203</u>   | <u>(21,279)</u>   |
| <b>Expenditures:</b>                    |  |                    |   |
| Capital outlay                          | —  | —                  | —   |
| Excess of revenues over<br>expenditures | <u>2,523,482</u>                         | <u>2,502,203</u>   | <u>(21,279)</u>   |
| <b>Other financing uses:</b>            |  |                    |   |
| Transfer out                            | <u>(2,518,482)</u>                       | <u>(2,518,482)</u> | —   |
| Net change in fund balance              | 5,000                                    | (16,279)           | (21,279)  |
| Fund balance, beginning of year         | <u>511,401</u>                           | <u>455,124</u>     | <u>56,277</u>   |
| Fund balance, end of year               | <u>\$ 516,401</u>                        | <u>438,845</u>     | <u>77,556</u>   |

See accompanying independent auditors' report.

**CITY OF BOSSIER CITY, LOUISIANA**  
Special Revenue Fund  
Jail and Municipal Buildings Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance – Budget and Actual  
December 31, 2011  
(unaudited)

|   | <u>Original<br/>and final<br/>budget</u> | <u>Actual</u>    | <u>Variance with<br/>final budget<br/>positive<br/>(negative)</u> |
|---|--|------------------|---|
| <b>Revenues:</b>                        |  |                  |   |
| Sales tax, net                          | \$ 1,798,916                             | 1,785,356        | (13,560)  |
| Investment earnings                     | 100,000                                  | 93,505           | (6,495)   |
| Total revenues                          | <u>1,898,916</u>                         | <u>1,878,861</u> | <u>(20,055)</u>   |
| <b>Expenditures:</b>                    |  |                  |   |
| Capital outlay                          | <u>850,000</u>                           | —                | <u>850,000</u>  |
| Excess of revenues over<br>expenditures | <u>1,048,916</u>                         | <u>1,878,861</u> | <u>829,945</u>  |
| <b>Other financing uses:</b>            |  |                  |   |
| Transfer out                            | <u>(875,000)</u>                         | <u>(875,000)</u> | —   |
| Net change in fund balance              | 173,916                                  | 1,003,861        | 829,945   |
| Fund balance, beginning of year         | <u>5,539,624</u>                         | <u>6,324,320</u> | <u>784,696</u>  |
| Fund balance, end of year               | <u>\$ 5,713,540</u>                      | <u>7,328,181</u> | <u>1,614,641</u>  |

See accompanying independent auditors' report.

## CITY OF BOSSIER CITY, LOUISIANA

Special Revenue Fund  
Streets and Drainage FundSchedule of Revenues, Expenditures, and  
Changes in Fund Balance – Budget and ActualDecember 31, 2011  
(unaudited)

|  | <u>Original<br/>and final<br/>budget</u> | <u>Actual</u>    | <u>Variance with<br/>final budget<br/>positive<br/>(negative)</u> |
|--|--|------------------|---|
| Revenues:  |  |                  |   |
| Sales tax, net   | \$ 2,068,753                             | 2,053,159        | (15,594)  |
| Investment earnings  | 40,000                                   | 33,188           | (6,812)   |
| Total revenues   | <u>2,108,753</u>                         | <u>2,086,347</u> | <u>(22,406)</u>   |
| Expenditures:  |  |                  |   |
| Capital outlay   | <u>2,798,000</u>                         | <u>2,254,569</u> | <u>543,431</u>  |
| Excess (deficiency) of revenues over<br>(under) expenditures | (689,247)                                | (168,222)        | 521,025   |
| Other financing uses:  |  |                  |   |
| Transfer out   | <u>(600,000)</u>                         | <u>(600,000)</u> | <u>—</u>  |
| Net change in fund balance                                   | (1,289,247)                              | (768,222)        | 521,025   |
| Fund balance, beginning of year                              | <u>2,148,614</u>                         | <u>2,949,820</u> | <u>801,206</u>  |
| Fund balance, end of year                                    | <u>\$ 859,367</u>                        | <u>2,181,598</u> | <u>1,322,231</u>  |

See accompanying independent auditors' report.

**STATISTICAL  
SECTION**

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**City of Bossier City, Louisiana  
Statistical Section  
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report (CAFR) for the relevant year. The City implemented GASB Statement No. 34 in fiscal year 2002; therefore, accrual basis financial information for the City as a whole is only available from then.

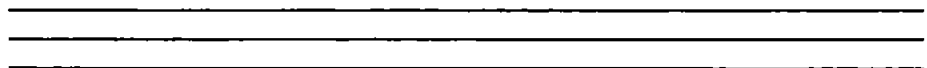


Table 1

## CITY OF BOSSIER CITY, LOUISIANA

## Net Assets by Component

Last Ten Fiscal Years  
(accrual basis of accounting)

|  | Fiscal year           |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2011                  | 2010               | 2009               | 2008               | 2007               | 2006               | 2005               | 2004               | 2003               | 2002               |
| <b>Governmental activities:</b>                  |                       |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Invested in capital assets, net of related debt  | \$ 239,725,050        | 265,878,613        | 239,215,616        | 126,330,795        | 186,465,732        | 167,545,977        | 151,362,489        | 144,172,168        | 140,330,985        | 115,340,957        |
| Restricted                                       | 85,564,740            | 27,739,942         | 29,535,031         | 29,296,109         | 29,680,277         | 29,925,688         | 27,479,073         | 27,793,422         | 29,963,514         | 28,662,311         |
| Unrestricted                                     | 55,500,264            | 77,455,038         | 73,739,154         | 156,954,129        | 80,280,912         | 78,192,477         | 73,971,538         | 72,489,133         | 65,452,825         | 75,657,667         |
| <b>Total governmental activities net assets</b>  | <b>380,790,054</b>    | <b>371,073,593</b> | <b>342,489,801</b> | <b>312,581,033</b> | <b>296,426,921</b> | <b>275,664,142</b> | <b>252,813,100</b> | <b>244,454,723</b> | <b>235,747,324</b> | <b>219,660,935</b> |
| <b>Business-type activities:</b>                 |                       |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Invested in capital assets, net of related debt  | 45,842,696            | 45,322,279         | 44,012,271         | 54,173,137         | 60,466,449         | 59,278,622         | 55,314,909         | 57,275,837         | 48,742,367         | 43,209,460         |
| Restricted                                       | 12,491,968            | 11,478,661         | 14,424,421         | 13,804,234         | 3,798,355          | 2,631,727          | 2,760,263          | 3,420,135          | 3,338,741          | 1,666,172          |
| Unrestricted                                     | 24,222,198            | 18,066,041         | 12,569,106         | 15,823,822         | 9,655,288          | 10,154,557         | 11,281,191         | 7,184,147          | 15,069,856         | 22,365,596         |
| <b>Total business-type activities net assets</b> | <b>82,556,862</b>     | <b>74,866,981</b>  | <b>71,005,798</b>  | <b>83,801,193</b>  | <b>73,920,092</b>  | <b>72,064,906</b>  | <b>69,356,363</b>  | <b>67,880,119</b>  | <b>67,150,964</b>  | <b>67,241,228</b>  |
| <b>Primary government:</b>                       |                       |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Invested in capital assets, net of related debt  | 285,567,746           | 311,200,892        | 283,227,887        | 180,503,932        | 246,932,181        | 226,824,599        | 206,677,398        | 201,448,005        | 189,073,352        | 158,550,417        |
| Restricted                                       | 98,056,708            | 39,218,603         | 43,959,452         | 43,100,343         | 33,478,632         | 32,557,415         | 30,239,336         | 31,213,557         | 33,302,255         | 30,328,483         |
| Unrestricted                                     | 79,722,462            | 95,521,079         | 86,308,260         | 172,777,951        | 89,936,200         | 88,347,034         | 85,252,729         | 79,673,280         | 80,522,681         | 98,023,263         |
| <b>Total primary government net assets</b>       | <b>\$ 463,346,916</b> | <b>445,940,574</b> | <b>413,495,599</b> | <b>396,382,226</b> | <b>370,347,013</b> | <b>347,729,048</b> | <b>322,169,463</b> | <b>312,334,842</b> | <b>302,898,288</b> | <b>286,902,163</b> |

Source: Audited Comprehensive Annual Financial Reports

Unaudited – see accompanying independent auditors' report.

Table 2

## CITY OF BOSSIER CITY, LOUISIANA

## Changes in Net Assets

## Last Ten Fiscal Years

(accrual basis of accounting)

|   | Fiscal year        |                    |                    |                   |                   |                   |                   |                   |                   |                   |
|---|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2011               | 2010               | 2009               | 2008              | 2007              | 2006              | 2005              | 2004              | 2003              | 2002              |
| <b>Expenses:</b>                                      |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |
| <b>Governmental activities:</b>                       |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |
| General government                                    | \$ 18,156,178      | 17,170,564         | 21,007,788         | 17,767,245        | 13,589,188        | 12,491,347        | 12,122,863        | 11,084,501        | 10,883,770        | 9,555,803         |
| Public safety   | 39,687,586         | 39,271,725         | 38,244,353         | 37,344,859        | 34,262,793        | 34,206,159        | 39,309,494        | 37,711,185        | 28,026,913        | 25,678,549        |
| Highways and streets                                  | 3,316,533          | 2,648,297          | 3,945,076          | 106,506           | 1,953,798         | 5,120,181         | 11,079,601        | 6,710,590         | 7,028,600         | 3,997,047         |
| Cultural and recreation                               | 7,695,741          | 7,415,268          | 7,812,740          | 7,945,002         | 7,595,275         | 7,165,222         | 7,104,623         | 7,297,540         | 6,998,869         | 7,155,218         |
| City court and City marshal                           | 2,010,443          | 2,019,156          | 2,154,362          | 1,987,939         | 1,746,396         | 1,843,893         | 1,635,432         | 1,384,667         | 1,299,469         | 1,073,671         |
| Interest on long-term debt                            | 7,007,140          | 7,720,642          | 7,737,372          | 7,629,482         | 4,515,805         | 3,299,376         | 3,736,672         | 3,886,658         | 4,121,524         | 3,262,080         |
| <b>Total governmental activities expenses</b>         | <b>77,873,621</b>  | <b>76,245,652</b>  | <b>80,901,691</b>  | <b>72,781,033</b> | <b>63,663,255</b> | <b>64,126,178</b> | <b>74,988,685</b> | <b>68,075,141</b> | <b>58,359,145</b> | <b>50,722,368</b> |
| <b>Business-type activities:</b>                      |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |
| Water and sewerage                                    | 25,681,851         | 22,773,218         | 22,208,437         | 14,658,211        | 13,041,663        | 12,932,577        | 12,485,709        | 11,611,928        | 11,391,493        | 10,885,174        |
| Sanitation  | 3,822,573          | 5,497,689          | 4,718,672          | 4,167,053         | 4,010,269         | 3,526,361         | 2,819,565         | 2,733,210         | 2,375,756         | 2,364,900         |
| Emergency medical services (1)                        | 5,373,016          | 3,827,973          | 4,319,725          | 4,464,185         | 3,763,097         | 4,093,140         | —                 | —                 | 3,918,759         | 3,337,955         |
| Alternative fuel station                              | 2,064,585          | 168,412            | —                  | —                 | —                 | —                 | —                 | —                 | —                 | —                 |
| <b>Total business-type activities expense</b>         | <b>36,942,025</b>  | <b>32,267,292</b>  | <b>31,246,834</b>  | <b>23,289,449</b> | <b>20,815,029</b> | <b>20,552,078</b> | <b>15,305,274</b> | <b>14,345,138</b> | <b>17,686,008</b> | <b>16,588,029</b> |
| <b>Total primary government expenses</b>              | <b>114,815,646</b> | <b>108,512,944</b> | <b>112,148,525</b> | <b>96,070,482</b> | <b>84,478,284</b> | <b>84,678,256</b> | <b>90,293,959</b> | <b>82,420,279</b> | <b>76,045,153</b> | <b>67,310,397</b> |
| <b>Program revenues:</b>                              |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |
| <b>Governmental activities:</b>                       |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |
| <b>Charges for services:</b>                          |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |
| General government                                    | 3,423,460          | 3,304,311          | 3,488,725          | 3,400,648         | 2,863,463         | 2,592,047         | 2,580,024         | 2,648,743         | 2,540,673         | 2,045,831         |
| Public safety   | 1,390,782          | 1,524,510          | 2,031,369          | 2,238,270         | 1,595,615         | 1,452,048         | 5,640,922         | 5,083,818         | 1,094,032         | 1,154,814         |
| Highways and streets                                  | 127,128            | 127,128            | 127,128            | 127,128           | 127,128           | 127,128           | 127,128           | —                 | —                 | —                 |
| Culture and recreation                                | 2,689,464          | 2,663,808          | 3,050,022          | 3,413,212         | 3,072,417         | 3,491,358         | 2,331,776         | 3,136,892         | 3,041,961         | 3,326,942         |
| Operating grants and contributions                    | 5,057,716          | 5,997,747          | 5,689,136          | 4,595,741         | 4,610,709         | 3,891,436         | 3,441,130         | 3,061,774         | 3,367,825         | 3,044,346         |
| Capital grants and contributions                      | 1,113,863          | 16,712,265         | 10,247,430         | 321,000           | 1,428,093         | 1,750,000         | 3,753,364         | 2,161,654         | 3,527,399         | 1,031,367         |
| <b>Total governmental activities program revenues</b> | <b>13,802,413</b>  | <b>30,329,769</b>  | <b>24,633,810</b>  | <b>14,095,999</b> | <b>13,697,425</b> | <b>13,304,017</b> | <b>17,874,344</b> | <b>16,092,881</b> | <b>13,571,890</b> | <b>10,603,300</b> |

(continued)

Table 2

## CITY OF BOSSIER CITY, LOUISIANA

## Changes in Net Assets

Last Ten Fiscal Years  
(accrual basis of accounting)

|  | Fiscal year   |              |              |              |              |              |              |              |              |              |
|--|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2011          | 2010         | 2009         | 2008         | 2007         | 2006         | 2005         | 2004         | 2003         | 2002         |
| Business-type activities:                                    |               |              |              |              |              |              |              |              |              |              |
| Charges for services:  |               |              |              |              |              |              |              |              |              |              |
| Water and sewerage   | \$ 27,460,816 | 24,448,986   | 21,273,196   | 20,638,433   | 12,272,210   | 11,999,790   | 12,109,022   | 10,939,409   | 10,322,962   | 10,041,818   |
| Sanitation   | 4,157,102     | 4,212,731    | 4,079,758    | 3,851,255    | 4,114,354    | 3,830,934    | 2,865,466    | 2,713,140    | 2,597,772    | 2,608,353    |
| Emergency medical services (1)                               | 4,744,778     | 4,886,758    | 4,037,040    | 4,811,893    | 3,943,608    | 4,013,383    | —            | —            | 3,472,242    | 3,313,671    |
| Alternative fuel station                                     | 2,015,935     | 189,174      | —            | —            | —            | —            | —            | —            | —            | —            |
| Total business-type activities program revenues              | 38,378,631    | 33,737,649   | 29,389,994   | 29,301,581   | 20,330,172   | 19,844,107   | 14,974,488   | 13,652,549   | 16,392,976   | 15,963,842   |
| Total primary government program revenues                    | 52,181,044    | 64,067,418   | 54,023,804   | 43,397,580   | 34,027,597   | 33,148,124   | 32,848,832   | 29,745,430   | 29,964,866   | 26,567,142   |
| Net expense:   |               |              |              |              |              |              |              |              |              |              |
| Governmental activities                                      | (64,071,208)  | (45,915,883) | (56,267,881) | (58,685,034) | (49,965,830) | (50,822,161) | (57,114,341) | (51,982,260) | (44,787,255) | (40,119,068) |
| Business-type activities                                     | 1,436,606     | 1,470,357    | (1,856,840)  | 6,012,132    | (484,857)    | (707,971)    | (330,786)    | (692,589)    | (1,293,032)  | (624,187)    |
| Total primary government net expense                         | (62,634,602)  | (44,445,526) | (58,124,721) | (52,672,902) | (50,450,687) | (51,530,132) | (57,445,127) | (52,674,849) | (46,080,287) | (40,743,255) |
| General revenues and other changes in net assets:            |               |              |              |              |              |              |              |              |              |              |
| Governmental activities:                                     |               |              |              |              |              |              |              |              |              |              |
| Taxes:   |               |              |              |              |              |              |              |              |              |              |
| Property   | 11,856,831    | 11,209,485   | 10,569,446   | 10,692,762   | 9,290,483    | 9,536,827    | 8,497,236    | 8,362,284    | 8,490,128    | 8,246,066    |
| Sales  | 44,610,974    | 43,939,781   | 43,953,832   | 40,259,787   | 39,171,981   | 37,743,177   | 35,249,876   | 31,910,135   | 30,117,504   | 29,341,705   |
| Franchise  | 4,491,011     | 4,163,108    | 2,253,353    | 2,405,471    | 2,345,230    | 2,191,128    | 2,117,698    | 1,874,451    | 1,912,121    | 1,808,469    |
| Gaming   | 11,747,922    | 12,373,348   | 12,635,907   | 14,476,406   | 14,721,787   | 15,626,932   | 14,842,388   | 14,932,147   | 15,261,464   | 15,234,198   |
| Grants and contributions not restricted to specific purposes | 414,154       | 282,261      | 371,407      | 266,813      | 345,144      | 342,918      | 356,841      | 303,029      | 191,579      | 323,047      |
| Investment earnings  | 1,483,070     | 1,184,513    | 2,293,144    | 6,961,169    | 5,742,915    | 5,399,404    | 2,445,567    | 1,398,490    | 2,283,448    | 3,449,466    |
| Miscellaneous  | 2,672,307     | 2,122,831    | 1,775,448    | 1,516,458    | 1,769,656    | 5,102,834    | 2,602,015    | 2,494,794    | 3,001,169    | 1,831,093    |
| Transfers  | (3,488,600)   | (775,652)    | 12,324,112   | (1,739,720)  | (1,211,684)  | (2,270,017)  | (638,903)    | (585,671)    | (383,769)    | (499,164)    |
| Total governmental activities general revenues               | 73,787,669    | 74,499,675   | 86,176,649   | 74,839,146   | 72,175,512   | 73,673,203   | 65,472,718   | 60,689,659   | 60,873,644   | 59,734,880   |

(continued)

Table 2

## CITY OF BOSSIER CITY, LOUISIANA

## Changes in Net Assets

## Last Ten Fiscal Years

(accrual basis of accounting)

|                                | Fiscal year   |            |              |            |            |            |            |            |            |            |
|--------------------------------|---------------|------------|--------------|------------|------------|------------|------------|------------|------------|------------|
|                                | 2011          | 2010       | 2009         | 2008       | 2007       | 2006       | 2005       | 2004       | 2003       | 2002       |
| Business-type activities:      |               |            |              |            |            |            |            |            |            |            |
| Intergovernmental              | \$ —          | —          | —            | —          | —          | —          | —          | —          | —          | 29,548     |
| Investment earnings            | 766,582       | 553,267    | 642,752      | 1,383,336  | 510,194    | 706,728    | 380,564    | 254,916    | 380,599    | 609,442    |
| Miscellaneous                  | 1,998,093     | 1,061,907  | 742,805      | 745,913    | 618,165    | 439,769    | 787,563    | 581,157    | 438,400    | 535,682    |
| Transfers                      | 3,488,600     | 775,652    | (12,324,112) | 1,739,720  | 1,211,684  | 2,270,017  | 638,903    | 585,671    | 383,769    | 499,164    |
| Total business-type activities |               |            |              |            |            |            |            |            |            |            |
| general revenues               | 6,253,275     | 2,390,826  | (10,938,555) | 3,868,969  | 2,340,043  | 3,416,514  | 1,807,030  | 1,421,744  | 1,202,768  | 1,673,836  |
| Total primary government       |               |            |              |            |            |            |            |            |            |            |
| general revenues               | 80,040,944    | 76,890,501 | 75,238,094   | 78,708,115 | 74,515,555 | 77,089,717 | 67,279,748 | 62,111,403 | 62,076,412 | 61,408,716 |
| Changes in net assets:         |               |            |              |            |            |            |            |            |            |            |
| Governmental activities        | 9,716,461     | 28,583,792 | 29,908,768   | 16,154,112 | 22,209,682 | 22,851,042 | 8,358,377  | 8,707,399  | 16,086,389 | 19,615,812 |
| Business-type activities       | 7,689,881     | 3,861,183  | (12,795,395) | 9,881,101  | 1,855,186  | 2,708,543  | 1,476,244  | 729,155    | (90,264)   | 1,049,649  |
| Total primary government,      |               |            |              |            |            |            |            |            |            |            |
| net revenue                    | \$ 17,406,342 | 32,444,975 | 17,113,373   | 26,035,213 | 24,064,868 | 25,559,585 | 9,834,621  | 9,436,554  | 15,996,125 | 20,665,461 |

Source: Audited Comprehensive Annual Financial Reports

## Notes:

(1) In 2004, the City began recording emergency medical services in the General Fund. Those activities had previously been reported in an enterprise fund. In 2006, the City moved the activities back to an enterprise fund.

Unaudited – see accompanying independent auditors' report.

Table 3

**CITY OF BOSSIER CITY, LOUISIANA**  
**Fund Balances of Governmental Funds**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

|   | 2011                  | 2010               | 2009               | 2008               | 2007               | 2006              | 2005              | 2004              | 2003               | 2002               |
|---|-----------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| <b>General Fund:</b>                      |                       |                    |                    |                    |                    |                   |                   |                   |                    |                    |
| Reserved                                  | \$ —                  | 467,162            | 434,883            | 412,744            | 358,052            | 373,425           | 312,690           | 192,388           | 242,467            | 152,647            |
| Unreserved                                | —                     | 8,305,285          | 6,565,398          | 9,881,520          | 11,843,893         | 12,263,707        | 10,779,879        | 8,089,045         | 6,039,756          | 5,759,394          |
| Nonspendable:                             |                       |                    |                    |                    |                    |                   |                   |                   |                    |                    |
| Prepays                                   | —                     | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Inventories                               | 330,858               | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Permanent fund principal                  | —                     | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Restricted for:                           |                       |                    |                    |                    |                    |                   |                   |                   |                    |                    |
| Debt service                              | —                     | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Capital projects                          | —                     | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Federal grants                            | —                     | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Public health and safety                  | —                     | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Committed for:                            |                       |                    |                    |                    |                    |                   |                   |                   |                    |                    |
| Civic Center operations                   | —                     | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Capital projects                          | —                     | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Assigned:                                 | 171,623               | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Unassigned                                | 10,176,842            | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| <b>Total General Fund</b>                 | <b>10,679,323</b>     | <b>8,772,447</b>   | <b>7,000,281</b>   | <b>10,294,264</b>  | <b>12,201,945</b>  | <b>12,637,132</b> | <b>11,092,569</b> | <b>8,281,433</b>  | <b>6,282,223</b>   | <b>5,912,041</b>   |
| <b>All other governmental funds (1):</b>  |                       |                    |                    |                    |                    |                   |                   |                   |                    |                    |
| Reserved                                  | —                     | 41,358,383         | 40,942,401         | 34,195,755         | 34,968,880         | 34,206,545        | 28,527,580        | 34,060,781        | 36,634,759         | 30,701,620         |
| Unreserved, reported in:                  |                       |                    |                    |                    |                    |                   |                   |                   |                    |                    |
| Special revenue funds                     | —                     | 40,645,412         | 47,583,410         | 46,306,263         | 46,331,656         | 43,531,004        | 40,308,080        | 40,017,760        | 42,185,299         | 41,102,309         |
| Capital projects funds                    | —                     | 72,041,121         | 70,734,250         | 94,112,554         | 110,624,369        | 16,689,888        | 23,077,994        | 22,588,892        | 43,565,715         | 53,897,426         |
| Permanent fund                            | —                     | 327,607            | 297,122            | —                  | 781,082            | 1,651,913         | 754,028           | 1,404,774         | 2,239,161          | 877,215            |
| Nonspendable:                             |                       |                    |                    |                    |                    |                   |                   |                   |                    |                    |
| Prepaid                                   | 21,688                | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Inventories                               | —                     | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Permanent fund principal                  | 18,000,000            | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Restricted for:                           |                       |                    |                    |                    |                    |                   |                   |                   |                    |                    |
| Debt service                              | 9,729,984             | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Capital projects                          | 55,976,212            | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Federal grants                            | 14,144                | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Public health and safety                  | 1,844,400             | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Committed for:                            |                       |                    |                    |                    |                    |                   |                   |                   |                    |                    |
| Civic Center operations                   | 988,261               | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Capital projects                          | 46,782,284            | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Assigned:                                 | —                     | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| Unassigned                                | (27,664)              | —                  | —                  | —                  | —                  | —                 | —                 | —                 | —                  | —                  |
| <b>Total all other governmental funds</b> | <b>\$ 133,329,309</b> | <b>154,372,523</b> | <b>159,557,183</b> | <b>174,614,572</b> | <b>192,705,987</b> | <b>96,079,350</b> | <b>92,667,682</b> | <b>98,072,207</b> | <b>124,624,934</b> | <b>126,578,570</b> |

Source: Audited Comprehensive Annual Financial Reports

Note:

(1) Includes Special Revenue, Capital Projects, Permanent, and Debt Service Funds.  
 All fund balances in Debt Service funds are reserved to pay future debt service.

Unaudited – see accompanying independent auditors' report.

Table 4

**CITY OF BOSSIER CITY, LOUISIANA**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|  | Fiscal year         |                    |                     |                     |                    |                   |                    |                     |                    |                   |
|--|---------------------|--------------------|---------------------|---------------------|--------------------|-------------------|--------------------|---------------------|--------------------|-------------------|
|  | 2011                | 2010               | 2009                | 2008                | 2007               | 2006              | 2005               | 2004                | 2003               | 2002              |
| <b>Revenues:</b>   |                     |                    |                     |                     |                    |                   |                    |                     |                    |                   |
| Taxes  | \$ 60,874,543       | 59,368,807         | 56,909,103          | 53,436,902          | 51,203,381         | 49,394,168        | 45,885,819         | 42,226,759          | 40,489,486         | 39,327,341        |
| Licenses and permits   | 3,423,460           | 3,304,311          | 3,488,725           | 3,400,648           | 2,863,463          | 2,592,047         | 2,580,024          | 2,648,743           | 2,540,673          | 2,045,831         |
| Intergovernmental  | 6,488,198           | 31,331,156         | 20,960,553          | 5,183,554           | 6,383,946          | 5,984,354         | 5,488,296          | 4,612,553           | 5,229,031          | 4,398,760         |
| Video poker  | 376,538             | 395,068            | 396,763             | 444,492             | 478,251            | 573,602           | 527,424            | 563,119             | 562,293            | 544,952           |
| Fees and rentals   | 4,097,207           | 2,794,836          | 3,180,457           | 3,543,340           | 3,199,545          | 3,618,486         | 2,458,904          | 3,136,892           | 3,041,961          | 3,326,942         |
| Fines and penalties  | 1,390,782           | 1,524,510          | 2,031,369           | 2,238,270           | 1,595,615          | 1,452,048         | 1,342,813          | 1,217,773           | 1,094,032          | 1,154,814         |
| Charges for services   | —                   | —                  | —                   | —                   | —                  | —                 | 4,298,109          | 3,866,045           | —                  | —                 |
| Racing commission – Louisiana Downs                              | 667,969             | 695,631            | 716,076             | 843,268             | 884,557            | 969,207           | 1,008,173          | 816,756             | 412,977            | 188,639           |
| Gaming   | 10,703,415          | 11,282,649         | 11,523,068          | 13,188,646          | 13,358,979         | 14,084,123        | 13,306,791         | 13,552,272          | 14,286,194         | 14,500,607        |
| Investment earnings  | 1,483,070           | 1,184,513          | 2,293,144           | 6,961,169           | 5,742,915          | 5,399,404         | 2,445,567          | 1,398,490           | 2,283,448          | 3,449,466         |
| Miscellaneous  | 2,373,727           | 2,118,933          | 1,772,141           | 1,513,458           | 1,619,375          | 5,044,656         | 2,602,015          | 3,819,854           | 4,074,947          | 1,527,641         |
| <b>Total revenues</b>  | <b>91,878,909</b>   | <b>114,000,414</b> | <b>103,271,399</b>  | <b>90,753,747</b>   | <b>87,330,027</b>  | <b>89,112,095</b> | <b>81,943,935</b>  | <b>77,859,256</b>   | <b>74,015,042</b>  | <b>70,464,993</b> |
| <b>Expenditures</b>  |                     |                    |                     |                     |                    |                   |                    |                     |                    |                   |
| <b>Current:</b>  |                     |                    |                     |                     |                    |                   |                    |                     |                    |                   |
| General government   | 11,991,291          | 11,917,751         | 13,570,968          | 13,170,891          | 12,440,412         | 11,014,551        | 10,568,293         | 9,824,916           | 10,180,498         | 8,709,063         |
| Solid waste  | —                   | —                  | —                   | —                   | —                  | —                 | —                  | —                   | —                  | —                 |
| Public safety  | 37,096,447          | 36,620,144         | 39,032,409          | 37,524,546          | 35,413,709         | 34,003,642        | 38,122,172         | 35,997,291          | 27,082,705         | 24,383,866        |
| Highways and streets   | 457,797             | 479,968            | 795,480             | 668,129             | 578,771            | 542,007           | 1,367,818          | 1,405,612           | 1,221,209          | 1,049,714         |
| Culture and recreation   | 5,868,399           | 5,791,101          | 6,279,240           | 6,236,045           | 5,723,448          | 5,634,206         | 5,249,668          | 5,395,122           | 5,396,409          | 4,868,631         |
| City Court and City Marshal                                      | 1,936,326           | 1,932,775          | 2,063,419           | 1,910,343           | 1,680,395          | 1,558,173         | 1,598,150          | 1,355,885           | 1,273,338          | 1,046,967         |
| Miscellaneous  | —                   | —                  | —                   | —                   | —                  | —                 | —                  | —                   | —                  | —                 |
| <b>Debt service:</b>   |                     |                    |                     |                     |                    |                   |                    |                     |                    |                   |
| Principal  | 7,055,000           | 7,511,083          | 6,700,000           | 6,485,000           | 4,605,000          | 4,415,000         | 4,015,000          | 3,860,000           | 3,965,000          | 3,750,000         |
| Interest and other charges                                       | 6,953,000           | 7,154,032          | 7,694,159           | 7,954,903           | 3,646,252          | 3,160,039         | 3,725,706          | 3,874,375           | 4,183,872          | 3,237,558         |
| Bond issuance costs  | —                   | 577,650            | 118,426             | 244,952             | 1,606,761          | 583,522           | —                  | —                   | —                  | —                 |
| Advance refunding escrow   | —                   | 1,565,301          | 301,333             | —                   | —                  | 619,793           | —                  | —                   | —                  | —                 |
| Capital outlay   | 35,981,247          | 43,351,170         | 57,338,228          | 34,657,110          | 26,642,232         | 27,860,105        | 19,090,140         | 39,998,502          | 21,765,986         | 17,321,508        |
| Metropolitan planning – payments to component units              | 187,140             | 313,932            | 172,960             | 161,204             | 152,830            | 165,000           | 161,474            | 115,399             | 145,710            | 132,650           |
| <b>Total expenditures</b>  | <b>107,526,647</b>  | <b>117,214,907</b> | <b>134,066,622</b>  | <b>109,013,123</b>  | <b>92,489,810</b>  | <b>89,556,038</b> | <b>83,898,421</b>  | <b>101,827,102</b>  | <b>75,214,727</b>  | <b>64,499,957</b> |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(15,647,738)</b> | <b>(3,214,493)</b> | <b>(30,795,223)</b> | <b>(18,259,376)</b> | <b>(5,159,783)</b> | <b>(443,943)</b>  | <b>(1,954,486)</b> | <b>(23,967,846)</b> | <b>(1,199,685)</b> | <b>5,965,036</b>  |

(continued)

Table 4

**CITY OF BOSSIER CITY, LOUISIANA**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|  | Fiscal year            |                    |                     |                     |                    |                  |                    |                     |                    |                   |
|--|------------------------|--------------------|---------------------|---------------------|--------------------|------------------|--------------------|---------------------|--------------------|-------------------|
|  | 2011                   | 2010               | 2009                | 2008                | 2007               | 2006             | 2005               | 2004                | 2003               | 2002              |
| Other financing sources (uses):                          |                        |                    |                     |                     |                    |                  |                    |                     |                    |                   |
| Transfers in   | \$ 12,554,736          | 19,690,994         | 26,900,942          | 28,848,262          | 13,202,876         | 19,006,801       | 24,362,118         | 16,659,145          | 16,090,030         | 8,605,270         |
| Transfers out  | (16,043,336)           | (20,466,646)       | (14,576,830)        | (30,587,982)        | (14,414,560)       | (21,276,818)     | (25,001,021)       | (17,244,816)        | (16,473,799)       | (9,104,434)       |
| Debt issuance  | —                      | —                  | —                   | —                   | 100,000,000        | 7,160,000        | —                  | —                   | —                  | 30,292,952        |
| Premium on debt issuance                                 | —                      | —                  | —                   | —                   | 2,561,524          | —                | —                  | —                   | —                  | —                 |
| Premium on refunded bonds                                | —                      | —                  | —                   | —                   | —                  | 279,564          | —                  | —                   | —                  | —                 |
| Refunding bonds issued                                   | —                      | 21,180,000         | 4,250,000           | —                   | —                  | 27,400,000       | —                  | —                   | —                  | —                 |
| Premium (discount) on refunding bonds                    | —                      | 1,568,771          | (12,647)            | —                   | —                  | —                | —                  | —                   | —                  | —                 |
| Payment to refunded bond escrow agent                    | —                      | (22,171,120)       | (4,117,614)         | —                   | —                  | (27,169,373)     | —                  | —                   | —                  | —                 |
| <b>Total other financing sources (uses)</b>              | <b>(3,488,600)</b>     | <b>(198,001)</b>   | <b>12,443,851</b>   | <b>(1,739,720)</b>  | <b>101,349,840</b> | <b>5,400,174</b> | <b>(638,903)</b>   | <b>(585,671)</b>    | <b>(383,769)</b>   | <b>29,793,788</b> |
| <b>Net change in fund balances</b>                       | <b>\$ (19,136,338)</b> | <b>(3,412,494)</b> | <b>(18,351,372)</b> | <b>(19,999,096)</b> | <b>96,190,057</b>  | <b>4,956,231</b> | <b>(2,593,389)</b> | <b>(24,553,517)</b> | <b>(1,583,454)</b> | <b>35,758,824</b> |
| Debt services as a percentage of noncapital expenditures | 20%                    | 21%                | 19%                 | 20%                 | 15%                | 13%              | 11%                | 12%                 | 14%                | 14%               |

Source: Audited Comprehensive Annual Financial Reports

Notes:

Beginning in 2002, sanitation activities were reported in an enterprise fund. Prior to 2002, those activities were reported in the General Fund.

Beginning in 2004, emergency medical services activities were reported in the General Fund. Prior to 2004, those activities were reported in an enterprise fund.

(1) Calculated as debt service amounts above divided by total noncapital expenditures (calculated as total expenditures above less capital outlay per the "Reconciliation of Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities" prior to reducing for retirements)

Unaudited – see accompanying independent auditors' report.

**Table 5**

**CITY OF BOSSIER CITY, LOUISIANA**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|      | <u>Property<br/>taxes</u> | <u>Sales<br/>taxes</u> | <u>Franchise<br/>taxes</u> | <u>Total</u> |
|------|---------------------------|------------------------|----------------------------|--------------|
| 2011 | \$ 11,856,831             | 44,610,974             | 4,491,011                  | 60,958,816   |
| 2010 | 11,209,485                | 43,939,781             | 4,163,108                  | 59,312,374   |
| 2009 | 10,569,446                | 43,953,832             | 2,253,353                  | 56,776,631   |
| 2008 | 10,692,762                | 40,259,788             | 2,405,471                  | 53,358,021   |
| 2007 | 9,290,483                 | 39,171,981             | 2,345,230                  | 50,807,694   |
| 2006 | 9,536,827                 | 37,743,177             | 2,191,128                  | 49,471,132   |
| 2005 | 8,497,236                 | 35,249,876             | 2,117,698                  | 45,864,810   |
| 2004 | 8,362,284                 | 31,910,135             | 1,874,451                  | 42,146,870   |
| 2003 | 8,490,128                 | 30,117,504             | 1,912,121                  | 40,519,753   |
| 2002 | 8,246,066                 | 29,341,705             | 1,808,469                  | 39,396,240   |

Unaudited – see accompanying independent auditors' report.

Table 6

**CITY OF BOSSIER CITY, LOUISIANA**  
**Tax Revenues by Source – Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|      | <b>Property<br/>taxes</b> | <b>Sales<br/>taxes</b> | <b>Utility<br/>taxes</b> | <b>Telephone<br/>taxes</b> | <b>Franchise<br/>taxes</b> | <b>Total</b> |
|------|---------------------------|------------------------|--------------------------|----------------------------|----------------------------|--------------|
| 2011 | \$ 11,772,558             | 44,610,974             | 3,608,595                | 113,055                    | 769,361                    | 60,874,543   |
| 2010 | 11,265,918                | 43,939,781             | 3,293,748                | 130,312                    | 739,048                    | 59,368,807   |
| 2009 | 10,569,446                | 43,953,832             | 1,407,646                | 148,191                    | 697,516                    | 56,776,631   |
| 2008 | 10,771,643                | 40,259,788             | 1,594,551                | 169,829                    | 641,091                    | 53,436,902   |
| 2007 | 9,686,170                 | 39,171,981             | 1,548,109                | 184,704                    | 612,417                    | 51,203,381   |
| 2006 | 9,459,863                 | 37,743,177             | 1,453,763                | 189,858                    | 547,507                    | 49,394,168   |
| 2005 | 8,518,245                 | 35,249,876             | 1,466,908                | 157,395                    | 493,395                    | 45,885,819   |
| 2004 | 8,442,173                 | 31,910,135             | 1,166,447                | 185,836                    | 522,168                    | 42,226,759   |
| 2003 | 8,459,861                 | 30,117,504             | 1,189,796                | 200,467                    | 521,858                    | 40,489,486   |
| 2002 | 8,177,167                 | 29,341,705             | 1,026,894                | 233,904                    | 547,671                    | 39,327,341   |

Source: Audited Comprehensive Annual Financial Reports

Unaudited – see accompanying independent auditors' report.

Table 7

**CITY OF BOSSIER CITY, LOUISIANA**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

| Fiscal year | Bossier Parish |                                  |            |              | Caddo Parish |           | Total taxable assessed value | Total direct tax rate | Estimated actual value | Ratio of total assessed value to estimated actual value |        |
|-------------|----------------|----------------------------------|------------|--------------|--------------|-----------|------------------------------|-----------------------|------------------------|---|--------|
|             | Real estate    | Public service/<br>rolling stock | Movable    | Mobile homes | Real estate  | Movable   |                              |                       |                        |   |        |
| 2002        | (1)            |                                  |            |              |              |           | \$ 309,006,730               | 26.77                 | 2,776,340,791          | 11.13%  |        |
| 2003        | \$             | 202,288,690                      | 15,106,160 | 84,952,440   | 1,691,710    | 5,198,460 | 5,329,350                    | 314,566,810           | 26.77                  | 2,821,226,996   | 11.15% |
| 2004        |                | 247,284,290                      | 15,693,370 | 90,745,970   | 1,172,480    | 3,604,660 | 5,351,580                    | 363,852,350           | 23.37                  | 3,263,249,776   | 11.15% |
| 2005        |                | 264,595,660                      | 17,286,650 | 95,952,370   | 1,490,850    | 3,492,310 | 4,944,910                    | 387,762,750           | 23.37                  | 3,391,817,696   | 11.43% |
| 2006        |                | 279,702,960                      | 18,105,920 | 105,749,880  | 1,565,580    | 3,492,310 | 4,808,290                    | 413,424,940           | 23.37                  | 3,673,948,427   | 11.25% |
| 2007        |                | 289,391,600                      | 17,576,760 | 108,493,450  | 1,315,590    | 3,649,870 | 4,261,490                    | 424,688,760           | 23.37                  | 3,657,672,047   | 11.61% |
| 2008        |                | 342,275,100                      | 17,570,630 | 121,347,220  | 1,089,210    | 3,645,710 | 3,922,900                    | 489,850,770           | 21.69                  | 4,375,789,387   | 11.19% |
| 2009        |                | 351,639,110                      | 15,785,670 | 127,836,740  | 1,175,020    | 3,652,650 | 3,820,750                    | 503,909,940           | 21.69                  | 4,505,967,747   | 11.18% |
| 2010        |                | 361,299,790                      | 15,133,510 | 137,415,220  | 1,193,710    | 3,652,650 | 3,654,040                    | 522,348,920           | 21.69                  | 4,663,708,074   | 11.20% |
| 2011        |                | 369,483,830                      | 11,103,460 | 142,728,730  | 1,233,160    | 3,652,650 | 3,341,520                    | 531,543,350           | 22.83                  | 4,763,002,307   | 11.16% |

Source: Bossier Parish Tax Assessor and the Caddo Parish Tax Assessor

Note:

Assessed values are established by the Bossier Parish Tax Assessor on January 1 of each year at approximately 10% – 15% of assumed market value. A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2010.

(1) Detail of assessed value for 2002 was not available.

Unaudited – see accompanying independent auditors' report.

Table 8

**CITY OF BOSSIER CITY, LOUISIANA**  
**Property Tax Rates and Tax Levies – Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

| Fiscal year | City rates   |                             |                    | Overlapping rates |        |                        | Total direct/<br>overlapping rates | Tax levies |            |            |                        |            |
|-------------|--------------|-----------------------------|--------------------|-------------------|--------|------------------------|------------------------------------|------------|------------|------------|------------------------|------------|
|             | Unrestricted | Fire and Police Departments | Total City millage | School            | Parish | Recreational districts |                                    | City       | School     | Parish     | Recreational districts | Total      |
| 2002        | \$ 6.90      | 19.87                       | 26.77              | 53.14             | 42.11  | 1.54                   | 123.56                             | 8,272,141  | 20,468,369 | 15,722,021 | 481,802                | 44,944,333 |
| 2003        | 6.90         | 19.87                       | 26.77              | 53.14             | 42.11  | 1.54                   | 123.56                             | 8,544,055  | 20,920,480 | 16,073,035 | 490,411                | 46,027,981 |
| 2004        | 6.02         | 17.35                       | 23.37              | 56.53             | 37.10  | 1.54                   | 118.54                             | 8,503,249  | 26,298,710 | 16,822,476 | 570,752                | 52,195,187 |
| 2005        | 6.02         | 17.35                       | 23.37              | 56.53             | 38.98  | 1.54                   | 120.42                             | 9,062,015  | 28,504,976 | 20,144,592 | 611,053                | 58,322,636 |
| 2006        | 6.02         | 17.35                       | 23.37              | 56.53             | 40.14  | 1.54                   | 121.58                             | 9,706,514  | 31,063,862 | 26,385,231 | 661,740                | 67,817,347 |
| 2007        | 6.02         | 17.35                       | 23.37              | 56.53             | 40.14  | 1.54                   | 121.58                             | 9,740,110  | 32,928,803 | 22,116,985 | 681,067                | 65,466,965 |
| 2008        | 5.59         | 16.10                       | 21.69              | 52.26             | 36.88  | 1.41                   | 112.24                             | 10,460,688 | 38,034,456 | 26,841,002 | 744,275                | 76,080,421 |
| 2009        | 5.59         | 16.10                       | 21.69              | 52.26             | 36.88  | 1.41                   | 112.24                             | 10,951,497 | 41,934,137 | 29,593,016 | 785,108                | 83,263,758 |
| 2010        | 5.59         | 16.10                       | 21.69              | 52.26             | 38.22  | 1.41                   | 113.58                             | 11,333,813 | 44,913,739 | 32,847,361 | 819,323                | 89,914,236 |
| 2011        | 5.59         | 17.24                       | 22.83              | 52.26             | 38.22  | 1.41                   | 114.72                             | 12,138,871 | 46,120,634 | 33,730,016 | 844,059                | 92,833,580 |

Source: Bossier Tax Assessor Grand Recapitulation Report

Unaudited – see accompanying independent auditors' report.

Table 9

## CITY OF BOSSIER CITY, LOUISIANA

## Principal Property Taxpayers

## Current Year and Nine Years Ago

| Taxpayer                                 | 2011               |      |  | 2002               |      |  |
|--|--------------------|------|--|--------------------|------|--|
|  | Assessed valuation | Rank | Percentage of total assessed valuation | Assessed valuation | Rank | Percentage of total assessed valuation |
| Horseshoe Entertainment                  | \$ 23,864,830      | 1    | 4.49%                                  | \$ 32,881,640      | 1    | 10.64%                                 |
| Halliburton Energy Services              | 14,782,160         | 2    | 2.78%                                  | —                  |      | 0.00%                                  |
| Louisiana Riverboat Gaming               | 11,617,100         | 3    | 2.19%                                  | 4,103,160          | 5    | 1.33%                                  |
| Harrah's Louisiana Downs                 | 8,005,970          | 4    | 1.51%                                  | —                  |      | 0.00%                                  |
| Southwestern Electric Power Company      | 5,585,820          | 5    | 1.05%                                  | 6,813,810          | 2    | 2.21%                                  |
| Louisiana Riverwalk, LLC                 | 5,558,650          | 6    | 1.05%                                  | —                  |      | 0.00%                                  |
| Northwest Pipe                           | 3,632,320          | 7    | 0.68%                                  | 2,509,130          | 8    | 0.81%                                  |
| USCC Purchase Co. (dba: CellXion)        | 3,616,830          | 8    | 0.68%                                  | —                  |      | 0.00%                                  |
| H & E Equipment Services                 | 3,496,710          | 9    | 0.66%                                  | —                  |      | 0.00%                                  |
| Stirling Bossier LLC                     | 2,990,210          | 10   | 0.56%                                  | —                  |      | 0.00%                                  |
| Isle of Capri                            | —                  |      | 0.00%                                  | 2,695,730          | 7    | 0.87%                                  |
| Casino Magic                             | —                  |      | 0.00%                                  | —                  |      | 0.00%                                  |
| Bellsouth Telecommunications             | —                  |      | 0.00%                                  | 5,414,200          | 4    | 1.75%                                  |
| Hibernia Bank                            | —                  |      | 0.00%                                  | 2,724,020          | 6    | 0.88%                                  |
| Wal-Mart                                 | —                  |      | 0.00%                                  | 2,458,120          | 9    | 0.80%                                  |
| Louisiana Machinery Co., LLC             | —                  |      | 0.00%                                  | 2,448,020          | 10   | 0.79%                                  |
| ICH LLC                                  | —                  |      | 0.00%                                  | 5,848,820          | 3    | 1.89%                                  |
| Total amount for ten principal taxpayers | 83,150,600         |      | 15.64%                                 | 67,896,650         |      | 21.97%                                 |
| Total for remaining taxpayers            | 448,392,750        |      | 84.36%                                 | 241,110,080        |      | 78.03%                                 |
| Total amount for all taxpayers           | \$ 531,543,350     |      | 100.00%                                | \$ 309,006,730     |      | 100.00%                                |

Source: Bossier Parish Tax Assessor's Office

Unaudited – see accompanying independent auditors' report.

Table 10

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

| Fiscal year | Total tax levy (1) | Collected within the fiscal year of levy |                              | Collections in subsequent years | Total taxes collected | Percentage of total tax collections to tax levy |
|-------------|--------------------|--|------------------------------|---------------------------------|-----------------------|---|
|             |                    | Amount                                   | Percentage of levy collected |                                 |                       |   |
| 2002        | \$ 8,244,332       | 5,657,331                                | 68.62%                       | \$ 2,553,076                    | 8,210,407             | 99.59%  |
| 2003        | 8,431,989          | 5,701,105                                | 67.61%                       | 2,709,710                       | 8,410,815             | 99.75%  |
| 2004        | 8,504,896          | 5,051,656                                | 59.40%                       | 3,438,915                       | 8,490,571             | 99.83%  |
| 2005        | 9,032,729          | 5,373,553                                | 59.49%                       | 3,649,671                       | 9,023,224             | 99.89%  |
| 2006        | 9,585,298          | 6,699,610                                | 69.89%                       | 2,864,946                       | 9,564,556             | 99.78%  |
| 2007        | 9,916,216          | 6,126,932                                | 61.79%                       | 3,776,879                       | 9,903,811             | 99.87%  |
| 2008        | 10,600,825         | 7,908,427                                | 74.60%                       | 2,669,071                       | 10,577,498            | 99.78%  |
| 2009        | 10,936,845         | 8,996,966                                | 82.26%                       | 1,908,966                       | 10,905,932            | 99.72%  |
| 2010        | 11,333,813         | 8,520,130                                | 75.17%                       | 2,776,543                       | 11,296,673            | 99.67%  |
| 2011        | 12,138,871         | 9,846,831                                | 81.12%                       | —                               | 9,846,831             | 81.12%  |

Source: Bossier City Tax Division – Tax Collectors Report

Note:

(1) Does not include adjustments from Louisiana Tax Commission

Unaudited – see accompanying independent auditors' report.

**Table 11****CITY OF BOSSIER CITY, LOUISIANA****Sales Tax Revenues****Last Ten Fiscal Years****(modified accrual basis of accounting)**

| <b>Fiscal year</b> | <b>1% General</b> | <b>1/2% Pensions</b> | <b>1/2% Debt service</b> | <b>1/2% Capital</b> | <b>Total</b> |
|--------------------|-------------------|----------------------|--------------------------|---------------------|--------------|
| 2002               | \$ 8,090,235      | 5,759,387            | 6,329,078                | 9,163,005           | 29,341,705   |
| 2003               | 11,555,466        | 5,933,946            | 7,952,493                | 4,675,599           | 30,117,504   |
| 2004               | 12,030,730        | 6,305,420            | 6,806,360                | 6,767,625           | 31,910,135   |
| 2005               | 12,505,450        | 7,055,175            | 7,195,791                | 8,493,460           | 35,249,876   |
| 2006               | 13,920,015        | 7,562,348            | 7,736,017                | 8,524,797           | 37,743,177   |
| 2007               | 14,008,846        | 7,813,988            | 7,657,197                | 9,589,907           | 39,069,938   |
| 2008               | 14,272,174        | 7,962,925            | 7,659,782                | 9,919,746           | 39,814,627   |
| 2009               | 15,314,632        | 8,817,027            | 7,669,942                | 12,152,231          | 43,953,832   |
| 2010               | 15,347,513        | 8,753,694            | 7,626,376                | 12,212,198          | 43,939,781   |
| 2011               | 15,515,545        | 8,903,858            | 7,457,616                | 12,733,955          | 44,610,974   |

Source: Audited Comprehensive Annual Financial Reports

Unaudited – see accompanying independent auditors' report.

Table 12

## CITY OF BOSSIER CITY, LOUISIANA

## Taxable Sales by NAICS Category

## Last Five Fiscal Years

| Category   | Fiscal years            |                      |                      |                      |                      |
|--|-------------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2011                    | 2010                 | 2009                 | 2008                 | 2007                 |
| Agriculture, Forestry, Fishing, and Hunting      | \$ 1,141,141            | 1,181,798            | 858,000              | 680,238              | 615,252              |
| Mining; Oil and Gas                              | 96,679,344              | 104,730,557          | 153,120,355          | 63,246,611           | 42,909,749           |
| Utilities  | 3,672,677               | 1,169,246            | 5,918,888            | 3,320,207            | 707,636              |
| Construction                                     | 15,551,806              | 13,051,973           | 15,041,574           | 10,999,331           | 17,260,304           |
| Manufacturing                                    | 69,805,682              | 58,953,590           | 59,699,678           | 56,493,606           | 72,276,621           |
| Wholesale Trade                                  | 124,141,928             | 126,514,183          | 112,475,001          | 131,026,380          | 132,763,078          |
| Retail Trade                                     | 1,021,634,698           | 966,218,201          | 890,346,933          | 937,792,179          | 911,396,740          |
| Transportation and Warehousing                   | 2,425,376               | 1,481,805            | 1,731,552            | 1,363,639            | 1,163,433            |
| Publishing, Broadcasting, and Telecommunications | 27,160,313              | 18,265,003           | 24,979,805           | 21,347,759           | 19,393,876           |
| Finance, Insurance, and Real Estate              | 42,521,256              | 39,796,067           | 50,095,343           | 47,036,346           | 42,693,776           |
| Professional, Administrative, and Healthcare     | 39,328,364              | 37,880,275           | 39,147,271           | 44,670,920           | 40,052,621           |
| Arts, Amusements, and Accommodations             | 287,695,192             | 337,162,204          | 383,734,063          | 261,842,989          | 260,171,228          |
| Other Services; Public Administration            | 60,120,777              | 84,270,078           | 47,856,540           | 45,077,864           | 47,979,434           |
| Total  | <u>\$ 1,791,878,554</u> | <u>1,790,674,980</u> | <u>1,785,005,003</u> | <u>1,624,898,069</u> | <u>1,589,383,748</u> |
| City direct sales tax rate                       | 2.50%                   | 2.50%                | 2.50%                | 2.50%                | 2.50%                |

Source: Bossier City Tax Division – information prior to 2007 not available for NAICS codes.

Unaudited – see accompanying independent auditors' report.

Table 13

## CITY OF BOSSIER CITY, LOUISIANA

## Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(accrual basis of accounting)

|      | <b>Governmental<br/>activities –<br/>revenue<br/>bonds</b> | <b>Business-<br/>type activities<br/>revenue<br/>bonds</b> | <b>Total<br/>primary<br/>government</b> | <b>Percentage<br/>of estimated<br/>actual value<br/>taxable<br/>property</b> | <b>Percentage<br/>of personal<br/>income</b> | <b>Per<br/>capita</b> |
|------|--|--|---|--|--|-----------------------|
| 2002 | \$ 88,927,952  | 29,919,269   | 118,847,221                             | 3.64%  | 4.79%  | 2,082                 |
| 2003 | 84,697,683   | 28,759,269   | 113,456,952                             | 3.35%  | 4.35%  | 1,964                 |
| 2004 | 80,804,495   | 28,507,792   | 109,312,287                             | 2.98%  | 3.85%  | 1,877                 |
| 2005 | 76,290,000   | 27,252,792   | 103,542,792                             | 2.83%  | 3.51%  | 1,765                 |
| 2006 | 78,660,000   | 25,937,792   | 104,597,792                             | 2.85%  | 3.28%  | 1,735                 |
| 2007 | 175,180,000  | 24,562,792   | 199,742,792                             | 5.46%  | 5.80%  | 3,724                 |
| 2008 | 168,695,000  | 148,127,792  | 316,822,792                             | 7.24%  | 8.56%  | 4,891                 |
| 2009 | 163,472,440  | 145,401,367  | 308,873,807                             | 6.80%  | 7.96%  | 4,697                 |
| 2010 | 155,246,000  | 202,921,437  | 358,167,437                             | 7.68%  | —  | 5,841                 |
| 2011 | 148,111,499  | 348,060,750  | 496,172,249                             | 10.42%   | —  | 8,092                 |

Source: (1) Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

(2) See Demographic and Economic Statistics Table 17 for estimated actual value of taxable property, personal income, and population data.

## Note:

The City has no general obligation bonds outstanding.  
Information for 2010 and 2011 is not available.

Unaudited – see accompanying independent auditors' report.

Table 14

**CITY OF BOSSIER CITY, LOUISIANA**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2011**

| <u>Jurisdiction</u>               | <u>Debt<br/>outstanding (2)</u> | <u>Estimated<br/>percentage<br/>applicable (1)</u> | <u>Estimated<br/>share of<br/>overlapping<br/>debt</u> |
|-----------------------------------|---------------------------------|--|--|
| Bossier Parish <sup>(3)</sup>     | \$ 49,145,000                   | 49.67%   | \$ 24,410,322  |
| Bossier Parish School Board       | 77,847,933                      | 49.67%   | 38,667,068   |
| Subtotal overlapping debt         |                                 |  | 63,077,390   |
| City direct debt                  |                                 |  | 154,390,000  |
| Total direct and overlapping debt |                                 |  | <u>\$ 217,467,390</u>                                  |

Source: (1) Bossier Parish Tax Assessor

(2) Financial statements of applicable jurisdictions

(3) Bossier Parish debt outstanding represents the 2010 fiscal year balance as 2011 information was unavailable at the time of preparation of this table.

**Note:**

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 government'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.

(1) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the government's taxable assessed value that is within the City's boundaries and dividing it by the government's total taxable assessed value.

Unaudited – see accompanying independent auditors' report.

Table 15

## CITY OF BOSSIER CITY, LOUISIANA

## Legal Debt Margin Information

Last Ten Fiscal Years

|   | Fiscal year    |             |             |             |             |             |             |             |             |             |
|---|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | 2002           | 2003        | 2004        | 2005        | 2006        | 2007        | 2008        | 2009        | 2010        | 2011        |
| Debt limit  | \$ 108,152,356 | 110,098,384 | 127,348,323 | 135,716,963 | 144,698,729 | 148,641,066 | 171,248,546 | 176,368,479 | 182,821,902 | 186,040,173 |
| Total net debt applicable   | —              | —           | —           | —           | —           | 100,000,000 | —           | —           | —           | —           |
| Legal debt margin   | \$ 108,152,356 | 110,098,384 | 127,348,323 | 135,716,963 | 144,698,729 | 48,641,066  | 171,248,546 | 176,368,479 | 182,821,902 | 186,040,173 |
| Total net debt applicable to the limit<br>as a percentage of debt limit |                |             |             |             |             |             |             |             |             |             |

**Legal Debt Margin Calculation for Fiscal Year 2008:**

|  |                |
|--|----------------|
| Assessed value   | \$ 531,543,350 |
| Debt limit (35% of total assessed value for any one purpose) | 186,040,173    |
| Less general bonded debt                                     | —              |
| Legal debt margin  | \$ 186,040,173 |

## 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 assessed valuation for bonded debt for any one purpose. However, the 10% can be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation.

Unaudited – see accompanying independent auditors' report.

Table 16

**CITY OF BOSSIER CITY, LOUISIANA**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

|      | <b>Utility Revenue Bonds</b>             |                                    |                             |              |            |          | <b>Sales Tax Bonds</b> |                                    |                             |              |           |          |
|------|--|------------------------------------|-----------------------------|--------------|------------|----------|------------------------|------------------------------------|-----------------------------|--------------|-----------|----------|
|      | Charges<br>for services<br>and other (1) | Less:<br>operating<br>expenses (1) | Net<br>available<br>revenue | Debt service |            |          | Sales<br>taxes         | Less:<br>operating<br>expenses (2) | Net<br>available<br>revenue | Debt service |           |          |
|      |  |                                    |                             | Principal    | Interest   | Coverage |                        |                                    |                             | Principal    | Interest  | Coverage |
| 2011 | \$ 29,743,844                            | 11,066,281                         | 18,677,563                  | 2,545,000    | 10,363,335 | 1.45     | \$ 44,610,974          | 845,294                            | 43,765,680                  | 7,055,000    | 6,945,200 | 3.13     |
| 2010 | 25,604,114                               | 10,357,707                         | 15,246,407                  | 2,435,000    | 7,540,224  | 1.53     | 43,939,781             | 858,675                            | 43,081,106                  | 7,140,000    | 7,468,995 | 2.95     |
| 2009 | 22,287,649                               | 10,593,372                         | 11,694,277                  | 1,640,000    | 6,219,900  | 1.49     | 43,953,832             | 791,845                            | 43,161,987                  | 6,810,000    | 7,851,759 | 2.94     |
| 2008 | 21,056,549                               | 9,970,380                          | 11,086,169                  | 1,435,000    | 1,084,573  | 4.40     | 40,988,397             | 728,610                            | 40,259,787                  | 6,485,000    | 7,949,803 | 2.79     |
| 2007 | 13,071,470                               | 8,812,147                          | 4,259,323                   | 1,375,000    | 1,127,625  | 1.70     | 39,919,397             | 747,416                            | 39,171,981                  | 4,605,000    | 3,646,252 | 4.75     |
| 2006 | 13,054,202                               | 8,893,595                          | 4,160,607                   | 1,315,000    | 1,215,681  | 1.64     | 38,487,287             | 744,110                            | 37,743,177                  | 4,415,000    | 3,160,039 | 4.98     |
| 2005 | 13,111,514                               | 8,526,657                          | 4,584,857                   | 1,255,000    | 1,288,988  | 1.80     | 35,934,107             | 684,231                            | 35,249,876                  | 4,015,000    | 3,721,471 | 4.56     |
| 2004 | 11,664,125                               | 7,867,197                          | 3,796,928                   | 1,215,000    | 1,315,880  | 1.50     | 32,606,975             | 696,840                            | 31,910,135                  | 3,860,000    | 3,871,175 | 4.13     |
| 2003 | 11,050,788                               | 7,726,193                          | 3,324,595                   | 1,160,000    | 1,332,566  | 1.33     | 30,763,157             | 645,653                            | 30,117,504                  | 3,965,000    | 3,878,267 | 3.84     |
| 2002 | 10,942,806                               | 6,878,647                          | 4,064,159                   | 1,395,000    | 903,059    | 1.77     | 29,893,353             | 551,648                            | 29,341,705                  | 3,750,000    | 3,046,832 | 4.32     |

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note:

(1) Charges for services and other includes miscellaneous revenues and investment earnings. Operating expenses do not include interest, depreciation, and other nonoperating expenses.

(2) Operating expenditures of the sales tax department.

Unaudited – see accompanying independent auditors' report.

Table 17

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

| <u>Fiscal year</u> | <u>Population</u> | <u>Estimated actual value of taxable property (1)</u> | <u>Personal income (4)</u> | <u>Per capita estimated actual value of taxable property</u> | <u>Median age (3)</u> | <u>School enrollment (2)</u> | <u>Unemployment rate (5)</u> |
|--------------------|-------------------|---|----------------------------|--|-----------------------|------------------------------|------------------------------|
| 2002               | 57,075 (3)        | \$ 2,776,340,791                                      | 2,482,275,000              | 48,644   | 31.6                  | 18,756                       | 7.4%                         |
| 2003               | 57,771 (3)        | 2,821,226,996   | 2,606,502,000              | 48,835   | 33.8                  | 18,878                       | 6.3%                         |
| 2004               | 58,241 (3)        | 3,263,249,776   | 2,835,878,000              | 56,030   | 32.1                  | 18,480                       | 6.0%                         |
| 2005               | 58,661 (3)        | 3,391,817,696   | 2,947,369,000              | 57,821   | 32.1                  | 17,750                       | 5.3%                         |
| 2006               | 60,279 (3)        | 3,673,948,427   | 3,188,855,000              | 60,949   | 32.8                  | 19,170                       | 5.0%                         |
| 2007               | 61,012 (3)        | 3,657,672,047   | 3,444,905,000              | 59,950   | 32.1                  | 19,202                       | 5.2%                         |
| 2008               | 64,773 (5)        | 4,375,789,387   | 3,702,521,000              | 67,556   | 32.1                  | 19,923                       | 5.2%                         |
| 2009               | 65,776 (5)        | 4,505,967,747   | 3,879,640,000              | 68,505   | 32.1                  | 20,369                       | 6.0%                         |
| 2010               | 61,315 (6)        | 4,663,708,074   | —                          | 76,061   | 32.1                  | 20,792                       | 5.7%                         |
| 2011               | 61,315 (6)        | 4,763,002,307   | —                          | 77,681   | 32.1                  | 20,302                       | 6.4%                         |

## Sources:

- (1) Bossier Parish Tax Assessor
- (2) Bossier Parish School Board
- (3) Center for Business Research, Louisiana Tech University
- (4) Personal income data for Bossier Parish. Obtained from the Bureau of Economic Analysis at [www.bea.gov](http://www.bea.gov). Personal income not available for 2010 and 2011
- (5) State of Louisiana Treasurer
- (6) 2010 U.S. Census figures

Unaudited – see accompanying independent auditors' report.

Table 18

## CITY OF BOSSIER CITY, LOUISIANA

## Principal Employers

## Current Year and Nine Years Ago

| Employer   | 2010 (1)            |      |                                   | 2002                |      |                                   |
|--|---------------------|------|-----------------------------------|---------------------|------|-----------------------------------|
|  | Number of employees | Rank | Percentage of total Workforce (2) | Number of employees | Rank | Percentage of total Workforce (2) |
| Barksdale Air Force Base   | 10,924              | 1    | 25.7%                             | 8,700               | 1    | 24.3%                             |
| Bossier Parish School Board                                      | 2,831               | 2    | 6.7%                              | 2,500               | 3    | 7.0%                              |
| Harrah's Horseshoe Casino and Hotel/<br>Harrah's Louisiana Downs | 2,000               | 3    | 4.7%                              | 2,586               | 2    | 7.2%                              |
| State of Louisiana – Dept. of Civil<br>Service                   | 1,642               | 4    | 3.9%                              | 900                 | 6    | 2.5%                              |
| Diamond Jack's Casino Resort (3)                                 | 973                 | 5    | 2.3%                              | 1,237               | 4    | 3.5%                              |
| Willis-Knighton Health System                                    | 971                 | 6    | 2.3%                              | 482                 | 10   | 1.3%                              |
| City of Bossier City   | 837                 | 7    | 2.0%                              | 788                 | 7    | 2.2%                              |
| Boomtown Bossier City Casino and Hotel                           | 644                 | 8    | 1.5%                              | 1,130               | 5    | 3.2%                              |
| Bossier Parish Community College                                 | 552                 | 9    | 1.3%                              | —                   |      | 0.0%                              |
| Halliburton Energy Services                                      | 530                 | 10   | 1.2%                              | —                   |      | 0.0%                              |
| McElroy Metal, Inc.  | —                   |      | 0.0%                              | 657                 | 8    | 1.8%                              |
| Wal-Mart Supercenter – Airline Drive                             | —                   |      | 0.0%                              | 557                 | 9    | 1.6%                              |

Source: LSUS Center for Business and Economic Research

## Notes:

- (1) 2011 information was not available.
- (2) Percentage of workforce is based on Parish totals – Information not available for City due to its size.
- (3) Previously Isle of Capri Casino and Hotel

Unaudited – see accompanying independent auditors' report.

Table 19

**CITY OF BOSSIER CITY, LOUISIANA**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

| <b>Full-time equivalent employees as of December 31</b> |               |             |             |             |             |             |             |             |             |             |
|---|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Function</b>   | <b>2002</b>   | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> |
| General government                                      | \$ 90         | 98          | 96          | 102         | 98          | 102         | 101         | 106         | 101         | 98          |
| Public safety:  |               |             |             |             |             |             |             |             |             |             |
| Police  | 205           | 212         | 228         | 239         | 238         | 238         | 241         | 235         | 211         | 202         |
| Fire  | 199           | 199         | 224         | 218         | 221         | 213         | 220         | 204         | 191         | 184         |
| Highways and streets                                    | 48            | 48          | 46          | 48          | 49          | 50          | 38          | 35          | 30          | 30          |
| Engineering   | 16            | 20          | 21          | 22          | 22          | 21          | 22          | 18          | 17          | 17          |
| Permits/inspections                                     | 12            | 12          | 12          | 12          | 13          | 14          | 14          | 14          | 14          | 14          |
| Culture and recreation                                  | 27            | 29          | 28          | 29          | 30          | 32          | 30          | 26          | 25          | 25          |
| City Court and City Marshal                             | 26            | 25          | 26          | 27          | 27          | 29          | 31          | 31          | 29          | 27          |
| Water and sewerage                                      | 61            | 61          | 63          | 58          | 59          | 60          | 61          | 57          | 55          | 50          |
| Sanitation  | 51            | 57          | 59          | 58          | 60          | 61          | 62          | 59          | 53          | 57          |
| <b>Total</b>  | <b>\$ 735</b> | <b>761</b>  | <b>803</b>  | <b>813</b>  | <b>817</b>  | <b>820</b>  | <b>820</b>  | <b>785</b>  | <b>726</b>  | <b>704</b>  |

Source: Personnel Department of the City

Unaudited – see accompanying independent auditors' report.

Table 20

## CITY OF BOSSIER CITY, LOUISIANA

## Operating Indicators by Function

Last Ten Fiscal Years

| Function  | Fiscal year |       |        |       |        |        |        |        |        |       |
|---|-------------|-------|--------|-------|--------|--------|--------|--------|--------|-------|
|   | 2002        | 2003  | 2004   | 2005  | 2006   | 2007   | 2008   | 2009   | 2010   | 2011  |
| Police:   |             |       |        |       |        |        |        |        |        |       |
| Physical arrests  | 7,169       | 7,591 | 7,621  | 8,049 | 8,463  | 9,474  | 9,360  | 9,829  | 8,529  | 7,742 |
| Traffic violations                                      | 7,469       | 8,749 | 11,510 | 9,721 | 16,900 | 22,271 | 19,832 | 19,499 | 11,236 | 8,820 |
| Fire:   |             |       |        |       |        |        |        |        |        |       |
| Number of calls answered                                | 1,812       | 1,684 | 1,876  | 2,127 | 2,044  | 2,053  | 2,248  | 2,024  | 2,059  | 2,050 |
| Inspections   | 1,979       | 2,204 | 2,267  | 2,419 | 2,462  | 2,644  | 2,761  | 2,766  | 2,798  | 3,396 |
| Highways and streets:                                   |             |       |        |       |        |        |        |        |        |       |
| Street resurfacing (miles)                              | 4.36        | 3.44  | 1.62   | 1.62  | 0.80   | 2.20   | 1.31   | 1.70   | 1.44   | 1.13  |
| Culture and recreation:                                 |             |       |        |       |        |        |        |        |        |       |
| Athletic field permits issued                           | 17          | 18    | 18     | 22    | 23     | 17     | 23     | 23     | 24     | 14    |
| Civic center events                                     | 237         | 242   | 221    | 202   | 188    | 205    | 192    | 168    | 152    | 159   |
| Civic center use days                                   | 339         | 354   | 382    | 313   | 315    | 353    | 341    | 296    | 254    | 290   |
| Water and sewerage:                                     |             |       |        |       |        |        |        |        |        |       |
| New connections (1)                                     | —           | 4,260 | 4,608  | 5,080 | 4,859  | 4,789  | 4,673  | 3,761  | 4,863  | 4,912 |
| Water main breaks                                       | 135         | 123   | 87     | 156   | 198    | 133    | 121    | 70     | 165    | 313   |
| Average daily consumption<br>(millions of gallons)      | 9.54        | 10.45 | 10.65  | 12.47 | 13.27  | 12.47  | 11.94  | 11.30  | 12.07  | 13.84 |
| Average daily sewage treatment<br>(millions of gallons) | 9.64        | 8.69  | 10.61  | 9.34  | 8.18   | 9.45   | 8.84   | 10.76  | 8.52   | 8.07  |
| EMS:  |             |       |        |       |        |        |        |        |        |       |
| Number of emergency responses                           | 5,913       | 6,088 | 6,766  | 6,930 | 7,040  | 6,636  | 7,089  | 7,169  | 7,150  | 7,183 |
| Number of patient transports (1)                        | —           | —     | —      | 5,413 | 5,319  | 5,040  | 5,467  | 5,599  | 6,896  | 5,511 |
| Sanitation:   |             |       |        |       |        |        |        |        |        |       |
| Refuse collected (tons/day)                             | 84.10       | 78.50 | 83.99  | 84.88 | 80.55  | 84.33  | 85.92  | 87.80  | 92.65  | 92.82 |
| Recyclables collected (tons/day)                        | 2.88        | 2.93  | 0.81   | 0.91  | 0.84   | 0.96   | 1.15   | 5.67   | 9.70   | 9.86  |

Source: Various City departments

Note:

(1) Information was not available for ten years of reporting, but will be accumulated over time as it becomes available.

Unaudited – see accompanying independent auditors' report.

Table 21

**CITY OF BOSSIER CITY, LOUISIANA**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

| Function   | Fiscal year |        |        |        |        |        |        |        |        |        |
|--|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | 2002        | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   |
| Public safety:   |             |        |        |        |        |        |        |        |        |        |
| Police:  |             |        |        |        |        |        |        |        |        |        |
| Stations (includes training facility)                  | 2           | 2      | 2      | 2      | 2      | 3      | 3      | 3      | 4      | 4      |
| Patrol units (2)                                       | N/A         | N/A    | N/A    | N/A    | 134    | 153    | 154    | 154    | 202    | 203    |
| Fire stations (includes training facility)             | 10          | 10     | 10     | 10     | 10     | 10     | 10     | 10     | 10     | 10     |
| Sanitation:  |             |        |        |        |        |        |        |        |        |        |
| Collection trucks (1)                                  | —           | —      | —      | —      | —      | —      | —      | —      | —      | —      |
| Highways and streets:                                  |             |        |        |        |        |        |        |        |        |        |
| Streets (miles) (2)                                    | N/A         | N/A    | N/A    | N/A    | 325.35 | 334.55 | 335.86 | 335.94 | 337.38 | 338.51 |
| Streetlights (2)                                       | N/A         | N/A    | N/A    | N/A    | 9,370  | 9,521  | 9,683  | 9,685  | 9,704  | 9,721  |
| Traffic signals (2)                                    | N/A         | N/A    | N/A    | N/A    | 72     | 71     | 71     | 71     | 71     | 78     |
| Culture and recreation:                                |             |        |        |        |        |        |        |        |        |        |
| Parks acreage  | 309.35      | 273.99 | 328.99 | 328.99 | 328.99 | 328.99 | 328.99 | 328.99 | 328.99 | 328.99 |
| Parks  | 18          | 17     | 18     | 18     | 18     | 18     | 18     | 18     | 18     | 18     |
| Swimming pools   | 3           | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 3      |
| Tennis courts  | 12          | 12     | 12     | 12     | 24     | 24     | 24     | 24     | 26     | 26     |
| Civic centers  | 1           | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Community centers (2)                                  | 3           | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 3      |
| Water and sewerage:                                    |             |        |        |        |        |        |        |        |        |        |
| Water mains (miles) (2)                                | N/A         | N/A    | N/A    | N/A    | 324.86 | 341.10 | 356.21 | 360.37 | 362.10 | 363.24 |
| Fire hydrants (2)                                      | N/A         | N/A    | N/A    | N/A    | 2,627  | 2,637  | 2,712  | 2,756  | 2,779  | 2,958  |
| Maximum daily capacity (millions of gallons) (2)       | 25          | 25     | 25     | 25     | 25     | 25     | 25     | 25     | 25     | 25     |
| Sanitary sewers (miles) (2)                            | N/A         | N/A    | N/A    | N/A    | 236.61 | 248.49 | 320.88 | 322.11 | 323.90 | 323.04 |
| Storm sewers (miles) (2)                               | N/A         | N/A    | N/A    | N/A    | 63.55  | 64.19  | 65.71  | 66.20  | 67.60  | 68.17  |
| Maximum daily treatment capacity (millions of gallons) | 14          | 14     | 14     | 14     | 14     | 14     | 14     | 14     | 14     | 14     |

Source: Various City departments

Note:

- (1) The City contracts out sanitation to the City of Shreveport and does not own any capital assets related to sanitation.
- (2) Information was not available for ten years of reporting, but will be accumulated over time as it becomes available.

Unaudited – see accompanying independent auditors' report.

**Table 22**

**CITY OF BOSSIER CITY, LOUISIANA**  
**Compensation Paid to City Council Members**  
December 31, 2011

**City Council Member**

|                  |             |
|------------------|-------------|
| Jeffery Darby    | \$ 10,800   |
| William Hanisee  | 1,662       |
| Scott Irwin      | 10,800      |
| David Jones      | 11,409      |
| James Knight     | 2,783       |
| Timothy Larkin   | 10,800      |
| David Montgomery | 11,391      |
| James Rogers     | 6,271       |
| Don Williams     | 10,800      |
|                  | <hr/>       |
|                  | \$ 76,716   |
|                  | <hr/> <hr/> |

Unaudited -- see accompanying independent auditors' report.



**CITY OF BOSSIER CITY, LOUISIANA**

**OMB Circular A-133 Reports**

**December 31, 2011**

**(With Independent Auditors' Reports Thereon)**

**CITY OF BOSSIER CITY, LOUISIANA**

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

**Report on Internal Control over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

The Honorable Lorenz Walker, Mayor,  
and Members of the City Council  
City of Bossier City, Louisiana:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, each nonmajor governmental, nonmajor enterprise, and internal service fund of the City of Bossier City, Louisiana (the City) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 15, 2012. In addition, our report was modified to include a reference to other auditors and for the implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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. Other auditors audited the financial statements of the Bossier Public Trust Financing Authority, the Bossier City Court, and the Bossier City Marshal, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Bossier Public Trust Financing Authority were not audited in accordance with *Government Auditing Standards*.

**Internal Control over Financial Reporting**

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

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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



### **Compliance and Other Matters**

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

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

**KPMG LLP**

June 15, 2012



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

**Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards**

The Honorable Lorenz Walker, Mayor,  
and Members of the City Council  
City of Bossier City, Louisiana

**Compliance**

We have audited the City of Bossier City, Louisiana's (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2011. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Bossier City, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133, and which are described in the accompanying schedule of findings and questioned costs as items 11-1, 11-2, 11-3, 11-4, and 11-5.

**Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine



the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as 11-6 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 11-1, 11-2, and 11-3 to be significant deficiencies.

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, each nonmajor governmental, nonmajor enterprise, and internal service fund of the City as of and for the year ended December 31, 2011, and have issued our report thereon dated June 15, 2012, which contained unqualified opinions on those financial statements. In addition, our report was modified to include a reference to other auditors who audited the financial statements of the Bossier Public Trust Financing Authority, the Bossier City Court, and the Bossier City Marshal and for the implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



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

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

KPMG LLP

June 15, 2012  
except as to CFDA No. 20.205 and the schedule of expenditures of federal awards which are as of  
June 12, 2015.

**CITY OF BOSSIER CITY, LOUISIANA**  
**Schedule of Expenditures of Federal Awards - Restated**  
**Year ended December 31, 2011**

| <u>Federal grantor/pass-through grantor/program or cluster</u>                           | <u>CFDA number</u> | <u>Grant or pass-through number</u> | <u>Federal expenditures</u> |
|--|--------------------|-------------------------------------|-----------------------------|
| <b>U.S. Department of Housing and Urban Development:</b>                                 |                    |                                     |                             |
| Direct programs:   |                    |                                     |                             |
| CDBG - Entitlement Grants Cluster  |                    |                                     |                             |
| CDBG - Entitlement Grants Cluster  | 14.218             | B-1 0-MC-22-0009                    | \$ 375,017                  |
| Emergency Shelter Grants Program   | 14.231             | CMFS679210                          | 47,928                      |
| Total U.S. Department of Housing and Urban Development                                   |                    |                                     | 422,945                     |
| <b>U.S. Department of Energy:</b>  |                    |                                     |                             |
| Direct programs:   |                    |                                     |                             |
| EECBG Boardwalk Lighting Program -   |                    |                                     |                             |
| ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)                    | 81.128             | DE-SC0003222                        | 450,328                     |
| Passed - through Louisiana Department of Natural Resources:                              |                    |                                     |                             |
| ARRA - State Energy Program  | 81.041             | TR-01                               | 986,322                     |
| Total U.S. Department of Energy  |                    |                                     | 1,436,650                   |
| <b>U.S. Department of Justice:</b>   |                    |                                     |                             |
| Direct programs:   |                    |                                     |                             |
| Organized Crime Drug Enforcement Task Force  | 16.609             | N/A                                 | 17,550                      |
| Passed - through Louisiana Commission on Law Enforcement:                                |                    |                                     |                             |
| Fugitive Apprehension Strike Team  |                    |                                     |                             |
| Violence Against Women Formula Grants  | 16.XXX             | D35-11-0135                         | 16,191                      |
| Missing Children's Assistance  | 16.588             | M08-1-002                           | 25,039                      |
| JAG Program Cluster  | 16.543             | 2011-MC-CX-D053                     | 15,401                      |
| Justice Assistance Grant - Equipment   | 16.738             | 2009-DJ-BX-0840                     | 1,425                       |
| Justice Assistance Grant - DWI and Walking Patrol  | 16.738             | 2010-DJ-BX-1633                     | 6,280                       |
| Total JAG Program Cluster  |                    |                                     | 7,705                       |
| Total U.S. Department of Justice   |                    |                                     | 81,886                      |
| <b>U.S. Department of Transportation:</b>  |                    |                                     |                             |
| Passed - through Louisiana Commission on Law Enforcements:                               |                    |                                     |                             |
| Highway Safety Cluster   |                    |                                     |                             |
| Justice Assistance Grant - DWI and Walking Patrol  | 20.601             | N/A                                 | 86,763                      |
| Total U.S. Department of Transportation  |                    |                                     | 86,763                      |
| <b>U.S. Department of Homeland Security:</b>   |                    |                                     |                             |
| Passed - through Louisiana Department of Military Affairs -                              |                    |                                     |                             |
| Office of Homeland Security and Emergency Preparedness -                                 |                    |                                     |                             |
| Public Assistance Grants (FEMA)  | 97.036             | FEMA-1971-DR-LA                     | 8,992                       |
| FEMA Greenspace project  | 97.039             | FEMA-1603-DR-LA                     | 99,370                      |
| Homeland Security Grant Program - Generator Grant  | 97.067             | FY2008                              | 65,366                      |
| Total U.S. Department of Homeland Security   |                    |                                     | 173,728                     |
| <b>Environmental Protection Agency:</b>  |                    |                                     |                             |
| Passed - through State of Louisiana of Environmental Quality                             |                    |                                     |                             |
| Capitalization Grants for Clean Water State Revolving Funds                              | 66.458             | CS-221102-03(.95)                   | 2,035,262                   |
| Total Department of Environmental Quality  |                    |                                     | 2,035,262                   |
| <b>Federal Highway Administration</b>  |                    |                                     |                             |
| Passed - through Louisiana Department of Transportation:                                 |                    |                                     |                             |
| Highway Planning and Construction Cluster  |                    |                                     |                             |
| Highway Planning and Construction - (Shed Road)  | 20.205             | STP0801(516)                        | 494,566                     |
| Highway Planning and Construction - (Hamilton Road)                                      | 20.205             | STP0801(518)                        | 99,648                      |
| Total Federal Highway Administration and Total Highway Planning and Construction Cluster |                    |                                     | 594,214                     |
| Total expenditures of federal awards   |                    |                                     | \$ 4,831,448                |

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF BOSSIER CITY, LOUISIANA**

**Notes to Schedule of Expenditures of Federal Awards - Restated**

**Year ended December 31, 2011**

**(1) Basis of Presentation**

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

**(2) Subrecipients**

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

| <u>Program title</u>              | <u>CFDA number</u> | <u>Amount provided to subrecipients</u> |
|-----------------------------------|--------------------|---|
| Community Development Block Grant | 14.218             | \$ 61,459                               |

**(3) Restatement**

During 2014, the City determined that certain amounts previously accounted for as local expenditures for the year ended December 31, 2011 should have been considered expenditures of federal awards. Additionally, the City determined that certain local matching amounts were incorrectly reported as federal expenditures due to applying the incorrect matching rate to the funds when calculating federal share for reporting purposes. Accordingly, the City has added the Shed Road project to the Highway Planning and Construction Cluster (CFDA No. 20.205) expenditures and removed the local match from the Hamilton Road project in the Highway Planning and Construction Cluster on the schedule of expenditures of federal awards for the year ended December 31, 2011. The net effect of this restatement was to increase total federal expenditures for the year ended December 31, 2011 by \$475,882.

**CITY OF BOSSIER CITY, LOUISIANA**  
**Schedule of Findings and Questioned Costs - Restated**  
**Year ended December 31, 2011**

**Section 1 – Summary of Auditors’ Results**

**Basic Financial Statements**

Type of report issued: Unqualified opinion

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None reported

Noncompliance material to basic financial statements noted? No

**Federal Awards**

Internal control over major programs:

- Material weaknesses identified? Yes
- Significant deficiencies in internal control over major programs? Yes

Type of auditors’ report issued on compliance for major programs: unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes

Identification of major programs:

| <u>CFDA number</u> | <u>Name of federal program or cluster</u>                      |
|--------------------|--|
| 14.218             | CDBG – Entitlement Grants Cluster                              |
| 66.458             | Capitalization Grants for Clean Water State Revolving Funds    |
| 81.128             | Energy Efficiency and Conservation Block Grant Program (EECBG) |
| 81.041             | State Energy Program   |
| 20.205             | Highway Planning and Construction Cluster                      |

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

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

**CITY OF BOSSIER CITY, LOUISIANA**  
**Schedule of Findings and Questioned Costs - Restated**  
**Year ended December 31, 2011**

**Section 2 – Basic Financial Statement Findings Reported in Accordance with *Government Auditing Standards***

None

**Section 3 – Federal Award Findings and Questioned Costs**

**Item: 11-1**

**Grant: State Energy Program**

**CFDA number: 81.041**

**Grant number: TR-01**

**Pass – through agency: Louisiana Department of Natural Resources**

**Criteria: Procurement and Suspension and Debarment**

**Type of finding: Noncompliance and significant deficiency**

**Specific requirement:** Nonfederal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR Section 180.220 of the governmentwide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions. When a nonfederal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity is not suspended or debarred or otherwise excluded.

**Condition found:** During our testwork over the State Energy Program, we noted that the City did not verify that the contractor was not suspended or debarred or otherwise excluded. Per review of the Excluded Parties List System (EPLS), the contractor was not suspended or debarred, so there are no questioned costs.

**Questioned costs: \$0**

**Effect:** The City is not in compliance with the federal requirement to ensure the entity is not suspended or debarred or otherwise excluded.

**Cause:** Internal control procedures to review the files for complete documentation were ineffective.

**Recommendation:** We recommend the individual responsible for verifying whether the contractor is suspended or debarred (1) check the EPLS maintained by the General Services Administration (GSA), (2) collect a certification from the contractor, or (3) add a clause or condition to the covered transaction with that contractor in the contract (2 CFR section 180.300). The information contained in the EPLS is available in printed and electronic formats.

**CITY OF BOSSIER CITY, LOUISIANA**  
**Schedule of Findings and Questioned Costs - Restated**  
**Year ended December 31, 2011**

**Management's Response**

- A) Responsible contact – Rodney Oar, Director of Fleet Services
- B) Corrective action planned:
  - Check EPLS for Boggs, & Poole (B&P)
  - Collect certification from B&P
  - If necessary, add a clause to the B&P contract explaining any problems/issues
- C) Anticipated completion date – April 30, 2012

**CITY OF BOSSIER CITY, LOUISIANA**  
Schedule of Findings and Questioned Costs - Restated  
Year ended December 31, 2011

**Item:** 11-2

**Grant:** State Energy Program

**CFDA number:** 81.041

**Grant number:** TR-01

**Pass – through agency:** Louisiana Department of Natural Resources

**Criteria:** Procurement and Suspension and Debarment

**Type of finding:** Noncompliance and significant deficiency

**Specific requirement:** Section 1605 of ARRA prohibits the use of ARRA funds for a project for the construction, alteration, maintenance, or repairs of a public building or work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. This results in making the Buy American Act apply to these ARRA awards. ARRA provides for waiver of these requirements under specified circumstances. An award term is required in all ARRA-funded awards for construction, alteration, maintenance, or repair of a public building or public work (2 CFR Section 176.140). Further information about this requirement, including applicable definitions, is found in 2 CFR part 176, Subpart B.

**Condition found:** During our testwork over the State Energy Program, we noted that the City did not state in its contract with the contractor that the manufactured goods used in the project were produced in the United States.

**Questioned costs:** \$0

**Effect:** The City is not in compliance with the Section 1605 of ARRA. This is a federal requirement for all construction projects funded by ARRA monies to state in the agreement with the contractor that the manufactured goods used in the project were produced in the United States.

**Cause:** Internal control procedures to review the files for complete documentation were ineffective.

**Recommendation:** We recommend the City add a Buy American clause in each of its construction contracts funded with federal ARRA monies and suggest this requirement be added to the Public Works Checklist so as to ensure the file is complete and all requirements are met.

**Management's Response**

- A) Responsible contact – Rodney Oar, Director of Fleet Services
- B) Corrective action planned:
  - Add a Buy American clause to each construction contract with B&P
  - Add a Buy American clause requirement to the City's Public Works Checklist
- C) Anticipated completion date – April 30, 2012

**CITY OF BOSSIER CITY, LOUISIANA**  
Schedule of Findings and Questioned Costs - Restated  
Year ended December 31, 2011

**Item: 11-3**

**Grant:** Energy Efficiency and Conservation Grant

**CFDA number:** 81.128

**Grant number:** DE-SC0003222

**Pass – through agency:** Not Applicable – Direct Program

**Criteria:** Procurement and Suspension and Debarment

**Type of finding:** Noncompliance and significant deficiency

**Specific requirement:** Nonfederal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR Section 180.220 of the governmentwide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions. When a nonfederal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity is not suspended or debarred or otherwise excluded.

**Condition found:** During our testwork over the Energy Efficiency and Conservation Block Grant, we noted that the City did not verify that the contractor was not suspended or debarred or otherwise excluded. Per review of the EPLS, the contractor was not suspended or debarred, so there are no questioned costs.

**Questioned costs:** \$0

**Effect:** The City is not in compliance with the federal requirement to ensure the entity is not suspended or debarred or otherwise excluded.

**Cause:** Internal control procedures to review the files for complete documentation were ineffective.

**Recommendation:** We recommend the individual responsible for verifying whether the contractor is suspended or debarred (1) check the EPLS maintained by the GSA, (2) collect a certification from the contractor, or (3) add a clause or condition to the covered transaction with that contractor in the contract (2 CFR Section 180.300). The information contained in the EPLS is available in printed and electronic formats.

**Management's Response**

A) Responsible contact-Rodney Oar, Director of Fleet Services

B) Corrective action planned:

- Check EPLS for B&P
- Collect certification from B&P
- If necessary, add a clause to the B&P contract explaining any problems/issues

C) Anticipated completion date – April 30, 2012

**CITY OF BOSSIER CITY, LOUISIANA**  
**Schedule of Findings and Questioned Costs - Restated**  
**Year ended December 31, 2011**

**Item: 11-4**

**Grant:** Community Development Block Grant

**CFDA numbers:** 14.218

**Grant numbers:** B-11-MC-22-0009 and B-10-MC-22-0009

**Pass – through agency:** Not Applicable – Direct Program

**Criteria:** Reporting

**Type of finding:** Noncompliance

**Specific requirement:** Federal financial reporting instructions state a federal financial report (FFR) is to be submitted no later than 30 days after the quarter-end of which is reported. The form is to be completed for each individual grant award. If reporting on multiple grants, the use of the FFR Attachment is required.

**Condition found:** During our reporting testwork over the Community Development Block Grant, we noted that the City combined transaction amounts from two separate grants into one SF-425 FFR submitted each quarter without use of the FFR Attachment.

**Questioned costs:** \$0

**Effect:** The reader cannot distinguish between activities in individual grant awards reported on the SF-425.

**Cause:** Client misunderstanding of the federal financial reporting instructions.

**Recommendation:** We recommend the City complete an SF-425 report on each individual grant award and maintain separate supporting documentation for general ledger activity for each award.

**Management's Response**

- A) Name of contact responsible – Robert Brown
- B) Corrective action planned – The City will complete an SF-425 report on each individual grant award and maintain separate supporting documentation for general ledger activity for each award.
- C) Anticipated completion date – Immediately

**CITY OF BOSSIER CITY, LOUISIANA**  
**Schedule of Findings and Questioned Costs - Restated**  
**Year ended December 31, 2011**

**Item:** 11-5

**Grant:** Community Development Block Grant

**CFDA numbers:** 14.218

**Grant number:** B-11-MC-22-0009

**Pass – through agency:** Not Applicable – Direct Program

**Criteria:** Reporting

**Type of finding:** Noncompliance

**Specific requirement:** HUD 60002, *Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons (OMB No. 2529-0043)* – For each grant over \$200,000 that involves housing rehabilitation, housing construction, or other public construction, the prime recipient must submit Form HUD 60002 (24 CFR Sections 135.3(a), 135.90, and 570.607).

**Condition found:** During our reporting testwork over the Community Development Block Grant, we noted that the City did not report a dollar amount of award in box 3 of the HUD 60002, Section 3 Summary Report. Additionally, there were a number of contracts awarded for the program during the period covered. However, no amounts were reported in Part II of the report indicating the total dollar amount of construction contracts awarded on the project.

**Questioned costs:** \$0

**Effect:** The dollar amount of the award and the total dollar amount of construction contracts awarded on the project in the HUD 60002, Section 3 Summary Report are unknown to the reader.

**Cause:** Client misunderstanding of the HUD 60002, Section 3 Summary Report reporting instructions.

**Recommendation:** We recommend the City consult with its respective HUD Reporting Representative in order to complete the Section 3 Summary Report in the proper manner.

**Management's Response**

- A) Name of contact responsible – Robert Brown/Kadwyna Jackson Walker
- B) Corrective action planned – The City will consult with HUD Representative on requirements for the required methodology for proper completion of the Section 3 Summary Report.
- C) Anticipated completion date – Immediately

**CITY OF BOSSIER CITY, LOUISIANA**  
**Schedule of Findings and Questioned Costs - Restated**  
**Year ended December 31, 2011**

**Item: 11-6**

**Grant: Highway Planning and Construction Cluster**

**CFDA number: 20.205**

**Grant number: STP0801(516), STP0801(518)**

**Pass – through agency: Louisiana Department of Transportation**

**Criteria: Reporting**

**Type of finding: Material Weakness**

**Specific requirement:** In accordance with OMB Circular A-133 § 310(b)(3), the auditee shall prepare a schedule of expenditures of Federal awards (SEFA) for the period covered by the auditee's financial statements. The auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.

**Condition found:** Amounts related to the Highway Planning and Construction Cluster grant STP0801(516) were excluded from the SEFA. Additionally, the amounts for grant STP0801(518) were originally over-reported as the City included local funds.

**Questioned costs: \$0**

**Effect:** Federal Highway Planning and Construction Cluster expenditures were understated in the 2011 Schedule of Expenditures of Federal Awards by \$475,882 (80%) resulting in the program being initially excluded from major programs in the 2011 Single Audit.

**Cause:** The City's controls over preparation of the SEFA are insufficient to identify Federal awards that have not been communicated directly to the accounting department. The accounting department that prepares the SEFA

**CITY OF BOSSIER CITY, LOUISIANA**

**Schedule of Findings and Questioned Costs - Restated**

**Year ended December 31, 2011**

was unaware that amounts expended for Shed Road right of way acquisition were being expended from federal funds. The incorrect matching amount was picked up for another project due to varying matching rates under various highway grants and the incorrect one being used in this case.

**Recommendation:** Procedures should be in place for accounting and other departments to communicate regarding federal grants in place to identify expenditures made under these grants.

**Management's Response**

- A) Responsible contact – Molly Haugen, Comptroller
- B) Corrective action planned:
  - Expand SEFA preparation process to include communication with program areas responsible for grants to identify potential additional federal expenditures.
  - Review reported amounts to ensure that only the Federal portion is included on the SEFA and to ensure that the fund sources are reported properly
- C) Anticipated completion date – Completed for the year ended December 31, 2014 closeout process

**City of Bossier City, Louisiana**  
**Summary Schedule of Prior Audit Findings**  
**12/31/11**

The following table shows the status of the prior year audit findings:

| <b><u>Reference</u></b> | <b><u>Finding</u></b>                                 | <b><u>Status</u></b> | <b><u>Contact Person</u></b> |
|-------------------------|---|----------------------|------------------------------|
| 10-1                    | Post-inspections undocumented                         | Corrected            | Bob Brown                    |
| 10-2                    | SF-425 Reports not filed                              | Corrected            | Bob Brown                    |
| 10-3                    | Subrecipient subaward information identification      | Corrected            | Bob Brown                    |
| 10-4                    | Prevailing wage rate clauses not included in contract | Corrected            | Mark Hudson                  |

**City of Bossier City, Louisiana  
Corrective Action Plan  
Year ended December 31, 2011**

**Item:** 11-1

**Grant:** State Energy Program

**CFDA number:** 81.041

**Grant number:** TR-01

**Pass - through agency:** Louisiana Department of Natural Resources

**Criteria:** Procurement and Suspension and Debarment

**Type of finding:** Noncompliance and significant deficiency

**Condition found:** During our testwork over the State Energy Program, we noted that the City did not verify that the contractor was not suspended or debarred or otherwise excluded. Per review of the Excluded Parties List System (EPLS), the contractor was not suspended or debarred, so there are no questioned costs.

**Management's response:**

- A) Responsible contact – Rodney Oar, Director of Fleet Services
- B) Corrective action planned –
  - Check EPLS for Boggs & Poole (B&P)
  - Collect certification from B&P
  - If necessary, add a clause to the B&P contract explaining any problems/issues
- C) Anticipated completion date – April 30, 2012

**Item:** 11-2

**Grant:** State Energy Program

**CFDA number:** 81.041

**Grant number:** TR-01

**Pass - through agency:** Louisiana Department of Natural Resources

**Criteria:** Procurement and Suspension and Debarment

**Type of finding:** Noncompliance and significant deficiency

**Condition found:** During our testwork over the State Energy Program, we noted that the City did not state in its contract with the contractor that the manufactured goods used in the project were produced in the United States.

**Management's response:**

- A) Responsible contact – Rodney Oar, Director of Fleet Services
- B) Corrective action planned –
  - Add a Buy American clause to each construction contract with B&P
  - Add a Buy American clause requirement to the City's Public Works Checklist
- C) Anticipated completion date – April 30, 2012

**Item:** 11-3

**Grant:** Energy Efficiency and Conservation Grant

**CFDA number:** 81.128

**Grant number:** DE – SC0003222

**Pass - through agency:** Not Applicable – Direct Program

**Criteria:** Procurement and Suspension and Debarment

**Type of finding:** Noncompliance and significant deficiency

**Condition found:** During our testwork over the Energy Efficiency and Conservation Block Grant, we noted that the City did not verify that the contractor was not suspended or debarred or otherwise excluded. Per review of the EPLS, the contractor was not suspended or debarred, so there are no questioned costs.

**Management's response:**

- A) Responsible contact – Rodney Oar, Director of Fleet Services
- B) Corrective action planned –
  - Check EPLS for B&P
  - Collect certification from B&P
  - If necessary, add a clause to the B&P contract explaining any problems/issues
- C) Anticipated completion date – April 30, 2012

**Item:** 11-4

**Grant:** Community Development Block Grant

**CFDA numbers:** 14.218

**Grant numbers:** B-11-MC-22-0009 and B-10-MC-22-0009

**Pass - through agency:** Not Applicable – Direct Program

**Criteria:** Reporting

**Type of finding:** Noncompliance

**Condition found:** During our reporting testwork over the Community Development Block Grant, we noted that the City combined transaction amounts from two separate grants into one SF-425 FFR submitted each quarter without use of the FFR Attachment.

**Management's response:**

- A) Name of contact responsible – Robert Brown
- B) Corrective action planned – The City will complete an SF-425 report on each individual grant award and maintain separate supporting documentation for general ledger activity for each award.
- C) Anticipated completion date – Immediately

**Item:** 11-5

**Grant:** Community Development Block Grant

**CFDA numbers:** 14.218

**Grant number:** B-11-MC-22-0009

**Pass - through agency:** Not Applicable – Direct Program

**Criteria:** Reporting

**Type of finding:** Noncompliance

**Condition found:** During our reporting testwork over the Community Development Block Grant, we noted that the City did not report a dollar amount of award in box 3 of the HUD 60002, Section 3 Summary Report. Additionally, there were a number of contracts awarded for the program during the period covered. However, no amounts were reported in Part II of the report indicating the total dollar amount of construction contracts awarded on the project.

**Management's response:**

- A) Name of contact responsible – Robert Brown/Kadwyna Jackson Walker
- B) Corrective action planned – The City will consult with HUD Representative on requirements for the required methodology for proper completion of the Section 3 Summary Report.
- C) Anticipated completion date – Immediately

**Item: 11-6**

**Grant:** Highway Planning and Construction Cluster

**CFDA number:** 20.205

**Grant number:** STP0801(516), STP0801(518)

**Pass – through agency:** Louisiana Department of Transportation

**Criteria:** Reporting

**Type of finding:** Material Weakness

**Condition found:** Amounts related to the Highway Planning and Construction Cluster grant STP0801(516) were excluded from the SEFA. Additionally, the amounts for grant STP0801(518) were originally over-reported as the City included local funds.

**Management's Response**

- A) Name of contact responsible – Molly Haugen, Comptroller
- B) Corrective action planned:
  - Expand SEFA preparation process to include communication with program areas responsible for grants to identify potential additional federal expenditures
  - Review reported amounts to ensure that only the Federal portion is included on the SEFA and to ensure that the fund sources are reported properly
- C) Anticipated completion date – Completed for the year ended December 31, 2014 closeout process