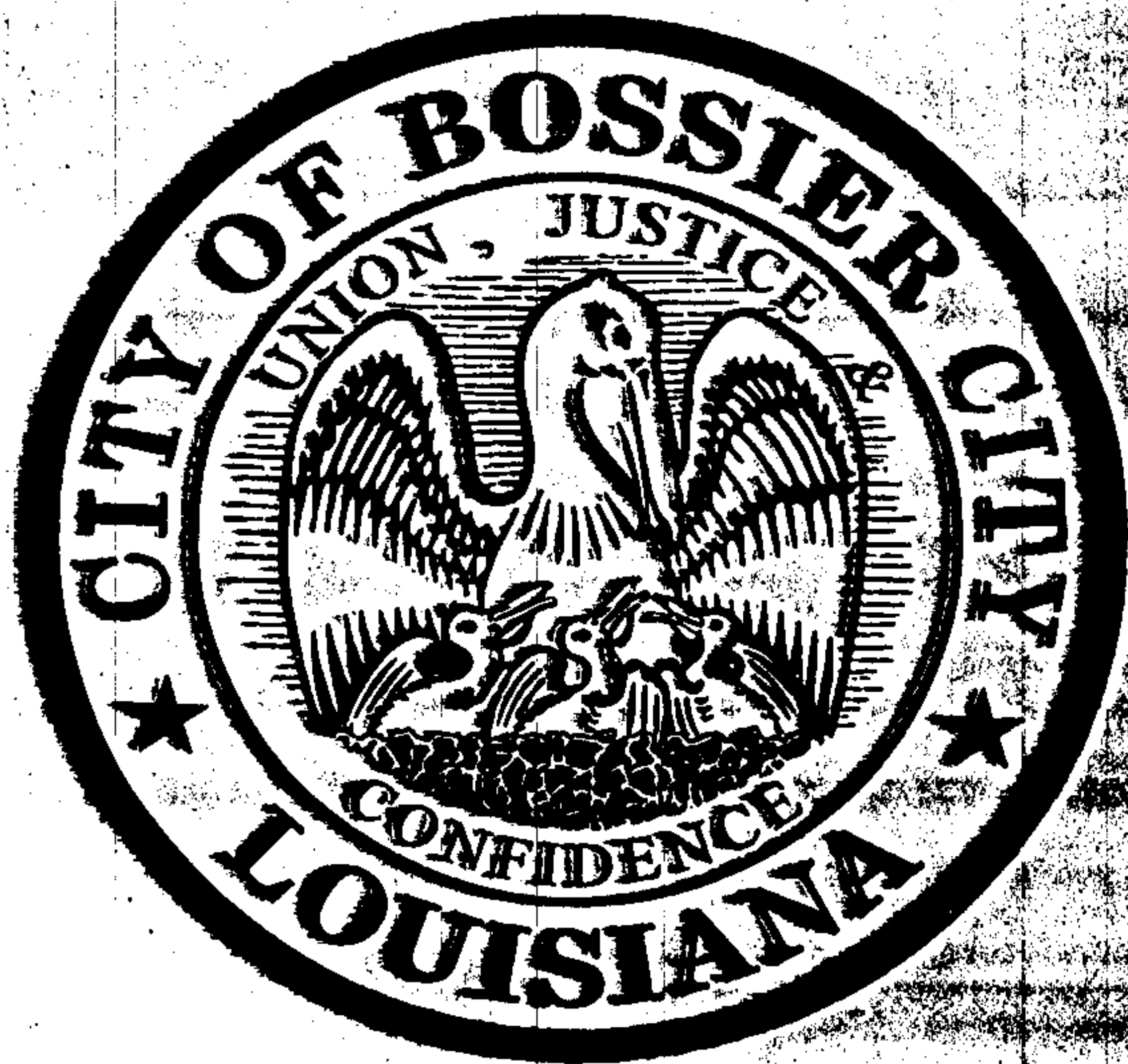


# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

*Of The  
City of  
Bossier City, Louisiana*



*For The  
Year Ended December 31, 1999*

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**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
of the  
CITY OF BOSSIER CITY, LOUISIANA  
for the  
Year Ended December 31, 1999**

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 JUN 7 4 2000

**George Dement  
Mayor**

**Charles E. Glover  
Director of Finance**

**Prepared by Department of Finance**

# INTRODUCTORY SECTION

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**CITY OF BOSSIER CITY, LOUISIANA**

**Comprehensive Annual Financial Report**

Year ended December 31, 1999

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## Office of the Mayor

BOSSIER CITY, LOUISIANA

GEORGE DEMENT  
MAYOR

620 BENTON ROAD  
POST OFFICE BOX 5337  
BOSSIER CITY, LA 71171-5337  
(318) 741-8501

March 20, 2000

Members of the City Council  
City of Bossier City, Louisiana

I am pleased to join our Finance Director in presenting the City of Bossier City Annual *Financial Report for fiscal year 1999*. Last year was another good year for our city. The area economy continues to boom as indicated by the opening of new businesses, expansion of existing businesses, continued increases in housing starts, and in tourist activity.

Indicators of this growth are the sustained increases in our sales tax collections, property tax collections as a result of the substantial increase in total assessed value and continued growth in our building permit fee collections. Our financially troubled Medical Center was sold in June of 1999. Interests earned on proceeds of the sale are now being used to institute new public safety and health programs to improve upon Emergency Medical Services for our citizens.

The last half of the year 2000 will see the opening of our 14,000-seat multi-purpose arena, the completion of Arthur Ray Teague Parkway to the arena, and the expansion of Woodmont Boulevard to help alleviate increased traffic related to the arena.

Our continued growth requires that we continually pursue infrastructure expansions and improvements. Engineers have been selected and plans are under way to extend the Parkway from Hamilton Road to Texas Street, to design a railroad overpass at the Benton Road crossing and to look at future water and sewer requirements. Our ability to successfully manage this growth will necessitate that infrastructure remains top priority.

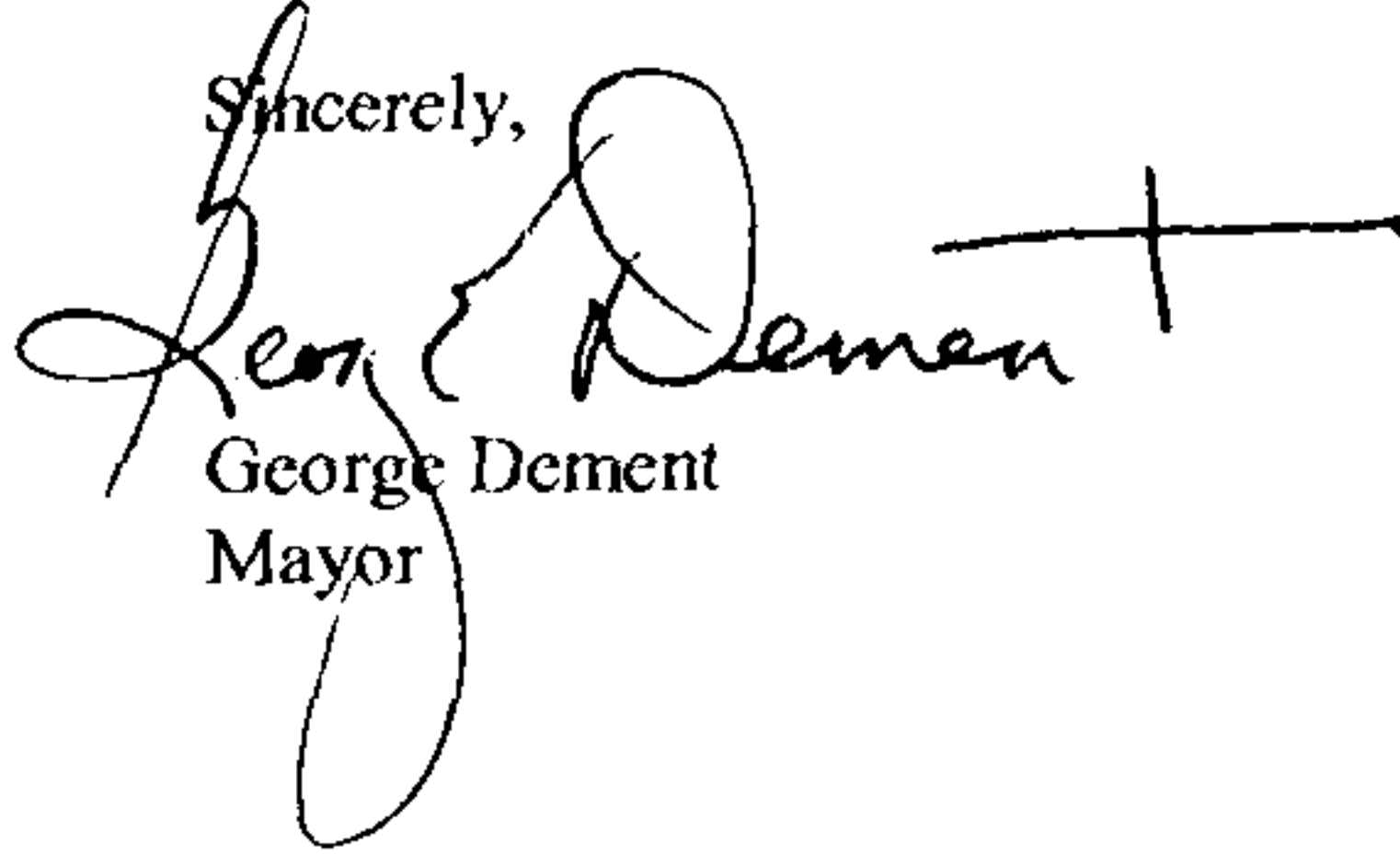
All indications are that our local economy will continue to grow. This will require that we continue monitoring our receipts and expenditures so that taxpayers are receiving the maximum value for their tax dollars. Our City Council continues to effectively perform their check and balance function to insure that this happens.



Members of the City Council  
Page 2

We look forward to fiscal year 2000 as another year of productive and harmonious partnership with the Council. We shall continue our collective efforts to provide the citizens of our growing community the services and quality of life they deserve.

Sincerely,

A handwritten signature in cursive script that reads "George Dement". The signature is written in black ink and includes a horizontal line extending to the right from the end of the name. Below the signature, the name "George Dement" and the title "Mayor" are printed in a standard serif font.

George Dement  
Mayor



# CITY OF BOSSIER CITY

P. O. BOX 5337

BOSSIER CITY, LOUISIANA 71171-5337

March 10, 2000

The Honorable George Dement, Mayor  
and Members of the City Council  
City of Bossier City, Louisiana:

In compliance with Section 4.06, paragraph 7 of the City Charter, the comprehensive annual financial report for the City of Bossier City, Louisiana (the "City") for the year ended December 31, 1999, is submitted herewith. This document is the official comprehensive publication of the City's financial position at December 31, 1999, and of the results of operations for the year ended December 31, 1999, for all funds and account groups of the City.

This report was prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The report complies in all material respects to the Governmental Accounting Standards Board authoritative promulgations. The notes to the financial statements explain the City's accounting policies, basis of accounting, funds, and accounts used, as well as other significant accounting information. These notes are an integral part of this report.

The report includes all entities or organizations that are required to be included in the City's reporting entity. The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a governmental unit's reporting entity is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

There are several agencies that provide services to City residents and are included in the financial statements of the City as discrete component units because they are legally separate from the City. These entities are:

City Court of Bossier City  
Bossier City Marshal's Office  
Metropolitan Planning Commission  
Bossier Public Trust Financing Authority

The Honorable George Dement, Mayor  
and Members of the City Council  
March 10, 2000

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the government's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements, the combining and individual fund and account group financial statements and schedules and supplementary data, as well as the auditors' report on the financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City provides the following services as authorized by its charter: public health and safety, streets, sanitation, water and sewerage, planning and zoning, recreation, and general administrative services.

### **ECONOMIC CONDITION AND OUTLOOK**

During 1999, the City continued to experience significant growth in new construction. This is evidenced by the continued increase in building permits and the increase in revenues derived therefrom. There continues to be significant increases in residential construction in North, East, and South Bossier, primarily in single family dwellings. The expansion of existing businesses and the construction of new businesses, many of which are located on Airline Drive in North Bossier and along the I-220 by pass, are evidence of continued growth and expansion that can be attributed to the booming local economy and the increase in tourist activity, primarily as a result of the advent of riverboat gaming.

Barksdale Air Force Base, which currently employs over 7,000 people in the area, remains as viable and active as it has in the past. The recent announcement of new construction and the addition of over 100 new employees are indicators that the Base will remain an integral part of our community.

With the Red River connecting Bossier City to the City of Shreveport, the condition of the Shreveport economy directly and indirectly has an effect on our City. The economy of Shreveport once again experienced sustained growth during 1999. The continued growth in retail sales, employment, and residential construction are evidence of this growth. The continued expansion of the Caddo Bossier Port and Interstate-49 continue to have positive effects on the economy and provide major links for Northwest Louisiana with other areas of the state and beyond. In Shreveport, the fall of 2000 will see the addition of a luxury hotel adjacent to an existing riverboat gaming pavilion and another riverboat gaming pavilion and luxury hotel. These additions will bring the total number of riverboat gaming pavilions and luxury hotels in the Bossier/Shreveport area to five. The new facilities will only add to the already significant contribution to the area's economy that the gaming industry continues to make.

### **MAJOR INITIATIVES**

#### **Current**

Construction of the City's 14,000 seat multi-purpose arena, the Arthur Ray Teague Parkway extension to the arena, the widening of Woodmont Boulevard in front of the arena, and the Parkway extension to Hamilton Road are projects currently in progress. All are scheduled to open in October of 2000.

The Honorable George Dement, Mayor  
and Members of the City Council  
March 10, 2000

### **Future**

Engineers have been selected for the extension of the Arthur Ray Teague Parkway from Hamilton Road to Highway 80, for the design of a railroad overpass at Benton Road, and to look at the future utility needs to handle our growth. Our growth dictates that infrastructure expansions and improvements such as these remain our top priority.

## **FINANCIAL INFORMATION**

### **Accounting System and Budgetary Control**

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

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

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

Budgetary control is maintained at the subclass level by the encumbrance of balances with purchase orders before their release to vendors. Purchase orders which would result in an overrun of a budget allocation, after considering fund surpluses or deficits, are rejected by the accounting system and are not processed until additional funds are available. Monthly budget reports are prepared for management's use in controlling and monitoring the approved budget. Open encumbrances are reported as reservations of fund balance at December 31, 1999.

The following paragraphs are highlights of the activities of the funds and account groups controlled by or dependent upon the City. Significant financial events and changes in financial reporting practices are also reflected.



The Honorable George Dement, Mayor  
and Members of the City Council  
March 10, 2000

**General Governmental Functions**

The General Fund is the general operating fund of the City and is used to account for all financial resources not accounted for in other funds. The following disclosures of general governmental functions reflect those operating activities recorded in the General Fund. Revenues and other financing sources for general governmental functions totaled \$32,036,939 in 1999, an increase of 5.6% over 1998. General property and sales taxes, revenues from sanitation charges, licenses and permits, and intergovernmental, which represent the four major general governmental revenue sources of the City, produced 77.7% of general revenues compared to 78.2% last year. The amount of revenues from various sources in 1999 is shown in the following tabulation:

Revenues and Other Financing Sources	1999		Increase (Decrease) From 1998
	Amount	Percent of Total	
Taxes	\$ 19,617,190	61.3%	\$ 1,028,231
Licenses and permits	1,966,087	6.1	62,631
Intergovernmental	1,606,765	5.0	16,236
Fines and penalties	1,142,734	3.6	144,704
Racing Commission - Louisiana			
Downs	290,635	0.9	(34,636)
Video Poker	388,916	1.2	(42,269)
Interest	58,850	0.2	(29,765)
Sanitation charges	1,706,796	5.3	64,248
Miscellaneous	1,296,426	4.0	62,154
Transfers in	3,962,540	12.4	427,801
Total revenues and other financing sources	\$ <u>32,036,939</u>	<u>100.0%</u>	\$ <u>1,699,335</u>

Fines and penalties revenues continued to increase in 1999 primarily from a newly imposed fine on underage persons attempting to board a riverboat. Tax revenue in the General Fund increased due to increased revenue from ad valorem taxes of \$505,818 and increased revenue from sales taxes of \$631,090. The increase in ad valorem taxes is primarily due to the addition of the Casino Magic hotel and pavilion to the tax roll. In addition, the City continues to have new properties added to the tax roll as a result of new construction. The increase in sales tax revenues is due to a strengthening economy.

Assessed valuations of \$256,358,740 represented an increase of 5.5% over the preceding year. Allocations of property tax levy by purpose (tax rate per \$1,000 assessed value) for 1999 and 1998 are as follows:

Purpose	1999	1998
General Fund - unrestricted	\$ 6.90	6.90
General Fund - restricted for Fire and Police Departments	19.48	19.48
	\$ <u>26.38</u>	<u>26.38</u>

The Honorable George Dement, Mayor  
and Members of the City Council  
March 10, 2000

Expenditures and other financing uses in the General Fund totaled \$32,221,167 in 1999, an increase of 6.9% over 1998. The amount of expenditures in 1999 by general governmental function is shown in the following tabulation:

	1999		Increase (Decrease) From 1998
	Amount	Percent of Total	
General government	\$ 7,090,563	22.0%	\$ 500,959
Solid waste	2,010,192	6.2	154,002
Public safety	20,039,055	62.2	1,343,127
Highways and streets	834,241	2.6	9,183
Culture and recreation	1,355,155	4.2	5,587
City Court and Marshal	840,361	2.6	53,650
Other financing uses	51,600	0.2	-
	<u>\$ 32,221,167</u>	<u>100.0%</u>	<u>\$ 2,066,508</u>

Total General Fund expenditures increased due primarily to additional personnel, repairs and maintenance cost increases, and increases in worker's compensation expenditures.

Fund balance in the General Fund was maintained at an adequate level. The General Fund fund balance experienced a decrease of \$184,228 bringing the total fund balance to \$4,388,418 at December 31, 1999, which represents 13.6% of 1999 expenditures and other financing uses.

### Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources. The total revenues of \$7,491,406 from these sources for 1999 reflects a net decrease of 39.9% from 1998. Sales and use taxes, intergovernmental revenues, net decrease in the fair value of investments and interest income generated 96.3% of the total 1999 revenues compared to 57.4% in 1998. Sales tax revenues of \$3,539,254 were recorded in three special revenue funds established for the purposes of constructing and operating two new fire stations and a training facility, maintaining and operating the City jail and municipal buildings, and repair and maintenance of streets and drainage. Riverboat gaming revenue is no longer reflected in the special revenue funds. Beginning in 1999, riverboat gaming revenue is reflected in the Riverboat Gaming Capital Projects Fund. These funds were accumulated in the special revenue fund until the \$15,000,000 base amount created by ordinance was attained. A subsequent ordinance required that 50% of the revenue, after the accumulation of the \$15,000,000 base, be used for water plant expansion and 50% added to the base until a base amount of \$30,000,000 was attained. At December 31, 1999, the balance of the base amount is \$31,275,086. Intergovernmental revenues of \$2,152,549 consisted primarily of Community Development Block Grant monies expended for programs designed to benefit low and moderate income residents and an allocation of \$1,433,432 from the State of Louisiana for the operation of the Civic Center. The Civic Center, in its seventh full year of operation, generated total revenues of \$1,750,762, primarily from the State grant and rental fees. Other special revenue funds were used to account for the Court Witness Fee Fund.

The Honorable George Dement, Mayor  
and Members of the City Council  
March 10, 2000

### Debt Administration

Bonded indebtedness activity for 1999, which consists of revenue bonds applicable to general city, water and sewerage, and Medical Center operations, is summarized in the following table:

Bonds payable at January 1, 1999	\$ 88,523,559
New issue	639,695
Debt retired	(8,235,000)
Amortization of gain on refunding	<u>116,226</u>
Bonds payable at December 31, 1999	<u>\$ 81,044,480</u>

At December 31, 1999, there was no general obligation debt recorded in the general purpose financial statements of the City. Tables 6 to 10B of this report present more detailed information about the debt position of the City.

### Pension Plans

The City and the State of Louisiana collectively have six pension plans to provide substantially all full-time City employees with retirement, death, and disability benefits. Employees, other than fire and police employees, are covered under the Municipal Employees' Retirement System of Louisiana. The City contributes 4.5% of eligible earnings to the state for administration of this system.

City-administered Fire and Police Pension and Relief Funds currently serve 160 active and retired members. These pension plans were established by state statutes without providing for adequate levels of contribution to fund the benefits offered by the plans. The latest actuarial valuation, dated January 1, 1999, indicated that the unfunded actuarial accrued liability for active and retired employees covered by these plans is \$60,570,869. According to the latest actuarial report, the estimated annual contribution required to pay normal cost and to fund the unfunded prior service cost over a 30-year period from 1983 is \$5,216,784.

The unfunded actuarial liability of the Firemen's and Policemen's Plans increased more than expected this year due to salary increases which are passed on to retirees in the form of increased benefit payments. Generally, the unfunded actuarial liability of these plans can be expected to increase for the next few years before beginning to decrease. Growth in these numbers should not be viewed as an indication of underfunding as the City continues to keep the plans actuarially sound by making the required contributions.

A one-half cent sales tax was approved by the voters in 1982 with a portion of the tax dedicated to liquidate the unfunded liabilities of the Fire and Police Pension and Relief Funds over 30 years.

### Nonexpendable Trust Fund

In 1999, the City created the Public Health and Safety Nonexpendable Trust Fund to account for the proceeds from the sale of Bossier Medical Center. Pursuant to the resolution passed by the voters of Bossier City, the net proceeds from the sale are to be placed in trust, after providing for all outstanding liabilities of the hospital, and the interest earnings on the principal are to be used to provide and enhance



The Honorable George Dement, Mayor  
and Members of the City Council  
March 10, 2000

public health and safety services for the City. Until such time that all outstanding liabilities have been extinguished, these financial statements will continue to reflect the proprietary fund for the Bossier Medical Center. Upon extinguishment of all outstanding liabilities, the remaining funds, if any, in the proprietary fund will be transferred to the nonexpendable trust fund and added to the principal.

### **Cash Management**

The City has a cash management program which consists of pooling cash and investments for all funds of the City except the pension trust funds. Available cash was invested in obligations collateralized by instruments issued by the United States Government or United States Government agencies created by an act of Congress or insured by the Federal Deposit Insurance Corporation. The total amount of interest earned during 1999 was \$7,662,372. This was \$527,366 more than interest earned during 1998.

### **Risk Management**

The City maintains a combination of self-insurance and stop-loss coverage to manage its risk of loss from worker's compensation claims, property damage, theft, and claims against employees. During 1998, the City began participating in a health management organization and is no longer self-insured for group hospitalization. During 1998, the Insurance Fund deficit was eliminated by a payment of \$1,100,000 from the Riverboat Gaming special revenue fund. The retained earnings in the Liability Insurance Fund improved by \$94,311 during 1999.

### **Capital Project Funds**

The capital project funds are used to account for the acquisition or construction of major capital facilities other than those financed by proprietary funds or trust funds. Expenditures for capital improvement projects in 1999 totaled \$31,881,078. The primary sources of funding the City's capital improvement program are sales taxes and riverboat gaming.

The capital project fund balances, totaling \$34,602,217 at December 31, 1999, were invested through the City's cash management program in certificates of deposit and U.S. government obligations.

### **General Fixed Assets**

The general fixed assets of the City are those fixed assets used in the performance of general governmental functions and exclude the fixed assets of enterprise funds. As of December 31, 1999, the general fixed assets of the City amounted to \$72,284,288. This amount represents the original cost of the assets. Depreciation of general fixed assets is not recognized in the City's accounting system, nor is interest capitalized.



The Honorable George Dement, Mayor  
and Members of the City Council  
March 10, 2000

### Enterprise Funds

Comparative data for the water and sewerage system for the past two fiscal years is presented in the following tabulation:

	1999		1998	
	Water	Sewer	Water	Sewer
Gross operating revenues	\$ 4,348,458	4,826,171	4,540,409	4,945,864
Operating expenses	<u>3,666,962</u>	<u>4,027,714</u>	<u>3,704,504</u>	<u>3,851,388</u>
Operating income	\$ <u>681,496</u>	<u>798,457</u>	<u>835,905</u>	<u>1,094,476</u>

The operating revenues of the water and sewer systems declined during 1999 due primarily to the extraordinarily warm summer of 1998. Water and sewer operating expenses have remained relatively consistent from 1998 to 1999.

Comparative data for the Emergency Medical Services for the past two years is presented in the following tabulation:

	Emergency Medical Services	
	1999	1998
Gross operating revenues	\$ 2,066,401	2,121,861
Operating expenses	<u>2,210,894</u>	<u>2,021,439</u>
Operating (loss) income	\$ <u>(144,493)</u>	<u>100,422</u>
Net (loss) income	\$ <u>(126,362)</u>	<u>126,071</u>

The Emergency Medical Services Fund operated at a net loss in 1999 due primarily to a decrease in ambulance fee revenue and an increase in the provision for bad debts and operating expenses.

Effective June 29, 1999, the City sold all of Bossier Medical Center's property and equipment and inventories to Christus Health Northern Louisiana. Net income for the Bossier Medical Center for 1999 represents only the partial year activity. See Footnote 16 for further details regarding the sale.

The Honorable George Dement, Mayor  
and Members of the City Council  
March 10, 2000

## OTHER INFORMATION

### Independent Audit

Section 3.10 of the City Charter of Bossier City requires that the City Council designate annually a certified public accountant or firm of certified public accountants to provide an annual independent audit of every agency and department of the City. The City Council designated KPMG LLP to meet these requirements and their report follows as an integral component of this report.

The City is required to undergo an annual single audit in conformity with the provisions of the revised Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards, findings and questioned costs, and independent auditors' reports on internal control structure and compliance with applicable laws, regulations, contracts and grants are presented in a separate report.

### Acknowledgments

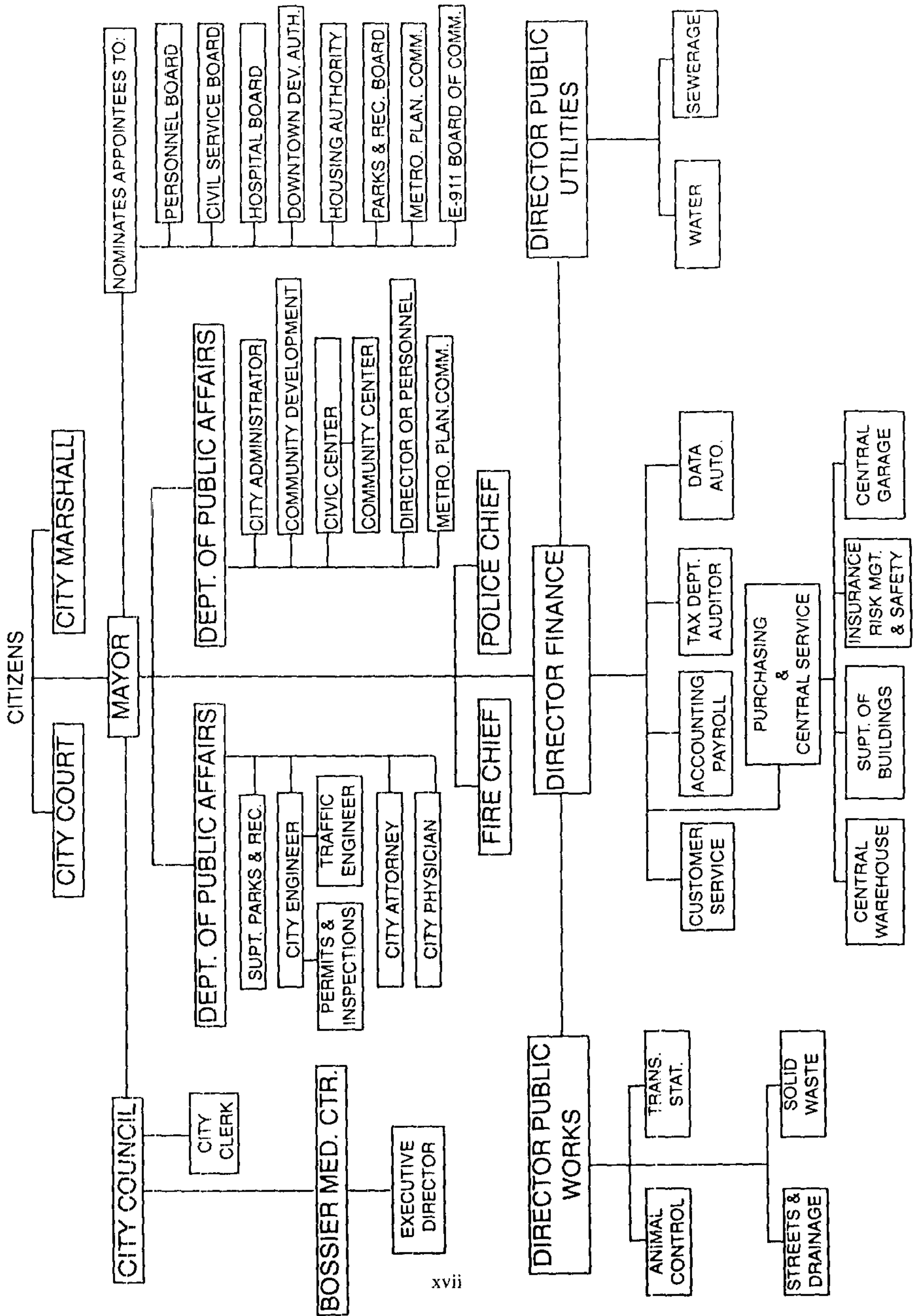
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the assistance of the City's external auditors, KPMG LLP. I would like to express my appreciation to all members of the Department who assisted and contributed to its preparation. I would also like to thank the Mayor and the members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Charles E. Glover  
Director of Finance

# ORGANIZATION CHART



# ELECTED OFFICIALS



**MAYOR GEORGE DEMENT**



**Council Member at Large  
COY COOPER**



**Council Member at Large  
P.O. DePRANG, JR.**



**Council Member District 1  
FAY T. RAWLS**



**Council Member District 2  
JEFF D. DARBY**



**Council Member District 3  
DON W. WILLIAMS**



**Council Member District 4  
DAVID JONES**



**Council Member District 5  
JAMES ROGERS**



**FINANCIAL  
SECTION**

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

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**INDEPENDENT  
AUDITORS' REPORT —  
OPINION OF INDEPENDENT  
CERTIFIED PUBLIC  
ACCOUNTANTS**

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

## Independent Auditors' Report

To the Honorable Members of the City Council  
and the Honorable George Dement, Mayor  
City of Bossier City, Louisiana:

We have audited the accompanying general purpose financial statements and the combining, individual fund, and account group financial statements and schedules of the City of Bossier City, Louisiana (City), as of and for the year ended December 31, 1999, as listed in the accompanying table of contents. These financial statements and schedules are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audit. We did not audit the component unit financial statements of the Bossier Public Trust Financing Authority (Authority), which represents 91% of the assets of the component unit column on Exhibit 1 and 100% of the revenues of the component unit column on Exhibit 4. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion on the accompanying financial statements and schedules, insofar as it relates to the amounts included for the Authority, is based on the report of the other auditor.

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

In our opinion, based on our audit and the report of the other auditor, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types, nonexpendable trust fund and discretely presented component units for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund, and account group financial statements and schedules referred to above present fairly, in all material respects, the financial position of each of the individual funds and individual account groups of the City as of December 31, 1999, and the results of operations of such funds and the cash flows of individual proprietary funds and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 10, 2000, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



The schedule of funding progress on pages 57 and 58, is not a required part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. We have applied to the schedule of funding progress certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the schedule.

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

KPMG LLP

March 10, 2000



**COMBINED  
FINANCIAL STATEMENTS  
— OVERVIEW**

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The Combined Financial Statements include all funds and account groups of the City and component units and are designed to provide an overview of the financial position and results of operations for the City as a whole. Additional information in the form of combining and individual fund and account group statements and schedules is included elsewhere in this report.

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CITY OF BOSSIER CITY, LOUISIANA

Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units

December 31, 1999  
with comparative totals for 1998

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type		Account Groups		Totals		Component Units 1999
	General	Special Revenue		Debt Service	Capital Projects	Enterprise Funds		Trust and Agency Funds	General Fixed Assets	Long-Term Obligations	(Memorandum Only) Primary Government		
		2000	1999			2000	1999				1999	1998	
<b>Assets and Other Debits</b>													
Cash and cash equivalents (note 2)	\$ 2,654,848	22,740,273	-	38,845,018	691,773	1,848,271	-	77,920,412	79,055,888	515,288			
Investments (note 2)	-	13,746,786	6,952,257	-	-	42,752,429	-	63,451,472	49,002,910	250,000			
Receivables, net:													
Property taxes (note 3)	2,098,887	-	-	-	-	-	-	2,098,887	1,856,096	-			
Customers (net of allowance for uncollectible accounts of \$212,586)	-	-	-	-	-	-	-	-	-	-			
Accrued interest	24,658	431,636	87,094	437,410	-	526,413	-	1,249,363	9,718,172	218			
Other	721,532	-	-	349,263	-	-	-	1,083,831	1,342,958	73,456			
Due from other funds (note 1)	23,645	-	89,614	137,080	-	147,447	-	397,786	473,168	-			
Due from other governmental units	66,759	347,354	-	-	-	-	-	414,113	637,993	4,460			
Prepaid items	96,437	-	-	-	148,246	-	-	148,246	698,185	-			
Inventories, at cost	-	-	-	-	223,712	-	-	320,149	1,199,851	-			
Restricted assets (notes 2 and 5):													
Cash and cash equivalents	-	-	-	-	-	-	-	7,325,123	17,255,578	-			
Investments	-	-	-	-	-	-	-	100,000	250,000	10,740,312			
Accrued interest	-	-	-	-	-	-	-	99,056	121,104	62,399			
Property, plant, and equipment, net (note 4)	-	-	-	-	-	-	-	72,284,288	133,315,959	162,150			
Other assets	-	-	-	-	-	-	-	574,264	630,055	-			
Amounts available in debt service funds	-	-	-	-	-	-	-	6,902,271	7,074,511	-			
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-	-	-	57,036,326	59,403,957	-			
<b>Total assets and other debits</b>	\$ 5,686,766	37,266,049	7,128,965	39,768,771	840,019	45,274,560	-	72,284,288	359,120,086	363,584,794	11,808,283		

CITY OF BOSSIER CITY, LOUISIANA

Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units

December 31, 1999  
with comparative totals for 1998

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Type Trust and Agency Funds	Account Groups		Totals		Component Units 1999	
	General	Debt Service		Capital Projects	Enterprise Funds		General Assets	Long-Term Obligations	(Memorandum Only)			
		Special Revenue	Debt		Service				Enterprise Funds	Internal Service		1999
<b>Liabilities</b>												
Accounts payable and accrued liabilities	\$ 454,723	50,628	-	4,033,116	916,478	587,007	124,814	-	6,166,766	6,843,352	95,356	
Amounts due to third-party payors	-	-	-	1,133,438	700,000	-	-	-	700,000	285,805	-	
Estimates and retainages payable	-	-	-	-	264,534	-	-	-	1,397,972	1,395,080	-	
Due to Christus Schumpert	-	-	-	-	65,071	-	-	-	65,071	-	-	
Due to other funds (note 11)	-	23,645	226,694	-	-	-	147,447	-	397,786	473,168	-	
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	91,839	
Taxes paid under protest	-	-	-	-	-	-	185,713	-	185,713	483,442	-	
Refundable deposits and other	-	-	-	-	154,446	-	64,212	-	218,658	227,170	-	
Accrued vacation (note 5)	-	-	-	-	-	-	-	640,541	640,541	1,687,447	-	
Net pension obligation	-	-	-	-	-	-	-	188,056	188,056	57,689	-	
Payable from restricted assets	-	-	-	-	-	-	-	-	-	-	-	
Accrued interest	-	-	-	-	220,656	-	-	-	220,656	406,336	-	
Revenue bonds - current portion (note 5)	-	-	-	-	1,055,000	-	-	-	1,055,000	5,495,000	-	
Deferred revenues	843,625	4,289	-	-	-	-	-	-	847,914	441,421	106,379	
Revenue bonds payable (note 5)	-	-	-	-	16,879,480	-	-	-	16,879,480	17,178,559	-	
Enterprise funds	-	-	-	-	-	-	-	63,110,000	63,110,000	65,850,000	-	
General city operations	-	-	-	-	-	-	-	-	-	-	-	
Component units	-	-	-	-	-	-	-	-	-	-	-	
Total liabilities	<u>1,298,348</u>	<u>78,562</u>	<u>226,694</u>	<u>5,166,554</u>	<u>20,255,665</u>	<u>587,007</u>	<u>522,186</u>	<u>63,938,597</u>	<u>92,073,613</u>	<u>100,824,469</u>	<u>10,600,000</u>	<u>10,893,574</u>
<b>Equity and Other Credits</b>												
Contributed capital (note 8)	-	-	-	-	44,978,564	-	-	-	44,978,564	48,122,693	-	
Investment in general fixed assets (note 4)	-	-	-	-	-	-	-	72,284,288	72,284,288	52,600,574	162,150	
Retained earnings:												
Reserved for revenue bond requirements (note 5)	-	-	-	-	766,611	-	-	-	766,611	1,697,082	-	
Unreserved	-	-	-	-	20,931,231	253,012	-	-	21,184,243	41,812,303	164,151	
Fund Balance:												
Reserved for:												
Debt service (note 5)	-	-	6,902,271	-	-	-	-	-	6,902,271	7,074,511	-	
Encumbrances	112,441	287,337	-	37,925,371	-	-	-	-	38,325,149	6,803,833	-	
Inventories	96,437	-	-	-	-	-	-	-	96,437	92,539	-	
Employees' retirement systems (note 9)	-	-	-	-	-	-	28,275,033	-	28,275,033	28,680,123	-	
Public Health and Safety	-	-	-	-	-	-	16,477,341	-	16,477,341	-	-	
Unreserved:												
Designated for subsequent years' expenditures	-	31,275,086	-	-	-	-	-	-	31,275,086	67,288,321	-	
Undesignated	4,179,540	5,625,064	-	(3,323,154)	-	-	-	-	6,481,450	8,588,346	588,408	
Total retained earnings fund balances	<u>4,388,418</u>	<u>37,187,487</u>	<u>6,902,271</u>	<u>34,602,217</u>	<u>21,697,842</u>	<u>253,012</u>	<u>44,752,374</u>	<u>-</u>	<u>149,783,621</u>	<u>162,037,058</u>	<u>752,559</u>	
Total equity and other credits	<u>4,388,418</u>	<u>37,187,487</u>	<u>6,902,271</u>	<u>34,602,217</u>	<u>66,676,406</u>	<u>253,012</u>	<u>44,752,374</u>	<u>72,284,288</u>	<u>267,046,473</u>	<u>262,760,325</u>	<u>914,709</u>	
Total liabilities, equity, and other credits	<u>\$ 5,686,766</u>	<u>\$ 37,266,049</u>	<u>\$ 7,128,965</u>	<u>\$ 39,768,771</u>	<u>\$ 86,932,071</u>	<u>\$ 840,019</u>	<u>\$ 45,274,560</u>	<u>\$ 63,938,597</u>	<u>\$ 359,120,086</u>	<u>\$ 363,584,794</u>	<u>\$ 11,808,283</u>	

See accompanying notes to combined financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Discretely Presented Component Units

Year ended December 31, 1999  
with comparative totals for year ended December 31, 1998

	General	Special Revenue	Debt Service	Capital Projects	Totals		Component Units 1999
					1999	1998	
<b>Revenues:</b>							
Taxes (notes 3 and 6)	\$ 19,617,190	3,539,254	6,324,191	3,779,035	33,259,670	31,558,985	-
Riverboat gaming	-	-	-	14,479,446	14,479,446	13,015,145	-
Licenses and permits	1,966,087	-	-	-	1,966,087	1,903,456	-
Intergovernmental	1,606,765	2,152,549	-	2,895,723	6,655,037	4,057,227	34,400
Fines and penalties	1,142,734	20,525	-	-	1,163,259	1,027,002	-
Racing Commission - Louisiana Downs	290,635	-	-	-	290,635	325,271	-
Video poker	388,916	-	-	-	388,916	431,185	-
Rental fees	-	213,715	-	-	213,715	175,652	-
Interest	58,850	1,847,448	418,980	1,959,329	4,284,607	4,018,889	20,807
Net decrease in fair value of investments	1,706,796	(326,911)	(164,334)	-	(491,245)	-	-
Sanitation charges	1,296,426	44,826	11,076	215,486	1,706,796	1,642,548	-
Miscellaneous	28,074,399	7,491,406	6,589,913	23,329,019	1,567,814	1,638,407	989,977
<b>Total revenues</b>	<b>28,074,399</b>	<b>7,491,406</b>	<b>6,589,913</b>	<b>23,329,019</b>	<b>65,484,737</b>	<b>59,793,767</b>	<b>1,045,184</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	7,090,563	133,629	-	-	7,224,192	7,786,238	398,414
Solid waste	2,010,192	-	-	-	2,010,192	1,856,190	-
Public safety	20,039,055	95,330	-	-	20,134,385	18,808,318	555,577
Highways and streets	834,241	102,833	-	-	937,074	967,566	-
Culture and recreation	1,355,155	459,953	-	-	1,815,108	1,765,932	-
City Court and Marshal	840,361	56,990	-	-	897,351	826,029	-
Miscellaneous	-	350,577	-	-	350,577	221,733	-
Capital outlay	-	1,031,482	-	31,881,078	32,912,560	19,306,899	29,049
Debt service:							
Principal retirement (note 5)	-	-	2,740,000	-	2,740,000	1,925,000	-
Interest and fiscal charges (note 5)	-	-	3,590,073	-	3,590,073	2,793,776	-
<b>Total expenditures</b>	<b>32,169,567</b>	<b>2,230,794</b>	<b>6,330,073</b>	<b>31,881,078</b>	<b>72,611,512</b>	<b>56,257,681</b>	<b>983,040</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(4,095,168)</b>	<b>5,260,612</b>	<b>259,840</b>	<b>(8,552,059)</b>	<b>(7,126,775)</b>	<b>3,536,086</b>	<b>62,144</b>
<b>Other financing sources (uses):</b>							
Proceeds of bond issuance	-	-	-	-	-	34,969,290	-
Operating transfers in (note 11)	3,962,540	-	-	432,080	4,394,620	8,260,522	-
Operating transfers out (note 11)	-	(3,486,322)	(432,080)	(65,000)	(3,983,402)	(7,710,522)	-
Transfer from primary government	-	-	-	-	-	-	51,600
Transfer to component unit	(51,600)	-	-	-	(51,600)	(51,600)	-
<b>Total other financing sources (uses)</b>	<b>3,910,940</b>	<b>(3,486,322)</b>	<b>(432,080)</b>	<b>367,080</b>	<b>359,618</b>	<b>35,467,690</b>	<b>51,600</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(184,228)</b>	<b>1,774,290</b>	<b>(172,240)</b>	<b>(8,184,979)</b>	<b>(6,767,157)</b>	<b>39,003,776</b>	<b>113,744</b>
<b>Fund balances at beginning of year, as previously reported</b>	<b>4,572,646</b>	<b>35,413,197</b>	<b>7,074,511</b>	<b>42,787,196</b>	<b>89,847,550</b>	<b>53,409,421</b>	<b>446,753</b>
<b>Prior period adjustment</b>	-	-	-	-	-	-	<b>27,911</b>
<b>Fund balance at beginning of year, as restated</b>	<b>4,572,646</b>	<b>35,413,197</b>	<b>7,074,511</b>	<b>42,787,196</b>	<b>89,847,550</b>	<b>53,409,421</b>	<b>474,664</b>
<b>Residual equity transfer out (note 11)</b>	-	-	-	-	-	(2,565,647)	-
<b>Fund balances at end of year</b>	<b>\$ 4,388,418</b>	<b>\$ 37,187,487</b>	<b>\$ 6,902,271</b>	<b>\$ 34,602,217</b>	<b>\$ 83,080,393</b>	<b>\$ 89,847,550</b>	<b>\$ 588,408</b>

See accompanying notes to combined financial statements.

CITY OF BOSSIER CITY, LOUISIANA

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

Year ended December 31, 1999

	General Fund			Special Revenue Funds		
	Actual on a Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual on a Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 14,629,783	14,383,263	246,520	3,539,254	3,531,516	7,738
Licenses and permits	1,966,087	1,820,000	146,087	-	-	-
Intergovernmental	1,740,394	1,801,400	(61,006)	1,433,432	2,200,000	(766,568)
Fines and penalties	1,142,734	769,000	373,734	-	-	-
Racing Commission - Louisiana Downs	290,635	300,000	(9,365)	-	-	-
Video poker	388,916	455,000	(66,084)	-	-	-
Rental fees	-	-	-	213,715	190,000	23,715
Interest	58,850	50,000	8,850	267,643	115,000	152,643
Sanitation charges	1,706,796	1,645,000	61,796	-	-	-
Miscellaneous	1,296,426	1,178,000	118,426	44,826	22,500	22,326
Total revenues	<u>23,220,621</u>	<u>22,401,663</u>	<u>818,958</u>	<u>5,498,870</u>	<u>6,059,016</u>	<u>(560,146)</u>
Expenditures:						
Current:						
General government	7,224,192	7,044,679	(179,513)	-	-	-
Solid waste	2,010,192	2,057,639	47,447	-	-	-
Public safety	15,051,648	14,443,071	(608,577)	-	-	-
Highways and streets	834,241	819,884	(14,357)	-	-	-
Culture and recreation	1,355,155	1,374,026	18,871	455,453	503,948	48,495
City Court and Marshal	840,361	866,098	25,737	-	-	-
Capital outlay	-	-	-	1,031,482	1,099,012	67,530
Total expenditures	<u>27,315,789</u>	<u>26,605,397</u>	<u>(710,392)</u>	<u>1,486,935</u>	<u>1,602,960</u>	<u>116,025</u>
Excess (deficiency) of revenues over expenditures	<u>(4,095,168)</u>	<u>(4,203,734)</u>	<u>108,566</u>	<u>4,011,935</u>	<u>4,456,056</u>	<u>(444,121)</u>
Other financing sources (uses):						
Operating transfers in	3,962,540	4,255,334	(292,794)	-	-	-
Operating transfers out	-	-	-	(2,765,000)	(2,765,000)	-
Transfer to component unit	(51,600)	(51,600)	-	-	-	-
Total other financing sources (uses)	<u>3,910,940</u>	<u>4,203,734</u>	<u>(292,794)</u>	<u>(2,765,000)</u>	<u>(2,765,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(184,228)</u>	<u>-</u>	<u>(184,228)</u>	<u>1,246,935</u>	<u>1,691,056</u>	<u>(444,121)</u>
Fund balances at beginning of year	4,572,646	4,572,646	-	4,663,372	4,663,372	-
Fund balances at end of year	<u>\$ 4,388,418</u>	<u>4,572,646</u>	<u>(184,228)</u>	<u>5,910,307</u>	<u>6,354,428</u>	<u>(444,121)</u>

See accompanying notes to combined financial statements.



CITY OF BOSSIER CITY, LOUISIANA

Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balance - All Proprietary Fund Types, Nonexpendable Trust Fund and Discretely Presented Component Unit

Year ended December 31, 1999  
with comparative totals for year ended December 31, 1998

	Proprietary Fund Types		Nonexpendable Trust Fund Public Health and Safety Fund	Totals (Memorandum Only)		Component Unit - Bossier Public Trust Financing Authority 1999
	Enterprise Funds	Internal Service		1999	1998	
Operating revenues:						
Charges for services	\$ 10,873,246	-	-	10,873,246	11,298,194	-
Interest income	-	-	705,157	705,157	-	829,869
Net decrease in the fair value of investments	-	-	(387,547)	(387,547)	-	-
Contributions (notes 9 and 11):						
City	-	1,480,396	-	1,480,396	2,864,981	-
Employees	-	138,415	-	138,415	144,151	-
Miscellaneous	367,784	152,206	41,236	561,226	833,581	-
Total revenues	11,241,030	1,771,017	358,846	13,370,893	15,140,907	829,869
Operating expenses:						
Personal services	4,628,715	-	-	4,628,715	4,352,040	-
Supplies	811,167	-	-	811,167	771,194	-
Utilities	494,407	-	-	494,407	559,338	-
Repairs and maintenance	554,906	-	-	554,906	573,930	-
Provision for bad debts	410,942	-	-	410,942	209,763	-
Miscellaneous	1,174,456	1,753,663	-	2,928,119	3,642,924	-
Depreciation and amortization	1,830,977	-	-	1,830,977	1,700,176	-
Cost of services	-	-	-	-	-	925,304
Total expenses	9,905,570	1,753,663	-	11,659,233	11,809,365	925,304
Operating income (loss)	1,335,460	17,354	358,846	1,711,660	3,331,542	(95,435)
Nonoperating revenues (expenses):						
Interest income	825,253	-	-	825,253	1,114,030	-
Interest expense	(899,590)	-	-	(899,590)	(861,218)	-
Amortization	(144,970)	-	-	(144,970)	(133,758)	-
Other, net	(27,747)	-	-	(27,747)	(1,633)	-
Operating transfers out (note 11)	-	-	(411,218)	(411,218)	-	-
Total nonoperating revenues (expenses)	(247,054)	-	(411,218)	(658,272)	117,421	-
Net income (loss) from continuing operations	1,088,406	17,354	(52,372)	1,053,388	3,448,963	(95,435)
Discontinued operations						
Loss from operations of Bossier Medical Center (note 16)	(7,844,016)	-	-	(7,844,016)	(5,865,120)	-
Loss on sale of Bossier Medical Center (note 16)	(1,833,554)	-	-	(1,833,554)	-	-
Net income (loss)	(8,589,164)	17,354	(52,372)	(8,624,182)	(2,416,157)	(95,435)
Amounts charged to contribution accounts:						
Depreciation on contributed assets (note 8)	620,762	-	-	620,762	635,696	-
Write-off contributed capital due to sale of Bossier Medical Center	2,922,230	-	-	2,922,230	-	-
	3,542,992	-	-	3,542,992	635,696	-
Retained earnings/fund balance at beginning of year	43,273,727	235,658	-	43,509,385	45,289,846	259,586
Residual equity transfer in (out)	(16,529,713)	-	16,529,713	-	-	-
Retained earnings/fund balance at end of year	\$ 21,697,842	253,012	16,477,341	38,428,195	43,509,385	164,151

See accompanying notes to combined financial statements.

## CITY OF BOSSIER CITY, LOUISIANA

Combined Statement of Cash Flows - All Proprietary Fund Types, Nonexpendable Trust Fund  
and Discretely Presented Component UnitYear ended December 31, 1999  
with comparative totals for year ended December 31, 1998

	Proprietary Fund Types		Non-Expendable Trust Fund	Totals		Component Unit -
	Enterprise Funds	Internal Service Funds	Public Health and Safety Fund	(Memorandum Only)		Bossier Public Trust Financing Authority
				Primary Government	1998	
	1999	1998	1999	1998	1999	
Cash flows from operating activities						
Operating income (loss)	\$ 1,335,460	17,354	358,846	1,711,660	3,331,542	(95,435)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities						
Depreciation and amortization	1,830,977	-	-	1,830,977	1,700,176	-
Provisions for bad debts	410,942	-	-	410,942	209,763	-
Write-off of cost in excess of acquired net assets and abandoned construction project	-	-	-	-	159,222	-
Net decrease in the fair value of investments	-	-	387,547	387,547	-	-
Loss from operations of Bossier Medical Center	(7,844,016)	-	-	(7,844,016)	(5,865,120)	-
Adjustment for nonoperating and noncash items included in loss from operations of Bossier Medical Center:						
Depreciation and amortization	1,293,999	-	-	1,293,999	2,885,248	-
Provision for bad debts	2,271,303	-	-	2,271,303	3,186,848	-
Asset impairment	-	-	-	-	2,274,752	-
Loss on sale of property and equipment	51,053	-	-	51,053	-	-
Interest expense	198,157	-	-	198,157	497,525	-
Interest income	(191,791)	-	-	(191,791)	(436,973)	-
Transfer of Foundation assets	338,371	-	-	338,371	-	-
Operating transfer out	-	-	-	-	550,000	-
(Increase) decrease in assets						
Accounts receivable	5,786,564	-	-	5,786,564	(1,543,632)	-
Other receivable	333,934	-	(211,972)	121,962	616,724	16,750
Prepaid expense	524,030	-	-	524,030	104,442	-
Inventories	97,445	-	-	97,445	98,688	-
Other assets	27,047	-	-	27,047	2,008	-
Increase (decrease) in liabilities						
Accounts payable and accrued expenses	(3,074,908)	(6,343)	21,706	(3,059,545)	(588,488)	7,958
Accrued vacation	(359,498)	-	-	(359,498)	105,720	-
Due to other funds	-	-	-	-	(483,752)	-
Due to Christus Schumpert	65,071	-	-	65,071	-	-
Refundable deposits	(16,855)	-	-	(16,855)	(41,783)	-
Accrued claims	-	-	-	-	(481,521)	-
Other liabilities	414,195	-	-	414,195	(1,633)	-
Net cash provided by operating activities, including discontinued operations	3,491,480	11,011	556,127	4,058,618	6,279,756	(70,727)
Cash flows from noncapital financing activities						
Principal paid on revenue bond maturities	-	-	-	-	-	(2,545,000)
Residual equity transfer in (out)	(16,529,713)	-	16,529,713	-	-	-
Operating transfers out:						
Net cash provided by (used in) noncapital financing activities, including discontinued operations	(16,529,713)	-	16,118,495	(411,218)	(550,000)	(2,545,000)
Cash flows from capital and related financing activities						
Acquisition and construction of capital assets	(7,056,050)	-	-	(7,056,050)	(17,046,866)	-
Contributions received for purchase of property and equipment	398,863	-	-	398,863	2,942,822	-
Proceeds from sale of Bossier Medical Center	18,015,909	-	-	18,015,909	-	-
Payment of costs associated with sale of Bossier Medical Center	(2,005,551)	-	-	(2,005,551)	-	-
Proceeds from sales of property and equipment	51,277	-	-	51,277	-	-
Principal paid on revenue bond maturities	(5,495,000)	-	-	(5,495,000)	(1,255,000)	-
Interest paid on revenue bonds	(1,283,427)	-	-	(1,283,427)	(1,206,119)	-
Fiscal charges	(27,747)	-	-	(27,747)	-	-
Proceeds of revenue bonds	639,695	-	-	639,695	4,685,730	-
Net cash provided by (used in) capital and related financing activities, including discontinued operations	3,237,969	-	-	3,237,969	(11,879,433)	-
Cash flows from investing activities						
Purchases of investments	150,000	-	(16,674,622)	(16,524,622)	-	(65,183)
Maturities and sales of investments	-	-	-	-	947,630	2,651,798
Interest received	1,091,801	-	-	1,091,801	1,559,096	-
Transfer of Foundation assets	(338,371)	-	-	(338,371)	-	-
Net cash provided by (used in) investing activities, including discontinued operations	903,430	-	(16,674,622)	(15,771,192)	2,506,726	2,586,615
Net increase (decrease) in cash and cash equivalents	(8,896,834)	11,011	-	(8,885,823)	(3,642,951)	(29,112)
Cash and cash equivalents at beginning of year	27,362,186	680,762	-	28,042,948	31,685,899	29,112
Cash and cash equivalents at end of year	\$ 18,465,352	691,773	-	19,157,125	28,042,948	-
Noncash transactions						
Amortization	\$ 144,970	-	-	144,970	271,423	-

See accompanying notes to combined financial statements.

## CITY OF BOSSIER CITY, LOUISIANA

## Pension Trust Funds

## Combined Statement of Changes in Plan Net Assets

Year ended December 31, 1999  
with comparative totals for year ended December 31, 1998

	<u>1999</u>	<u>1998</u>
Additions:		
Contributions from City:		
Sales taxes, net	\$ 4,987,407	4,727,683
Fire insurance premiums	101,532	93,893
Employer's contributions	489,122	851,812
City Court fines	211,471	175,770
City liquor licenses	5,421	5,694
Total contributions from City	<u>5,794,953</u>	<u>5,854,852</u>
Employees' contributions	<u>45,333</u>	<u>23,812</u>
Investment income:		
Net appreciation (depreciation) in the fair value of investments	(2,227,921)	670,264
Interest income	1,655,564	1,565,114
Total investment income	<u>(572,357)</u>	<u>2,235,378</u>
Total additions	<u>5,267,929</u>	<u>8,114,042</u>
Deductions:		
Pensions and benefits	5,586,918	4,467,362
Miscellaneous	86,101	50,380
Total deductions	<u>5,673,019</u>	<u>4,517,742</u>
Net increase	(405,090)	3,596,300
Fund balances reserved for employees pension benefit:		
Beginning of year	<u>28,680,123</u>	<u>25,083,823</u>
End of year	<u>\$ 28,275,033</u>	<u>28,680,123</u>

See accompanying notes to combined financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Combining Balance Sheet - Component Units

December 31, 1999

Assets	Governmental Fund Types			Proprietary Fund Type	Totals
	City Court of Bossier City	Bossier City Marshal's Office	Metropolitan Planning Commission		
Cash and cash equivalents	\$ 362,232	133,308	19,748	-	515,288
Investments (note 2)	250,000	-	-	-	250,000
Accrued interest receivable	-	-	218	-	218
Other receivable	-	73,456	-	-	73,456
Due from other governments - City Court	-	4,460	-	-	4,460
Restricted assets:					
Investments	-	-	-	10,740,312	10,740,312
Accrued interest	-	-	-	62,399	62,399
Property and equipment	-	162,150	-	-	162,150
Total assets	\$ 612,232	373,374	19,966	10,802,711	11,808,283
<b>Liabilities, Equity, and Other Credits</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 10,185	46,500	111	38,560	95,356
Revenue bonds payable (note 5)	-	-	-	10,600,000	10,600,000
Deferred revenue	106,064	315	-	-	106,379
Due to primary government	66,759	-	-	-	66,759
Due to other government entities:					
City Marshal	4,460	-	-	-	4,460
Other	20,620	-	-	-	20,620
Total liabilities	208,088	46,815	111	10,638,560	10,893,574
Equity and other credits:					
Investment in general fixed assets	-	162,150	-	-	162,150
Retained earnings	-	-	-	164,151	164,151
Fund balances - unreserved - undesignated	404,144	164,409	19,855	-	588,408
Total fund balances	404,144	164,409	19,855	164,151	752,559
Total equity and other credits	404,144	326,559	19,855	164,151	914,709
Total liabilities, equity, and other credits	\$ 612,232	373,374	19,966	10,802,711	11,808,283

See accompanying notes to combined financial statements and accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Component Units

Year ended December 31, 1999

	Governmental Fund Types			Totals
	City Court of Bossier City	Bossier City Marshal's Office	Metropolitan Planning Commission	
Revenues:				
Fees, charges, and commissions for services	\$ 329,325	629,483	-	958,808
State and parish shares revenues	-	-	34,400	34,400
Miscellaneous	-	-	31,169	31,169
Interest income	17,488	2,015	1,304	20,807
Total revenues	<u>346,813</u>	<u>631,498</u>	<u>66,873</u>	<u>1,045,184</u>
Expenditures:				
Current:				
General government	273,079	-	125,335	398,414
Public safety	-	555,577	-	555,577
Capital outlay	-	29,049	-	29,049
Total expenditures	<u>273,079</u>	<u>584,626</u>	<u>125,335</u>	<u>983,040</u>
Excess (deficiency) of revenues over expenditures	73,734	46,872	(58,462)	62,144
Other financing sources - transfer from primary government	-	-	51,600	51,600
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>73,734</u>	<u>46,872</u>	<u>(6,862)</u>	<u>113,744</u>
Fund balances at beginning of year, as previously reported	330,410	89,626	26,717	446,753
Prior period adjustment	-	27,911	-	27,911
Fund balances at beginning of year, as restated	<u>330,410</u>	<u>117,537</u>	<u>26,717</u>	<u>474,664</u>
Fund balances at end of year	<u>\$ 404,144</u>	<u>164,409</u>	<u>19,855</u>	<u>588,408</u>

See accompanying notes to combined financial statements and accompanying independent auditors' report.



# CITY OF BOSSIER CITY, LOUISIANA

## Notes to Combined Financial Statements

December 31, 1999

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

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

#### **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 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 of Bossier City.

#### **City Court of Bossier City**

The City Court of Bossier City (City Court) was created by 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 OF BOSSIER CITY, LOUISIANA

## Notes to Combined Financial Statements

December 31, 1999

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, 1999.

### **Bossier City Marshal's Office**

The Bossier City Marshal's Office (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, 1999.

### **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, 1999.

The Commission does not issue separate financial statements and consists of only one 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, Louisiana 71171. Complete financial statements of the other individual component units may be obtained at the following addresses:

City Court of Bossier City  
P.O. Box 5337  
Bossier City, Louisiana 71171

Bossier City Marshal's Office  
P.O. Box 5337  
Bossier City, Louisiana 71171

Bossier Public Trust Financing Authority  
710 Benton Road  
Bossier City, Louisiana 71171

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

**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.

**Industrial Park Fund**

The Industrial Park Fund was organized in 1976 as a joint venture between the City and the Bossier Parish Police Jury for the purpose of purchasing land and the development of an industrial park.

The City has a 50 percent interest in the assets of the Industrial Park Fund. Both governing bodies share equally in the approval process for budgeting and financing activities. Advances by the City to the Industrial Park Fund have been expensed in the fund making the advance, and the City's equity interest in the net assets of the fund has not been recorded in the General Fixed Asset Account Group because it is immaterial.

Condensed unaudited financial information as of December 31, 1999, is as follows:

<b>Balance Sheet Data</b>	<u><b>Total</b></u>	<u><b>City's Share</b></u>
Total assets	\$ <u>335,425</u>	<u>167,713</u>
Total fund balance	\$ <u>335,425</u>	<u>167,713</u>
 <b>Statement of Revenues, Expenditures, and Changes in Fund Balance</b>		
Revenues	\$ 135,558	67,779
Expenditures	<u>389,120</u>	<u>194,560</u>
Excess of expenditures over revenues	(253,562)	(126,781)
Fund balance, January 1, 1999	\$ <u>588,987</u>	<u>294,494</u>
Fund balance, December 31, 1999	\$ <u>335,425</u>	<u>167,713</u>

# CITY OF BOSSIER CITY, LOUISIANA

## Notes to Combined Financial Statements

December 31, 1999

During 1999, the Industrial Park Fund purchased 70 acres for future development. Plans are being made for future economic development projects, including designing water and sewer improvements and road improvements. Complete financial statements of the joint venture may be obtained at the following address:

Bossier Parish Police Jury  
P.O. Box 68  
Bossier City, Louisiana 71006

The accounting policies of the City of Bossier City, Louisiana, conform to 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) *Basis of Presentation - Fund Accounting***

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues and expenditures/expenses. The various funds are summarized by type in the financial statements. The following fund types and account groups 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. All governmental funds are accounted for on a spending measurement focus; that is, the measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental fund types:

*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.

*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. Special revenue funds at December 31, 1999, were State and Federal Grant, Court Witness Fee, Civic Center, Fire Improvements and Operations, Jail and Municipal Buildings, Streets and Drainage, and Riverboat Gaming.



# CITY OF BOSSIER CITY, LOUISIANA

## Notes to Combined Financial Statements

December 31, 1999

*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.

*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 net income. The following are the proprietary funds maintained by the City:

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

The Department of Water and Sewerage is operated as a self-sustaining utility of the City and is responsible for providing the residents of the City of Bossier City, Louisiana, with water and sewerage treatment.

Prior to its sale during 1999, (which is more fully discussed in note 16), Bossier Medical Center was a municipal health care facility owned and operated by the City of Bossier City, Louisiana. The Bossier Medical Center was governed by a Board of Directors which was appointed by the Mayor and approved by the City Council. The City Council approved and had the right to change the annual operating and capital budgets, if it so desired. The Board administered the daily operations of the hospital within the budgetary and fiscal controls established by the City Council as a self-sustaining entity of the City.

The Emergency Medical Services department is operated as a self-sustaining service of the City and is responsible for providing the residents of the City of Bossier City, Louisiana, with emergency medical services.



# CITY OF BOSSIER CITY, LOUISIANA

## Notes to Combined Financial Statements

December 31, 1999

*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 three retirement funds which are accounted for and reported as fiduciary funds since capital maintenance is critical. These funds are the Firemen's Pension and Relief Fund, the Policemen's Pension and Relief Fund, and the Bossier Medical Center Pension Fund.

*Nonexpendable Trust Funds* - Nonexpendable trust funds account for assets for which the principal may not be spent. In 1999, the City established the Public Health and Safety fund to account for the proceeds from the sale of the Bossier Medical Center, as more fully discussed in note 16. Earnings on the principal may only be spent for public health and safety.

*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 of a two and one-half percent city sales and use tax and the distribution of this tax to the various funds which account for operations or 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 distribution of funds received from the riverboats and paid to other local government agencies under the terms of the agreements with the riverboats.

### **Account Groups**

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

*General Fixed Assets Account Group* - This account group is established to account for all fixed assets of the City, other than those accounted for in the proprietary funds.

*General Long-Term Obligations Account Group* - This account group is established to account for all long-term obligations of the City except those accounted for in the proprietary funds.

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Combined Financial Statements

December 31, 1999

#### *(b) Fixed Assets and Long-Term Liabilities*

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. This reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financial sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

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

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Obligation Account Group, not in the governmental funds. Long-term liabilities accounted for in the General Long-Term Obligation Account Group are retired from the General Fund and debt service funds while long-term liabilities accounted for in the proprietary funds are retired from the respective funds in which they are recorded.

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

Special reporting treatments are also applied to governmental fund prepaid expenditures to indicate that they do not represent "available spendable resources," even though they are a component of net current assets. Such amounts are generally offset by fund balance reserve accounts.

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

# CITY OF BOSSIER CITY, LOUISIANA

## Notes to Combined Financial Statements

December 31, 1999

All proprietary funds and pension trust funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets (including fixed assets) and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation recognized on fixed assets acquired through intergovernmental grants, entitlements, or shared revenues externally restricted to capital acquisitions is allocated to contributed capital, while depreciation on fixed assets acquired with proprietary fund resources is allocated to retained earnings.

Accumulated depreciation is reported on the proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	15-50 years
Structures:	
Water reservoir and treatment plant	10-60 years
Transmission and distribution system	10-50 years
Equipment and vehicles	3-20 years

### (c) *Basis of Accounting*

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

The modified accrual basis of accounting is followed by all governmental funds (General Fund, special revenue funds, debt service funds, agency funds, and capital projects funds). Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Ad valorem taxes are considered "measurable" at the time of levy whereas such items as tobacco taxes are considered "measurable" when in the hands of intermediary collecting agencies and are recognized as revenue at that time. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.



# CITY OF BOSSIER CITY, LOUISIANA

## Notes to Combined Financial Statements

December 31, 1999

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, charges for general governmental services, fines and penalties, Racing Commission revenues, video poker revenues, riverboat gaming revenues, and miscellaneous other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Taxes, charges for services, and investment earnings are recorded as earned since they are measurable and available (see note 3 for property tax accrual policy).

The accrual basis of accounting is used by the proprietary funds, pension trust funds and the nonexpendable trust fund. Revenues are recognized when earned and expenses are recognized when incurred. The reserve method is used to account for bad debt expenses on enterprise fund receivables. Unbilled service receivables of the Department of Water and Sewerage Fund and Emergency Medical Services Fund are reflected in the accompanying financial statements at approximately \$256,688 and \$58,927 respectively, at December 31, 1999.

The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements in accounting and reporting for its proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins.

**(d) Net Patient Service Revenue**

The Bossier Medical Center Hospital had agreements with third-party payors that provide for payments to the Bossier Medical Center Hospital at amounts different from its established rates. A summary of the payment arrangements with third-party payors follows.

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient nonacute services and certain outpatient services related to Medicare beneficiaries are paid based on cost reimbursement methodologies. The Bossier Medical Center Hospital is paid for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Bossier Medical Center Hospital and audits thereof by the Medicare fiscal intermediary.



## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Combined Financial Statements

December 31, 1999

Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined per diem rates. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Bossier Medical Center Hospital is paid for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

The Bossier Medical Center Hospital also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. Payment methods under these agreements include prospectively determined rates per discharge, discounts from established charges and prospectively determined per diem rates.

Net patient service revenue is reported at the estimated net realizable amounts due from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Bossier Medical Center Hospital grants credit to patients, substantially all of whom are local residents, under terms requiring timely repayment. The Bossier Medical Center Hospital does not require collateral or other security in extending credit to patients; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies (e.g., Medicare, Blue Cross, and commercial insurance policies).

#### *(e) Budgetary Data*

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.

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Combined Financial Statements

December 31, 1999

- (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 Council may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. Amendments to the budget were made and adopted by the Council during 1999.
- (5) The City utilizes formal budgetary integration as a management control device for the General Fund, special revenue funds, and capital projects funds. This process is not employed for the debt service funds because effective budgetary control is achieved through general bond indenture provisions.
- (6) Comparison of budgeted and actual amounts as shown in Exhibit 3 in the accompanying financial report includes the General Fund and those special revenue funds which are included in the annual operating budget (Civic Center, Fire Improvements and Operations, Jail and Municipal Buildings, and Streets and Drainage). Annual operating budgets are not prepared for the State and Federal Grant, Court Witness Fee, and Riverboat Gaming special revenue funds, 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 report for these funds.
- (7) The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for each fund type for which an annual budget is prepared. Appropriations which are not expended lapse at year end, except appropriations for capital improvements, which do not lapse until the purpose of the appropriation has been accomplished or abandoned.
- (8) The City is legally required to prepare annual operating budgets for the Department of Water and Sewerage, Bossier Medical Center, and the Emergency Medical Services. The annual operating and capital budgets of the Bossier Medical Center are prepared by the staff of the hospital and are then reviewed and approved by the City Council. 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 Combined Financial Statements

December 31, 1999

**(f) Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances since the commitments will be honored through subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities.

**(g) Investments**

For all funds, investments are stated at fair value based on quoted market prices. The investments at December 31, 1999, were primarily U.S. government and U.S. government agency securities (see note 2 for the City's investment policy).

**(h) 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. The reserve 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 future expenditure.

**(i) 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. Inventories in the enterprise funds consist of repair materials, spare parts, drugs, and medical supplies.

**(j) Refundable Deposits**

The Department of Water and Sewerage of the City of Bossier 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 monies 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.

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Combined Financial Statements

December 31, 1999

**(k) *Deferred Revenues***

Certain licenses are collected in advance; therefore, the recognition of revenue is deferred until the following year.

**(l) *Contributions***

Contributions recorded in the Department of Water and Sewerage Fund, the Emergency Medical Services Fund, and the Bossier Medical Center Fund include amounts advanced for aid in construction and other expenses paid or incurred on behalf of these funds by the City of Bossier City - General Fund and capital projects funds, various federal and state grants-in-aid of construction, and other contributions in aid of construction primarily from contractors and developers. The contributions or grants-in-aid of construction received do not reduce the cost basis of the respective assets acquired. Such contributions and grants are charged currently with the depreciation of the respective assets.

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

**(n) *Comparative Total Data***

Comparative total data for the prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements, since their inclusion would make the statements unduly complex and difficult to read. Certain amounts relating to 1998 have been reclassified in the accompanying financial statements in order to conform with the 1999 presentation.

**(o) *Total Columns on Combined Statements***

Total columns on the combined statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to consolidation. Interfund eliminations have not been made in the aggregation of this data.



**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

**(p) Pension Plans**

The City of Bossier City, Louisiana, the Bossier Medical Center, and the State of Louisiana collectively have six pension plans which cover substantially all employees who meet certain length of service requirements. See note 9 for details of these plans.

**(q) Third-Party Payor Arrangements**

Bossier Medical Center participated in the Medicare and Medicaid programs as a provider of medical services to program beneficiaries. During the years ended December 31, 1999 and 1998, approximately 47% and 49%, respectively, of Bossier Medical Center's patient service charges were related to services provided to Medicare and Medicaid program beneficiaries.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Bossier Medical Center believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing, except as disclosed in footnote 14. While no such regulatory inquiries have been made, except as disclosed in footnote 14, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Revenues derived from the Medicare program are subject to audit and adjustment by the fiscal intermediary and must be accepted by the United States Department of Health and Human Services before settlement amounts become final. Revenues derived from the Medicaid program are subject to audit and adjustment and must be accepted by the Department of Health and Hospitals of the State of Louisiana before settlement amounts become final. Final settlements through December 31, 1997 for the Medicare and Medicaid programs have been reviewed by program representatives and adjustments have been recorded to correct for the changes required.

**(r) Reserves**

Use of the term "reserve" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance is not appropriable for expenditures or is legally segregated for a specific future use.

**(s) Interfund Transactions**

Interfund 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. Nonrecurring or nonroutine transfers of equity between funds and transfers of residual balances of discontinued funds are treated as residual equity transfers. Residual equity transfers are reported as additions to or deductions from beginning fund balance for governmental funds. Residual equity transfers to proprietary funds are reported as additions to contributed capital.

# CITY OF BOSSIER CITY, LOUISIANA

## Notes to Combined Financial Statements

December 31, 1999

Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it which are properly applicable to another fund are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. Operating transfers to the appropriate funds and legally authorized transfers from the Bossier Medical Center to other funds are distinguished from revenues, expenses, or expenditures in financial statements. These transfers are reported in the "Other Financing Sources (Uses)" section in the statement of revenues, expenditures, and changes in fund balance (governmental funds) and in the "Operating Transfers" section in the statement of revenues, expenses, and changes in retained earnings (proprietary funds).

### **(i) Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1. 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. City property tax revenues are recognized when levied to the extent that they are available. Property taxes levied for the current year are considered available in the current year as they are budgeted for and expected to be used to finance expenditures within the year levied. In addition, historically 96 percent of the taxes have been collected within 60 days after the due date. Available property taxes are recognized as current year revenues in accordance with generally accepted accounting principles as applicable to governmental units.

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.

### **(ii) Grants From Other Governmental Agencies**

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

### **(v) 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.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

*(w) Postretirement Benefits*

The City provides certain postretirement benefits to its employees as described in note 14.

*(x) Self-Insurance Claims*

The City is self-insured for workmen's compensation coverage. Self-insured claims are recorded in the City's Internal Service funds in accordance with Governmental Accounting Standards Board Statement Number 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)**

All deposits of the City are held by area financial institutions. At December 31, 1999, the carrying amount of the City's deposits was \$66,919,647, and the bank balance was \$69,483,959. This difference is due to the outstanding checks at December 31, 1999.

The City maintains a pooled cash and investments account for all funds of the City except the Firemen's Pension and Relief Fund, the Policemen's Pension and Relief Fund, Bossier Medical Center Fund, and the Bossier Medical Center Pension Fund. Each fund's equity in pooled cash and investments is presented as either "Cash and Cash Equivalents" or "Investments" on the combined balance sheet. Interest income is allocated to each respective individual fund monthly based on each fund's average daily cash balance.

*The City's deposits at year end were entirely covered by federal depository insurance or were collateralized with securities held by the City's agent (one of its custodial banks) in the City's name. Statutes require that securities pledged for deposits of the City be held by a bank other than the pledging bank.*

State statutes authorize the City to invest in United States bonds, treasury notes, government agencies' securities, certificates and time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana, or mutual or trust fund institutions which have underlying investments consisting solely of and limited to securities of the United States government or its agencies. In addition, the Firemen's Pension and Relief Fund, the Policemen's Pension and Relief Fund, and the Bossier Medical Center Pension Fund may invest in bonds of the State of Louisiana or of the City of Bossier City. However, at December 31, 1999, the Firemen's Pension and Relief fund had invested in corporate bonds, which are not allowable investments. During 1999, the City invested in certificates of deposit, U.S. government and U.S. government agency securities, and mortgage-backed securities and mutual funds backed by government agency securities.



**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

The City's investments are categorized below to give an indication of the level of risk assumed by the City at December 31, 1999. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the City's name.

	<u>Category</u>			<u>Fair</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Value</u>
U.S. government and U.S. government agency securities	\$ <u>75,954,157</u>	<u>-</u>	<u>-</u>	75,954,157
Corporate bonds in Firemen's Pension and Relief Fund				323,033
Mutual Fund in Bossier Medical Center Pension Fund				<u>5,600,170</u>
Total investments				<u>81,877,360</u>
Total deposits				<u>66,919,647</u>
Total cash, cash equivalents, and investments, including restricted cash and investments				\$ <u>148,797,007</u>

The pension trust funds own approximately 2.5 percent of the City's deposits in financial institutions and 27.0 percent of the U.S. government and U.S. government agency securities.



**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

**Component Units**

All deposits of the component units are held by area financial institutions. At the respective year ends, all deposits are insured or collateralized with securities held in the component unit's name by its agent (the trust department of a bank other than the pledging bank). The investments of the Bossier Public Trust Financing Authority at November 30, 1999 consist primarily of mortgage-backed securities and investment agreements which are considered category 1 investments. The securities have a fair value of \$10,610,286 at November 30, 1999.

**(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 Parish Tax Assessor and approved by the State of Louisiana Tax Commission. Total assessed value was \$256,358,740 and \$243,058,780 in 1999 and 1998, respectively. Property taxes are recorded as receivables and revenues in the year assessed. The General Fund property tax receivable at December 31, 1999 and 1998 is shown net of an allowance for uncollectible taxes as of each year end of \$65,000. The distribution of the City's levy (tax rate per \$1,000 assessed value) was as follows for 1999 and 1998:

		<u>Levy</u>	
		<u>1999</u>	<u>1998</u>
General Fund - unrestricted	\$	6.90	6.90
General Fund - restricted for Fire and Police Departments		19.48	19.48
	\$	<u>26.38</u>	<u>26.38</u>

A revaluation of all property is required to be completed no less than every 4 years. A revaluation was completed for the tax roll as of January 1, 1996.

**(4) Fixed Assets**

A summary of changes in general fixed assets is as follows:

	<u>Balance January 1, 1999</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 1999</u>
Land and land improvements	\$ 8,126,237	393,374	-	8,519,611
Buildings and structures	28,779,348	17,603,731	-	46,383,079
Equipment and vehicles	<u>15,694,989</u>	<u>2,140,437</u>	<u>453,828</u>	<u>17,381,598</u>
	<u>\$ 52,600,574</u>	<u>20,137,542</u>	<u>453,828</u>	<u>72,284,288</u>

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

A summary of proprietary fund types property, plant, and equipment at December 31, 1999, follows:

Department of Water and Sewerage:	
Land	\$ 583,508
Water reservoir and treatment plant	35,362,598
Transmission and distribution system	35,903,619
Equipment	4,610,826
Construction in progress	<u>15,802,411</u>
	92,262,962
Less accumulated depreciation	<u>26,329,630</u>
Total Department of Water and Sewerage	<u>65,933,332</u>
Emergency Medical Services - equipment	1,074,004
Less accumulated depreciation	<u>882,268</u>
Total Emergency Medical Services	<u>191,736</u>
Total all proprietary fund types	\$ <u>66,125,068</u>

The major projects included in construction in progress for the Department of Water and Sewerage are \$14,314,277 for the water plant expansion, \$693,994 for the Red River Treatment Plant, and \$767,124 for the Water and Sewer infrastructure for the Arena.

As a result of the bids received for the sale of Bossier Medical Center, an impairment in the value of the hospital of \$2,274,752 was recorded in asset impairment expense and accumulated depreciation during 1998.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

**(5) Long-Term Debt**

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

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

	<u>Accrued Vacation</u>	<u>Net Pension Obligation</u>	<u>Revenue Bonds Payable - General City Operations</u>	<u>Total</u>
Balance, January 1, 1999	\$ 570,779	57,689	65,850,000	66,478,468
Issues/additions	69,762	130,367	-	200,129
Retirements	<u>-</u>	<u>-</u>	<u>(2,740,000)</u>	<u>(2,740,000)</u>
Balance, December 31, 1999	<u>\$ 640,541</u>	<u>188,056</u>	<u>63,110,000</u>	<u>63,938,597</u>

The following is a summary of bond transactions (all revenue bonds) for the year ended December 31, 1999:

Bonds payable at January 1, 1999	\$ 88,523,559
New issue	639,695
Debt retired - serial bonds	(8,235,000)
Amortization of gain on refunding	<u>116,226</u>
Bonds payable at December 31, 1999	<u>\$ 81,044,480</u>

In addition to \$8,235,000 of bonds retired, the City paid \$4,866,415 in interest.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

Bonds payable at December 31, 1999, are comprised of the following issues:

Revenue bonds - applicable to general city operations:

\$6,500,000 1979 Public Improvement Sales Tax Serial Bonds due in annual installments of \$390,000 to \$500,000 through December 1, 2003; interest at 6.25%	\$ 1,825,000
\$8,190,000 1991 Revenue Refunding Bonds due in annual installments of \$155,000 to \$540,000 through 2010; maturing December 1 of each year; interest at 6.25% to 6.85%; callable on or after December 1, 2001	3,215,000
\$11,675,000 1992 Revenue Refunding Bonds due in annual installments of \$500,000 to \$1,080,000 through 2012; maturing November 1 of each year; interest at 5.50% to 6.35%; callable on or after November 1, 1997	10,100,000
\$6,325,000 1993 Public Improvement Sales Tax Refunding Bonds, due in annual installments of \$340,000 to \$640,000 through 2010; maturing December 1 of each year; interest at 4.10% to 5.3%; callable on or after July 1, 1996	5,315,000
\$8,765,000 1997 Revenue Refunding Bonds due in annual installments of \$80,000 to \$830,000; maturing November 1 of each year; interest at 4.1% to 5.2%	8,610,000
\$34,750,000 1998 Public Improvement Sales Tax Serial Bonds due in annual installments of \$705,000 to \$2,515,000 through 2022; maturing December 1 of each year; interest at 4.60% to 6.75%; callable on or after December 1, 2007	<u>34,045,000</u>
	<u>63,110,000</u>



**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

Revenue bonds - applicable to water and sewer operations:

\$9,995,000 1990 Utilities Revenue Serial Bonds due in annual installments of \$415,000 to \$445,000 through 2000; maturing October 1 of each year; interest at 6.8% to 6.9%	\$ 445,000
\$6,695,000 1992 Utilities Revenue Serial Bonds due in annual installments of \$270,000 to \$560,000 through 2012; maturing October 1 of each year; interest at 5.2% to 6.1%	5,250,000
\$7,595,000 1996 Utilities Revenue Refunding Bonds due in annual installments of \$100,000 to \$880,000; maturing October 1 of each year; interest at 4.05% to 5.1%, (net of \$778,675 of unamortized deferred gain on refunding of 1990 Utilities Revenue Bonds)	6,496,325
\$6,500,000 Utility Revenue Bonds, Series 1997 due in annual installments of \$220,000 to \$460,000 through 2019; maturing October 1 of each year; interest at 3.95%	<u>5,743,155</u>
Total water and sewer bonds	<u>17,934,480</u>
Total revenue bonds	\$ <u><u>81,044,480</u></u>

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

The annual requirements, excluding unamortized deferred gain on bond refunding of \$778,675, to amortize all debt outstanding as of December 31, 1999, are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 3,955,000	4,354,506	8,309,506
2001	4,175,000	4,129,769	8,304,769
2002	4,390,000	3,909,684	8,299,684
2003	4,630,000	3,657,112	8,287,112
2004-2008	22,105,000	14,695,501	36,800,501
2009-2013	21,540,000	8,377,293	29,917,293
2014-2018	11,723,155	4,105,787	15,828,942
2019-2022	9,305,000	1,194,000	10,499,000
	<u>\$ 81,823,155</u>	<u>44,423,652</u>	<u>126,246,807</u>

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

The 1986 and 1987 Series bonds are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Debt Account Group. At December 31, 1999, \$5,005,000 and \$9,150,000 of the 1986 and 1987 bonds, respectively, remain outstanding.

The 1973, 1974, 1975, and 1978 series general obligation bonds are considered to be defeased and the liability has been removed from the General Long-Term Debt Account Group. At December 31, 1999, \$21,150 of these bonds are outstanding.

The 1990 Utilities Revenue Bonds are considered to be defeased and the liability for those bonds has been removed from the Water and Sewer Fund. At December 31, 1999, \$6,605,000 of these bonds are outstanding.

The advance refunding of the 1990 Utilities Revenue Bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,251,537. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2010 using the effective interest method. At December 31, 1999, the unamortized balance was \$778,675.

The 1989 Public Improvement Bonds are considered to be defeased and the liability for those bonds has been removed from the general long-term debt account group. At December 31, 1999, the outstanding balance on the 1989 refunded bonds was \$8,135,000.

In 1997, the City authorized the issuance of \$6,500,000 Utility Revenue Bonds, Series 1997 for the purpose of acquiring and constructing extensions and improvements to the utilities system. In December 1997 and 1998, the City received the installments of the purchase price of the bonds in the amount of \$5,049,460. During 1999, the City received additional purchase price installments of \$693,695. Principal payments for Series 1997 begin in the year 2000.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

In 1998, the City issued \$34,750,000 in Public Improvement Sales Tax Serial Bonds, Series 1998 for the purpose of purchasing, constructing, acquiring, extending or improving any public works or capital improvements. The City is using the proceeds to finance construction of an arena and the extension of the Arthur Ray Teague Parkway.

Changes in the Department of Water and Sewerage retained earnings reserved for debt service and unreserved during the year ended December 31, 1999 and 1998, were as follows:

	<b>1999</b>	<b>1998</b>
Department of Water and Sewerage Fund:		
Reserved:		
Balance at beginning of year	\$ 804,419	839,049
Transfer from (to) unreserved retained earnings	(37,808)	(34,630)
Balance at end of year	766,611	804,419
Unreserved:		
Balance at beginning of year	16,212,682	13,520,203
Net income	1,214,768	2,022,153
Amounts charged to contribution accounts for depreciation	620,762	635,696
Transferred from (to) reserves	37,808	34,630
Balance at end of year	18,086,020	16,212,682
Total retained earnings	\$ 18,852,631	17,017,101

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

Details of restricted assets at December 31, 1999 and 1998 are as follows:

	<u>1999</u>	<u>1998</u>
Department of Water and Sewerage:		
Water Division:		
Utility Revenue Bond Funds - 1990, 1992 and 1996 Utility Revenue Serial Bonds Debt Service Fund:		
Cash and cash equivalents	\$ 1,772,121	1,772,118
Accrued interest receivable	24,020	25,909
	<u>1,796,141</u>	<u>1,798,027</u>
Water Capital Additions and Contingencies Fund:		
Cash and cash equivalents	912,121	4,472,242
Accrued interest receivable	40,190	60,805
	<u>952,311</u>	<u>4,533,047</u>
Total restricted assets applicable to the Water Division	<u>2,748,452</u>	<u>6,331,074</u>
 Sewerage Division - Sewerage Capital Additions and Contingencies Fund:		
Cash and cash equivalents	2,273,428	2,676,113
Accrued interest receivable	34,846	34,390
Total restricted assets applicable to the Sewerage Division	<u>2,308,274</u>	<u>2,710,503</u>
Total Department of Water and Sewerage restricted assets	\$ <u>5,056,726</u>	<u>9,041,577</u>



# CITY OF BOSSIER CITY, LOUISIANA

## Notes to Combined Financial Statements

December 31, 1999

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, 1999, is \$256,358,740. The maximum debt allowable for any one purpose and total debt allowable by state law as of December 31, 1999, is \$25,635,874 and \$89,725,559, respectively. The City currently has no general bonded debt outstanding. Therefore, at December 31, 1999, the City has a debt margin of \$89,725,559 available for issuance pursuant to the 35% limitation.

The restricted assets in the Bossier Medical Center Fund are being held in escrow pending satisfactory settlement of certain contingencies associated with the sale of the hospital assets. It is anticipated that these monies will be received and be available for use in satisfying current liabilities.

### Component Units

The bonds payable of the Bossier Public Trust Financing Authority at November 30, 1999, consist of \$10,600,000 Single Family Mortgage Revenue Bonds, 1995 Series dated August 1, 1995, with interest at rates ranging from 4.2% to 6.5% and maturing through August 1, 2028. The 1992 Series bonds were refunded by the issuance of \$10,080,000 of the 1995B Series bonds having an average interest rate of approximately 5.97%. At November 30, 1999, the Authority has investments and accrued interest receivable of \$10,740,312 and \$62,399, respectively, restricted for repayment of the bonds.

Scheduled bond principal maturities are as follows:

2000	\$	140,000
2001		150,000
2002		155,000
2003		160,000
2004		170,000
Thereafter		<u>9,825,000</u>
	\$	<u>10,600,000</u>

Under provisions of the indenture, the Bossier Public Trust Financing Authority 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.

### (6) 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 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 Council.

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Combined Financial Statements

December 31, 1999

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) are 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 Pension and Relief 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. The remaining amount, if any, is payable 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.

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 revenue related to the operation of the department and the collection of the tax.

#### **(7) City Charter Provisions - Department of Water and Sewerage**

The City Charter, which became effective July 1, 1977, authorized annual transfers from the Department of Water and Sewerage operating accounts of an amount equal to debt service on general obligation bonds issued for water and sewerage purposes to the Bond and Interest Sinking Funds.

However, the transfer to the Bond and Interest Sinking Funds for debt service on general obligation bonds issued for water and sewerage purposes was not made because, in the opinion of the City attorney, the Charter provisions are in conflict with previous contractual obligations arising from issuance of general obligation and water revenue refunding bonds, and the transfer may not be required. These particular bonds were advance refunded in 1995 and no payments were made in 1999.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

**(8) Contributed Capital**

Changes in contributed capital during the year ended December 31, 1999, were as follows:

	<u>Department of Water and Sewerage</u>	<u>Bossier Medical Center</u>	<u>Emergency Medical Services</u>	<u>Total</u>
Balances at January 1, 1999	\$ 45,196,488	2,922,230	3,975	48,122,693
Contributions	398,863	-	-	398,863
Write off contributed capital due to sale of Bossier Medical Center	-	(2,922,230)	-	(2,922,230)
Amounts charged to contribution account for depreciation	<u>(620,762)</u>	<u>-</u>	<u>-</u>	<u>(620,762)</u>
Balances at December 31, 1999	<u>\$ 44,974,589</u>	<u>-</u>	<u>3,975</u>	<u>44,978,564</u>

**(9) Defined Benefit Pension Plans**

The City administers three defined benefit pension plans: the Firemen's Pension and Relief Fund ("Firemen's Fund"), the Policemen's Pension and Relief Fund ("Policemen's Fund"), and the Bossier Medical Center Employees' Pension Fund ("BMC Fund").

**A. Summary of Significant Accounting Policies**

**Basis of Accounting** - The three City administered pension plans' financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period in which employees provide services to the entity. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments** - Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

**B. Concentration of Investments**

The Firemen's Fund, Policemen's Fund and BMC Fund had no investments in any one organization representing 5% or more of the fund balance reserved for employees' pension benefits except for obligations of the federal government and its agencies. 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, 1999:

	<u>Firemen's Fund</u>	<u>Policemen's Fund</u>
Retirees and beneficiaries receiving benefits	83	59
DROP members	8	-
Current employees:		
Vested	10	-
Nonvested	-	-
	<u>101</u>	<u>59</u>
Total	<u>101</u>	<u>59</u>

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

In connection with the sale of the hospital assets, the BMC Fund is in the process of being terminated. Effective June 30, 1999, the BMC Fund had no activity. At December 31, 1999, the BMC Fund is awaiting a final determination from the IRS.

**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 one (1) percent 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 seventy-five (75) percent 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 Combined Financial Statements

December 31, 1999

**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 fifty (50) percent of the eligible benefits to which the deceased member would be entitled. Each surviving minor child under the age of eighteen (18) years shall receive twenty-four (24) percent of said benefits until the age of eighteen (18) or until married, whichever is sooner. If there is no widow, but there are children, each child receives thirty (30) percent until age eighteen (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 shall receive monthly a sum which, with the benefits from the Workmen's Compensation Act, shall be equal to seventy-five (75) percent of the monthly salary of the active member holding the position corresponding to that held by the beneficiary at the time he became disabled. The benefits shall continue as long as the disability shall continue or until he becomes eligible for retirement on a service basis, whichever is sooner. If an active member with at least ten years of service becomes disabled by reason of causes not arising or developing directly from employment, with certain exceptions, he 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 became disabled, plus an additional two (2) percent of such salary for each year of active service rendered over five 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 he 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 twenty 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.
- Five percent of the salaries of all employees of the Fire Department who are eligible for participation in the Firemen's Plan.
- A matching five percent of employees' salaries paid by the General Fund.
- Reimbursement by the General Fund for the operating deficit, if any.
- Income from investments owned by the Firemen's Plan.
- Amounts from the sales tax levy sufficient to liquidate the unfunded liability over a period not to exceed 30 years.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

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**Annual Pension Cost and Net Pension Obligation** – A pension liability at transition was determined in accordance with Governmental Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and equaled zero before and after transition. The City's annual pension cost and net pension obligation to the Firemen's Fund for the current year were as follows:

Annual required contribution	\$ 3,448,963
Interest on net pension obligation	4,914
Adjustment to annual required contribution	-
Annual pension cost	<u>3,453,877</u>
Contributions made	<u>3,323,510</u>
Increase in net pension obligation	130,367
Net pension obligation beginning of year	<u>57,689</u>
 Net pension obligation end of year	 <u><u>\$ 188,056</u></u>

The annual required contribution for the current year was determined as part of the December 31, 1999 actuarial valuation using the entry age normal actuarial cost method. Significant actuarial assumptions included: (a) 6.5% investment rate of return, compounded annually, including inflation of 3.25%, (b) projected salary increases of 4.5%, including inflation of 3.25%, (c) cost of living adjustments of 3.25%, and (d) amortization method of level percentage over 13 year closed period. The actuarial value of assets is based upon fair value.

**Three-Year Trend Information**

<b>Fiscal Year Ended:</b>	<b>Annual Pension Cost</b>	<b>Percentage of Annual Pension Cost Contributed</b>	<b>Net Pension Asset (Obligation)</b>
12/31/97	\$ 2,279,747	100%	92,540
12/31/98	3,417,625	96%	(57,689)
12/31/99	3,453,877	96%	(188,056)

The Firemen's Fund issues a publicly available financial report that includes required supplementary information. That report may be obtained by writing to Mr. Charles E. Glover, Director of Finance, City of Bossier City, P. O. Box 5337, Bossier City, Louisiana 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.

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Combined Financial Statements

December 31, 1999

**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 remains 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 Deferred Retirement Option Plan (DROP). Under the DROP, any member who has at least twenty 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 eighteen years of age, a widow, or a dependent mother; these survivors should be paid as follows: dependent mother, one hundred dollars per month; widow, survivor benefits based upon the election of the participant; each child under eighteen years of age or who is attending college, one hundred fifty dollars per month, regardless of the number of children.

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

- Twenty percent of all amounts collected for City Court fines.
- Ten percent of all funds collected by the City for taxes, licenses, or permits for the sale of alcoholic beverages.
- Six percent of the salaries of all employees of the Police Department who are eligible for participation in the Policemen's Plan.
- Income from investments owned by the Policemen's Plan.
- 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.



**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

**Annual Pension Cost and Net Pension Obligation** – A pension liability at transition was determined in accordance with Governmental Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and equaled zero 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	\$ 1,767,821
Interest on net pension asset	(3,358)
Adjustment to annual required contribution	-
Annual pension cost	<u>1,764,463</u>
Contributions made	<u>2,027,654</u>
Increase in net pension asset	263,191
Net pension asset beginning of year	<u>41,300</u>
 Net pension asset end of year	 <u><u>\$ 304,491</u></u>

The annual required contribution for the current year was determined as part of the December 31, 1999 actuarial valuation using the entry age normal actuarial cost method. Significant actuarial assumptions included: (a) 6.5% investment rate of return, compounded annually, including inflation of 3.25% (b) cost of living adjustments of 3.25%, and (c) amortization method of level percentage over 13 year closed period. The actuarial value of assets is based upon fair value.

**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>
12/31/97	\$ 1,163,438	101%	14,246
12/31/98	1,732,402	102%	41,300
12/31/99	1,764,463	115%	304,491

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



**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

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**Bossier Medical Center Employees' Pension Fund ("BMC Fund")**

**Termination** – In connection with the sale of the hospital assets, as further described in note 16, the Bossier Medical Center's Board of Directors authorized termination of the Bossier Medical Center plan effective June 30, 1999 and all benefit accruals ceased on June 30, 1999. The plan has sufficient assets to fund the termination liability, and any excess assets will be distributed among active participants. A request for determination regarding termination has been submitted to the Internal Revenue Service (IRS). Distribution of assets to plan participants will occur following IRS determination which is expected to occur in 2000. The following disclosures should be read in consideration of these events.

**Plan Description** - The BMC Fund is a single-employer defined benefit pension plan that covers all eligible employees of the Bossier Medical Center. The Bossier Medical Center maintains a separate noncontributory defined benefit pension plan for its employees only. The plan covers substantially all employees who have met the length of service requirements. There is no publicly available financial report issued on this plan. All required disclosures are included in these notes. Trend data is not required when the aggregate actuarial cost method is used.

**Funding Sources** - The contribution requirements are established and may be amended by the Bossier Medical Center's Board of Directors. The Bossier Medical Center is required to contribute at an actuarially determined rate; the current rate is 8.3% of covered payroll.

**Annual Pension Cost and Net Pension Obligation** - Annual pension cost for December 31, 1999 and 1998 was \$460,000 and \$660,000, respectively, which was equal to 100% of the contributions. The required contribution for 1999 was determined as part of the January 1, 1999 actuarial valuation using the aggregate actuarial cost method. This method does not identify or separately amortize unfunded liabilities. Significant actuarial assumptions included: (a) 7.0% investment rate of return, compounded annually, (b) projected salary increases of 3% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 1% per year, attributable to seniority/merit, (d) no postretirement benefit increases, and (e) postretirement benefit values based on 7.5% interest and sex specific 1983 Group Annuity mortality. The plan's net pension obligation was zero at December 31, 1999.

The City's pension liability at transition was determined in accordance with Statement No. 27 of the Governmental Accounting Standards Board and equaled zero before and after transition.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

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

**Municipal Employees' Retirement System of Louisiana ("ERS")**

**Plan Description** - The City contributes to the Municipal Employees' Retirement System of Louisiana, a cost-sharing multiple-employer defined benefit pension plan administered by the Board of Trustees of the Municipal Employees' Retirement System of Louisiana. ERS covers substantially all employees of the City not covered by the fire, police and Bossier Medical Center pension plans. Benefits are established and may be amended by State statutes. The ERS 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, Louisiana 70809 or by calling 504-925-4810.

**Funding Policy** - Plan members are required to contribute 5% of their annual compensation and the City is required to contribute 4.5% 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 ERS for the years ended December 31, 1999, 1998 and 1997 were \$313,572, \$241,399, and \$201,948, respectively, equal to the required contributions for each year. The plan's net pension obligation was zero at December 31, 1999.

The City's pension liability at transition was determined in accordance with Statement No. 27 of the Governmental Accounting Standards Board and equaled zero before and after transition.

**Municipal Police Employees' Retirement System of Louisiana ("MPERS")**

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

**Funding Policy** - Plan members are required to contribute 7.5% of their annual compensation and the City is required to contribute 9% of annual compensation, excluding overtime but including State supplemental pay. The contribution requirements of plan members and the City are established and may be amended by State statute. The City's contributions to MPERS for the years ended December 31, 1999, 1998, and 1997 were \$447,603, \$443,229, and \$407,278, respectively, equal to the required contributions for each year. The plan's net pension obligation was zero at December 31, 1999.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

The City's pension liability at transition was determined in accordance with Statement No. 27 of the Governmental Accounting Standards Board and equaled zero before and after transition.

**Statewide Firefighters' Retirement System ("SFRS")**

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

**Funding Policy** - Plan members are required to contribute 8% of their annual compensation and the City is required to contribute 9% of annual compensation, excluding overtime but including State supplemental pay. The contribution requirements of plan members and the City are established and may be amended by the SFRS Board of Trustees. The City's contributions to SFRS for the years ended December 31, 1999, 1998, and 1997 were \$396,402, \$372,379 and \$326,766, respectively, equal to the required contributions for each year.

The City's pension liability at transition was determined in accordance with Statement No. 27 of the Governmental Accounting Standards Board and equaled zero before and after transition.

**(10) 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 23 years.

In connection with the sale of Bossier Medical Center, as more fully described in note 16, substantially all leases were transferred to the purchaser effective June 30, 1999 or terminated. Bossier Medical Center's remaining noncancelable operating lease commitments at December 31, 1999 are as follows:

<b>Year Ending December 31,</b>	<b>Minimum Lease Payments</b>
2000	\$ 278,380
2001	46,897
Total minimum lease payments	\$ <u>325,277</u>

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

Total rental expense for 1999 and 1998 for all City and Bossier Medical Center operating leases was \$820,762 and \$1,341,527, respectively.

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

**(A) Interfund Receivables and Payables**

Individual fund interfund receivable and payable balances at December 31, 1999 were as follows:

<b>Fund</b>	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General Fund	\$ 23,645	-
Special Revenue Funds -- State and Federal grants	-	23,645
Capital Projects Funds:		
Parkway Capital Projects	47,100	-
Sales Tax Capital Improvements	89,980	-
Debt Service Funds:		
Parkway Sales Tax Bond Sinking and Reserve	87,862	134,962
Sales Tax Bond Sinking and Reserve	1,752	91,732
Pension Trust Funds:		
Firemen's Pension and Relief Fund	-	130,351
Policemen's Pension and Relief Fund	-	17,096
Agency Fund -- Consolidated Sales Tax Fund	<u>147,447</u>	<u>-</u>
	<u>\$ 397,786</u>	<u>397,786</u>



**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

**(B) Segments of Enterprise Activities**

There are two services provided by the City which are financed by user charges – water and sewer services and emergency medical services. The key financial data for the year ended December 31, 1999 for the two services are as follows:

	<u>Water and Sewer Services</u>	<u>Emergency Medical Services</u>	<u>Total</u>
Operating revenues	\$ 9,174,629	2,066,401	11,241,030
Operating expenses:			
Depreciation	1,726,787	104,190	1,830,977
Other	5,967,889	2,106,704	8,074,593
	<u>7,694,676</u>	<u>2,210,894</u>	<u>9,905,570</u>
Operating income (loss)	\$ <u>1,479,953</u>	<u>(144,493)</u>	<u>1,335,460</u>
	<u>Water and Sewer Services</u>	<u>Emergency Medical Services</u>	<u>Total</u>
Net income (loss)	\$ <u>1,214,768</u>	<u>(126,362)</u>	<u>1,088,406</u>
Contributions received	\$ <u>398,863</u>	<u>-</u>	<u>398,863</u>
Assets	\$ <u>83,011,187</u>	<u>830,782</u>	<u>83,841,969</u>
Bonds payable	\$ <u>17,934,480</u>	<u>-</u>	<u>17,934,480</u>
Fund equity	\$ <u>63,827,220</u>	<u>744,302</u>	<u>64,571,522</u>
Net working capital	\$ <u>10,418,034</u>	<u>552,566</u>	<u>10,970,600</u>
Acquisition of property, plant, and equipment	\$ <u>6,085,680</u>	<u>9,479</u>	<u>6,095,159</u>

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

**(C) Operating Transfers**

A reconciliation of operating transfers follows:

	Year ended December 31, 1999		Year ended December 31, 1998	
	In	Out	In	Out
General Fund	\$ 3,962,540	-	3,534,739	-
Special revenue funds:				
Fire Improvements and Operations Fund	-	1,390,000	-	1,300,000
Jail and Municipal Buildings Fund	-	875,000	-	813,507
Streets and Drainage Fund	-	500,000	-	431,233
Riverboat Gaming Fund	-	721,322	2,539,008	375,000
Debt service funds:				
Parkway Sales Tax Bond Sinking and Reserve	-	132,100	-	358,445
Sales Tax Bond Sinking and Reserve	-	299,980	-	1,828,330
Capital projects funds:				
Sales Tax Capital Improvement Fund	299,980	-	1,828,330	-
Parkway Capital Projects Fund	132,100	-	358,445	-
Special Project Fund	-	65,000	-	2,604,007
Enterprise funds – Bossier Medical Center Fund	-	-	-	550,000
Nonexpendable Trust Fund - Public Health and Safety	-	411,218	-	-
	<u>\$ 4,394,620</u>	<u>4,394,620</u>	<u>8,260,522</u>	<u>8,260,522</u>

In 1987, the City Council adopted an ordinance by which annual transfers will be made from Bossier Medical Center to various funds of the City. In 1994, the City Council adopted an ordinance budgeting the Bossier Medical Center transfers to the General Fund. In accordance with the ordinance, \$550,000 was transferred in 1998. No such transfers were made in 1999. See further discussion of sale of hospital assets in note 16.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

**(D) Residual Equity Transfers**

During 1999, proceeds from the sale of the hospital assets were transferred from the Bossier Medical Center Fund to the Public Health and Safety Fund in accordance with the provisions authorizing the sale. In addition, excess cash of the hospital was also transferred. See further discussion of the sale of the hospital in note 16.

During 1998, \$2,565,647 was transferred from the Riverboat Gaming Fund and recorded as a contribution in the Water and Sewer Fund for the purpose of funding various utility construction projects.

**(12) Budget Comparisons and Fund Deficits**

**(A) Budget Comparisons**

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 Budgetary Basis</u>	<u>Unfavorable Variance</u>
General Fund:			
General government:			
Administration	\$ 305,233	311,948	(6,715)
Municipal building	1,018,212	1,191,069	(172,857)
Finance	583,862	614,517	(30,655)
Purchasing	290,317	304,952	(14,635)
City attorney	197,782	198,873	(1,091)
City Council	174,201	201,436	(27,235)
Information services	393,817	482,242	(88,425)
Payments to other governmental agencies	815,780	856,530	(40,750)
Public Safety:			
Fire	5,972,424	6,458,547	(486,123)
Police	8,470,647	8,593,101	(122,454)
Highways and streets	819,884	834,241	(14,357)

The unfavorable variance in municipal building is due primarily to unbudgeted repairs and maintenance activities. The unfavorable variance in information services is due to increased salary costs with the addition of a new position of director. The unfavorable variance in public safety-fire and police is due primarily to increased worker's compensation costs.

All budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) except that administrative expenditures allocated to the State and Federal Grant Special Revenue Fund are budgeted in the General Fund.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

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>	<u>Special Revenue Funds</u>
Budgetary basis	\$ 27,315,789	1,486,935
Administrative costs of State and Federal Grant Special Revenue Fund	133,629	-
Sales taxes dedicated to Firemen's and Policemen's Pension and Relief Funds	4,987,407	-
Special Revenue Funds without operating budgets	<u>-</u>	<u>743,859</u>
GAAP basis	<u>\$ 32,169,567</u>	<u>2,230,794</u>

**(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 Nonprofit 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 1999 and 1998 respectively, the state paid supplemental salaries to the following groups of employees: Fire Department employees, \$547,170 and \$491,125; Police Department employees, \$503,650 and \$545,100; and City Marshal employees (a component unit), \$24,190 and \$19,790.

**(14) Commitments and Contingencies**

***Construction Projects***

There are certain construction projects in progress at December 31, 1999. These include, among others, construction of a multi-purpose arena, the Arthur Ray Teague Parkway project and projects associated with enhancement to the wastewater and water treatment plants. As approved by the voters, \$56,750,000 in sales tax revenue bonds have been issued to fund the Arthur Ray Teague Parkway, the arena and other projects. The City has issued approximately \$20,790,000 in utility revenue bonds to fund the wastewater treatment plant improvements, and other related utility improvement projects. Also, \$2,565,647 in riverboat gaming revenues have been transferred to the Water and Sewer Fund to help fund utility improvement projects.



## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Combined Financial Statements

December 31, 1999

#### *Bossier Medical Center*

A Federal investigation has begun of the Bossier Medical Center's bid procedures for a 1997 construction project. The City is cooperating in this investigation and will comply with all requests for data. The ultimate resolution of this inquiry and the amount of liability, if any, cannot be determined.

#### *Pension Funds*

According to existing legislative acts of the State of Louisiana, the City is required to reimburse the Firemen's Pension and Relief Fund and the Policemen's Pension and Relief 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 and group dental coverage.

The City is self-insured for workmen's compensation coverage and group dental coverage. 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 \$225,000 per occurrence for workmen's compensation coverage with an aggregate limit of \$1,000,000. Employee life insurance premiums are also paid from the Insurance Fund.

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 \$50,000 per occurrence retention for claims involving third parties. The City maintained property insurance during 1999 on approximately \$65.7 million in City property, subject to a \$50,000 per occurrence retention for property claims. The maximum cumulative amount of self-insured retentions related to automobile, general liability, and property claims is \$300,000.

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 three fiscal years.

Prior to its sale, as more fully described in note 16, the Hospital was qualified under the State of Louisiana medical malpractice program and had obtained coverage for the first \$100,000 of professional liability per occurrence through the Louisiana Hospital Association Trust Fund (Trust Fund), effective through October 31, 1997, and through a commercial insurance carrier effective November 1, 1997. Additional coverage was provided by the Louisiana Patients' Compensation Fund (LPCF) for the next \$400,000 of professional liability up to the present statutory maximum of \$500,000 per claim (exclusive of additional amounts for future medical expense provided by law). The Trust Fund and the LPCF provided coverage on an occurrence basis, and the commercial coverage was provided on a claims made basis.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

The Hospital provided coverage for payment of compensation and benefits required of employers pursuant to the Louisiana Workers' Compensation Act. The Hospital was partially self-insured for workers' compensation claims incurred prior to November 1, 1998. Commercial carriers cover claims incurred prior to November 1, 1998 exceeding the \$200,000 per incident stop-loss limitation up to an annual aggregate limit of \$1,000,000 and claims incurred on or after November 1, 1998 up to \$1,000,000 per incident. The Hospital was responsible for all workers' compensation claims incurred below the per incident limitation (for claims incurred prior to November 1, 1998) and in excess of the annual aggregate limitation. The Hospital pledged a certificate of deposit in the amount of \$100,000 and \$250,000 at December 31, 1999 and 1998, respectively, with the Office of Workers' Compensation for the State of Louisiana as collateral to secure the prompt payment of workers' compensation claims.

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

		<u>Accrued Claims January 1,</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Accrued Claims December 31,</u>
Insurance Fund:					
1998	\$	522,023	363,976	850,999	35,000
1999		35,000	249,281	249,281	35,000
Liability Insurance Fund:					
1998	\$	510,314	1,126,130	1,120,628	515,816
1999		515,816	904,311	904,311	515,816

***Postretirement Benefits***

As an established practice, the City provides for a portion of the health care 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. In previous years, the City was self-insured for medical benefits. In 1998, the client began participating in a Health Management Organization (HMO). As a result, the cost of providing benefits to the eligible retirees consist of the portion of monthly premiums paid for coverage applicable to the retirees. These costs are accounted for on a pay-as-you-go basis. At December 31, 1999, 100 retirees are currently eligible to receive or are receiving benefits under the plan. The costs of providing these benefits totaled \$68,016 for 1999.

***Litigation***

The City is defendant in a number of legal actions, most of which are adequately 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

## CITY OF BOSSIER CITY, LOUISIANA

### Notes to Combined Financial Statements

December 31, 1999

cases could involve liability to the City in excess of insurance limits if the courts find in favor of the various plaintiffs. In the opinion of the City attorney, the City's ultimate uninsured exposure cannot be presently determined. 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. Amounts are accrued under Financial Accounting Standards No. 5 as liabilities become probable and can be estimated.

#### *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 cigarette tax, beer tax and traffic signalization revenues. The continuation of these revenues at these amounts is contingent on a variety of factors at the state level.

#### **(15) Prior Period Adjustment – Component Unit**

In 1999, the Marshal discovered an employee theft that impacted the 1998 financial statement amounts. The 1998 financial statements of the Marshal have been restated to reflect the amount of theft as a receivable since it is expected all amounts will be repaid. Also, in connection with the theft, the probation fund was not included in the 1998 financial statements of the Marshal. The 1998 financial statements of the Marshal have also been restated to include the activity of the probation fund. The 1999 beginning balance of the Marshal's Contingency and Probation Funds have been restated by \$15,583 and \$12,328, respectively, to properly account for the impact of the employee theft in 1998.

#### **(16) Bossier Medical Center Sale**

As approved through public referendum on May 1, 1999 and subsequently by the Office of the Attorney General, effective June 29, 1999, the City sold all of Bossier Medical Center's property and equipment and inventories to Christus Health Northern Louisiana (Christus). Commitments, contracts, leases and agreements relating to the property, and all licenses and permits to the extent assignable, were included in the asset sale.

Christus began operating the hospital, using the name "Bossier Medical Center" on June 30, 1999. Christus assumed the responsibility and liability for treating patients at that time and retained the majority of the hospital's employees. Christus also assumed the accrued vacation and sick time liability of employees who were retained.



**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Combined Financial Statements

December 31, 1999

A summary of hospital assets sold by the City is as follows:

Assets sold:		
Property and equipment	\$	17,564,562
Inventories		786,155
Other assets		<u>25,909</u>
	\$	<u>18,376,626</u>

The sale price consisted of \$17,911,368 in cash and assumptions of liabilities (accrued vacation and sick time) of \$637,255. The City recognized a loss of \$1,833,554 on the disposal of the hospital, which included \$2,005,551 of costs associated with the sale.

At the closing on June 30, 1999, \$15,675,909 was paid to the City by Christus and \$2,235,459 was placed in an escrow account for the City by Christus. Upon receipt, the City transferred the proceeds to the Public Health and Safety Nonexpendable Trust Fund in accordance with the Louisiana Attorney General's ruling as to the use of such funds. This transfer, along with subsequent transfers of funds determined to be excess to the wind-up of operations of the hospital, have been reflected as a residual equity transfer from the Bossier Medical Center Fund to the Public Health and Safety Fund totaling \$16,529,713. The cash held in escrow, representing the amount funded by Christus, will be released to the City upon satisfactory settlement of certain contingencies. The City expects that it will receive the full amount held in escrow. In addition, the City has recorded a liability to Christus at December 31, 1999 which primarily represents a purchase price adjustment relating to inventory.

At December 31, 1999, the assets and liabilities of the Bossier Medical Center Fund represent cash and restricted cash available to liquidate the remaining liabilities associated with hospital operations. The excess funds after the wind-up of activity will be transferred to the Public Health and Safety Fund to meet the minimum requirements of this fund and to use the excess for authorized projects.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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**CITY OF BOSSIER CITY, LOUISIANA**

Required Supplementary Information

Schedules of Funding Progress

Fiscal years ended December 31, 1997 through December 31, 1999  
(unaudited)

Fiscal Year	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Unfunded AAL (UAAL) (2-1)	(4) Funded Ratio (1/2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3/5)
<b>Firemen's Fund:</b>						
1999	16,761,280	57,910,919	41,149,639	28.9%	472,892	8,701.7%
1998	16,792,228	54,491,576	37,699,348	30.8%	239,695	15,728.0%
1997	14,662,576	50,896,950	36,234,374	28.8%	359,619	10,075.8%
<b>Policemen's Fund:</b>						
1999	5,091,639	24,512,869	19,421,230	20.8%	N/A	N/A
1998	4,726,734	25,297,589	20,570,855	18.7%	N/A	N/A
1997	4,157,019	24,162,879	20,005,860	17.2%	N/A	N/A

**CITY OF BOSSIER CITY, LOUISIANA**

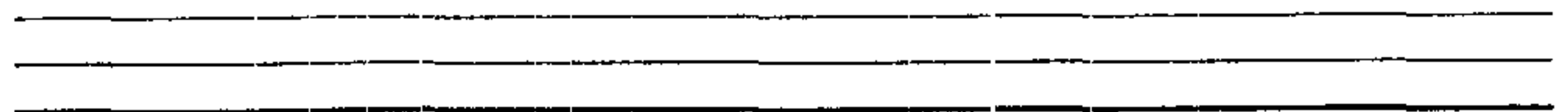
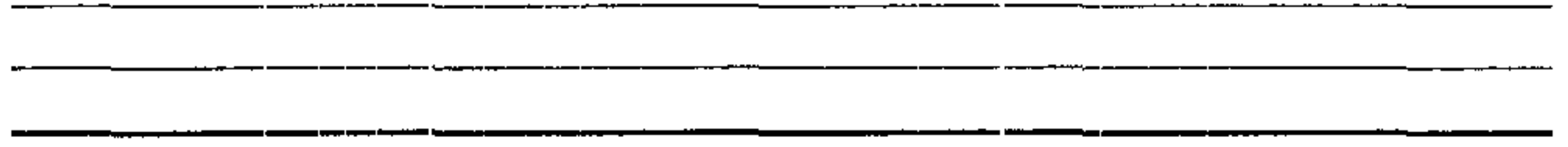
Notes to Required Supplementary Information

For the year ended December 31, 1999  
(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><b>Firemen's Fund</b></u>	<u><b>Policemen's Fund</b></u>
Valuation date	1/1/00	1/1/00
Actuarial cost method	Entry age normal cost	Entry age normal cost
Amortization method	Level percentage	Level percentage
Remaining amortization period	13 years - closed	13 years - closed
Asset valuation method	Market value	Market value
Actuarial assumptions:		
Investment rate of return*	6.50%	6.50%
Projected salary increases*	4.50%	N/A
*Includes inflation at	3.25%	3.25%
Cost-of-living adjustments	3.25%	3.25%

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





**GOVERNMENTAL FUNDS**

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

## **GENERAL FUND**

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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.

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CITY OF BOSSIER CITY LOUISIANA

General Fund

Comparative Balance Sheets

December 31, 1999 and 1998

Assets	1999	1998	Liabilities and Fund Balance	1999	1998
Cash and cash equivalents	\$ 2,654,848	2,720,458	Accounts payable	\$ 454,723	547,570
Ad valorem property taxes receivable, less allowance for uncollectible taxes of and \$65,000 in 1999 and 1998	2,098,887	1,856,996	Deferred revenues:		
			Licenses	48,712	49,545
			Other	794,913	387,587
Accrued interest	24,658	30,497		<u>843,625</u>	<u>437,132</u>
Other accounts receivable	721,532	700,050	Total liabilities	<u>1,298,348</u>	<u>984,702</u>
Due from other funds - State and Federal Grant Fund	23,645	66,662	Fund balance:		
Due from other government entities	66,759	90,146	Reserved for encumbrances	112,441	51,246
Inventories, at cost	96,437	92,539	Reserved for inventories	96,437	92,539
			Unreserved - undesignated	4,179,540	4,428,861
			Total fund balance	<u>4,388,418</u>	<u>4,572,646</u>
Total assets	<u>\$ 5,686,766</u>	<u>5,557,348</u>	Total liabilities and fund balance	<u>\$ 5,686,766</u>	<u>5,557,348</u>

See accompanying notes to combined financial statements.

## CITY OF BOSSIER CITY, LOUISIANA

## General Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual on a Budgetary BasisYear ended December 31, 1999  
with comparative actual figures for year ended December 31, 1998

	Budget	1999 Actual on a Budgetary Basis	Variance Favorable (Unfavorable)	1998 Actual on a Budgetary Basis
Revenues:				
Taxes:				
Sales, net	\$ 6,262,403	6,430,005	167,602	6,058,639
Ad valorem	6,542,860	6,719,904	177,044	6,214,086
Utility	970,000	855,747	(114,253)	976,584
Telephone	198,000	212,249	14,249	202,619
Franchise:				
Cable television	355,000	355,000	-	355,000
Chain store	55,000	56,878	1,878	54,035
Taxi	-	-	-	313
	14,383,263	14,629,783	246,520	13,861,276
Licenses and permits	1,820,000	1,966,087	146,087	1,903,456
Intergovernmental:				
Grants	155,000	133,629	(21,371)	96,634
State and parish revenues:				
Supplemental pay	1,133,400	1,075,010	(58,390)	1,056,015
Cigarette tax	236,000	235,413	(587)	235,413
Beer tax	100,000	115,313	15,313	131,271
Special funds from State of Louisiana	177,000	181,029	4,029	167,830
	1,801,400	1,740,394	(61,006)	1,687,163
Fines and penalties	769,000	1,142,734	373,734	998,030
Racing Commission - Louisiana Downs	300,000	290,635	(9,365)	325,271
Video poker	455,000	388,916	(66,084)	431,185
Interest	50,000	58,850	8,850	88,615
Sanitation charges	1,645,000	1,706,796	61,796	1,642,548
Miscellaneous:				
Payment in lieu of taxes - Federal Housing Authority	54,500	37,234	(17,266)	54,978
Parks and recreation	210,000	206,064	(3,936)	247,335
Engineering fees	25,000	124,060	99,060	10,502
Enterprise funds and Civic Center Fund pro rata share of general and administrative expenses	416,500	416,500	-	402,500
Police Department revenues	215,000	223,275	8,275	239,757
Other income	257,000	289,293	32,293	279,200
Total miscellaneous	1,178,000	1,296,426	118,426	1,234,272
Total revenues	22,401,663	23,220,621	818,958	22,171,816

(Continued)



## CITY OF BOSSIER CITY, LOUISIANA

## General Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual on a Budgetary BasisYear ended December 31, 1999  
with comparative actual figures for year ended December 31, 1998

	1999			1998
	Budget	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)	Actual on a Budgetary Basis
Expenditures:				
Current:				
General government:				
Administration	\$ 305,233	311,948	(6,715)	301,794
Municipal building	1,018,212	1,191,069	(172,857)	1,069,840
Finance	583,862	614,517	(30,655)	580,015
City garage	563,415	534,198	29,217	486,465
Traffic engineering and safety	678,049	609,458	68,591	620,649
Purchasing	290,317	304,952	(14,635)	287,584
Engineering	588,378	543,817	44,561	538,492
Personnel	142,809	135,441	7,368	129,830
Permits and inspections	431,655	421,574	10,081	406,526
City attorney	197,782	198,873	(1,091)	182,019
Public works	197,446	186,159	11,287	184,385
City Council	174,201	201,436	(27,235)	175,299
Community development	245,790	244,529	1,261	205,545
Animal control	227,399	211,381	16,018	207,697
Information services	393,817	482,242	(88,425)	405,821
Herbicide	190,534	176,068	14,466	162,599
Payments to other governmental agencies	815,780	856,530	(40,750)	741,678
	<u>7,044,679</u>	<u>7,224,192</u>	<u>(179,513)</u>	<u>6,686,238</u>
Solid waste	2,057,639	2,010,192	47,447	1,856,190
Public safety:				
Fire	5,972,424	6,458,547	(486,123)	6,050,359
Police	8,470,647	8,593,101	(122,454)	7,917,886
	<u>14,443,071</u>	<u>15,051,648</u>	<u>(608,577)</u>	<u>13,968,245</u>
Highways and streets	819,884	834,241	(14,357)	825,058
Culture and recreation	1,374,026	1,355,155	18,871	1,349,568
City Court and Marshal:				
City Court	416,805	412,574	4,231	371,410
Marshal's office	449,293	427,787	21,506	415,301
	<u>866,098</u>	<u>840,361</u>	<u>25,737</u>	<u>786,711</u>
Total expenditures	<u>26,605,397</u>	<u>27,315,789</u>	<u>(710,392)</u>	<u>25,472,010</u>
Excess of expenditures over revenues	(4,203,734)	(4,095,168)	108,566	(3,300,194)
Other financing sources (uses):				
Operating transfers in	4,255,334	3,962,540	(292,794)	3,534,739
Transfer to component unit	(51,600)	(51,600)	-	(51,600)
	<u>4,203,734</u>	<u>3,910,940</u>	<u>(292,794)</u>	<u>3,483,139</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(184,228)	(184,228)	182,945
Fund balance at beginning of year	<u>4,572,646</u>	<u>4,572,646</u>	-	<u>4,389,701</u>
Fund balance at end of year	<u>\$ 4,572,646</u>	<u>4,388,418</u>	<u>(184,228)</u>	<u>4,572,646</u>

See accompanying notes to combined financial statements.

## SPECIAL REVENUE FUNDS

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Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes. The City has seven 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.

**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.

**Riverboat Gaming** — This fund accounts for the monthly payments made by the riverboats of the City's percentage of their monthly revenues. The funds will be used for capital and other undetermined projects.

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CITY OF BOSSIER CITY, LOUISIANA

Special Revenue Funds

Combining Balance Sheet

December 31, 1999  
with comparative totals for 1998

Assets	State and Federal Grant	Court Witness Fee	Civic Center	Fire Improvements and Operations	Jail and Municipal Buildings	Streets and Drainage	Riverboat Gaming	Totals	
								1999	1998
Cash and cash equivalents	\$ -	2,428	1,556,374	348,857	2,417,079	1,253,413	17,162,122	22,740,273	19,730,818
Investments	-	-	-	-	-	-	13,746,786	13,746,786	15,417,325
Interest receivable	-	-	18,247	4,097	28,392	14,722	366,178	431,636	479,242
Due from other government agencies	32,871	-	314,483	-	-	-	-	347,354	547,847
Total assets	\$ 32,871	2,428	1,889,104	352,954	2,445,471	1,268,135	31,275,086	37,266,049	36,175,232
<b>Liabilities and Fund Balances</b>									
Liabilities:									
Accounts payable	\$ 5,271	-	4,984	-	-	40,373	-	50,628	691,084
Due to other funds - general fund	23,645	-	-	-	-	-	-	23,645	66,662
Deferred revenue	4,289	-	-	-	-	-	-	4,289	4,289
Total liabilities	33,205	-	4,984	-	-	40,373	-	78,562	762,035
Fund balances:									
Reserved for encumbrances	15,505	-	153,548	-	106,156	12,128	-	287,337	505,990
Unreserved - designated for subsequent years' expenditure	-	-	-	-	-	-	31,275,086	31,275,086	30,747,722
Unreserved - undesignated	(15,839)	2,428	1,730,572	352,954	2,339,315	1,215,634	-	5,625,064	4,159,485
Total fund balances	(334)	2,428	1,884,120	352,954	2,445,471	1,227,762	31,275,086	37,187,487	35,413,197
Total liabilities and fund balances	\$ 32,871	2,428	1,889,104	352,954	2,445,471	1,268,135	31,275,086	37,266,049	36,175,232

See accompanying notes to combined financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)

Year ended December 31, 1999  
with comparative totals for year ended December 31, 1998

	State and Federal Grant	Court Witness Fee	Civic Center	Fire Improvements and Operations	Jail and Municipal Buildings	Streets and Drainage	Riverboat Gaming	Totals
								1999
								1998
Revenues:								
Sales, tax, net	-	-	-	1,395,762	996,973	1,146,519	-	3,539,254
Riverboat gaming	-	-	-	-	-	-	-	4,852,821
Intergovernmental:								
U.S. government grants and entitlements	719,117	-	-	-	-	-	-	719,117
State and parish shared revenues	-	-	1,433,432	-	-	-	-	1,433,432
Total intergovernmental	719,117	-	1,433,432	-	-	-	-	2,152,549
Net decrease in fair value of investments	-	-	-	-	-	-	(326,911)	(326,911)
Fines and penalties	-	20,525	-	-	-	-	-	20,525
Rental fees	-	-	213,715	-	-	-	-	213,715
Interest	-	-	58,789	17,542	123,226	68,086	1,579,805	1,994,670
Miscellaneous	-	-	44,826	-	-	-	-	44,826
Total revenues	719,117	20,525	1,750,762	1,413,304	1,120,199	1,214,605	1,252,894	7,491,406
Expenditures:								
Current:								
General government	133,629	-	-	-	-	-	-	133,629
Public safety	95,330	-	-	-	-	-	-	95,330
Highways and streets	102,833	-	-	-	-	-	-	102,833
Culture and recreation	4,500	-	455,453	-	-	-	-	459,953
City Court and Marshal	36,790	20,200	-	-	-	-	-	56,990
Miscellaneous	346,369	-	388,623	17,523	-	625,336	4,208	350,577
Capital outlay	-	20,200	844,076	17,523	-	625,336	4,208	1,031,482
Total expenditures	719,451	20,200	1,244,076	17,523	-	1,250,794	4,208	2,230,794
Excess (deficiency) of revenues over expenditures	(334)	325	906,686	1,395,781	1,120,199	589,269	1,248,686	5,260,612
Other financing sources (uses):								
Operating transfer in	-	-	-	-	(875,000)	(500,000)	(721,322)	-
Operating transfers out	-	-	-	(1,390,000)	(875,000)	(500,000)	(721,322)	(3,486,322)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(334)	325	906,686	5,781	245,199	89,269	527,364	1,774,290
Fund balances at beginning of year	-	2,103	977,434	347,173	2,200,272	1,138,493	30,747,722	35,413,197
Residual equity transfer (out)	-	-	-	-	-	-	-	(2,565,647)
Fund balances (deficit) at end of year	(334)	2,428	1,884,120	352,954	2,445,471	1,227,762	31,275,086	37,187,487

See accompanying notes to combined financial statements.



## CITY OF BOSSIER CITY, LOUISIANA

Special Revenue Fund  
Civic Center FundStatement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and ActualDecember 31, 1999  
with comparative totals for year ended December 31, 1998

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
<b>Revenues:</b>				
Intergovernmental - state and parish shared revenues	\$ 2,200,000	1,433,432	(766,568)	1,212,529
Rental fees	190,000	213,715	23,715	175,652
Interest	65,000	58,789	(6,211)	76,473
Miscellaneous	22,500	44,826	22,326	31,507
Total revenues	<u>2,477,500</u>	<u>1,750,762</u>	<u>(726,738)</u>	<u>1,496,161</u>
<b>Expenditures:</b>				
Culture and recreation:				
Salaries, fringe benefits, and payroll taxes	286,473	275,730	10,743	236,365
Insurance	17,500	6,823	10,677	10,603
Professional services	3,000	-	3,000	-
Utilities	82,500	75,444	7,056	50,685
Office and operating supplies	46,475	49,322	(2,847)	37,105
Administrative expenses	10,000	424	9,576	5,893
Travel and training	-	3,145	(3,145)	1,652
Maintenance	12,000	20,370	(8,370)	20,196
Other	46,000	24,195	21,805	22,040
Capital outlay	400,000	388,623	11,377	2,191,172
Total expenditures	<u>903,948</u>	<u>844,076</u>	<u>59,872</u>	<u>2,575,711</u>
Excess (deficiency) of revenues over expenditures	1,573,552	906,686	(666,866)	(1,079,550)
Fund balance at beginning of year	<u>977,434</u>	<u>977,434</u>	-	<u>2,056,984</u>
Fund balance at end of year	<u>\$ 2,550,986</u>	<u>1,884,120</u>	<u>(666,866)</u>	<u>977,434</u>

See accompanying notes to combined financial statements.

## CITY OF BOSSIER CITY, LOUISIANA

Special Revenue Fund  
Fire Improvements and Operations FundStatement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and ActualDecember 31, 1999  
with comparative actual figures for the year ended December 31, 1998

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenues:				
Sales tax, net	\$ 1,392,710	1,395,762	3,052	1,322,564
Interest	5,000	17,542	12,542	16,271
Miscellaneous	-	-	-	214,479
Total revenues	<u>1,397,710</u>	<u>1,413,304</u>	<u>15,594</u>	<u>1,553,314</u>
Expenditures - capital outlay	<u>45,000</u>	<u>17,523</u>	<u>27,477</u>	<u>534,407</u>
Excess of revenues over expenditures	<u>1,352,710</u>	<u>1,395,781</u>	<u>43,071</u>	<u>1,018,907</u>
Other financing use - operating transfer out	<u>(1,390,000)</u>	<u>(1,390,000)</u>	<u>-</u>	<u>(1,300,000)</u>
Excess (deficiency) of revenues over expenditures and other use	(37,290)	5,781	43,071	(281,093)
Fund balance at beginning of year	<u>347,173</u>	<u>347,173</u>	<u>-</u>	<u>628,266</u>
Fund balance at end of year	<u>\$ 309,883</u>	<u>352,954</u>	<u>43,071</u>	<u>347,173</u>

See accompanying notes to combined financial statements.

## CITY OF BOSSIER CITY, LOUISIANA

Special Revenue Fund  
Jail and Municipal Buildings FundStatement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and ActualDecember 31, 1999  
with comparative actual figures for the year ended December 31, 1998

	1999			1998
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Sales tax, net	\$ 994,794	996,973	2,179	944,690
Interest	35,000	123,226	88,226	110,116
Total revenues	<u>1,029,794</u>	<u>1,120,199</u>	<u>90,405</u>	<u>1,054,806</u>
Expenditures - capital outlay	-	-	-	-
Excess of revenues over expenditures	<u>1,029,794</u>	<u>1,120,199</u>	<u>90,405</u>	<u>1,054,806</u>
Other financing use - operating transfer out	<u>(875,000)</u>	<u>(875,000)</u>	-	<u>(813,507)</u>
Excess of revenues over expenditures and other use	154,794	245,199	90,405	241,299
Fund balance at beginning of year	<u>2,200,272</u>	<u>2,200,272</u>	-	<u>1,958,973</u>
Fund balance at end of year	<u>\$ 2,355,066</u>	<u>2,445,471</u>	<u>90,405</u>	<u>2,200,272</u>

See accompanying notes to combined financial statements.

## CITY OF BOSSIER CITY, LOUISIANA

Special Revenue Fund  
Streets and Drainage FundStatement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and ActualDecember 31, 1999  
with comparative actual figures for the year ended December 31, 1998

	1999			1998
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Sales tax, net	\$ 1,144,012	1,146,519	2,507	1,086,392
Interest	10,000	68,086	58,086	64,713
Total revenues	<u>1,154,012</u>	<u>1,214,605</u>	<u>60,593</u>	<u>1,151,105</u>
Expenditures - capital outlay	<u>654,012</u>	<u>625,336</u>	<u>28,676</u>	<u>544,495</u>
Excess of revenues over expenditures	500,000	589,269	89,269	606,610
Other financing use - operating transfer out	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>(431,233)</u>
Excess (deficiency) of revenues over expenditures and other use	-	89,269	89,269	175,377
Fund balance at beginning of year	<u>1,138,493</u>	<u>1,138,493</u>	<u>-</u>	<u>963,116</u>
Fund balance at end of year	<u>\$ 1,138,493</u>	<u>1,227,762</u>	<u>89,269</u>	<u>1,138,493</u>

See accompanying notes to combined financial statements.



**DEBT SERVICE  
FUNDS**

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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 ad valorem and sales taxes paid to the City.

**Sales Tax Bond Sinking and Reserve Fund** -- Used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs of the 1979, 1991, 1993, and 1998 bond series.

**Parkway Sales Tax Bond Sinking and Reserve Fund** — Used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs of the 1987, 1989, 1992, and 1997 bond series.

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## CITY OF BOSSIER CITY, LOUISIANA

Debt Service Funds  
Bond and Interest Sinking Funds

## Combining Balance Sheet

December 31, 1999  
with comparative totals for 1998

Assets	Sales Tax Bond Sinking and Reserve Fund	Parkway Sales Tax Bond Sinking and Reserve Fund	Totals	
			1999	1998
Investments	\$ 4,641,976	2,310,281	6,952,257	7,014,693
Accrued interest	58,307	28,787	87,094	100,202
Due from other funds - Sales Tax Capital Improvements Fund	1,752	87,862	89,614	183,061
Total assets	\$ <u>4,702,035</u>	<u>2,426,930</u>	<u>7,128,965</u>	<u>7,297,956</u>
<b>Liabilities</b>				
Due to other funds - Parkway Capital Projects Fund	\$ 91,732	134,962	226,694	223,445
Fund balances - reserved for debt service	4,610,303	2,291,968	6,902,271	7,074,511
Total liabilities and fund balance	\$ <u>4,702,035</u>	<u>2,426,930</u>	<u>7,128,965</u>	<u>7,297,956</u>

See accompanying notes to combined financial statements.

## CITY OF BOSSIER CITY, LOUISIANA

Debt Service Funds  
Bond and Interest Sinking FundsCombining Statements of Revenues, Expenditures,  
and Changes in Fund BalancesYear ended December 31, 1999  
with comparative totals for year ended December 31, 1998

	Sales Tax Bond Sinking and Reserve Fund	Parkway Sales Tax Bond Sinking and Reserve Fund	Totals	
			1999	1998
Revenues:				
Taxes - sales, net	\$ 4,363,704	1,960,487	6,324,191	4,895,859
Net decrease in fair value of investments	(109,849)	(54,485)	(164,334)	-
Interest	284,016	134,964	418,980	438,833
Miscellaneous other income	11,076	-	11,076	1,762
Total revenues	<u>4,548,947</u>	<u>2,040,966</u>	<u>6,589,913</u>	<u>5,336,454</u>
Expenditures - debt service:				
Principal retirement	1,875,000	865,000	2,740,000	1,925,000
Interest and fiscal charges	2,491,009	1,099,064	3,590,073	2,793,776
Total expenditures	<u>4,366,009</u>	<u>1,964,064</u>	<u>6,330,073</u>	<u>4,718,776</u>
Excess of revenues over expenditures	182,938	76,902	259,840	617,678
Other financing sources (uses):				
Proceeds of bond issuance	-	-	-	2,211,203
Operating transfer out - Parkway Capital Projects Fund	-	(132,100)	(132,100)	(358,445)
Operating transfer out - Sales Tax Capital Improvements Fund	(299,980)	-	(299,980)	(1,828,330)
	<u>(299,980)</u>	<u>(132,100)</u>	<u>(432,080)</u>	<u>24,428</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(117,042)	(55,198)	(172,240)	642,106
Fund balances at the beginning of year	<u>4,727,345</u>	<u>2,347,166</u>	<u>7,074,511</u>	<u>6,432,405</u>
Fund balances at the end of year	<u>\$ 4,610,303</u>	<u>2,291,968</u>	<u>6,902,271</u>	<u>7,074,511</u>

See accompanying notes to combined financial statements.

## CAPITAL PROJECTS FUNDS

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Capital projects 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). Brief descriptions of each fund follow:

**Sales Tax Capital Improvement Fund** — This fund is used to account for expenditures associated with street improvements, the Shed Road projects, and the Golden West project 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.

**1998 Parkway Bond Construction Fund** — This fund is used to account for expenditures associated with the Arthur Ray Teague Parkway and is funded by the 1998 bond proceeds and interest earned.

**1998 Arena Bond Construction Fund** — This fund is used to account for expenditures associated with the construction of a multi-purpose arena and is funded by the 1998 bond proceeds and interest earned.

**Special Project Fund** — This fund is used to account for expenditures associated with the completion of the Arthur Ray Teague Parkway and is funded with the refunding of the 1979 Single Family Mortgage Revenue Bond Issue. No more funds will be transferred into this fund.

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

**Equipment Replacement Fund** — This fund is used to account for purchases and sales of various equipment not associated with bond issue related expenditures.

**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.

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CITY OF BOSSIER CITY, LOUISIANA

Capital Projects Funds

Combining Balance Sheet

December 31, 1999  
with comparative totals for 1998

	1998		1998		1998		1998		1998		1999		1998	
	Sales Tax Capital Improvement Fund	Parkway Capital Projects Fund	Parkway Bond Construction Fund	Arena Bond Construction Fund	Special Project Fund	Land Acquisition Fund	Equipment Replacement Fund	Riverboat Gaming Capital Projects Fund	Totals		1999	1998	1999	1998
<b>Assets</b>														
Cash and cash equivalents	\$ 1,656,297	1,675,497	1,333,384	17,196,386	1,049,085	105,543	201,886	15,626,940	38,845,018	43,305,249				
Accounts receivable	349,263	-	-	-	-	-	-	-	349,263	295,938				
Due from other funds - Debt Service	89,980	47,100	-	-	-	-	-	-	137,080	223,445				
Accrued interest	16,980	18,684	15,649	201,955	12,324	1,240	2,371	168,207	437,410	586,521				
<b>Total assets</b>	\$ 2,112,520	1,741,281	1,349,033	17,398,341	1,061,409	106,783	204,257	15,795,147	39,768,771	44,411,153				
<b>Liabilities and Fund Balances</b>														
<b>Liabilities:</b>														
Accounts payable	\$ 64,214	101,358	100,542	3,314,743	55	-	-	452,204	4,033,116	1,164,849				
Retainages payable	-	-	-	802,195	276,047	-	-	55,196	1,133,438	276,047				
Due to other funds - Debt Service	-	-	-	-	-	-	-	-	-	183,061				
<b>Total liabilities</b>	64,214	101,358	100,542	4,116,938	276,102	-	-	507,400	5,166,554	1,623,957				
<b>Fund balances:</b>														
Reserved for encumbrances	68,412	544,853	1,644,588	33,437,022	79,440	-	-	2,151,056	37,925,371	6,246,597				
Unreserved-designated for subsequent years' expenditures	1,979,894	1,095,070	(396,097)	(20,155,619)	705,867	106,783	204,257	13,136,691	(3,323,154)	36,540,599				
<b>Total fund balances</b>	2,048,306	1,639,923	1,248,491	13,281,403	785,307	106,783	204,257	15,287,747	34,602,217	42,787,196				
<b>Total liabilities and fund balances</b>	\$ 2,112,520	1,741,281	1,349,033	17,398,341	1,061,409	106,783	204,257	15,795,147	39,768,771	44,411,153				

See accompanying notes to combined financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**  
Capital Projects Funds

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

Year ended December 31, 1999  
with comparative totals for year ended December 31, 1998

	1998				1999				Totals	
	Sales Tax Capital Improvement Fund	Parkway Capital Projects Fund	Parkway Bond Construction Fund	Arena Bond Construction Fund	Special Project Fund	Land Acquisition Fund	Equipment Replacement Fund	Riverboat Gaming Capital Projects Fund	1998	1999
Revenues:										
Sales taxes, net	\$ 621,160	3,024,376	133,499	-	-	-	-	-	3,779,035	4,720,521
Intergovernmental										
U.S. government grants	2,840,735	25,000	-	-	-	-	-	-	2,865,735	359,564
State and parish shared	29,988	-	-	-	-	-	-	-	29,988	295,938
revenues	-	-	-	-	-	-	-	-	14,479,446	8,162,324
Riverboat gaming	79,961	89,247	-	1,140,601	49,187	5,308	9,576	585,449	1,959,329	1,496,771
Interest	-	-	-	-	25,768	-	189,718	-	215,486	156,387
Other income	-	-	-	-	-	-	-	-	-	-
Total revenues	3,571,844	3,138,623	133,499	1,140,601	74,955	5,308	199,294	15,064,895	23,329,019	15,191,505
Expenditures-capital outlay-project										
expenditures and engineering fees	4,442,435	3,341,347	3,054,499	17,396,362	420,278	-	84,605	3,141,552	31,881,078	16,036,825
Excess (deficiency) of	(870,591)	(202,724)	(2,921,000)	(16,255,761)	(345,323)	5,308	114,689	11,923,343	(8,552,059)	(845,320)
revenues over										
expenditures										
Other financing sources (uses):										
Bond proceeds	-	-	-	-	-	-	-	-	-	32,758,087
Operating transfers in (out):										
Riverboat Gaming Trust Fund	-	-	-	-	-	-	-	-	-	(2,539,007)
Debt Service Fund	299,980	132,100	-	-	-	-	-	-	432,080	2,186,775
General Fund	-	-	-	-	(65,000)	-	-	-	(65,000)	(65,000)
Total other financing	299,980	132,100	-	-	(65,000)	-	-	-	367,080	32,340,855
sources (uses)										
Excess (deficiency) of	(570,611)	(70,624)	(2,921,000)	(16,255,761)	(410,323)	5,308	114,689	11,923,343	(8,184,979)	31,495,535
revenues and other										
sources over										
expenditures and										
other uses										
Fund balances at beginning of year	2,618,917	1,710,547	4,169,491	29,537,164	1,195,630	101,475	89,568	3,364,404	42,787,196	11,291,661
Fund balances at end of year	\$ 2,048,306	1,639,923	1,248,491	13,281,403	785,307	106,783	204,257	15,287,747	34,602,217	42,787,196

See accompanying notes to combined financial statements.

**PROPRIETARY  
AND FIDUCIARY  
FUNDS**

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- **ENTERPRISE FUNDS**
  - **INTERNAL SERVICE FUNDS**
  - **FIDUCIARY FUNDS**

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## ENTERPRISE FUNDS

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The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises in that the cost of goods and services are recovered primarily through user charges. *Accountability over enterprise funds are directed at the periodic determination of revenues earned, expenses incurred, and net income.*

The enterprise funds reported in this section are as follows:

**Department of Water and Sewerage** — Operated as a self-sustaining utility of the City and is responsible for providing the residents of the City of Bossier City, Louisiana, with water and sewerage treatment.

**Bossier Medical Center** — A municipal health care facility owned and operated by the City of Bossier City, Louisiana, until its sale in June 1999.

**Emergency Medical Services** — Operated as a self-sustaining service of the City and is responsible for providing the residents of the City of Bossier City, Louisiana, with emergency medical services.

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## CITY OF BOSSIER CITY, LOUISIANA

## Enterprise Funds

## Combining Balance Sheet

December 31, 1999  
with comparative totals for 1998

Assets	Department of Water and Sewerage	Bossier Medical Center	Emergency Medical Services	Totals	
				1999	1998
<b>Current assets:</b>					
Cash and cash equivalents	\$ 10,226,198	622,649	291,382	11,140,229	10,106,608
Accounts receivable - customers	1,037,524	-	424,425	1,461,949	11,912,353
Less allowance for doubtful accounts	(132,551)	-	(80,035)	(212,586)	(2,194,181)
	<u>904,973</u>	<u>-</u>	<u>344,390</u>	<u>1,249,363</u>	<u>9,718,172</u>
Accrued interest receivable	78,946	-	3,274	82,220	134,929
Others accounts receivable	13,036	-	-	13,036	346,970
Prepaid expenses	-	-	-	-	549,939
Inventories, at cost	223,712	-	-	223,712	1,107,312
Total current assets	<u>11,446,865</u>	<u>622,649</u>	<u>639,046</u>	<u>12,708,560</u>	<u>21,963,930</u>
<b>Restricted assets:</b>					
Cash and cash equivalents	4,957,670	2,367,453	-	7,325,123	17,255,578
Investments, at cost	-	100,000	-	100,000	250,000
Accrued interest	99,056	-	-	99,056	121,104
	<u>5,056,726</u>	<u>2,467,453</u>	<u>-</u>	<u>7,524,179</u>	<u>17,626,682</u>
<b>Property, plant and equipment:</b>					
Land and land improvements	583,508	-	-	583,508	2,468,136
Water reservoir and treatment plant	35,362,598	-	-	35,362,598	35,362,598
Buildings	-	-	-	-	14,439,973
Transmission and distribution system	35,903,619	-	-	35,903,619	28,239,380
Equipment	4,610,826	-	1,074,004	5,684,830	42,398,875
	<u>76,460,551</u>	<u>-</u>	<u>1,074,004</u>	<u>77,534,555</u>	<u>122,908,962</u>
Less accumulated depreciation	(26,329,630)	-	(882,268)	(27,211,898)	(61,015,715)
	<u>50,130,921</u>	<u>-</u>	<u>191,736</u>	<u>50,322,657</u>	<u>61,893,247</u>
Construction in progress	15,802,411	-	-	15,802,411	18,822,138
Net property, plant and equipment	<u>65,933,332</u>	<u>-</u>	<u>191,736</u>	<u>66,125,068</u>	<u>80,715,385</u>
<b>Other assets:</b>					
Deferred bond costs, at cost less amortization	340,931	-	-	340,931	369,675
Other assets	233,333	-	-	233,333	260,380
Total other assets	<u>574,264</u>	<u>-</u>	<u>-</u>	<u>574,264</u>	<u>630,055</u>
Total assets	\$ <u>83,011,187</u>	<u>3,090,102</u>	<u>830,782</u>	<u>86,932,071</u>	<u>120,936,052</u>



## CITY OF BOSSIER CITY, LOUISIANA

## Enterprise Funds

## Combining Balance Sheet

December 31, 1999  
with comparative totals for 1998

Liabilities, Contributions and Retained Earnings	Department of Water and Sewerage	Bossier Medical Center	Emergency Medical Services	Totals	
				1999	1998
Current liabilities (payable from current assets):					
Accounts payable and accrued expenses	\$ 462,036	220,147	86,480	768,663	3,766,930
Accrued vacation	147,815	-	-	147,815	1,116,668
Due to Christus	-	65,071	-	65,071	-
Amounts due to third-party payors	-	700,000	-	700,000	285,805
Estimates and retainages payable	264,534	-	-	264,534	1,119,033
Refundable deposits	154,446	-	-	154,446	171,301
Total current liabilities (payable from current assets)	1,028,831	985,218	86,480	2,100,529	6,459,737
Current liabilities (payable from restricted assets):					
Accrued interest on revenue bonds	220,656	-	-	220,656	406,336
Current portion of long-term debt	1,055,000	-	-	1,055,000	5,495,000
Total current liabilities (payable from restricted assets)	1,275,656	-	-	1,275,656	5,901,336
Total current liabilities	2,304,487	985,218	86,480	3,376,185	12,361,073
Long-term debt	16,879,480	-	-	16,879,480	17,178,559
Total liabilities	19,183,967	985,218	86,480	20,255,665	29,539,632
Fund equity:					
Contributions:					
Contributions from municipality	9,878,166	-	-	9,878,166	12,917,331
Contributions from Federal Revenue Sharing Fund	2,238,316	-	-	2,238,316	2,291,175
Contributions from Riverboat Gaming Fund	12,220,048	-	-	12,220,048	12,220,048
Contributions from Public Improvement Sales Tax Bond Fund	2,583,918	-	-	2,583,918	2,647,073
Contributions from Sales Tax Capital Fund	3,155,250	-	1,278	3,156,528	2,833,473
Contributions from subdividers and customers	1,733,270	-	-	1,733,270	1,775,691
Contributions from other governmental agencies	11,661,478	-	2,697	11,664,175	11,933,759
Contributions from Consolidated Debt Service Fund	860,942	-	-	860,942	860,942
Contributions from capital additions	221,860	-	-	221,860	221,860
Contributions from Bond and Interest Sinking Fund	421,341	-	-	421,341	421,341
Total contributions	44,974,589	-	3,975	44,978,564	48,122,693
Retained earnings:					
Reserved for revenue bond requirements	766,611	-	-	766,611	1,697,082
Unreserved	18,086,020	2,104,884	740,327	20,931,231	41,576,645
Total retained earnings	18,852,631	2,104,884	740,327	21,697,842	43,273,727
Total fund equity	63,827,220	2,104,884	744,302	66,676,406	91,396,420
Total liabilities and fund equity	\$ 83,011,187	3,090,102	830,782	86,932,071	120,936,052

See accompanying notes to combined financial statements.

## CITY OF BOSSIER CITY, LOUISIANA

## Enterprise Funds

Combining Statement of Revenues, Expenses, and  
Changes in Retained EarningsYear ended December 31, 1999  
with comparative totals for year ended December 31, 1998

	Department of Water and Sewerage	Bossier Medical Center	Emergency Medical Services	Totals	
				1999	1998
Operating revenues:					
Charges for services:					
Metered water sales	\$ 4,199,504	-	-	4,199,504	4,383,520
Sewerage service charges	4,652,245	-	-	4,652,245	4,833,048
Ambulance fees	-	-	2,021,497	2,021,497	2,081,626
	<u>8,851,749</u>	<u>-</u>	<u>2,021,497</u>	<u>10,873,246</u>	<u>11,298,194</u>
Miscellaneous - other revenues	322,880	-	44,904	367,784	309,940
Total revenues	<u>9,174,629</u>	<u>-</u>	<u>2,066,401</u>	<u>11,241,030</u>	<u>11,608,134</u>
Operating expenses:					
Personal services	3,067,683	-	1,561,032	4,628,715	4,352,040
Supplies	722,290	-	88,877	811,167	771,194
Utilities	468,560	-	25,847	494,407	559,338
Repairs and maintenance	526,277	-	28,629	554,906	784,723
Provision for bad debts	129,411	-	281,531	410,942	209,763
Miscellaneous	1,053,668	-	120,788	1,174,456	1,200,097
Depreciation and amortization	1,726,787	-	104,190	1,830,977	1,700,176
Total expenses	<u>7,694,676</u>	<u>-</u>	<u>2,210,894</u>	<u>9,905,570</u>	<u>9,577,331</u>
Operating income (loss)	<u>1,479,953</u>	<u>-</u>	<u>(144,493)</u>	<u>1,335,460</u>	<u>2,030,803</u>
Nonoperating revenues (expenses):					
Interest income	807,122	-	18,131	825,253	1,114,030
Interest expense	(899,590)	-	-	(899,590)	(861,218)
Amortization	(144,970)	-	-	(144,970)	(133,758)
Other, net	(27,747)	-	-	(27,747)	(1,633)
Total nonoperating revenues (expenses)	<u>(265,185)</u>	<u>-</u>	<u>18,131</u>	<u>(247,054)</u>	<u>117,421</u>
Net income (loss) from continuing operations	<u>1,214,768</u>	<u>-</u>	<u>(126,362)</u>	<u>1,088,406</u>	<u>2,148,224</u>
Discontinued operations:					
Loss from operations of Bossier Medical Center	-	(7,844,016)	-	(7,844,016)	(5,865,120)
Loss on sale of Bossier Medical Center	-	(1,833,554)	-	(1,833,554)	-
Net income (loss)	<u>1,214,768</u>	<u>(9,677,570)</u>	<u>(126,362)</u>	<u>(8,589,164)</u>	<u>(3,716,896)</u>
Amounts charged to contribution accounts:					
Write-off contributed capital due to sale of Bossier Medical Center assets	-	2,922,230	-	2,922,230	-
Depreciation on contributed assets	620,762	-	-	620,762	635,696
	<u>620,762</u>	<u>2,922,230</u>	<u>-</u>	<u>3,542,992</u>	<u>635,696</u>
Retained earnings at beginning of year	17,017,101	25,389,937	866,689	43,273,727	46,354,927
Residual equity transfer out - public health and safety	-	(16,529,713)	-	(16,529,713)	-
Retained earnings at end of year	\$ <u>18,852,631</u>	<u>2,104,884</u>	<u>740,327</u>	<u>21,697,842</u>	<u>43,273,727</u>

See accompanying notes to combined financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**  
**Enterprise Funds**  
**Combining Statement of Cash Flows**  
**Year ended December 31, 1999**  
**with comparative totals for year ended December 31, 1998**

	Department of Water and Sewerage	Bossier Medical Center	Emergency Medical Services	Totals	
				1999	1998
<b>Cash flows from operating activities:</b>					
Operating income (loss)	\$ 1,479,953	-	(144,493)	1,335,460	2,030,803
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation and amortization	1,726,787	-	104,190	1,830,977	1,700,176
Provision for bad debts	129,411	-	281,531	410,942	209,763
Write-off of cost in excess of acquired net assets and abandoned construction project	-	-	-	-	159,222
Loss from operations of Bossier Medical Center	-	(7,844,016)	-	(7,844,016)	(5,865,120)
Adjustment for nonoperating and noncash items included in loss from operations of Bossier Medical Center:					
Depreciation and amortization	-	1,293,999	-	1,293,999	2,885,248
Provision for bad debts	-	2,271,303	-	2,271,303	3,186,848
Asset impairment	-	-	-	-	2,274,752
Loss on sale of property and equipment	-	51,053	-	51,053	-
Interest expense	-	198,157	-	198,157	497,525
Interest income	-	(191,791)	-	(191,791)	(436,973)
Transfer of Foundation assets	-	338,371	-	338,371	-
Operating transfer out	-	-	-	-	550,000
<b>(Increase) decrease in assets:</b>					
Accounts receivable	(150,638)	6,246,631	(309,429)	5,786,564	(1,543,632)
Other receivable	144,608	189,326	-	333,934	616,724
Prepaid expenses	-	524,030	-	524,030	55,574
Inventories	4,428	93,017	-	97,445	98,688
Other assets	8,334	18,713	-	27,047	2,008
<b>Increase (decrease) in liabilities:</b>					
Accounts payable and accrued expenses	(671,421)	(2,337,706)	(65,781)	(3,074,908)	(585,649)
Accrued vacation	-	(359,498)	-	(359,498)	105,720
Due to Christus Schumpert	-	65,071	-	65,071	-
Refundable deposits	(16,855)	-	-	(16,855)	(41,783)
Other liabilities	-	414,195	-	414,195	(1,633)
Net cash provided by (used in) operating activities, including discontinued operations	<u>2,654,607</u>	<u>970,855</u>	<u>(133,982)</u>	<u>3,491,480</u>	<u>5,898,261</u>
<b>Net cash used by noncapital financing activities:</b>					
Residual equity transfer	-	(16,529,713)	-	(16,529,713)	-
Operating transfer out	-	-	-	-	(550,000)
Net cash used in noncapital financing activities, including discontinued operations	<u>-</u>	<u>(16,529,713)</u>	<u>-</u>	<u>(16,529,713)</u>	<u>(550,000)</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition and construction of capital assets	(6,085,680)	(960,891)	(9,479)	(7,056,050)	(17,046,866)
Contributions received for purchase of property and equipment	398,863	-	-	398,863	2,942,822
Proceeds from sale of Bossier Medical Center	-	18,015,909	-	18,015,909	-
Payments of costs associated with sale of Bossier Medical Center	-	(2,005,551)	-	(2,005,551)	-
Proceeds from sales of property and equipment	-	51,277	-	51,277	-
Principal paid on revenue bond maturities	(785,000)	(4,710,000)	-	(5,495,000)	(1,255,000)
Interest paid on revenue bonds	(905,650)	(377,777)	-	(1,283,427)	(1,206,119)
Fiscal charges	(27,747)	-	-	(27,747)	-
Proceeds of revenue bonds	639,695	-	-	639,695	4,685,730
Net cash provided by (used in) capital and related financing activities, including discontinued operations	<u>(6,765,519)</u>	<u>10,012,967</u>	<u>(9,479)</u>	<u>3,237,969</u>	<u>(11,879,433)</u>
<b>Cash flows from investing activities:</b>					
Purchases and sales of investments	-	150,000	-	150,000	947,630
Interest received	879,522	191,791	20,488	1,091,801	1,559,096
Transfer of Foundation assets	-	(338,371)	-	(338,371)	-
Net cash provided by investing activities, including discontinued operations	<u>879,522</u>	<u>3,420</u>	<u>20,488</u>	<u>903,430</u>	<u>2,506,726</u>
Net decrease in cash and cash equivalents	(3,231,390)	(5,542,471)	(122,973)	(8,896,834)	(4,024,446)
Cash and cash equivalents at beginning of year	18,415,258	8,532,573	414,355	27,362,186	31,386,632
Cash and cash equivalents at end of year	<u>\$ 15,183,868</u>	<u>2,990,102</u>	<u>291,382</u>	<u>18,465,352</u>	<u>27,362,186</u>
<b>Noncash transactions:</b>					
Amortization	\$ 144,970	-	-	144,970	271,423

See accompanying notes to combined 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 Balance Sheet

December 31, 1999  
with comparative totals for 1998

Assets	Insurance Fund	Liability Insurance Fund	Totals	
			1999	1998
Cash and cash equivalents	\$ 46,871	644,902	691,773	680,762
Prepaid expense	-	148,246	148,246	148,246
Total assets	\$ <u>46,871</u>	<u>793,148</u>	<u>840,019</u>	<u>829,008</u>
<b>Liabilities and Retained Earnings</b>				
Accounts payable	\$ 5,978	30,213	36,191	42,534
Accrued claims	35,000	515,816	550,816	550,816
Total liabilities	<u>40,978</u>	<u>546,029</u>	<u>587,007</u>	<u>593,350</u>
Retained earnings - unreserved	<u>5,893</u>	<u>247,119</u>	<u>253,012</u>	<u>235,658</u>
Total liabilities and retained earnings	\$ <u>46,871</u>	<u>793,148</u>	<u>840,019</u>	<u>829,008</u>

See accompanying notes to combined financial statements.



## CITY OF BOSSIER CITY, LOUISIANA

## Internal Service Funds

Combining Statement of Revenues, Expenses, and  
Changes in Retained Earnings (Deficit)Year ended December 31, 1999  
with comparative totals for year ended December 31, 1998

	Insurance Fund	Liability Insurance Fund	Totals	
			1999	1998
Revenues:				
Employers' contributions/ premiums	\$ 155,474	1,324,922	1,480,396	2,864,981
Employees' contributions	138,415	-	138,415	144,151
Refunds and reimbursements	4,484	147,722	152,206	523,641
Total revenues	<u>298,373</u>	<u>1,472,644</u>	<u>1,771,017</u>	<u>3,532,773</u>
Expenses - miscellaneous:				
Claims	249,281	904,311	1,153,592	1,490,106
Legal fees	-	-	-	127,469
Employee insurance premiums	107,511	401,967	509,478	530,131
Other	18,538	72,055	90,593	84,328
Total expenses	<u>375,330</u>	<u>1,378,333</u>	<u>1,753,663</u>	<u>2,232,034</u>
Net income (loss)	(76,957)	94,311	17,354	1,300,739
Retained earnings (deficit) at beginning of year	<u>82,850</u>	<u>152,808</u>	<u>235,658</u>	<u>(1,065,081)</u>
Retained earnings at end of year	\$ <u>5,893</u>	<u>247,119</u>	<u>253,012</u>	<u>235,658</u>

See accompanying notes to combined financial statements.

## CITY OF BOSSIER CITY, LOUISIANA

## Internal Service Funds

## Combining Statement of Cash Flows

Year ended December 31, 1999  
with comparative totals for year ended December 31, 1998

	Insurance Fund	Liability Insurance Fund	Totals	
			1999	1998
Cash flows from operating activities:				
Operating income (loss)	\$ (76,957)	94,311	17,354	1,300,739
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in assets - prepaid expense and other	-	-	-	48,868
Increase (decrease) in liabilities:				
Accounts payable	411	(6,754)	(6,343)	(2,839)
Due to other funds	-	-	-	(483,752)
Accrued claims	-	-	-	(481,521)
Net cash provided by (used in) operating activities	<u>(76,546)</u>	<u>87,557</u>	<u>11,011</u>	<u>381,495</u>
Net increase (decrease) in cash	(76,546)	87,557	11,011	381,495
Cash and cash equivalents at beginning of year	<u>123,417</u>	<u>557,345</u>	<u>680,762</u>	<u>299,267</u>
Cash and cash equivalents at end of year	<u>\$ 46,871</u>	<u>644,902</u>	<u>691,773</u>	<u>680,762</u>

See accompanying notes to combined 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, the Policemen's Pension and Relief Fund, and the Bossier Medical Center Pension Fund.

**Nonexpendable Trust Funds** — The nonexpendable trust funds are used to account for assets held for which the principal may not be spent. The Public Health and Safety fund was created to account for the proceeds from the sale of the Bossier Medical Center. Earnings on the principal (after payment of all expenses associated with the sale of Bossier Medical Center) may only be spent for the purpose of public health and safety.

**Agency Funds** — The Consolidated Sales Tax Fund accounts for the collection of a two percent 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, 1999**  
with comparative totals for December 31, 1998

Assets	Firemen's Pension and Relief Fund	Policemen's Pension and Relief Fund	Bossier Medical Center Pension Fund	Totals	
				1999	1998
Cash and cash equivalents	\$ 470,412	515,479	656,794	1,642,685	1,893,113
Investments, at fair value:					
U.S. treasury bonds and U.S. government and agency obligations	15,948,895	4,593,256	5,600,170	26,142,321	26,081,831
Corporate bonds	323,033	-	-	323,033	-
Mutual funds	-	-	-	-	489,061
	<u>16,271,928</u>	<u>4,593,256</u>	<u>5,600,170</u>	<u>26,465,354</u>	<u>26,570,892</u>
Accrued interest receivable	149,391	-	165,050	314,441	216,118
Total assets	<u>16,891,731</u>	<u>5,108,735</u>	<u>6,422,014</u>	<u>28,422,480</u>	<u>28,680,123</u>
<b>Liabilities</b>					
Due to City of Bossier City	<u>130,351</u>	<u>17,096</u>	<u>-</u>	<u>147,447</u>	<u>-</u>
Total liabilities	<u>130,351</u>	<u>17,096</u>	<u>-</u>	<u>147,447</u>	<u>-</u>
Fund balance reserved for employees retirement system	\$ <u>16,761,380</u>	<u>5,091,639</u>	<u>6,422,014</u>	<u>28,275,033</u>	<u>28,680,123</u>

See accompanying notes to combined financial statements.



## CITY OF BOSSIER CITY, LOUISIANA

## Pension Trust Funds

## Combining Statements of Changes in Plan Net Assets

December 31, 1999  
with comparative totals for year ended December 31, 1998

	Firemen's Pension and Relief Fund	Policemen's Pension and Relief Fund	Bossier Medical Center Pension Fund	Totals	
				1999	1998
<b>Additions:</b>					
<i>Contributions from City:</i>					
Sales taxes, net	\$ 3,192,856	1,794,551	-	4,987,407	4,727,683
Fire insurance premiums	101,532	-	-	101,532	93,893
Employer's contributions	29,122	-	460,000	489,122	851,812
City court fines	-	211,471	-	211,471	175,770
City liquor licenses	-	5,421	-	5,421	5,694
Total contributions from City	<u>3,323,510</u>	<u>2,011,443</u>	<u>460,000</u>	<u>5,794,953</u>	<u>5,854,852</u>
Employee's contributions	29,122	16,211	-	45,333	23,812
<i>Investment income:</i>					
Net appreciation (depreciation) in the fair value of investments	(1,584,310)	(380,405)	(263,206)	(2,227,921)	670,264
Interest income	942,679	304,769	408,116	1,655,564	1,565,114
Total investment income (loss)	<u>(641,631)</u>	<u>(75,636)</u>	<u>144,910</u>	<u>(572,357)</u>	<u>2,235,378</u>
Total additions	<u>2,711,001</u>	<u>1,952,018</u>	<u>604,910</u>	<u>5,267,929</u>	<u>8,114,042</u>
<b>Deductions:</b>					
Pension and benefits	2,725,829	1,544,186	1,316,903	5,586,918	4,467,362
Miscellaneous	16,020	42,927	27,154	86,101	50,380
Total deductions	<u>2,741,849</u>	<u>1,587,113</u>	<u>1,344,057</u>	<u>5,673,019</u>	<u>4,517,742</u>
Net increase (decrease)	(30,848)	364,905	(739,147)	(405,090)	3,596,300
<i>Fund balance reserved for employees pension benefits:</i>					
Beginning of year	<u>16,792,228</u>	<u>4,726,734</u>	<u>7,161,161</u>	<u>28,680,123</u>	<u>25,083,823</u>
End of year	<u>\$ 16,761,380</u>	<u>5,091,639</u>	<u>6,422,014</u>	<u>28,275,033</u>	<u>28,680,123</u>

See accompanying notes to combined financial statements.

**CITY OF BOSSIER CITY, LOUISIANA**  
Public Health and Safety Nonexpendable Trust Fund

Statement of Revenues, Expenses, and  
Changes in Fund Balance

Year ended December 31, 1999

Operating revenues:	
Interest	\$ 705,157
Net decrease in the fair value of investments	(387,547)
Miscellaneous - other revenues	41,236
Total revenues	<u>358,846</u>
Income before operating transfers	<u>358,846</u>
Operating transfers out	<u>(411,218)</u>
Net loss	<u>(52,372)</u>
Fund balance at beginning of year	-
Residual equity transfer in - Bossier Medical Center	<u>16,529,713</u>
Fund balance at end of year	<u>\$ 16,477,341</u>

See accompanying notes to combined financial statements.

## CITY OF BOSSIER CITY, LOUISIANA

## Public Health and Safety Nonexpendable Trust Fund

## Statement of Cash Flows

Year ended December 31, 1999

Cash flows from operating activities:	
Operating income	\$ 358,846
Adjustments to reconcile operating income to net cash provided by operating activities:	
Net decrease in fair value of investments	387,547
(Increase) decrease in assets - accrued interest	(211,972)
Increase (decrease) in liabilities - accounts payable and accrued expenses	21,706
Net cash provided by operating activities	<u>556,127</u>
Cash flows from noncapital financing activities:	
Residual equity transfer in	16,529,713
Operating transfer out	(411,218)
Net cash provided by noncapital financing activities	<u>16,118,495</u>
Net cash used in investing activities - purchases of investments	<u>(16,674,622)</u>
Net increase in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>

See accompanying notes to combined financial statements.

## CITY OF BOSSIER CITY, LOUISIANA

## Fiduciary Funds

Combining Statement of Changes in Assets  
and Liabilities - All Agency Funds

Year ended December 31, 1999

	Balance January 1, 1999	Additions	Deductions	Balance December 31, 1999
<b>Consolidated Sales Tax Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 618,880	46,062,572	46,475,866	205,586
Sales tax receivable	-	44,404,058	44,404,058	-
Due from police pension	-	17,096	-	17,096
Due from fire pension	-	130,351	-	130,351
	<u>\$ 618,880</u>	<u>90,614,077</u>	<u>90,879,924</u>	<u>353,033</u>
<b>Liabilities</b>				
Accounts payable	\$ 79,569	846,316	869,855	103,108
Sales tax distributions payable	-	19,240,365	19,240,365	-
Due to other funds:				
General Fund	-	6,430,005	6,430,005	-
Sales Tax Bond Sinking and Reserve Fund	-	4,363,704	4,363,704	-
Parkway Sales Tax Bond Sinking and Reserve Fund	-	1,960,487	1,960,487	-
Policemen's Pension and Relief Fund	-	1,794,551	1,794,551	-
Firemen's Pension and Relief Fund	-	3,192,856	3,192,856	-
Sales Tax Capital Improvement Fund	-	621,160	621,160	-
Parkway Capital Projects Fund	-	3,024,376	3,024,376	-
1998 Parkway Bond Construction Fund	-	133,499	133,499	-
Jail and Municipal Building Fund	-	996,973	996,973	-
Fire Improvements and Operations Fund	-	1,395,762	1,395,762	-
Streets and Drainage Fund	-	1,146,519	1,146,519	-
	<u>79,569</u>	<u>45,146,573</u>	<u>45,170,112</u>	<u>103,108</u>
Taxes paid under protest	483,442	682,042	384,313	185,713
Refundable deposits	55,869	208,913	217,256	64,212
	<u>\$ 618,880</u>	<u>46,037,528</u>	<u>45,771,681</u>	<u>353,033</u>
<b>Riverboat Gaming</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	2,431,953	2,431,953	-
<b>Liabilities</b>				
Due to other governmental units	\$ -	2,431,953	2,431,953	-
<b>Totals all Agency Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 618,880	48,494,525	48,907,819	205,586
Sales tax receivable	-	44,404,058	44,404,058	-
Due from police pension	-	17,096	-	17,096
Due from fire pension	-	130,351	-	130,351
	<u>\$ 618,880</u>	<u>93,046,030</u>	<u>93,311,877</u>	<u>353,033</u>
<b>Liabilities</b>				
Accounts payable	\$ 79,569	846,316	869,855	103,108
Sales tax distributions payable	-	19,240,365	19,240,365	-
Due to other funds	-	25,059,892	25,059,892	-
Taxes paid under protest	483,442	682,042	384,313	185,713
Refundable deposits	55,869	208,913	217,256	64,212
	<u>\$ 618,880</u>	<u>46,037,528</u>	<u>45,771,681</u>	<u>353,033</u>

See accompanying notes to combined financial statements.

## ACCOUNT GROUPS

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**GENERAL  
FIXED ASSETS  
ACCOUNT GROUP**

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This account group is established to account for all fixed assets of the City, other than those accounted for in the proprietary and pension trust funds. Capital outlay in funds other than the proprietary funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded, at cost, for control purposes in the General Fixed Assets Account Group. In accordance with generally accepted accounting principles for municipalities, depreciation is not recorded in the General Fixed Assets Account Group.

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## CITY OF BOSSIER CITY, LOUISIANA

## General Fixed Assets Account Group

## Comparative Schedules of General Fixed Assets - By Source

December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
General fixed assets:		
Land and land improvements	\$ 8,519,611	8,126,237
Buildings and structures	46,383,079	28,779,348
Equipment and vehicles	<u>17,381,598</u>	<u>15,694,989</u>
	<u>\$ 72,284,288</u>	<u>52,600,574</u>
Investment in general fixed assets:		
Investment, December 31, 1978	\$ 2,896,020	2,896,020
Subsequent to December 31, 1978:		
General obligation bonds	1,491,879	1,491,879
Federal Revenue Sharing	2,411,744	2,411,744
Sales tax revenues	24,948,951	22,184,751
Sales tax revenue bonds	35,348,990	18,429,476
Community Development Block Grant	825,351	825,351
Contributions from other governmental agencies	2,026,151	2,026,151
General Fund	1,873,511	1,873,511
Donations	<u>461,691</u>	<u>461,691</u>
	<u>\$ 72,284,288</u>	<u>52,600,574</u>

See accompanying notes to combined financial statements.

## CITY OF BOSSIER CITY, LOUISIANA

## General Fixed Assets Account Group

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

Year ended December 31, 1999

Function and Activity	General Fixed Assets January 1, 1999	Additions	Retirements	General Fixed Assets December 31, 1999
General government:				
Administration	\$ 123,542	9,680	(2,594)	130,628
Municipal building	14,966,448	1,065,796	(860)	16,031,384
Finance	91,201	29,039	-	120,240
City garage	380,634	1,800	(1,966)	380,468
Traffic engineering and safety	3,957,439	20,260	(26,586)	3,951,113
Purchasing	91,443	10,604	(12,891)	89,156
Engineering	213,735	76,620	(13,780)	276,575
Personnel	63,265	867	-	64,132
Permits	191,847	2,505	(1,150)	193,202
City attorney	51,321	2,545	-	53,866
City Council	54,646	1,250	-	55,896
Information services	658,407	130,427	(53,461)	735,373
Community development	85,418	17,710	(1,164)	101,964
	<u>20,929,346</u>	<u>1,369,103</u>	<u>(114,452)</u>	<u>22,183,997</u>
Public safety:				
Fire	4,574,940	181,485	(17,842)	4,738,583
Police	6,367,686	576,266	(191,568)	6,752,384
	<u>10,942,626</u>	<u>757,751</u>	<u>(209,410)</u>	<u>11,490,967</u>
Public works	3,540,316	541,753	(43,468)	4,038,601
Culture and recreation	8,337,441	122,249	(59,755)	8,399,935
Civic Center	5,350,170	3,303,020	(1,591)	8,651,599
City Court and Marshal:				
City Court	120,988	6,000	(99)	126,889
Marshal's office	266,312	23,776	(25,053)	265,035
	<u>387,300</u>	<u>29,776</u>	<u>(25,152)</u>	<u>391,924</u>
Construction in progress	<u>3,113,375</u>	<u>17,301,283</u>	<u>(3,287,393)</u>	<u>17,127,265</u>
Total general fixed assets	<u>\$ 52,600,574</u>	<u>23,424,935</u>	<u>(3,741,221)</u>	<u>72,284,288</u>

See accompanying notes to combined financial statements.

## CITY OF BOSSIER CITY, LOUISIANA

## General Fixed Assets Account Group

Schedule of General Fixed Assets -  
By Function and Activity

December 31, 1999

Function and Activity	Total	Land and Land Improvements	Buildings and Structures	Equipment and Vehicles
General government:				
Administration	\$ 130,628	-	12,923,911	130,628
Municipal building	16,031,384	1,984,000	-	1,123,473
Finance	120,240	-	43,901	120,240
City garage	380,468	2,500	2,681,921	334,067
Traffic engineering and safety	3,951,113	753,489	-	515,703
Purchasing	89,156	-	-	89,156
Engineering	276,575	-	-	276,575
Personnel	64,132	-	-	64,132
Permits	193,202	-	-	193,202
City attorney	53,866	-	-	53,866
City Council	55,896	-	-	55,896
Information services	735,373	-	-	735,373
Community Development	101,964	-	-	101,964
	<u>22,183,997</u>	<u>2,739,989</u>	<u>15,649,733</u>	<u>3,794,275</u>
Public safety:				
Fire	4,738,583	270,015	1,032,644	3,435,924
Police	6,752,384	57,758	1,393,255	5,301,371
	<u>11,490,967</u>	<u>327,773</u>	<u>2,425,899</u>	<u>8,737,295</u>
Public works	4,038,601	151,276	269,447	3,617,878
Culture and recreation	8,399,935	5,032,782	2,916,763	450,390
Civic Center	8,651,599	68,440	8,193,323	389,836
City Court and Marshal:				
City Court	126,889	-	-	126,889
Marshal's Office	265,035	-	-	265,035
	<u>21,482,059</u>	<u>5,252,498</u>	<u>11,379,533</u>	<u>4,850,028</u>
CIP (Arena)	17,118,865	199,351	16,919,514	-
CIP (Firestation #9)	8,400	-	8,400	-
	<u>72,284,288</u>	<u>8,519,611</u>	<u>46,383,079</u>	<u>17,381,598</u>

See accompanying notes to combined financial statements.

**GENERAL LONG-TERM  
OBLIGATION ACCOUNT  
GROUP**

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

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CITY OF BOSSIER CITY, LOUISIANA

General Long-Term Obligation Account Group

Schedule of Changes in Long-Term Obligations

Year ended December 31, 1999

	January 1, 1999	Additions	Payments/ Reductions	Debt Service Fund Operations	December 31, 1999
Amount available in debt service funds	\$ 7,074,511	-	-	(172,240)	6,902,271
Amount to be provided for payment of accrued vacation	570,779	69,762	-	-	640,541
Amount to be provided for net pension obligation	57,689	130,367	-	-	188,056
Amount to be provided for retirement of general long-term debt	58,775,489	-	(2,567,760)	-	56,207,729
	<u>\$ 66,478,468</u>	<u>200,129</u>	<u>(2,567,760)</u>	<u>(172,240)</u>	<u>63,938,597</u>
Long-term obligations payable:					
Accrued vacation	\$ 570,779	69,762	-	-	640,541
Net pension obligation	57,689	130,367	-	-	188,056
Revenue bonds payable - general city operations	65,850,000	-	(2,740,000)	-	63,110,000
	<u>\$ 66,478,468</u>	<u>200,129</u>	<u>(2,740,000)</u>	<u>-</u>	<u>63,938,597</u>

See accompanying notes to combined financial statements.

**STATISTICAL  
SECTION**

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Table 1

## CITY OF BOSSIER CITY, LOUISIANA

## General Governmental Expenditures by Function (1)

Fiscal years ended December 31, 1990  
through December 31, 1999

Fiscal Year	General Government	Public Safety	Highways and Streets	Solid Waste	Culture and Recreation	City Court	Marshal's Office	Total
1990	\$ 3,644,798	6,887,050	672,980	-	1,067,605	254,339	204,994	12,731,766
1991	3,776,397	7,583,613	706,552	-	1,084,552	262,304	357,645	13,771,063
1992	4,421,031	8,285,954	522,979	1,539,181 {2}	1,044,810	244,140	276,855	16,334,950
1993	4,469,444	8,814,295	479,996	1,726,361	1,094,266	231,428	292,645	17,108,435
1994	4,601,136	9,620,590	510,250	1,591,770	1,279,747	259,268	276,962	18,139,723
1995	5,374,336	11,545,543 {3}	663,860	1,668,662	1,227,579	301,440	305,767 {3}	21,087,187
1996	5,572,647	12,817,480	724,786	1,802,337	1,267,192	339,091	330,992	22,854,525
1997	6,293,329	16,589,161	883,776	1,872,005	1,382,773	371,564	390,877	27,783,485
1998	6,589,604	18,695,928	825,058	1,856,190	1,349,568	371,410	415,301	30,103,059
1999	7,090,563	20,039,055	834,241	2,010,192	1,355,155	412,574	427,787	32,169,567

## Notes:

{1} Includes General Fund expenditures only.

{2} In 1992, the Solid Waste Disposal Fund was re-established as a department within the General Fund.

{3} Beginning in 1995, public safety and marshal's office expenditures include state supplemental pay.

Unaudited - see accompanying independent auditors' report.

## CITY OF BOSSIER CITY, LOUISIANA

## General Revenues by Source (1)

Fiscal years ended December 31, 1990  
through December 31, 1999

Fiscal Year	Taxes	Licenses and Permits	Inter governmental	Fines and Penalties	Louisiana Downs	Video Poker	Charges for Services	Interest and Miscellaneous	Total
1990	\$ 6,641,833	1,137,385	458,672	438,239	2,116,905	-	-	1,155,115	11,948,149
1991	7,703,792	1,209,928	458,098	393,640	2,000,691	-	-	1,066,217	12,832,366
1992	8,126,626	1,362,775	457,304	370,709	1,423,886	-	1,627,182 {2}	948,413	14,316,895
1993	8,572,269	1,404,210	477,847	534,646	1,284,194	661,058 {3}	1,587,568	1,050,903	15,572,695
1994	9,929,580	1,629,674	474,981	539,265	849,383	790,170	1,559,195	1,123,857	16,896,105
1995	11,218,222	1,776,977	1,220,430 {5}	800,191	578,126	403,699	1,610,322	1,267,724	18,875,691
1996	13,368,192	1,978,433	1,331,709	681,889	457,424	- {4}	1,632,552	1,239,503	20,689,702
1997	17,586,080	1,844,425	1,514,097	710,104	303,304	173,335 {6}	1,639,911	1,272,480	25,043,736
1998	18,588,959	1,903,456	1,590,529	998,030	325,271	431,185	1,642,548	1,322,887	26,802,865
1999	19,617,190	1,966,087	1,606,765	1,142,734	290,635	388,916	1,706,796	1,355,276	28,074,399

## Notes:

- {1} Includes General Fund revenues only. Operating transfers are not included.  
 {2} In 1992, the Solid Waste Disposal Fund was re-established as a department within the General Fund.  
 {3} Video poker was legalized in 1993.  
 {4} In 1996, the City began recording video poker receipts in the Riverboat Gaming Fund.  
 {5} Beginning in 1995, intergovernmental revenue includes grant for state supplemental pay.  
 {6} In 1997, the City resumed recording video poker receipts in the General Fund.

Unaudited - see accompanying independent auditors' report.

Table 3

## CITY OF BOSSIER CITY, LOUISIANA

## Property Tax Levies and Collections

Fiscal years ended December 31, 1990  
through December 31, 1999

Fiscal Year	Total Tax Levy {3}	Current Tax Collections {2}	Percent of Levy Collected	Delinquent Tax Collections {1}	Total Taxes Collected {1}	Total Outstanding Delinquent Taxes Receivable {1}	Percent of Total Tax Collections to Tax Levy {4}
1990	\$ 3,445,405	3,090,097	89.69%	206,440	3,296,537	148,868	95.68%
1991	4,299,164	3,882,453	90.31%	227,879	4,110,332	188,832	95.61%
1992	4,375,380	4,061,878	92.84%	157,491	4,219,369	156,011	96.43%
1993	4,369,789	4,047,177	92.62%	163,680	4,210,857	158,932	96.36%
1994	4,451,725	3,386,494	76.07%	954,769	4,341,263	110,462	97.52%
1995	4,395,265	2,339,002	53.22%	1,891,180	4,230,182	165,083	96.24%
1996	5,355,276	3,758,997	70.19%	1,442,509	5,201,506	153,770	97.13%
1997	5,854,571	4,267,938	72.90%	1,449,765	5,717,703	136,868	97.66%
1998	6,411,901	4,489,905	70.02%	1,569,246	6,059,151	352,750	94.50%
1999	6,761,107	4,597,220	68.00%	1,741,980	6,339,200	421,907	93.76%

## Notes:

- {1} Includes collections through February 28 of the subsequent year.  
 {2} Includes collections through December 31.  
 {3} Does not include adjustments from Louisiana Tax Commission.  
 {4} Percent of total tax collections to tax levy represents only those collections through February 28 of the subsequent year.  
 After considering all adjustments by the Louisiana Tax Commission and collections for the remainder of the year, the City has collected from 94.50 to 97.66 percent of the tax levy for the years 1990 through 1999.

Unaudited - see accompanying independent auditors' report.



## CITY OF BOSSIER CITY, LOUISIANA

Assessed and Estimated Actual Value  
of Taxable PropertyFiscal years ended December 31, 1990  
through December 31, 1999

Fiscal Year	Assessed Value	Estimated Actual Value	Percent of Total Assessed to Estimated Actual Value
1990	\$ 147,906,800	1,267,029,620	11.67%
1991	150,847,340	1,292,083,040	11.67%
1992	154,223,650	1,340,404,177	11.51%
1993	159,654,090	1,393,412,567	11.46%
1994	163,245,850	1,417,208,267	11.52%
1995	184,287,480	1,582,975,867	11.64%
1996	203,005,170	1,746,294,018	11.62%
1997	225,760,430	1,928,061,793	11.71%
1998	243,058,780	2,077,182,507	11.70%
1999	256,358,740	2,181,897,933	11.75%

**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 4 years. The last revaluation was completed for the roll of January 1, 1996.

Unaudited - see accompanying independent auditors' report.

Table 5

CITY OF BOSSIER CITY, LOUISIANA

Property Tax Rates and Tax Levies -  
Direct and Overlapping Governments

Fiscal years ended December 31, 1990  
through December 31, 1999

Fiscal Year	Tax Rates per \$1,000 Assessed Value					Tax Levies				
	City	School	Parish	Recreational Districts	Total	City	School	Parish	Recreational Districts	Total
1990	\$ 23.30	39.79	31.69	1.54	96.32	3,445,405	5,885,212	4,687,166	197,402	14,215,185
1991	28.50	39.79	31.69	1.54	101.52	4,299,164	6,002,216	4,780,352	186,910	15,268,642
1992	28.37	39.92	40.93	1.54	110.76	4,375,380	6,156,608	6,312,374	201,912	17,046,274
1993	27.37	39.42	44.19	1.54	112.52	4,369,789	6,293,564	7,055,114	209,665	17,928,132
1994	27.27	39.42	43.79	1.54	112.02	4,451,725	6,435,151	7,145,638	214,832	18,247,346
1995	23.85	39.42	41.27	1.54	106.08	4,395,265	7,264,612	7,605,544	241,362	19,506,783
1996	26.38	61.39	43.23	1.54	132.54	5,355,276	12,561,755	9,217,196	268,930	27,403,157
1997	26.38	61.38	43.23	1.54	132.53	5,955,560	15,379,860	10,829,235	385,774	32,550,429
1998	26.38	61.39	43.23	1.54	132.54	6,411,901	16,521,977	11,133,897	339,382	34,407,157
1999	26.38	55.14	43.48	1.54	126.54	6,761,107	15,187,258	11,975,734	344,113	34,268,212

Unaudited - see accompanying independent auditors' report.

**CITY OF BOSSIER CITY, LOUISIANA**

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

Fiscal years ended December 31, 1990 through December 31, 1999

Fiscal Year	Population	Assessed Value	Gross Bonded Debt{3}	Less Debt Service Funds	Net Bonded Debt	Percent of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1990	52,721 {2}	147,906,800	3,575,000	2,647,987	927,013	0.63%	17.58
1991	53,199 {1}	150,847,340	2,900,000	2,632,209	267,791	0.18%	5.03
1992	53,999 {1}	154,223,650	2,210,000	2,597,170	(387,170) {4}	(0.25)%	(7.17)
1993	54,507 {1}	159,654,090	1,720,000	2,628,550	(908,550)	(0.57)%	(16.67)
1994	55,653 {1}	163,245,850	1,230,000	2,713,413	(1,483,413)	(0.91)%	(26.65)
1995	55,988 {1}	184,287,480	-	-	-	-	-
1996	56,304 {1}	203,005,170	-	-	-	-	-
1997	57,141 {1}	225,760,430	-	-	-	-	-
1998	57,533 {1}	243,058,780	-	-	-	-	-
1999	58,977 {1}	256,358,740	-	-	-	-	-

**Notes:**

- {1} Per Special Census.
- {2} Per 1990 Census.
- {3} Includes all general obligation debt.
- {4} As of December 31, 1992, there are funds available to service the general obligation bonds in excess of the debt service requirements. The excess funds were used for projects consistent with the original purpose of the bond issue and in accordance with applicable bond ordinances

Unaudited - see accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Computation of Legal Debt Margin (1)

December 31, 1999

	Industrial Bonds	Water and Sewerage Improvements	Public Buildings	Parks and Recreation	Street Improvements	Drainage Improvements	Solid Waste Disposal
Assessed value of \$256,358,740							
Debt limit-10% of assessed value for any one purpose (1)	\$ 25,635,874	25,635,874	25,635,874	25,635,874	25,635,874	25,635,874	25,635,874
Less general bonded debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 25,635,874</u>	<u>25,635,874</u>	<u>25,635,874</u>	<u>25,635,874</u>	<u>25,635,874</u>	<u>25,635,874</u>	<u>25,635,874</u>

Note: {1} State law allows a maximum of 10% of assessed valuation for bonded debt for any one purpose or 35% of the total assessed value for all purposes. A total of approximately \$89,725,559 is available for issuance pursuant to the 35% limitation.

Unaudited - see accompanying independent auditors' report.

**CITY OF BOSSIER CITY, LOUISIANA**  
 Computation of Direct and Overlapping Debt  
 December 31, 1999

Jurisdiction	<u>Net Debt</u>	<u>Percentage of Debt Applicable to the City (1)</u>	<u>City's Share of Debt</u>
Total direct and overlapping debt - Bossier Parish, Louisiana, Bossier Parish School Board	\$ <u>12,136,122</u>	67%	\$ <u>8,131,202</u>

**Notes:**

- (1) Based on 1999 assessed valuation.
- (2) As of December 31, 1999, there are no general obligation bonds recorded in the financial statements of the City.

Unaudited - see accompanying independent auditors' report.



## CITY OF BOSSIER CITY, LOUISIANA

Ratio of Annual Debt Service Expenditures  
for General Bonded Debt to Total General ExpendituresFiscal years ended December 31, 1990  
through December 31, 1999

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures {1}	Debt Service as a Percentage of Total General Expenditures
1990	\$ 660,000	188,676	848,676	12,731,766	6.67
1991	675,000	158,396	833,396	13,771,063	6.05
1992	690,000	130,182	820,182	16,334,950 {2}	5.02
1993	490,000	103,214	593,214	17,108,435	3.47
1994	490,000	77,311	567,311	18,139,723	3.13
1995	493,389 {3}	49,844	543,233	21,087,187 {5}	2.58
1996	- {4}	-	-	22,854,525	-
1997	-	-	-	27,783,485	-
1998	-	-	-	30,103,059	-
1999	-	-	-	32,169,567	-

**Notes:**

- {1} Includes General Fund expenditures only.
- {2} In 1992, the Solid Waste Disposal Fund was reestablished as a department within the General Fund.
- {3} Does not include \$741,981 paid by the City to advance refund bonds.
- {4} All general bonded debt was advance refunded in 1995.
- {5} In 1995, general expenditures began including state supplemental pay.

Unaudited - see accompanying independent auditors' report.

## CITY OF BOSSIER CITY, LOUISIANA

## Revenue Bond Coverage

## Utility Bonds

Fiscal years ended December 31, 1990  
through December 31, 1999

Fiscal Year	Gross Revenues {1}	Operating Expenses {2}	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1990	\$ 5,746,523	4,099,724	1,646,799	-	-	-	-
1991	7,500,644	4,242,075	3,258,569	255,000	722,798	977,798	3.3326
1992	7,227,951	5,383,460	1,844,491	270,000	716,188	986,188	1.8703
1993	7,411,516	5,904,195	1,507,321	285,000	982,340	1,267,340	1.1894
1994	8,300,738	5,432,004	2,868,734	520,000	1,028,603	1,548,603	1.8525
1995	9,061,177	5,290,822	3,770,355	545,000	984,561	1,529,561	2.4650
1996	9,775,188	6,022,240	3,752,948	605,000	671,525	1,276,525	2.9400
1997	10,323,463	5,737,727	4,585,736	705,000	894,458	1,599,458	2.8671
1998	10,574,654	5,975,922	4,598,732	740,000	773,380	1,513,380	3.0387
1999	9,981,751	5,967,889	4,013,862	785,000	899,590	1,684,590	2.3827

## Notes:

- {1} Includes operating revenues and interest income.  
 {2} Includes all operating expenses except depreciation and excludes interest paid on debt service and other nonoperating expenses.  
 {3} 1990 Utility Revenue Bond debt service requirements began in 1991.

Unaudited - see accompanying independent auditors' report.

Table 10B

## CITY OF BOSSIER CITY, LOUISIANA

## Revenue Bond Coverage

## Sales Tax Bonds

Fiscal years ended December 31, 1990  
through December 31, 1999

Fiscal Year	Gross Revenues	Operating Expenses {1}	Net Revenue Available for Debt Service	Debt Service Requirements		Coverage
				Principal	Interest	
1990	\$ 10,315,425	181,979	10,133,446	1,135,000	3,536,061	2.1694
1991	11,117,766 {2}	195,730	10,922,036	1,040,000 {3}	3,077,124	2.6528
1992	13,558,778	203,909	13,354,869	1,215,000 {4}	2,632,350	3.4712
1993	14,556,334	208,065	14,348,269	1,425,000 {5}	2,643,628	3.5266
1994	17,478,649	234,898	17,243,751	1,595,000	2,537,467	4.1727
1995	19,215,597	238,935	18,976,662	1,710,000	2,434,501	4.5787
1996	21,334,315	315,583	21,018,732	1,835,000	2,297,819	5.0858
1997	22,877,414	428,720	22,448,694	1,960,000 {6}	2,032,736	5.6224
1998	23,950,939	359,679	23,591,260	1,925,000	2,786,991	5.0066
1999	25,497,052	437,159	25,059,893	2,740,000	3,584,193	3.9625

## Notes:

{1} Sales tax department operating expenditures.

{2} An additional one-half cent sales tax was assessed in 1991, the net proceeds of which are dedicated to the construction of two fire stations and a training facility, the maintenance and operation of the City jail and municipal buildings, and streets and drainage improvements.

{3} Does not include \$713,955 paid by the City in connection with refunding the 1982 and 1983 Series Bonds.

{4} Does not include \$381,686 paid by the City in connection with refunding the 1987 Series Bonds.

{5} Does not include \$200,151 paid by the City in connection with refunding the 1986 Series Bonds.

{6} Does not include \$8,135,000 paid by the City in connection with refunding the 1989 Series Bonds.

Unaudited - see accompanying independent auditors' report.

## CITY OF BOSSIER CITY, LOUISIANA

## Demographic Statistics

Fiscal years ended December 31, 1990  
through December 31, 1999

<u>Fiscal Year</u>	<u>Population</u>	<u>Median Age {1}</u>	<u>School Enrollment {2}</u>	<u>Unemployment Rate {1}</u>
1990	52,721 {3}	30.0	11,374	7.2%
1991	53,199 {4}	30.0	11,109	7.3%
1992	53,999 {3}	30.6	11,997	7.6%
1993	54,507 {3}	30.7	12,188	9.8%
1994	55,653 {3}	30.7	12,024	7.6%
1995	55,988 {3}	30.7	12,386	7.3%
1996	56,304 {3}	29.8	12,772	6.9%
1997	57,141 {3}	30.0	12,915	6.3%
1998	57,533 {3}	31.6	12,277	5.6%
1999	58,977 {3}	31.6	11,601	5.0%

**Notes:**

- {1} State of Louisiana Research and Statistics for 1988-1992, Shreveport, Bossier, and Webster Parish Unemployment and Median Age Information from the Louisiana Office of Statistics for 1993-1998.
- {2} Bossier Parish School Board (inside City limits)
- {3} Per Special Census
- {4} 1990 U.S. Census

Unaudited - see accompanying independent auditors' report.

Table 12

## CITY OF BOSSIER CITY, LOUISIANA

## Property Value, Construction, and Bank Deposits

Fiscal years ended December 31, 1990  
through December 31, 1999

Fiscal Year	Commercial Construction {1}		Residential Construction {1}		Commercial	Residential	Total {2}
	Number of Units	Value	Number of Units	Value			
1990	19	6,005,668	117	9,146,777	331,256,120	935,773,500	1,267,029,620
1991	9	2,932,276	179	13,639,932	349,761,640	942,321,400	1,292,083,040
1992	24	14,125,672	272	21,873,965	403,664,627	936,739,550	1,340,404,177
1993	23	9,139,939	343	28,890,264	406,256,667	987,155,900	1,393,412,567
1994	42	32,323,310	326	30,715,389	414,681,066	1,002,527,201	1,417,208,267
1995	37	59,111,229	324	31,554,341	464,392,988	1,118,582,879	1,582,975,867
1996	39	88,580,367	300	33,972,659	514,711,160	1,231,582,858	1,746,294,018
1997	33	28,332,238	181	20,271,988	592,270,413	1,346,201,000	1,938,471,413
1998	43	58,718,256	184	24,461,455	636,499,920	1,452,966,600	2,089,466,520
1999	49	57,085,843	259	35,803,461	726,211,480	1,450,322,100	2,176,533,580

## Notes:

{1} Permits and Inspection Department, City of Bossier City, Louisiana.

{2} A revaluation of all property is required to be completed no less than every four years. During 1988, 1992, and 1996, evaluations were completed.

Unaudited - see accompanying independent auditors' report.



## CITY OF BOSSIER CITY, LOUISIANA

## Principal Taxpayers

December 31, 1999

<u>Taxpayer</u>	<u>Type of Business</u>	<u>1999 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Horseshoe Entertainment	Riverboat Gambling	\$ 27,623,220	10.78%
Casino Magic	Riverboat Gambling	10,827,890	4.22%
Isle of Capri	Riverboat Gambling	6,207,620	2.42%
Southwestern Electric Power Company	Electric Utility	6,519,010	2.54%
BellSouth Telecommunications	Telephone	5,620,670	2.19%
Louisiana Downs, Inc.	Horse Racing	3,140,730	1.23%
Hibernia Bank	Banking	3,044,590	1.19%
Bank One	Banking	2,804,920	1.09%
Bossier Plaza Associates, Inc.	Pierre Bossier Mall	2,368,670	0.92%
Wal-Mart	Retail Sales	2,148,440	0.84%
Total amount for ten principal taxpayers		70,305,760	27.42%
Total for remaining taxpayers		186,052,980	72.58%
Total amount for all taxpayers		\$ 256,358,740	100.00%

Unaudited - see accompanying independent auditors' report.

## CITY OF BOSSIER CITY, LOUISIANA

## Miscellaneous Statistics

December 31, 1999

Date of settlement	1843
Form of government	Mayor - Council
Date established	1977
Date of incorporation	1907
Area-square miles	39.96
Miles of streets:	
Paved	190
Unimproved	-
Police protection - number of policemen and officers	184
Fire protection - number of firemen and officers	170
Recreation:	
Parks - number of acres	286
Number of playgrounds	17
Number of picnic areas	8
Number of street lights	4,483
Number of water storage tanks	3
Total capacity of water storage tanks	5,500,000 gallons
Raw water reservoir capacity	5,700,000 gallons
Municipal water plant:	
Number of accounts	19,350
Daily average consumption	8,150,000 gallons
Employees - classified, appointed, elected, and exempt	695

Unaudited - see accompanying independent auditors' report.



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**CITY OF BOSSIER CITY, LOUISIANA**  
OMB Circular A-133 Reports  
December 31, 1999  
(With Independent Auditors' Reports Thereon)

**CITY OF BOSSIER CITY, LOUISIANA**

OMB Circular A-133 Reports

For the Year ended December 31, 1999

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Shreveport, LA 71101-3692

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

The Honorable George Dement, Mayor  
and Members of the City Council  
City of Bossier City, Louisiana:

We have audited the general purpose financial statements of the City of Bossier City, Louisiana as of and for the year ended December 31, 1999, and have issued our report thereon dated March 10, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Bossier City, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting which we have reported to management of the City of Bossier City, Louisiana, in a separate letter dated March 10, 2000.

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

**KPMG LLP**

March 10, 2000







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**Independent Auditors' Report on Compliance with Requirements  
Applicable to 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 George Dement, Mayor  
and Members of the City Council  
City of Bossier City, Louisiana:

**Compliance**

We have audited the compliance of the City of Bossier City, Louisiana with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. The City of Bossier City, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Bossier City, Louisiana's management. Our responsibility is to express an opinion on the City of Bossier City, Louisiana's compliance based on our audit.

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

In our opinion, the City of Bossier City, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999. 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 99-1 and 99-2.

**Internal Control Over Compliance**

The management of the City of Bossier City, Louisiana 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 of Bossier City, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.



We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City of Bossier City, Louisiana's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

**Schedule of Expenditures of Federal Awards**

We have audited the general purpose financial statements of the City of Bossier City, Louisiana as of and for the year ended December 31, 1999, and have issued our report thereon dated March 10, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

KPMG LLP

March 10, 2000

**CITY OF BOSSIER CITY, LOUISIANA**

Schedule of Expenditures of Federal Awards

For the year ended December 31, 1999

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development: Direct program - Community Development Block Grant	14.218	\$ <u>624,393</u>
U.S. Department of Justice - passed through Louisiana Commission on Law Enforcement:		
Caddo-Bossier Narcotic Task Force	16.579	95,330
Criminal Records Prevention	16.579	25,000
Youth Gang Prevention	16.579	<u>9,439</u>
		129,769
COPS	16.710	111,305
Domestic Violence	16.575	33,699
Local Law Enforcement	16.592	<u>65,545</u>
Total Department of Justice		<u>340,318</u>
U.S. Department of Transportation - passed through Louisiana Highway Planning and Construction:		
Citywide Signalization	20.205	2,840,735
Buckle Up Louisiana '98	20.600	<u>4,645</u>
Total Department of Transportation		<u>2,845,380</u>
Federal Emergency Management Association - Public Assistance Program	83.544	<u>77,647</u>
 Total expenditures of federal awards		\$ <u><u>3,887,738</u></u>

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF BOSSIER CITY, LOUISIANA**

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 1999

**(1) Basis of Presentation**

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

**(2) Subrecipients**

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

<u>Program</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant	14.218	\$ 47,452



**CITY OF BOSSIER CITY, LOUISIANA**

Schedule of Findings and Questioned Costs

Year ended December 31, 1999

**Section 1 – Summary of Auditor’s Results**

*General Purpose Financial Statements*

Type of report issued: unqualified opinion

Internal control over financial reporting:

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

Noncompliance material to general purpose financial statements noted? No

*Federal Awards*

Internal control over major programs:

- Material weaknesses identified? No
- Reportable conditions in internal control over major programs? Yes

Type of auditor’s 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	United States Department of Housing and Urban Development – Community Development Block Grant
20.205	United States Department of Transportation – passed through Louisiana Highway Planning and Construction – Citywide Signalization

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: No

**Section 2 -- General Purpose Financial Statement Findings Reported in Accordance with Government Auditing Standards:**

None.



CITY OF BOSSIER CITY, LOUISIANA

Schedule of Findings and Questioned Costs

Year ended December 31, 1999

Section 3 -- Federal Awards Findings and Questioned Costs

Item: 99-1

Criteria or specific requirement: The City's Community Development Block Grant (CDBG) (24 CFR, Section 570.902) requires that sixty days prior to the end of the grantee's current program year, the amount of entitlement grant funds available to the recipient under grant agreements but undisbursed by the U.S. Treasury be no more than 1.5 times the entitlement grant amount for its current program year.

Condition: At October 31, 1999, the City's unexpended balance of CDBG funds exceeded the 1.5 ratio. However, at December 31, 1999, the City's unexpended balance of CDBG funds did not exceed the 1.5 ratio.

Questioned costs: None.

Context: Not applicable.

Effect: Failure to meet this regulatory requirement could result in the deobligation of CDBG funds.

Cause: Unanticipated changes in program created a delay in expending funds.

Recommendation: The City should ensure procedures are in place to monitor the unexpended balance of its CDBG funds to determine if funds are being spent in a timely manner.

Management's response:

- A) Name of Contact Responsible - Bob Brown, Community Development Coordinator  
B) Corrective Action Planned - The situation has been corrected as of December 31, 1999; however, our strategy for addressing this issue going-forward is as follows:
1. Accelerate the draw down of funds that have been spent.
  2. Finish projects where money has been obligated and draw down funds.
  3. Reallocate funds from projects where the demand is not as great as first anticipated to projects where there is a current need and demand.
  4. Reallocate funds from projects that have been completed but have some funds remaining to viable projects.
  5. Increase efforts to publicize programs where the demand has not developed as expected.
  6. Change our single-family owner occupied housing rehab program requirements back to a forgivable loan for single family owner occupied housing rehabilitation applications for persons that are not handicapped and elderly. Additionally, we would change the requirement, in which, a person can only receive a single-family rehab once to the requirement that they can receive it again after 10 years.

**CITY OF BOSSIER CITY, LOUISIANA**

**Schedule of Findings and Questioned Costs**

Year ended December 31, 1999

C) Anticipated Completion Date - October 31, 2000

**Item:** 99-2

**Criteria or specific requirement:** The City's CDBG grant (24 CFR, Section 570.507) requires that grantees use the Integrated Disbursement and Information System ("IDIS") to electronically submit to HUD an annual performance and evaluation report. Included in this report are the Activity Summary Report (CO4PRO3) and CDBG Financial Summary (CO4PR26).

**Condition:** The CDBG report is not accurate and the information included in these reports does not agree to the general ledger. There is no established procedure for review and verification of reports prior to filing.

**Questioned costs:** None.

**Context:** Not applicable.

**Effect:** Failure to meet this regulatory requirement could result in the deobligation of CDBG funds.

**Cause:** Grantee was not using the general ledger as a basis for these reports and there is no review of the reporting process.

**Recommendation:** The City should implement procedures to ensure the general ledger is used for preparation of the reports on the IDIS, and that such reports are reconciled to the general ledger and reviewed prior to filing.

**Management's response:**

- A) Name of Contact Responsible - Bob Brown, Community Development Coordinator
- B) Corrective Action Planned – Procedures will be implemented to insure proper completion, review and verification of the required reports using IDIS.
- C) Anticipated Completion Date - December 31, 2000



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March 10, 2000

**CONFIDENTIAL**

The Honorable George Dement, Mayor  
and Members of the City Council  
City of Bossier City, Louisiana:

We have audited the financial statements of the City of Bossier City, Louisiana (the "City") for the year ended December 31, 1999, and have issued our report thereon dated March 10, 2000. In planning and performing our audit of the financial statements of the City, we considered internal control in order to determine our auditing procedures for the purposed of expressing our opinion on the financial statements and not to provide assurance on internal control. We have not considered internal control since the date of our report.

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

**EMERGENCY MEDICAL SERVICE (EMS)**

During our audit, we noted that the billings for EMS were not mailed during the month of June. Based on our discussions, we noted this was due to an extended absence of the employee who is responsible for this function. We recommend that the EMS department cross train their employees to enable functions to be completed in an employees absence.

**Management's response** – The Emergency Medical Service department normally sends billings out within one week of the billable incident and sends follow up statements 30 days later. The individual in charge of these billings was absent for an extended period in June. The fact that the absence of one employee halted the billings is obviously unacceptable. We will work on cross training other individuals for these duties to insure that this does not happen again.



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and Members of the City Council  
City of Bossier City  
March 10, 2000  
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### FIXED ASSETS

The City accounts for the fixed assets of its enterprise funds on a semi-annual basis. Capitalization of expenditures is determined through the audit process and appropriate adjustments are made at mid-year and year end. Depreciation is also calculated and adjusted during the audit process. We recommend the City develop a policy and process for handling the capitalization of assets and recording depreciation on a monthly basis. By doing so, the City will be able to better monitor the financial position of the enterprise funds during the year.

**Management's response** – A procedure to comply with this recommendation will be initiated. We believe that, depending upon the level of activity, quarterly adjustments will satisfy this need.

### INVESTMENTS

The City records investments on a pooled basis along with cash and accrued interest. The allocation to the individual funds is recorded in one account as cash and is not separated into the components of cash, investments and accrued interest. Historically, the City's investments were short-term and were appropriately classified as a cash equivalent. However, the City has recently begun to invest in long-term securities, requiring a classification of "investments" in the appropriate funds. The City does not distinguish between short-term and long-term investments for purposes of its monthly reporting. At the time of purchase, the City should determine if the investment is short-term or long-term based on its maturity date and appropriate classification be made within the general ledger.

We also noted that the City records investments at cost. Governmental Accounting Standards Board Statement No. 31 (GASB 31) requires that investments be reported at fair value. GASB 31 was implemented in prior years and required no adjustment as cost approximated fair value; however, at December 31, 1999, an adjustment of approximately \$800,000 was required to lower the balance of investments to fair value. As this adjustment can be significant, we recommend that the City make adjustments to fair value on at least a quarterly basis.

**Management's response** – This recommendation will be implemented.

### LITIGATION

The City's process for identifying potential liabilities from legal claims made against the City is not formalized. We recommend the City design a structured process, that is carried out at least annually, to document the potential claims against the City, the City attorney's estimate of the likelihood of loss (probable, reasonably possible or remote), the estimate of monetary loss to the City or documentation that no estimate can be made and the amount of insurance coverage available for each claim. This will provide support for the accrual of claims liabilities in the annual financial statements.



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and Members of the City Council  
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**Management's response** – A process similar to the one outlined above will be implemented. This will insure adequate information is available to accrue claims liabilities.

### NEW REPORTING MODEL – GASB 34

After years of study and consideration of the needs of users of government financial statements, the Governmental Accounting Standards Board (GASB) issued its revolutionary new reporting model in June 1999. The new model dramatically changes the presentation of governments' external financial statements. In the GASB's view, the objective of the new model is to enhance the clarity and usefulness of government financial statements to the citizenry, oversight bodies, investors and creditors. It will substantially affect the City's financial data accumulation and financial statement presentation processes. Some of the key aspects of the changes follow:

*Management's Discussion and Analysis (MD&A)* – A comprehensive MD&A will now be included as required supplementary information. The MD&A will introduce the financial statements by presenting an analysis of the government's financial performance for the year and its financial position at year end. The MD&A will be *in addition* to the transmittal letter currently required for Government Finance Officers Association (GFOA) award candidates, but we expect that the GFOA will make changes in their requirements so as to avoid any duplication between the two documents.

*Government-Wide Reporting* – The City will be required to report financial operations and net assets, not only at the fund perspective for governmental activities, but will also have to prepare statements at the government-wide level. This level will distinguish between government and business type activities. *All* information at the government-wide level will be reported using the economic resources measurement focus and accrual basis of accounting, as enterprise funds do under the current model. Fiduciary activities will be excluded from the government-wide level of reporting. General government fixed assets, and long term liabilities of the government will need to be reported with all other governmental assets and liabilities.

*Statement of Activities* – Governments will now be required to use a "net program cost" format for the government-wide statements instead of a traditional operating statement. This new format groups revenues and expenses by functional categories (such as public safety, public works, etc.). The purpose of the new statement is to inform readers about the cost of specific functions and the extent to which they are financed with program revenues or general revenues of the government. Governments will have the option of reporting both direct and indirect program costs. Depreciation expense will now generally be reflected as a cost in the statement of activities.



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City of Bossier City  
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*Infrastructure Reporting* – Historically, the City has not been required to record infrastructure assets in its financial statements. Under the new standard, the City must report infrastructure assets acquired within the last twenty-five years at historical cost. The standard provides several alternatives for determining historical cost of infrastructure assets. Although the standard generally requires depreciation of infrastructure assets, the City may not be required to depreciate these assets if it can demonstrate that it is preserving its infrastructure at approximately (or above) a disclosed condition level established by the City.

*Fund Level Reporting* – Fund level financial statements will still be required and will provide information about the City's fund types, including fiduciary funds and blended component units. General capital assets and general long-term liabilities will only be reported at the government-wide level. Fund level reporting will continue to focus on fiscal accountability and reflect the flows and balances of current financial resources. The modified accrual basis of accounting will continue to be used at the fund level, except for proprietary and fiduciary funds which would continue reporting based on economic resources and the accrual method of accounting. Reconciliation between the fund and the government-wide statements will be required on the face of the fund statements. Finally, proprietary fund cash flows statements must be presented using the direct method.

*Presentation of Budgetary Information* – The standard requires budgetary statements for the general fund and certain other governmental funds as required supplementary information. The original adopted budget of the City as well as the final revised budget must be presented. Actual results on a budgetary basis will need to be reconciled to the GAAP (generally accepted accounting principles) basis on the face of the statements.

The effective date of the new pronouncement will require implementation by the City for its year ending December 31, 2003. The magnitude of these changes and the time required to prepare for implementation should not be underestimated. We recommend that the City begin to look at its systems and processes to ensure that the required information will be available to ensure timely implementation. Further, we recommend that the City consider the cost of required changes to its systems and processes to ensure availability of necessary funds in its upcoming budget.

**Management's response** – We will begin now to work closely with our auditors to insure that we comply with all applicable aspects of GASB 34.

\* \* \* \* \*

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in systems and procedures which may exist. We aim, however, to use our knowledge of the City's organization gained during our work to make comments and suggestions which we hope will be useful to you.

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We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by the personnel of the City during the course of our audit.

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

Very truly yours,

KPMG LLP



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## CITY OF BOSSIER CITY

P. O. BOX 5337

BOSSIER CITY, LOUISIANA 71171-5337

May 23, 2000

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804

Subject: Responses to Management Letter Comments for the Audit Report Dated  
December 31, 1999

Dear Sir,

In response to the subject letter, I submit to you the following:

### EMS

The Emergency Medical Service department normally sends billings out within one week of the billable incident and sends follow up statements 30 days later. The individual in charge of these billings was absent for an extended period in June. The fact that the absence of one employee halted the billings is obviously unacceptable, we will work on cross training other individuals for these duties to insure that this does not happen again.

### FIXED ASSETS

A procedure to comply with this recommendation will be initiated. I believe that, depending upon the level of activity, quarterly adjustments will satisfy this need.

### INVESTMENTS

*This recommendation will be implemented.*


### LITIGATION

A process similar to the one outlined in the management letter will be implemented. This will insure adequate information is available to accrue claims liabilities.

**NEW REPORTING MODEL**

The City must comply with the requirements of this new reporting model with our report ending December 31, 2003. We will begin now to work closely with our auditors to insure that we comply with all applicable aspects of GASB – 34.

Sincerely,

  
Charles E. Glover  
Director of Finance