

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*Of The
City of
Bossier City, Louisiana*



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Release Date: 7-28-04

*For The
Year Ended December 31, 2003*

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

CITY OF BOSSIER CITY, LOUISIANA

for the

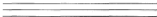
Year Ended December 31, 2003

George Bennett
Mayor

Charles E. Glover
Director of Finance

Prepared by Department of Finance

**INTRODUCTORY
SECTION**



CITY OF BOSSIER CITY, LOUISIANA

Comprehensive Annual Financial Report

Year-ended December 31, 2002

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CITY OF BOSSIER CITY

P. O. BOX 6667

BOSSIER CITY, LOUISIANA 71117-0667

March 28, 2004

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

In accordance with Section 406, paragraph (7), of the City Charter, I am pleased to submit the Comprehensive Annual Financial Report for the year ended December 31, 2003. The financial statements were prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted government auditing standards by a firm of licensed certified public accountants. I believe this report presents comprehensive information about the City's financial and operating activities during 2003 that is useful to taxpayers, citizens, and other interested persons.

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

In accordance with Section 3.10 of the City Charter, the City Council is required to provide for an annual independent audit of the accounts and financial transactions of the City by a firm of independent certified public accountants duly bonded to practice in the State of Louisiana. The accounting firm of KPMS LLP was selected by the City to conduct its annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2003, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2003, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The Honorable George Demont, Mayor
and Members of the City Council
March 12, 2004

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

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

PROFILE OF THE CITY OF BOSSIER

The City of Bossier City was incorporated in 1907. It is located on the east bank of the Red River in Northwest Louisiana, approximately thirty-five miles south of Arkansas and twenty miles east of Texas. The area dates back to the 1800's when it was the Egyptian Gumbo Plantation of James and Mary Carr. Steamboat loads of cotton, corn, and wheat products were shipped to markets in the south and east, from the plantation port known to many as "Gumbo Landing". The current area of the City is approximately 41 square miles.

The City of Bossier has been organized under a mayor-council form of government since 1977, when the current City charter was adopted by the voters. The charter provides for a seven-member council, with five members elected for four-year terms from separate districts of the City and two members elected at large by all the qualified electors of the city. The mayor is elected at-large for a four-year term, is not a member of the council, but has veto power over council action.

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

These financial statements present the City of Bossier (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City, included as discretely presented component units in the financial data for the City Court, City Marshal, the Metropolitan Planning Commission, and the Bossier Public Trust Financing Authority. They are reported separately within the City's financial statements to emphasize that they are legally separate from the City. Additional information on these legally separate entities can be found in the notes to the financial statements.

BUDGETARY CONTROL

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

The Honorable George Dorena, Mayor
and Members of the City Council
March 12, 2004

Legal budgetary control for operating budgets is exercised at the department-object class. The ordinances provide lump sum appropriations at the object level. The City Charter allows the Mayor to authorize the transfer of budgeted amounts from one activity to another within the same lump sum appropriation, within the same department. The City Charter provides that expenditures may not legally exceed appropriations. Formal budgetary integration and maintenance accounting are employed as management control devices during the year. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated actual budget has been adopted.

LOCAL ECONOMY

Bossier City is a dynamic growing area with a proud past and a future filled with the promise of continued growth. It is an area that continues to be defined by the Red River and major cultural features including Barksdale Air Force Base and riverboat casinos. Some of the key factors in the development of the area include its central location among major southern cities and its importance as a transportation hub. Barksdale Air Force Base is one of the largest military installations in the nation and by far the most significant employment generator in the area. The direct impact of Barksdale Air Force Base on the local economy is estimated to be in excess of \$450 million. Bossier City and Parish have continued to gain in population in recent decades with both growing at a faster pace than statewide rates for Louisiana. The City added 15,000 residents between 1970 and 2000 and the Parish grew by nearly 24,000 persons.

The Bossier Riverfront has undergone significant change over the last decade. The area has seen the addition of Red River channelization, the Arthur Ray Teague Parkway extension, and the riverboat casinos. Bossier's Old Downtown is evolving into an entertainment area which has transformed into the Riverwalk Entertainment District which is immediately next door to the Horseshoe Casino, the top-grossing casino in Louisiana. A recent independent feasibility study of the local market indicates that the development of "Louisiana Riverwalk" will generate \$200 - \$300 million annually. Louisiana Riverwalk will consist of entertainment, retail, hospitality, and restaurant elements. The approximately 58 acres of riverfront property is situated in the heart of the Bossier/Shreveport Metropolitan area. The site will be developed into a variety of live music, performance theaters, restaurants, a blend of retail specialty shops, multiplex movie theaters, and hotels. The project will be a major attraction for 14 million gaming and tourist visitors annually, but also to the metro area and surrounding region's growing population.

Also along the Riverfront District, is the Bossier City CenturyLink Arena. The arena can house a variety of sporting and performance programs, as well as serve as a major assembly hall for the community. According to the music trade industry publication *Pollstar*, in 2001, the CenturyLink Center has been ranked in the top-50 arenas in the world and in the first quarter of 2002, the concert industry tracking rating firm ranked the Bossier City facility 10th in ticket sales for the first three months of 2002.

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

The Honorable George DeMart, Mayor
and Members of the City Council
March 12, 2004

LONG-TERM FINANCIAL PLANNING

In accordance with Section 4.08 of our City Charter, the Mayor submitted the year 2004-2008 Capital Improvement Program to the City Council in the first quarter of 2004. There are 31 projects which total approximately \$14 million in progress as of December 31, 2003. There are 80 planned projects from year 2004 through 2008 which total approximately \$117 million. Some of the major projects and funding of those projects are summarized as follows:

Project	Funding	Amount
Beacon Road Overpass	Riverboat Capital Projects Fund	\$12,000,000
Riverside Project	Sales Tax Bonds	\$21,000,000
Traffic Street Improvements	Sales Tax Capital Improvements and Riverboat Capital Projects	\$1,000,000
Utilities Projects	Revenue Bonds and Net Assets	\$20,000,000
Arthur Ray Taylor Parkway Interchange	Riverboat Capital Projects Fund	\$4,500,000
Old Sand Road Extension	Riverboat Capital Projects Fund	\$1,500,000
Viking Drive Improvements	Riverboat Capital Projects Fund	\$1,000,000
North Construction of ART Parkway	Riverboat Capital Projects Fund	\$1,000,000
Municipal Complex Expansion	Sales Tax Bonds	\$1,500,000

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

CASH MANAGEMENT POLICIES AND PRACTICES

The City maintains a pooled cash and investment account that is available for use by all funds, except those restricted by statute or other legal reasons. At the end of each business day, rollovered balances in all City bank accounts are deposited into a SWEEP Account. These funds are invested in U.S. Government and U.S. Agency securities under the terms of an overnight repurchase agreement. As of December 31, 2003, the City's cash resources were invested as follows:

U.S. Government securities	51%
Certificate of Deposits	41
SWEEP Account at bank	8
Total	<u>100%</u>

The City's investment policy is to exercise that judgment and care which men of prudence, discretion, and intelligence exercise in the management of their own affairs. Investments are selected as investments, not for speculation, considering the probable safety of the capital, as well as the probable income to be derived.

The Honorable George Demet, Mayor
and Members of the City Council
March 12, 2004

Accordingly, deposits are either insured by Federal Depository Insurance or collateralized. State statutes require that all public funds should be insured or collateralized. The City's policy is not to have uninsured/uncollateralized funds which it controls.

RISK MANAGEMENT

The City retains the risk for property, liability, workers compensation, and dental insurance. As part of this comprehensive plan, resources are being accumulated in internal service funds to meet potential losses. In addition, various risk control techniques including an employee safety program, drug-free workplace program with mandatory drug screening for new employees, and pre-employment physicals have been implemented to minimize accident-related losses. The City has third-party coverages subject to self-insured retentions which are more fully described in the notes to the financial statements.

PENSION AND OTHER POSTEMPLOYMENT BENEFITS

The City administers two defined benefit pension plans: the Fireman's Pension and Relief Fund (FPRF) and the Policemen's Pension and Relief Fund (PPRF). Each year, an independent actuary calculates the amount of the annual contribution the City must make to the pension plans. In 2002, the City contributed 102.2% of the annual required contribution of the FPRF and 104.5% of the annual required contribution of the PPRF. In 2003, the City contributed 83.6% of the annual required contribution of the FPRF and 83.7% of the annual required contribution of the PPRF. In 2002, the City had funded 38.5% of the actuarial accrued liability of the FPRF and 38.2% of the actuarial accrued liability of the PPRF. The current payments funded are FPRF 18.0% and PPRF 31.6%. The unfunded amounts for FPRF and PPRF are being amortized over ten years.

The City also provides pension benefits for firemen hired after January 1, 1980 and policemen hired after September 9, 1977 through the Statewide Firefighters Retirement System and the Municipal Police Employees' Retirement System. The City has no obligations in connection with employee benefits offered through this plan beyond its annual required payment to the pension boards.

Additional information on the City's pension arrangements and postemployment benefits can be found in the notes to the financial statements.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Boulder City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2002. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by the City and its management. We are proud to have received this award each year for more than the past twenty years (beginning with our Comprehensive Annual Financial Report for the fiscal year ended December 31, 1980).

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements.

The Honorable George Deason, Mayor
and Members of the City Council
March 12, 2004

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

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

Respectfully submitted,


Charles E. Glover
Director of Finance

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Bossier City,
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

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



Edward Hanley

President

Jeffrey P. Green

Executive Director

ELECTED OFFICIALS



MARKON GEORGE BENNETT



**Council Member at Large
TIMOTHY A. LARKIN**



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



**Council Member District 1
SCOTT IRWIN**



**Council Member District 2
JEFFREY B. DARITY**



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



**Council Member District 4
DAVID JONES**



**Council Member District 5
JAMES W. HODSON**

**FINANCIAL
SECTION**



KPMG LLP
Suite 1900
333 Texas Street
Bossier City, LA 70111-2882

Independent Auditor's 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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bossier City, Louisiana (City), as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, and internal service funds presented as supplementary information in the accompanying consolidating fund financial statements as of and for the year ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the component unit financial statements of the Bossier Public Trust Financing Authority (Authority), which represents 71.5% and 23.1%, respectively, of the assets and revenues of the aggregate discretely presented component units. These financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 statements presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the



respective financial position of each nonmajor governmental, nonmajor enterprise, and internal service funds of the City as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2004 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 management's discussion and analysis, schedules of funding programs, and budgetary comparison information listed as *Required Supplemental Information* in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual fund schedules, the introductory section, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly we express no opinion on them.

KPMG LLP

March 26, 2004

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2003

We offer readers of the City of Bossier City's financial statements this narrative overview and analysis of the financial activities of the City of Bossier City for the fiscal year ended December 31, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

Key financial highlights for the 2003 fiscal year include the following:

- The assets of the City of Bossier City exceeded its liabilities at the close of the most recent fiscal year by \$302.9 million (net assets). Of this amount, approximately \$88.5 million (restricted net assets) may be used to meet for City's obligations to citizens and creditors.
- The total net assets of the City of Bossier City increased by \$18.0 million for the year ended December 31, 2003. Net assets of governmental activities increased by \$14.1 million and net assets of business-type activities decreased by \$99 thousand.
- As of the close of the current fiscal year, the City of Bossier City's governmental funds reported combined ending fund balance of \$158.9 million, a decrease of \$1.6 million in comparison with the prior fiscal year. Of this amount, \$15.1 million was unreserved, undesignated, and available for spending; \$76.7 million was unreserved but designated for subsequent years' expenditures; \$5.8 million was reserved for debt service; \$5.8 million was reserved for encumbrances, and \$25.2 million is held in a permanent trust in which \$17.9 million may not be spent.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$6.0 million or 14.8% of total General Fund expenditures.
- The City of Bossier City's total debt decreased \$1.1 million (4.9%) during the current fiscal year primarily as a result of principal payments.

Overview of the Financial Statements

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2011

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

The *Statement of Net Assets* and the *Statement of Activities* distinguishes functions of the City of Bossier City that are principally supported by taxes, intergovernmental revenues, and charges for services (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City of Bossier City's governmental activities include general government, public safety, highways and streets, cultural and recreation, and City Court and Marshal. The business-type activities of the City of Bossier City include water and sewerage, sanitation, and emergency medical services.

Not only do the government-wide financial statements include the City of Bossier City itself, which is the primary government, but also its component units, City Court of Bossier City, Bossier City Marshal's Office, Metropolitan Planning Commission, and Bossier Public Trust Financing Authority. Although these component units are legally separate, their operational or financial relationship with the City of Bossier City make the City of Bossier City financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

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

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

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

The City of Bossier City maintains twenty-two individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Riverboat Gaming Special Revenue Fund, Arena Special Revenue Fund, Riverboat Gaming Capital Projects Fund, Sales Tax Road Capital Projects Fund, and Public Health and Safety Personnel Fund, all of which are considered to be major funds. Data for the other

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2000

sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary funds. The City of Bossier City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Bossier City uses enterprise funds to account for its water and sewerage, sanitation, and emergency medical services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Bossier City's various functions. The City of Bossier City uses internal service funds to account for its dental health care and worker's compensation. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the water and sewerage operations which is considered to be a major fund of the City of Bossier City. Data from the other two proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

Financial Analysis of Government-wide Activities

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Bossier City, assets exceed liabilities by \$302,688,268 at the close of the most recent fiscal year.

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2003

The largest portion of the City of Bossier City's net assets totaling approximately \$189.1 million (91.4%) reflects its investment in capital assets (e.g. land, buildings, streets, drainage, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Bossier City uses these capital assets to provide services to citizens; consequently, these assets are not available for future operating. Although the City of Bossier City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Bossier City's Net Assets

December 31, 2003 and 2002

	Governmental activities		Business-type activities		Total	
	2003	2002	2003	2002	2003	2002
Current and other assets	\$ 141,997,250	141,200,240	39,698,666	55,211,404	181,695,916	196,411,644
Capital assets	129,028,020	175,178,880	76,795,488	71,118,720	205,823,508	246,297,600
Total assets	271,025,270	316,379,120	116,494,154	126,330,124	472,519,308	642,679,244
Current and other liabilities	7,008,748	6,076,668	1,094,220	1,146,724	8,102,970	7,223,392
Long-term liabilities	47,471,418	47,279,212	29,149,820	58,271,148	76,621,238	111,490,360
Total liabilities	54,480,166	53,355,880	30,244,040	59,417,872	114,724,206	118,713,752
Net assets:						
Invested in capital assets, net of related debt	144,738,865	129,280,865	48,742,347	44,266,480	193,481,212	173,547,345
Restricted	24,902,514	28,662,341	7,008,748	1,664,170	31,911,262	30,326,515
Unrestricted	41,383,891	44,791,650	15,888,866	21,440,394	67,274,257	76,617,784
Total net assets	\$ 211,525,250	202,734,856	71,639,961	67,147,244	343,175,211	350,491,644

11.0% of net assets represent resources that are subject to external restrictions on how they may be used. Debt Service Funds account for \$13,171,734 of the total of restricted net assets. The remaining balance are monies restricted for public health and safety. State law requires the proceeds from the sale of the Bossier Medical Center be held in perpetuity; however, the investment earnings may be spent each year for purposes of public health and safety. As of December 31, 2003, the nonexpendable portion was \$17,911,368 and the expendable balance, which represents unspent investment earnings, was \$1,239,161.

The remaining balance of unrestricted net assets of \$48,623,681 is used to meet the City of Bossier City's ongoing obligations to citizens and creditors.

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

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2003

The City of Bossier City's net assets increased by \$13,996,120 during the current fiscal year. Key elements of this increase are as follows:

City of Bossier City's Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2003	2002	2003	2002	2003	2002
Revenues						
Program revenues						
Charges for services	\$ 6,679,666	6,327,847	16,744,576	13,963,843	23,424,242	20,291,690
Grants and contributions	6,895,224	6,073,713	—	—	6,895,224	6,073,713
General revenues						
Interestate	26,117,664	26,244,764	—	—	26,117,664	26,244,764
Other taxes	16,602,289	16,694,033	—	—	16,602,289	16,694,033
Lottery	11,261,464	11,274,190	—	—	11,261,464	11,274,190
Other general revenues	1,476,120	1,482,699	1,18,999	1,174,672	4,281,192	4,739,222
Total revenues	73,022,363	76,822,343	17,933,575	15,138,515	90,955,938	87,971,688
Expenses						
General Government	10,718,060	9,421,123	—	—	10,718,060	9,421,123
Public safety	23,026,613	23,678,249	—	—	23,026,613	23,678,249
Highways and streets	1,028,600	1,001,847	—	—	1,028,600	1,001,847
Culture and recreation	6,998,849	7,177,218	—	—	6,998,849	7,177,218
City-Owned Municipal	1,079,445	1,073,675	—	—	1,079,445	1,073,675
Payments to component units	144,718	102,659	—	—	144,718	102,659
Interest on long-term debt	6,111,524	3,262,088	—	—	6,111,524	3,262,088
Water and sewerage	—	—	11,281,480	10,680,176	11,281,480	10,680,176
Sanitation	—	—	2,075,759	2,048,900	2,075,759	2,048,900
Emergency/Medical Services	—	—	3,818,759	3,007,355	3,818,759	3,007,355
Total expenses	51,116,141	50,722,560	17,096,000	15,736,531	68,212,141	66,459,091
Reserves (Anticipation) before revenues	11,476,124	16,114,976	(979,021)	508,485	10,797,123	16,623,461
Transfers	(282,769)	(289,144)	282,769	499,144	—	—
Change in net assets	16,664,589	19,415,812	290,343	1,048,549	16,954,932	19,463,401
Net assets beginning of year	179,686,631	200,882,120	87,000,000	86,121,577	266,686,631	286,993,717
Net assets at end of year	\$ 196,351,220	\$ 220,297,932	\$ 87,290,343	\$ 87,170,126	\$ 183,641,563	\$ 206,457,118

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2003

Revenues for the City of Bossier City's governmental activities for the year ended December 31, 2003 were \$143.8 million compared to \$130.8 million in 2002.

Program revenues for governmental activities increased \$3 million in 2003 compared to 2002. The City of Bossier City received \$461,719 more in federal grants as a result of receiving hazard mitigation funds. In addition, grants and contributions increased due to contributions of infrastructure from developers totaling \$1.9 million. Also, grants and contributions increased \$1,000,000 due to funding received from the Red River Waterway Commission related to the Riverwalk project affording these increases was a decline of \$480,000 in grants received in prior year flooding.

In total, general revenues increased \$1,779,028. Sales tax (49.2%) is the largest component of general revenues.

- Sales taxes increased \$775,799 due to a slow down in economic conditions as reflected in the national economy.
- Other taxes increased \$247,714 as a result of an increase in total assessed property values which increases the total property tax revenue.
- Other general revenues increased as a result of revenues received from a third party related to the purchase of land for the Riverwalk project development.



The cost of all governmental activities this year was \$58.4 million, an increase of \$1.6 million. The key factors for the increase were:

- General government and public safety expenses increased \$0.3 million and \$1.3 million, respectively, due to payroll increases in 2003.

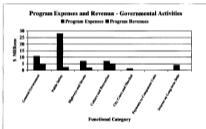
CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2003

- Highways and streets expenses increased 10 million as a result of increased spending for overlay and street repairs throughout the City.
- Interest on long-term debt increased \$859,444 as a result of increased interest expense related to the 2002 sales tax bond issue payment.

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



Business-type activities

Charges for services for the City of Bossier City's business-type activities were \$16.4 million, an increase of \$400,000.

- Water and Sewerage revenues increased \$200,000 as a result of an increase in summer temperatures in 2003.

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2003

**Revenue by Source - Business-type
Activities**



Expenses and Program Revenues - Business-type Activities

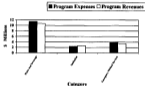
The costs of these activities were \$17.7 million, an increase of \$1.1 million. The Water and Sewerage fund accounted for \$900,000 of the increase as personnel costs and interest expense costs increased 34.7%. The Emergency Medical Services Fund accounted for \$400,000 of the increase as a result of personnel costs and an increase in the provision for the allowance for doubtful accounts.

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2003

Program Expenses and Revenues - Business-type Activities



Financial Analysis of the City of Bossier City's Funds

Governmental Funds

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

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

- As of the close of the current fiscal year, the City of Bossier City's governmental funds reported a combined ending fund balance of \$130,907,157, a decrease of \$1,383,654 in comparison with the prior fiscal year. Of this amount, \$15,134,534 million or 11.6% was unreserved, undesignated and available for spending. \$76,655,234 million or 58.6% was unreserved but designated for subsequent years' expenditures. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$8,063,851), (2) to pay debt service (\$9,817,990), (3) to generate income to fund public health and safety expenses (\$29,156,529), or (4) for other restricted purposes (\$49,765).
- The General Fund is the chief spending fund of the City of Bossier City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$6,699,716. The total (undesignated) is available for spending at the City Council's discretion. The fund balance of the City of Bossier City's General Fund increased by \$378,182. A key factor in this growth is an increase in transfers of riverboat gaming funds.

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2002

- The Riverboat Gaming Special Revenue Fund has a total fund balance of \$13,098,118, all of which is unreserved but designated for subsequent years' expenditures. Riverboat gaming revenues collected prior to 1999 were accumulated in this fund until a base amount of \$30 million was attained, as required by City ordinance. A net increase of \$616,216 occurred during the current fiscal year because of investment earnings along with transfers in of unspent capital project funds.
- The Arena Special Revenue Fund accounts for the operations of the CenturyTel Arena. The Arena has a fund balance of \$119,141, which reflected a decrease of \$90,393 in 2002.
- The Riverboat Gaming Capital Projects Fund has a total fund balance of \$17,877,828 of which \$1,118,627 is reserved to liquidate contracts and purchase orders. A net increase of \$517,516 occurred during the current fiscal year. Riverboat gaming fees collected are accumulated in this fund. These fees remained flat from prior year. Expenditures in this fund are for specific projects as outlined in the City of Bossier City's capital project budget and are not expected to be similar from year to year.
- The Sales Tax Bond Capital Projects Fund was established to account for the proceeds and expenditures of \$29,368,080 of Public Improvement Sales Tax Bonds. The fund balance at year-end was \$24,113,848. The City of Bossier City intends to use these funds for capital improvements for riverfront and downtown development.
- The Public Health and Safety Permanent Fund has a total fund balance of \$20,158,129, all of which is reserved for public health and safety. The fund experienced a net increase in fund balance of \$1,361,946 as a result of a transfer in of unspent capital project funds and investment earnings.

Proprietary Funds

Water and sewerage net assets increased by \$13,794 as charges for services and transfers were sufficient to cover expenses of operating the system.

General Fund Budgetary Highlights

The budget policy of the City of Bossier City complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 29, Chapter 5, Louisiana Local Government Budget Act (LSA-R.S. 29:151 et seq.).

The original budget for the General Fund of the City of Bossier City was adopted on November 5, 2001. No amendments were made. Differences between the budget and the actual results of the General Fund are as follows:

Revenues

- Sales and use tax revenues were estimated to increase based on estimates from the Bossier Parish Sales and Use Tax Division. Actual results were greater than budget by \$445,489 as a result of increased retail sales.
- Utility tax revenues were expected to be similar to prior year revenues. Actual revenues were more than budget by \$128,796 as a result of higher than projected local electrical tax payments.

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2003

- Actual revenues for licenses and permits were higher than budgeted by \$386,873 as a result of the construction of several new business establishments and apartment housing, a hotel expansion, and parking facility renovations.

Expenditures

- Police and Fire department expenditures were under budget by \$217,287 and \$201,488 due to the postponement of hiring additional personnel.
- Culture and recreation expenditures were greater than budget by \$220,203 due to settlement of a lawsuit.

Capital Assets and Debt Administration

Capital Assets: The City of Bossier City's investment in capital assets as of December 31, 2003 amounts to \$265,924,678 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, streets, drainage, furniture and equipment, and construction in progress. The table below shows the value at the end of the fiscal year.

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

	Governmental activities		Business-type activities	
	2003	2002	2003	2002
Land and land improvements	\$ 31,735,178	48,858,150	841,184	841,184
Buildings and structures	68,914,518	70,276,154	—	—
Equipment and vehicles	3,981,877	4,693,114	2,761,373	2,498,899
Water and wastewater treatment plant	—	—	17,692,932	17,584,948
Transmission and distribution systems	—	—	11,159,642	10,863,188
Infrastructure	48,913,958	43,843,334	—	—
Construction in progress - buildings	12,898,823	5,624,911	4,181,292	2,738,618
Total	\$ 186,538,256	173,176,659	76,766,448	73,126,739

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

- Payment of \$186,000 related to purchase of right of way and engineering and design of the Bevin Road Overpass.
- Payment of \$790,000 related to the purchase of right of way related to the Shreveport Barboisale Interchange along the Arthur Ray Young Parkway.
- Construction in progress of \$2.4 million related to the widening of Traffic Street.

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2003

- Construction in progress of \$6.3 million related to parking facilities and a seawall for Riverwalk Development.

Long-term debt. At the end of the current fiscal year, the City of Bossier City had total debt outstanding of \$113,406,912. The City of Bossier City has no general bonded debt outstanding. The following table summarizes bonds outstanding at December 31, 2003 and 2002.

	City of Bossier City's Outstanding Debt			
	Governmental activities		Business-type activities	
	2003	2002	2003	2002
Revenue bonds	\$ 84,697,683	88,927,931	38,728,269	25,878,268

During the current fiscal period, the City issued \$1,090,000 of Public Improvement Sales Tax Refunding Bonds, Series 07-2005 for the purpose of refunding the Public Improvement Sales Tax Refunding Bonds, Series 1994 and the Public Improvement Sales Tax Refunding Bonds, Series 1995.

There were no changes in the ratings of the City's bonds. Moody's Investors assigned an A2 rating to the City of Bossier City related to the 2003 refunding.

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

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for FY 2004 was presented to the Council:

- Three drive-thrus operate in Bossier City and represent some 4,500 direct jobs and another 4,000 indirect jobs at restaurants, hotels, and retail stores in this region. Major commercial developments include continued expansion of the Fort of Shreveport-Bossier which now includes a cargo wharf, a heavy rail sidetrack, a petroleum wharf, a 16-lane bridge crane, and a 30,000 square foot storage shed. Also, Darkside Air Force Base, another major factor in our regional economy, had over \$30 million in new construction during the past year.
- For the year 2004, the City of Bossier City has projected a 2.1% increase in sales tax and property tax revenues and we intend to continue to monitor and adjust for any unanticipated local downturns in the economy.

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2003

Request for Information

This financial report is designed to provide a general overview of the City of Bossier City's finances for all those with an interest in the City of Bossier City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance of the City of Bossier City, P.O. Box 5337, Bossier City, LA 71171, or by calling (318) 741-8325.

**BASIC FINANCIAL
STATEMENTS**

CITY OF BOSSIER CITY, LOUISIANA

Statement of Net Assets

December 31, 2003

Assets	Financial Statement			Contractual value
	Governmental activities	Business-type activities	Total	
Cash and cash equivalents	\$ 1,008,101	1,251,680	2,259,781	2,259,781
Investments	114,988,254	56,523,743	171,512,000	2,182,223
Receivables, net	13,754,258	2,443,563	16,197,821	62,890
Internal balances	71,582	(177,562)	—	—
Prepaid items and other assets	758,211	388,888	1,147,100	—
Inventory	89,782	146,413	236,195	—
Net pension asset	488,189	—	488,189	—
Good will (net cost, net)	188,188	792,188	1,480,376	—
Capital assets:				
Land not under construction in progress	67,112,889	1,242,478	68,355,367	—
Other capital assets, net of depreciation	52,418,421	71,128,472	123,546,893	71,171
Total assets	250,988,481	17,483,114	428,471,595	2,386,891
Liabilities				
Accounts payable	4,211,211	436,228	4,647,439	10,917
Accrued liabilities	856,267	214,878	1,071,145	—
Accrued interest payable	399,473	318,167	717,640	84,858
Deferred revenues	1,322,862	—	1,322,862	—
Deposits and refundable charges	916,617	162,879	1,079,496	—
Noncurrent liabilities:				
Due within one year	1,429,128	1,419,493	2,848,621	216,889
Due in more than one year	81,053,871	27,776,438	108,830,309	1,128,888
Total liabilities	87,773,129	30,044,136	117,817,265	1,345,765
Net Assets				
Invested in capital assets, net of related debt	146,726,960	48,742,627	195,469,587	91,111
Restricted for:				
Debt service - expendable	881,285	1,158,791	2,040,076	227,495
Public Health and Safety - nonexpendable	177,114,648	—	177,114,648	—
Public Health and Safety - expendable	1,223,184	—	1,223,184	—
Unrestricted	64,055,862	11,681,686	75,737,548	1,011,400
Total net assets	263,781,354	61,563,804	325,345,158	1,662,756

See accompanying notes to these financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Activities

Year ended December 31, 2011

	Program Revenues				Retrospective revenues and charges/allocations			Program Total
	Expenses	Change in net assets	Capital		Miscellaneous activities	Miscellaneous activities	Total	
			Revenues	Costs and contributions				
Administrative Expenses								
Admin. programs								
Communications								
Admin. programs	\$ 1,000,000	1,000,000	1,000,000	1,000,000	10,000,000	--	12,000,000	--
Public works	10,000,000	10,000,000	1,000,000	--	100,000,000	--	110,000,000	--
Public works services	1,000,000	--	--	1,000,000	--	--	2,000,000	--
Political activities	1,000,000	1,000,000	1,000,000	--	10,000,000	--	12,000,000	--
City Code and Manual	1,000,000	--	--	--	10,000,000	--	11,000,000	--
Revenue re-allocations	100,000	--	--	--	1,000,000	--	1,100,000	--
Revenue program sale	1,000,000	--	--	--	10,000,000	--	11,000,000	--
Total communications	12,000,000	12,000,000	3,000,000	1,000,000	130,000,000	--	145,000,000	--
Miscellaneous activities								
Water and Sewerage	10,000,000	10,000,000	--	--	--	10,000,000	20,000,000	--
Sewerage	1,000,000	1,000,000	--	--	--	10,000	10,000	--
Sewerage Rebuild Service	1,000,000	1,000,000	--	--	--	10,000	1,000,000	--
Total miscellaneous activities	12,000,000	12,000,000	--	--	--	10,010,000	21,010,000	--
Total administrative programs	\$ 24,000,000	\$ 24,000,000	\$ 3,000,000	\$ 1,000,000	\$ 130,000,000	\$ 10,010,000	\$ 166,010,000	\$ 0.00
Corporate sales								
Bossier Parish Power/Facility Authority	\$ 100,000	100,000	--	--	--	--	--	200,000
City Water	100,000	100,000	--	--	--	--	--	200,000
City Sewer	100,000	100,000	--	--	--	--	--	200,000
Miscellaneous Marketing/Construction	10,000	10,000	--	--	--	--	--	20,000
Total corporate sales	\$ 310,000	\$ 310,000	--	--	--	--	--	\$ 620,000
Other revenues								
Taxes								
Property taxes/rental program revenues					\$ 400,000	--	\$ 400,000	--
Sales tax credit for general services					1,000,000	--	1,000,000	--
Sales tax credit for capital projects					1,000,000	--	1,000,000	--
Sales tax credit for sale water					1,000,000	--	1,000,000	--
Sales tax credit for construction					1,000,000	--	1,000,000	--
Contributions								
City					10,000,000	--	10,000,000	--
Compensation					10,000	--	10,000	--
Construction savings					1,000,000	100,000	1,100,000	10,000
Department of Social Service City					--	--	--	100,000
Miscellaneous					100,000	100,000	200,000	10,000
Grants					1,000,000	100,000	1,100,000	10,000
Total grants/revenues and transfers					1,000,000	100,000	1,100,000	10,000
Change in reserves					1,000,000	100,000	1,100,000	10,000
Net assets beginning					10,000,000	10,000,000	10,000,000	1,000,000
Net assets ending					\$ 11,000,000	\$ 10,100,000	\$ 11,100,000	\$ 1,010,000

See accompanying notes to these financial statements.

CITY OF BOSSIER CITY, LOUISIANA

**Balance Sheet
Governmental Funds
December 31, 2003**

Fund	Current	Monies From Special Accounts Fund	Monies From State	Monies From Other Funds	Monies From Capital Projects Fund	Funds Held and Held Over		Total Governmental Funds	Total Governmental Funds
						Monies	Monies		
Cultural and maintenance	2	16,000	4,000.00	1,070.00	19,000	10,000	29,000	1,070.00	30,070.00
Insurance		1,000,000	24,000.00	--	12,000.00	20,000.00	1,026,000.00	12,000.00	1,038,000.00
Maintenance cap		1,000,000	10,000	97,000	1,000,000	100,000	2,197,000	1,000,000	3,197,000
Non-debt other funds		--	--	--	100,000	--	--	--	100,000
Special accounts other funds		--	--	10,000	--	--	--	--	10,000
Investments, net		10,000	--	--	--	--	--	--	10,000
Inventory (restricted)		--	--	--	--	100,000	--	--	100,000
Total assets	2	2,186,000	28,000.00	1,070.00	202,000	110,000	2,417,000	1,070.00	2,418,070.00
Liabilities and Fund Balance									
Liabilities									
Accounts payable	2	100,000	100,000	100,000	100,000	1,000	400,000	--	400,000
Accrued liabilities		100,000	--	--	--	100,000	--	--	200,000
Deferred taxes		--	--	--	--	--	--	10,000	10,000
Deferred revenues		1,000,000	--	100,000	--	--	--	110,000	1,110,000
Due to other funds		--	--	100,000	--	--	--	--	100,000
Total liabilities		1,200,000	100,000	200,000	100,000	1,100,000	1,110,000	1,110,000	1,210,000
Fund Balance									
Unassigned		--	--	--	--	--	--	1,000,000	1,000,000
Assigned		100,000	--	--	1,000,000	100,000	--	1,000,000	1,100,000
Committed		10,000	--	100,000	--	--	--	--	210,000
Restricted		--	--	100,000	--	--	100,000	--	300,000
Capital projects		--	--	--	--	--	100,000	--	100,000
Unassigned - obligated to refuse other fund transfers		--	1,000,000	--	1,000,000	1,000,000	--	--	3,000,000
Assigned		1,000,000	--	10,000	--	--	--	--	1,010,000
Assigned - reported to capital projects fund		--	--	--	--	--	--	100,000	100,000
Unassigned - reported to capital projects fund		--	--	--	--	--	--	10,000	10,000
Total fund balance		1,216,000	1,000,000	210,000	1,000,000	21,000,000	11,110,000	11,110,000	12,326,000
Total governmental fund assets	2	2,402,000	28,000.00	1,070.00	202,000	111,000	2,417,000	1,070.00	2,418,070.00

See accompanying notes to these financial statements.

CITY OF BOSSIER CITY, LOUISIANA

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

Year ended December 31, 2003

Fund balances – total governmental funds	\$	138,907,127
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Governmental capital assets	224,203,197	
Less accumulated depreciation	<u>(23,102,307)</u>	199,128,130
Other assets used in governmental activities that are not financial resources and therefore are not reported in the governmental funds:		
Unamortized bond issuance costs		744,238
Net pension assets represent the excess cumulative contributions to pension plans and are not considered a financial resource for governmental funds:		
Fireman's Pension and Relief Fund		448,529
Some of the City of Bossier City's property taxes will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the governmental funds:		
		903,879
Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds:		
Deferred tax on refunding	891,087	
Accrued interest payable	(194,411)	
Compensated absences	(704,411)	
Claims	(218,800)	
Bonds, notes, and loans payable	<u>(81,184,792)</u>	
Net pension obligation – Fireman's Pension and Relief Fund	<u>(218,898)</u>	(82,111,002)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities:		
		<u>184,321</u>
Net assets of governmental activities	\$	<u>121,147,054</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year ended December 31, 2003

Revenue	Special Revenue		State Revenue		Federal Revenue		Funds	
	Special Revenue Fund	State Revenue Fund	State Revenue Fund	Special Revenue Fund	State Revenue Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Taxes	\$ 2,821,406	--	--	--	--	--	--	2,821,406
Investment income	1,246,070	--	--	--	--	--	--	1,246,070
Intergovernmental	1,810,000	--	--	50,000	--	--	1,860,000	1,860,000
Grant income	800,000	--	--	--	--	--	--	800,000
Fee income	--	--	1,600,000	--	--	--	--	1,600,000
Fee reimbursements	1,871,127	--	--	--	--	--	0,000	1,871,127
Other revenues - Limited								
Interest	400,000	--	--	--	--	--	--	400,000
Dividend	--	--	--	1,000,000	--	--	--	1,000,000
License income	50,000	50,000	--	50,000	40,000	50,000	50,000	1,500,000
Miscellaneous	1,000,000	--	--	1,000,000	--	--	10,000	2,000,000
Total revenues	11,498,503	50,000	1,650,000	1,050,000	40,000	100,000	1,910,000	14,348,503
Expenditures								
Current								
General government	1,800,000	--	--	--	--	--	800,000	2,600,000
Public safety	4,000,000	--	--	--	--	50,000	--	4,050,000
Highway and streets	1,000,000	--	--	--	--	--	--	1,000,000
Culture and recreation	100,000	--	500,000	--	--	--	10,000	600,000
City Development District	1,000,000	--	--	--	--	--	20,000	1,020,000
Miscellaneous	--	--	--	--	--	--	--	--
Capital	--	--	--	--	--	--	1,000,000	1,000,000
Interest and other charges	--	--	--	--	--	--	1,000,000	1,000,000
Capital assets	--	--	--	1,000,000	1,000,000	--	1,000,000	3,000,000
Debt service - principal and interest	100,000	--	--	--	--	--	--	100,000
Total expenditures	8,900,000	--	500,000	1,000,000	1,000,000	100,000	2,830,000	13,230,000
Change (decrease/increase) in governmental fund balances	2,598,503	50,000	1,150,000	50,000	(1,000,000)	90,000	(920,000)	1,118,503
Other financing sources (uses)								
Borrowing (long term)	--	--	--	--	--	--	10,000,000	10,000,000
Debt refunding	--	--	--	--	--	--	(1,000,000)	(1,000,000)
Transfers	4,000,000	1,000,000	--	--	--	1,000,000	1,000,000	6,000,000
Transfers out	(100,000)	(1,000,000)	(1,000,000)	(1,000,000)	--	(1,000,000)	(1,000,000)	(4,000,000)
Total other financing sources (uses)	3,900,000	100,000	(1,000,000)	(1,000,000)	--	900,000	900,000	2,800,000
Net change in fund balances	6,500,003	150,000	150,000	(50,000)	(1,000,000)	1,800,000	(200,000)	3,918,503
Net fund balance - beginning	1,810,000	10,000,000	90,000	11,000,000	10,000,000	10,000,000	10,000,000	52,810,000
Net fund balance - ending	8,310,003	10,150,000	240,000	10,950,000	9,000,000	11,800,000	9,800,000	56,728,503

All accompanying notes are an integral part of these financial statements.

CITY OF BOSSIER CITY, LOUISIANA

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

Year ended December 31, 2000

Net change in fund balances – total governmental funds	3	(\$28,414)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	17,791,738	
Depreciation expense	<u>(1,584,084)</u>	12,887,314
The net effect of various interfund transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		1,742,827
Revenues reported in the statement of activities which are not reported in governmental funds because they do not provide current financial resources. This adjustment is to recognize the net change in available revenues.		
(Property taxes)		(89,131)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of insurance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items is as follows:		
Bond premium	(61,365)	
Insurance costs	68,861	
Payments to swap agent	68,378	
Principal payments	<u>3,962,688</u>	4,038,614
The changes in other long-term assets and liabilities are reported in the statement of activities but do not affect current financial resources of governmental funds. The changes are as follows:		
Policemen's Pension and Relief Fund net asset	(306,648)	
Firemen's Pension and Relief Fund net obligation	<u>(811,542)</u>	(1,118,190)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Amortization of deferred fees on refunding	(24,434)	
Amortization of bond issue costs	(23,211)	
Amortization of bond premiums	33,147	
Increase in compensated absences	(43,178)	
Decrease in accrued interest	4,885	
Decrease in utilities	<u>433,000</u>	364,214
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.		<u>433,078</u>
Change in net assets of governmental activities	3	<u>14,026,391</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of the Assets

Proprietary Funds

December 31, 2000

Assets	Business-type Activities Enterprise Funds			Governmental
	Water and Sewerage	Other Enterprise Funds	Total	Activities
	Balance	Funds	Total	Balance Funds
Current assets:				
Cash and cash equivalents	\$ 807,779	17,089	\$ 824,868	\$ 849
Receivables	11,804,826	464,871	12,269,697	895,489
Inventory				
Cash and cash equivalents	597,024	—	597,024	—
Receivables	3,801,648	—	3,801,648	—
Inventory (net)	36,189	—	36,189	—
Receivables, net	1,296,629	1,083,794	2,380,423	—
Prepaid items	246,421	—	246,421	58,198
Inventory	—	—	—	—
Total current assets	16,071,406	1,647,674	17,719,080	1,024,784
Noncurrent assets:				
Capital assets:				
Land and land improvements	\$ 61,024	—	\$ 61,024	—
Construction in process	4,211,707	—	4,211,707	—
Water treatment improvements	54,038,829	—	54,038,829	—
Wastewater treatment system	68,044,822	—	68,044,822	—
Inventory	4,024,176	1,261,774	5,285,950	—
Less accumulated depreciation	(24,641,048)	(1,188,944)	(25,829,992)	—
Total capital assets (net of accumulated depreciation)	96,783,412	67,739	96,851,151	—
Deferred bond costs, net of less amortization	767,138	—	767,138	—
Other deferred charges	(200,000)	—	(200,000)	—
Total other assets	767,138	—	767,138	—
Total noncurrent assets	97,550,550	67,739	97,618,289	—
Total assets	16,071,406	1,675,413	17,746,819	1,024,784
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable	\$ 34,146	75,000	\$ 109,146	\$ 714
Accrued liabilities	17,710	54,000	71,710	—
Wastewater payable	108,779	—	108,779	—
Due to other funds	—	513,064	513,064	—
Unearned deposits	144,000	—	144,000	—
Accrued interest	—	—	—	890,004
Comprehensive allowances	113,170	66,000	179,170	—
Total current liabilities (payable from current assets)	564,805	695,064	1,259,869	961,718
Current liabilities (payable from restricted assets):				
Accrued interest on bonds/notes	39,000	—	39,000	—
Current portion of long-term debt	1,211,000	—	1,211,000	—
Total current liabilities (payable from restricted assets)	1,250,000	—	1,250,000	—
Total current liabilities	1,814,805	695,064	2,509,869	961,718
Noncurrent liabilities:				
Comprehensive allowances	100,000	57,000	157,000	—
Bonds and notes payable	(7,340,000)	—	(7,340,000)	—
Total noncurrent liabilities	(7,240,000)	57,000	(7,183,000)	—
Total liabilities	4,574,805	1,249,064	5,823,869	961,718
Net assets:				
Invested in capital assets, net of accumulated depreciation	46,042,714	46,739	46,089,453	—
Restricted for long-term assets	1,108,741	—	1,108,741	—
Unrestricted	9,920,000	661,739	10,581,739	64,066
Total net assets	57,071,455	714,478	57,785,933	64,066

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

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

Proprietary Funds

Year ended December 31, 2003

	Business-type Activities Enterprise Funds			Governmental
	Water and Sewerage	Other Enterprise Funds	Total	Activities General Service Funds
Operating Revenues				
Charges for services charged as normally in various funds	\$ 16,000,000	—	16,000,000	—
Charges for services	—	4,000,000	4,000,000	1,000,000
Miscellaneous	488,211	75,000	563,211	171,519
Total operating revenues	<u>16,488,211</u>	<u>4,075,000</u>	<u>20,563,211</u>	<u>1,171,519</u>
Operating Expenses				
Personnel services	4,667,000	2,983,000	7,650,000	—
Supplies	224,000	250,000	474,000	—
Utilities	705,440	24,000	729,440	—
Repairs and maintenance	402,810	22,000	424,810	—
Contracted services	—	1,791,000	1,791,000	1,000,000
Provision for bad debt	188,000	97,000	285,000	—
Miscellaneous	764,000	360,000	1,124,000	60,000
Claims	—	—	—	1,400,000
Depreciation and amortization	1,220,000	22,000	1,242,000	—
Total operating expenses	<u>10,469,250</u>	<u>5,794,000</u>	<u>16,263,250</u>	<u>2,460,000</u>
Operating income (loss)	<u>6,018,961</u>	<u>(1,719,000)</u>	<u>4,299,961</u>	<u>(918,481)</u>
Nonoperating Revenues/Expenses				
Investment earnings	29,641.0	11,000	40,641.0	11,000
Interest expense	(1,278,000)	—	(1,278,000)	—
Governmental contributions	97,400	—	97,400	—
Fund charges	(24,400)	—	(24,400)	—
Total nonoperating revenues/expense	<u>(1,175,359)</u>	<u>11,000</u>	<u>(1,164,359)</u>	<u>11,000</u>
Income before contributions and transfers	<u>4,843,602</u>	<u>(1,708,000)</u>	<u>3,135,602</u>	<u>(907,481)</u>
Transfers in	294,400	100,000	394,400	—
Transfers out	—	(221,000)	(221,000)	—
	<u>294,400</u>	<u>6,000</u>	<u>300,400</u>	<u>—</u>
Change in net assets	<u>5,138,002</u>	<u>(1,102,000)</u>	<u>4,036,002</u>	<u>(907,481)</u>
Total net assets - beginning	<u>86,095,000</u>	<u>10,000</u>	<u>86,095,000</u>	<u>10,000</u>
Total net assets - ending	<u>\$ 91,233,002</u>	<u>\$7,000</u>	<u>\$ 91,240,002</u>	<u>\$4,519</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2005

	Business Activities Enterprise Funds			Governmental Activities Special Districts
	Water and Sewerage	Other Enterprise Funds	Total	
Cash flows from operating activities:				
Receipts from operations	\$ 6,486,523	1,664,390	8,150,913	3,773,664
Payments to suppliers	(2,007,189)	(1,133,954)	(3,141,143)	(2,347,489)
Payments to employees	(4,773,440)	(1,019,954)	(5,793,394)	—
Grants paid	—	—	—	(2,404,654)
Other receipts/payments	281,751	601,317	883,068	—
Net cash provided by operating activities	3,187,645	1,111,799	4,299,444	1,021,521
Cash flows from noncapital financing activities:				
Transfers in	154,499	156,276	310,775	—
Transfers out	—	(21,800)	(21,800)	—
Net cash provided by noncapital financing activities	154,499	134,476	288,975	—
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(6,645,297)	—	(6,645,297)	—
Principal/interest debt	(2,300,000)	—	(2,300,000)	—
Interest paid	(2,372,944)	—	(2,372,944)	—
Fiscal changes	22,431	—	22,431	—
Net cash used in capital and related financing activities	(11,695,810)	—	(11,695,810)	—
Cash flows from investing activities:				
Sale of investments	1,119,444	—	1,119,444	10,938
Purchase of investments	—	(417,239)	(417,239)	(348,449)
Interest received	252,172	6,541	258,713	—
Net cash provided by (used in) investing activities	1,371,616	(410,698)	960,918	(237,511)
Net increase (decrease) in cash and cash equivalents	(2,496,450)	871,578	(1,624,872)	78,010
Cash and cash equivalents, beginning of year	2,694,736	77,871	2,772,607	11,528
Cash and cash equivalents, end of year	\$ 1,198,286	649,449	1,847,735	\$ 90,538

CITY OF BOSSIER CITY, LOUISIANA

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2003

	Business-type Activities Enterprise Funds			Governmental Activities Interest Service Funds
	Water and Sewerage	Other Enterprise Funds	Total	
	Revenue	Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 286,405	7,042,976	7,329,381	471,900
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,225,277	50,501	1,275,778	—
Provision for bad debts	182,339	937,173	1,119,512	—
(Increase)/decrease in assets:				
Accounts receivable	(63,607)	(1,671,197)	(1,734,804)	—
Other receivables	(1,694)	(14,694)	(16,388)	—
Inventories	(23,965)	—	(23,965)	—
Prepaid items and other assets	9,204	—	9,204	—
Increase (decrease) in liabilities:				
Accounts payable	13,894	41,280	55,174	284,433
Accrued liabilities	73,686	13,633	87,319	—
Debt or other funds	(18,775)	107,886	89,111	—
Customer deposits	1,668	—	1,668	—
Claims and judgments	—	—	—	48,901
Total adjustments	1,491,719	496,792	1,988,511	373,334
Net cash provided by operating activities	\$ 1,778,124	\$ 7,539,768	\$ 9,317,892	\$ 845,234
Non-cash items:				
Amortization	\$ 41,421	—	41,421	—
Change in fair value of investments	149,276	(248)	149,028	(1,878)

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2003

Assets	Fund Trust Funds	Agency Funds
Cash and cash equivalents	\$ 1,094,144	1,427,261
Receivables:		
Interest receivable	149,901	—
Other	—	1,972
Investments, at fair value:		
U.S. government securities	32,846,978	—
Certificates of deposit	528,267	—
Total investments	<u>33,375,245</u>	<u>—</u>
Other assets	100	—
Total assets	<u>\$ 35,098,572</u>	<u>1,429,272</u>
Liabilities		
Accounts payable	—	35,003
Taxes paid under protest	—	1,329,181
Refundable deposits	—	65,949
Total liabilities	<u>—</u>	<u>1,429,272</u>
Net Assets		
Net in trust for pension benefits	\$ <u>35,098,572</u>	<u>—</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA
Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
December 31, 2009

Additions		
Contributions from City:		\$
Sales taxes, net		5,900,466
Fire insurance premiums		180,203
Employer's contributions		18,040
City Court fines		171,695
City liquor licenses		6,145
Total contributions		<u>6,263,569</u>
Employer contributions		38,840
Investment earnings		1,315,858
Less investment expenses		<u>(114,527)</u>
Net investment earnings		<u>1,201,331</u>
Total additions		<u>7,464,900</u>
Deductions		
Pensions and benefits		5,994,727
Administrative expenses		<u>55,983</u>
Total deductions		<u>6,050,710</u>
Change in net assets		1,414,190
Net assets - beginning		<u>53,669,885</u>
Net assets - ending		\$ <u>55,084,075</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Net Assets

Component Units

December 31, 2003

Assets	Bossier Public		Metropolitan		Total
	Trust Financing Authority	City	City	Financing Commission	
		County	Parish		
Cash and cash equivalents	\$ 2,803	\$25,493	\$46,600	\$,000	\$74,896
Investments	1,411,049	129,800	—	11,425	1,552,274
Accrued interest	(8,483)	—	—	1,324	(6,159)
Due from other governments	—	34,008	1,000	—	35,008
Capital assets:					
Other capital assets, net of depreciation	—	—	\$1,101	—	\$1,101
Total assets	1,405,370	189,301	48,701	12,725	1,656,097
Liabilities					
Accounts payable	—	4,415	1,204	1,408	7,037
Accrued interest payable	\$1,893	—	—	—	\$1,893
Unaccrued liabilities:					
Due within one year	116,000	—	—	—	116,000
Due in more than one year	1,123,000	—	—	—	1,123,000
Total liabilities	1,240,893	4,415	1,204	1,408	1,248,920
Net assets					
Invested in capital assets	—	—	\$1,101	—	\$1,101
Restricted for:					
Debt service	221,476	—	—	—	221,476
Unrestricted	—	\$88,200	\$21,291	\$11,695	\$121,186
Total net assets	\$ 163,471	\$98,200	\$43,592	\$13,185	\$318,348

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Activities

Component Units

Year ended December 31, 2005

	Program Revenues		Per Department Revenues and Charges to Fee Users				Total
	Expenses	Charges for Services	City Grants	City Shared	City Purchasing	City Purchasing Contributions	
\$	281,178	281,811	0.000	--	--	--	(1,667)
Boissier Public Trust Planning Authority							
Management operations							
City Council	22,443	26,548	--	6,005	--	--	6,553
Individual							
City Manager	18,113	14,543	--	2,000	--	--	3,553
Individual							
Municipal Planning Commission							
Planning and zoning	4,330	12,005	--	--	--	65,000	(47,665)
	<u>281,178</u>	<u>281,811</u>					
General revenues:							
Investment earnings			14,875	8,808		2,172	25,855
Revenues from the City of Bossier City			--	--	142,718	142,718	142,718
Miscellaneous			1,673	11,173		81	13,527
Total general revenues			16,548	19,981	142,718	144,911	184,156
Change in net assets			16,548	19,981	142,718	144,911	184,156
Net assets - beginning			21,121	28,475	28,475	28,475	86,551
Net assets - ending			37,669	48,456	171,193	173,386	270,707

See accompanying notes to financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

(1) Summary of Significant Accounting Policies

The City of Bossier City, Louisiana (the City) was incorporated in 1897 and operates under a City Charter dated July 1, 1877, which provides for a strong Mayor-Council form of government. The City provides the following services as authorized by its charter: public safety, sports, sanitation, water and sewerage, planning and zoning, recreation, and general administrative services. Education and welfare are administered by other governmental entities.

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

Differently Presented Component Units

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

Metropolitan Planning Commission

The Metropolitan Planning Commission (Commission) is responsible for the orderly physical development of the City and the surrounding planning area. The Commission makes recommendations to the City Council and the 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 district of the City of Bossier City and parish.

City Court of Bossier City

The City Court of Bossier City (City Court) was created by the special legislative act. Its jurisdiction includes the incorporated area of the City. The City judge is elected and cannot be removed by City officials. The City Court is fiscally dependent on the City. The City has the ability to modify or approve its budget which comes from the General Fund. There are certain funds collected by the City Court, pursuant to State statute, which are under the control of the City Court. The City Court serves the district 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, 2003.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

Bossier City Marshal's Office

The Bossier City Marshal (City Marshal) is an elected official. The City Marshal is fiscally dependent on the City. The City has the ability to modify or approve the budget which comes from the General Fund. There are certain funds collected as court costs, pursuant to State statute, which are under the control of the City Marshal. The City Marshal serves the citizenry of the City. The financial statements of the City Marshal included in the accompanying financial statements are as of and for the fiscal year ended December 31, 2003.

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, 2003.

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 5037, 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 1037
Bossier City, Louisiana 71171

Bossier City Marshal's Office
P.O. Box 1037
Bossier City, Louisiana 71171

Bossier Public Trust Financing Authority
700 Benson Road
Bossier City, Louisiana 71171

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

Other Related Organizations

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 override or modify the decisions of the commissioners. The Bossier Housing Authority is legally independent and there is no financial benefit or burden relationship with the City. Therefore, it is not included in the City's financial statements.

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) Government-wide and Fund Financial Statements

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

Governmental Funds

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

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

Riverboat Gaming Special Revenue Fund – This fund accounts for the monies received from the riverboats prior to 1999 and the earnings on those monies. City ordinance required the riverboat monies be accumulated in this fund until a base amount of \$20 million was attained. The funds will be used for capital and other undetermined projects.

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

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

Sales Tax Bond Capital Projects Fund – This fund was established in 2002 to account for the proceeds received from the Public Improvement Sales Tax Bonds, Series 2002 and for expenditures of the bond monies.

Public Health and Safety Permanent Fund – This fund was created to account for the proceeds from the sale of the Bossier Medical Center. Amounts received in excess of the required principal balance of \$17,901,068 and earnings on the principal may only be spent for the purposes of public health and safety.

Additionally, the City reports the following governmental fund types:

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

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

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).

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

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 basis; that is, the measurement focus is upon determination of the change in net assets. The City reports the following major proprietary fund:

Department of Water and Sewerage Enterprise Fund – Operated as a self-financing activity of the City and is responsible for providing the residents of the City of Bossier City, Louisiana, with water and sewerage treatment.

Additionally, the City reports the following proprietary fund types:

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

Internal Service Funds – Internal service funds are used to account for the financing of services provided by one department of the City to other departments on a cost-reimbursement basis. The City maintains two internal service funds for workers' 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 Pensioner's Pension and Relief Fund, the Policemen's Pension and Relief Fund, and the Bossier Medical Center Pension Fund.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the OWFS and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

As a general rule, the effect of interfund activity has been eliminated from the GPPS. Exceptions to this general rule are charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Transactions that would be treated as revenues, expenditures or expenses if they involved organizations external to the City, such as routine employer contributions from the General Fund to the pension trust funds, are accounted for as revenues and expenditures or expenses in the funds involved.

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

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

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

The accrual basis of accounting is used by the proprietary funds and the pension trust funds. Revenues are recognized when earned, and expenses are recognized when incurred. The reserve method is used to account for bad debt expense on enterprise fund receivables. Unbilled service receivables of the Department of Water and Sewerage Fund, Sanitation Fund, and Emergency Medical Services Fund are reflected in the accompanying financial statements at approximately \$181,267, \$91,960, and \$58,180, respectively, at December 31, 2003.

(c) Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the GPPS. Capital assets are recorded at historical cost or estimated historical cost for assets whose actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. The City maintains a threshold level for capitalization of fixed assets except land and construction in progress. All land and construction in progress is capitalized, regardless of the amount. All other capital assets are capitalized utilizing a threshold of \$15,000 for land improvements, \$50,000 for buildings and building improvements, \$1,000 for furniture, equipment and vehicles, and \$250,000 for infrastructure.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

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

Capital assets are not reported in the governmental FFS.

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

Land improvements	20 - 30 years
Buildings	40 years
Building improvements	40 years
Water reservoir and treatment plant	10 - 40 years
Transmission and distribution system	10 - 50 years
Furniture and equipment	1 - 10 years
Vehicles	5 years

(b) Long-term Liabilities

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

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

(c) Investments

For all funds, investments are stated at fair value based on quoted market prices. The investments at December 31, 2003 were primarily U.S. government and U.S. government agency securities (see note 2 for the City's investment policy).

(d) Prepaid Items

Prepaid items consist of items such as prepaid insurance and other prepaid expenditures. The cost is recorded as an asset at the time such items are purchased in both government-wide and fund financial statements. The 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 expenditures.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

(g) Inventories

Inventories are valued at cost (first-in, first-out). Inventories in the General Fund consist of expendable supplies held for consumption. The cost is recorded as an asset at the time individual inventory items are purchased and charged as an expenditure when used in both government-wide and fund financial statements. Inventories in the enterprise funds consist of repair materials and spare parts.

(h) 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 retained upon the respective activity ceasing.

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

(i) Deferred Revenues

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

(j) Vacation and Sick Leave

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

(k) Pension Plans

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2001

(f) Third-Party Payer Arrangements

Prior to its sale in June 1998, Bossier Medical Center participated in the Medicare and Medicaid programs as a provider of medical services to program beneficiaries. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The City believes Bossier Medical Center was in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, 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, 1998 for the Medicare and Medicaid programs have been reviewed by program representatives and adjustments have been recorded to correct for the changes required.

(g) Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

(h) Fund Equity

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

(i) Interfund Receivables and Payables

All outstanding balances between funds are reported as due to/from other funds. There is no activity between funds that is representative of lending/borrowing arrangements at the end of the fiscal year. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the CFSFS as internal balances.

(j) Property Taxes

Property taxes attach as an enforceable lien on property when the assessment is approved by the Louisiana Tax Commission. Taxes are normally levied in November of each year and are due on or before December 31. The City bills and collects its own property taxes. Historically, 90% of the taxes have been collected within 60 days after the due date.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

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 such specified purposes for the payment of principal and interest on long-term debt after approval by the voters of the City.

(g) *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. 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.

(h) *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 investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

(i) *Self-Insurance Claims*

The City is self-insured up to \$100,000 for non-civil service employees and \$100,000 for civil service employees for workman's compensation coverage. Self-insured claims are recorded in the City's internal service funds in accordance with GASB Statement No. 10.

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

(2) *Cash and Investments*

City of Bossier City (Primary Government)

All deposits of the City are held by area financial institutions. At December 31, 2003, the carrying amount of the City's deposits, including subsidiary funds, was \$74,315,855 and the bank balance was \$75,448,834. This difference is due to the outstanding checks at December 31, 2003.

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

The bank balance was covered by federal depository insurance or was collateralized with securities held by the City's agent (one of its constituent 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.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

State statute authorizes 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. During 2003, the City invested in certificates of deposit and U.S. government and U.S. government agency securities.

The City's investments are categorized below to give an indication of the level of risk assumed by the City at December 31, 2003. 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.

	Category			Fair value
	1	2	3	
U.S. government and U.S. government agency securities	\$ 106,594,268	—	—	106,594,268
Total investments				106,594,268
Total deposits				74,331,853
Total cash, cash equivalents, and investments, including restricted cash and investments				\$ 180,926,121

The pension trust funds own approximately 1.0% of the City's deposits in financial institutions and 30.6% of the U.S. government and U.S. government agency securities.

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, 2003 consist primarily of mortgage-backed securities and investment agreements which are considered category 1 investments. The securities have a fair value of \$1,757,463 at November 30, 2003.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2002

(8) 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 \$214,566,100 and \$209,065,700 in 2001 and 2002, respectively. Property taxes are recorded as receivables and revenues in the year for which it was levied. The General Fund property tax receivable at December 31, 2001 and 2002 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 2001 and 2002:

	Levy	
	2001	2002
General Fund - unrestricted	\$ 6.90	\$ 6.90
General Fund - restricted for Fire and Police Departments	19.87	19.87
	<u>\$ 26.77</u>	<u>\$ 26.77</u>

A reevaluation of all property is required to be completed no less than every 4 years. A reevaluation was completed for the tax roll as of January 1, 2000.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

(4) Receivables

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

	Accounts	Property Taxes	Other Taxes	Outstanding Fees	Accrued Interest	Due from other governmental	Other	Allowance for uncollectible accounts	Net receivables
Governmental activities:									
General Fund	\$	—	4,352,048	1,477,170	—	11,249	41,840	(64,890)	4,021,918
Street/Street Lighting Special		—	—	—	—	—	—	—	—
Revenue Fund		—	—	—	261,264	—	—	—	261,264
Adoptive Special Revenue Fund		124,420	—	—	—	—	—	(7,500)	116,920
Street/Street Lighting Capital Projects Fund		—	—	1,181,267	144,700	—	—	—	1,327,000
Water Use Fund Capital Projects Fund		—	—	—	261,264	—	—	—	261,264
Public Health and Safety Investment Fund		—	—	—	188,641	—	—	—	188,641
Nonmajor governmental funds		—	—	2,662,133	—	261,264	111,684	—	3,055,101
Total governmental activities	\$	124,420	4,352,048	4,639,400	1,188,265	194,484	153,524	(72,390)	11,139,227
Business-type activities:									
Water and Sewerage Fund		1,466,740	—	—	144,000	—	16,770	(194,100)	1,327,410
Managerial Business-type activities		1,466,740	—	—	4,051	—	196,114	(265,810)	1,311,056
Total business-type activities	\$	2,933,480	—	—	148,051	—	212,884	(459,910)	2,631,506

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

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

	<u>Unavailable</u>	<u>Assumed</u>
Delinquent property taxes receivable (General Fund)	\$ 251,870	—
Hotel/Motel Taxes (Hotel/Motel Taxes Special Revenue Fund)	600,000	—
Licenses collected in advance	—	49,470
Amusement and advertising revenues collected in advance	—	390,000
Grant drawdowns prior to meeting all eligibility requirements	—	810,160
	<hr/>	<hr/>
Total deferred revenue for governmental funds	\$ 851,870	1,210,630
	<hr/>	<hr/>

CITY OF BOSSER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

(B) Capital Assets

A summary of changes in capital assets is as follows:

	<u>Balance December 31, 2002</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2003</u>
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 48,658,150	1,868,026	—	50,526,176
Construction in progress	6,634,915	11,688,715	(2,124,887)	16,198,843
Total capital assets not being depreciated	<u>55,293,065</u>	<u>14,756,741</u>	<u>(2,124,887)</u>	<u>67,924,919</u>
Capital assets being depreciated:				
Buildings and structures	82,743,896	793,448	—	83,537,344
Equipment and vehicles	17,855,315	1,512,640	(941,121)	18,826,834
Infrastructure	50,523,712	4,681,386	—	55,205,098
Total capital assets being depreciated	<u>150,122,923</u>	<u>6,987,474</u>	<u>(741,121)</u>	<u>156,369,276</u>
Less accumulated depreciation for:				
Buildings and structures	(23,475,741)	(2,896,886)	—	(26,372,627)
Equipment and vehicles	(13,666,439)	(1,968,534)	795,776	(14,839,197)
Infrastructure	(4,779,178)	(1,150,984)	—	(5,930,162)
Total accumulated depreciation	<u>(31,921,358)</u>	<u>(5,016,404)</u>	<u>795,776</u>	<u>(36,141,986)</u>
Total capital assets being depreciated, net	<u>118,199,865</u>	<u>1,970,970</u>	<u>(11,750)</u>	<u>120,428,291</u>
Capital assets, net	\$ 173,178,669	14,727,711	(2,236,657)	185,670,723

Construction in progress consisted of \$28,112 for additions for the Marshal's office and for municipal complex; \$331,894 for the Old Albee Road/High 80 project; \$179,020 for the construction of the seawall at the Riverwalk; \$388,715 for improvements to Riverside Drive; \$45,873 for the Hamilton Road Project; \$1,213,047 for the Sliverport Barkadele Interchange Ramp project; \$1,211,851 for the Traffic Street Widening project; \$6,933,808 for the Riverwalk project, and \$1,308,264 for the Boston Road Overpass project.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2005

	<u>Balance</u> <u>December 31,</u> <u>2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31,</u> <u>2005</u>
Business-type activities - Water and Sewerage				
Capital assets not being depreciated:				
Land and land improvements	\$ 861,188	—	—	861,188
Construction in progress	3,318,414	2,168,818	(106,180)	4,380,952
Total capital assets not being depreciated	<u>3,179,798</u>	<u>2,168,818</u>	<u>(106,180)</u>	<u>3,242,436</u>
Capital assets being depreciated:				
Water reservoir and treatment plant	33,594,377	601,388	—	34,195,765
Transmission and distribution system	41,587,807	2,794,316	—	44,382,123
Equipment	6,028,681	304,911	—	6,333,592
Total capital assets being depreciated	<u>81,171,065</u>	<u>3,699,715</u>	<u>—</u>	<u>84,870,780</u>
Less accumulated depreciation for:				
Water reservoir and treatment plant	(15,968,628)	(1,123,284)	—	(17,091,912)
Transmission and distribution system	(12,322,018)	(860,158)	—	(13,182,176)
Equipment	(2,618,643)	(264,924)	—	(2,883,567)
Total accumulated depreciation	<u>(30,909,289)</u>	<u>(3,248,366)</u>	<u>—</u>	<u>(34,157,655)</u>
Total capital assets being depreciated, net	<u>50,261,814</u>	<u>1,451,349</u>	<u>—</u>	<u>51,713,125</u>
Capital assets, net	\$ <u>3,179,798</u>	<u>3,620,167</u>	<u>(106,180)</u>	<u>3,673,783</u>

Construction in progress consisted of \$3,004,911 for the Odor Control Project at the Northeast and Red River Treatment Plants; \$218,330 for the Sanitary Sewer (Below at Old Minden and Sherb); \$136,024 for the WTP Concrete Rehabilitation; \$841,671 for the Water Main A/R (State of Cape); and \$58,352 for the Water Tower at Kingsley.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

	<u>Balance</u> <u>December 31,</u> <u>2002</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31,</u> <u>2003</u>
Other business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 1,341,518	—	—	1,341,518
Less accumulated depreciation for				
Equipment	94,877	(55,501)	—	41,576
Capital assets, net	\$ 1,341,598	55,501	—	1,397,099
Total business-type activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 801,184	—	—	801,184
Construction in progress	2,113,614	2,048,838	(108,000)	4,054,552
Total capital assets not				
being depreciated	3,175,798	2,048,838	(108,000)	5,241,476
Capital assets being depreciated:				
Water storage and treatment				
plant	10,004,077	811,188	—	10,815,265
Transmission and distribution				
system	42,087,407	1,794,116	—	43,881,523
Equipment	1,271,188	204,915	—	1,476,103
Total capital assets being				
depreciated	13,552,672	1,799,119	—	15,351,791
Less accumulated depreciation for				
Water storage and treatment				
plant	(11,968,639)	(1,111,284)	—	(13,079,923)
Transmission and distribution				
system	(13,112,579)	(900,109)	—	(14,012,688)
Equipment	(4,775,485)	(152,235)	—	(5,118,720)
Total accumulated				
depreciation	(13,856,703)	(2,173,628)	—	(16,030,331)
Total capital assets being				
depreciated, net	66,945,914	1,605,501	—	71,553,915
Capital assets, net	\$ 71,128,739	1,773,179	(108,160)	72,793,758

CITY OF BORNER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

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

Governmental activities:	
General Government	\$ 1,078,414
Public safety	1,192,098
Highways and streets	1,338,984
Culture and recreation	1,898,869
City Court and Marshal	<u>38,131</u>
Total depreciation expense – governmental activities	\$ <u>5,556,494</u>
Business-type activities:	
Water and sewer	\$ 2,328,377
Emergency medical services	<u>15,381</u>
Total depreciation expense – business-type activities	\$ <u>2,343,758</u>

(B) Long-Term Debt

City of Borner City (Primary Government)

The following is a summary of the long-term obligation activity for the year ended December 31, 2003:

	Beginning Balance	Additions	Retirements	Ending Balance	Increase and year
Governmental activities					
Revenue bonds payable	\$ 8,185,000	1,190,000	8,950,000	625,000	1,885,000
Premium on bonds	1,033,893	41,961	81,147	1,021,707	—
Interest on refunding	—	(852,883)	28,814	(899,087)	—
Claims and judgments payable	1,481,152	1,494,499	1,865,294	1,110,357	988,354
Net pension obligation	87,611	81,387	—	169,000	—
Compensated absences	881,497	496,111	899,817	678,791	879,289
Governmental activity long-term liabilities	\$ 11,719,153	1,714,454	11,525,114	875,751	1,408,534
Business-type activities – Water and Sewerage					
Revenue bonds payable	\$ 24,918,289	—	1,186,000	26,104,289	1,215,000
Compensated absences	192,000	182,981	111,371	263,610	120,139
Water and Sewerage long-term liabilities	\$ 25,110,289	182,981	1,297,371	26,367,910	1,335,139
Other business-type activities					
Compensated absences	\$ 170,079	89,609	81,108	178,580	18,501
Total business-type activities	\$ 25,280,368	272,590	1,378,479	26,165,491	1,443,640

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. The claims and judgments liability will be liquidated through the City's Insurance Fund and Liability Insurance Fund. These funds will finance the payment of these claims by charging other funds based on the originator of the claims. The General Fund normally bears approximately 75% of these costs. For the governmental activities, the balance of compensated absences is generally liquidated by the General Fund. Net pension obligations will also be liquidated by the General Fund.

The following is a summary of bond transactions (all revenue bonds) for the year ended December 31, 2003:

Bonds payable at January 1, 2003	\$ 118,847,223
New issues	5,198,000
Bonds retired	(18,080,800)
Premium on new bonds	41,965
Amortization of premium	(53,147)
Deferral on refunding/bonds	<u>(489,027)</u>
Bonds payable at December 31, 2003	<u>\$ 113,456,912</u>

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

In addition to \$18,000,000 of bonds retired, the City paid \$3,318,531 in interest.

Bonds payable at December 31, 2003 are comprised of the following items:

Revenue bonds -- applicable to general city operations:

\$3,761,000 1997 Revenue Refunding Bonds due in annual installments of \$421,000 to \$638,000 through 2014; maturing November 1 of each year; interest at 4.0% to 3.2%	3	3,761,000
\$24,750,000 1998 Public Improvement (Sales Tax Serial Bonds due in annual installments of \$823,000 to \$2,111,000 through 2002; maturing December 1 of each year; interest at 4.4% to 6.2%; callable on or after December 1, 2007		24,829,000
\$9,251,000 2000 Public Improvement Sales Tax Refunding Bonds due in annual installments of \$911,000 to \$1,018,000 through 2011; maturing November 1 of each year; interest at 3.0% to 4.25%		7,915,000
\$4,800,000 2001 Revenue Bonds due in annual installments of \$470,000 to \$770,000 through 2011; maturing October 1 of each year; interest at 3.8% to 4.0%		4,801,000
\$28,360,000 2002 Public Improvement (Sales Tax Bonds due in annual installments of \$230,000 to \$2,610,000 through 2007; maturing December 1 of each year; interest at 3.8% to 5.0% (plus a premium of \$981,300)		30,241,300
\$3,090,000 2003 Public Improvement Sales Tax Bonds due in annual installments of \$280,000 to \$390,000 through 2013; maturing December 1 of each year; interest at 2.8% to 3.0% (plus premium of \$48,466 and net-of-deferred amount on refunding \$481,067)		3,279,179
	3	<u>\$4,627,481</u>

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

Revenue bonds – applicable to water and sewer operations:

\$7,595,000 Utility Revenue Refunding Bonds due in annual installments of \$267,000 to \$180,000 through 2010, maturing October 1 of each year; interest at 4.1% to 5.1%	5	3,345,000
\$6,508,000 Utility Revenue Bonds, Series 1997 due in annual installments of \$211,000 to \$403,000 through 2029; maturing October 1 of each year; interest at 3.45%		3,815,000
\$1,508,000 Utility Revenue Bonds, Series 2001 due in annual installments of \$121,000 to \$181,000 through 2023; maturing October 1 of each year; interest at 3.45%		1,249,349
\$14,400,000 Utility Revenue Refunding Bonds, Series 2002 due in annual installments of \$75,000 to \$1,510,000 through 2022; maturing October 1 of each year; interest at 3.1% to 5.0%		<u>14,183,000</u>
Total water and sewer bonds		<u>23,592,349</u>
Total revenue bonds	5	<u>\$ 111,426,952</u>

The annual requirements, including \$1,021,730 premium on bonds and deferral of \$489,087, to amortize all debt outstanding as of December 31, 2003 are as follows:

	Governmental activities		Business-type activities		Total
	Principal	Interest	Principal	Interest	
For ending December 31:					
2004	\$ 3,860,000	3,871,173	1,215,000	1,195,576	10,121,753
2005	4,813,000	3,120,872	1,223,000	1,217,884	10,217,876
2006	4,200,000	3,660,867	1,213,000	1,175,666	10,249,533
2007	4,380,000	3,324,184	1,275,000	1,118,481	10,288,663
2008	4,573,000	3,095,124	130,000	795,582	9,423,704
2009 - 2013	20,990,000	14,417,830	8,415,000	4,480,811	51,505,641
2014 - 2018	20,830,000	7,756,410	8,185,260	3,682,481	50,457,150
2019 - 2023	15,013,000	2,447,720	6,433,000	753,128	28,710,848
	<u>\$ 88,188,000</u>	<u>62,502,033</u>	<u>28,739,260</u>	<u>13,211,486</u>	<u>168,741,187</u>

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

In 2001, the City authorized the issuance of \$1,500,000 Utility Revenue Bonds, Series 2001 for the purpose of acquiring and constructing improvements for the treatment of odor control. In 2001, the City received an installment of the purchase price of the bonds in the amount of \$1,676,318. During 2002, the City received additional purchase price installments of \$870,958. In 2003, the City made principal payments of \$128,000.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

In 2003, the City issued \$5,190,000 of Public Improvement Sales Tax Refunding Bonds, Series ST-2003. The bonds were issued to refund \$3,203,000 of the 1991 Public Improvement Sales Tax Refunding Bonds and \$3,750,000 of the 1993 Public Improvement Sales Tax Refunding Bonds and to pay for the costs of issuance. Included in the proceeds was a reoffering premium of \$41,965. Existing funds of 168,232 along with proceeds of \$3,137,204 (after payment of \$79,651 in issuance costs plus a premium of \$41,965) were used to immediately refund the bonds. As a result, the liabilities for these bonds have been removed from these financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$513,544. This amount is being netted against the new debt and amortized over the life of the old debt, which is shorter than the life of the new debt. Amortization for 2003 was 324,634. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt and complete the refunding totaled \$493,994. An economic gain (difference between the present value of the old and new debt service payments) of \$391,635 resulted from the refunding.

Changes in the Department of Water and Sewerage assets restricted for debt service and unrestricted and included in capital assets during the year ended December 31, 2003 were as follows:

Department of Water and Sewerage Fund:	
Restricted:	
Balance at beginning of year	\$ 1,666,172
Transfer from (to) unreserved net assets	<u>1,672,569</u>
Balance at end of year	<u>3,338,741</u>
Included in capital assets and Unrestricted:	
Balance at beginning of year	84,817,628
Changes in net assets	33,794
Transferred from (to) net assets	<u>(1,684,268)</u>
Balance at end of year	<u>83,177,154</u>
Total net assets	\$ <u>86,515,795</u>

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

Details of restricted assets at December 31, 2003 are as follows:

Department of Water and Sewerage:	
Water Division:	
Utility Revenue Bond Funds – 1996, 1997, 2001, and 2002	
Utility Revenue Serial Bonds Debt Service Fund:	
Investments	\$ 3,281,644
Accrued interest receivable	<u>70,569</u>
	<u>3,352,213</u>
Water Capital Additions and Contingencies Fund:	
Cash and cash equivalents	168,190
Accrued interest receivable	<u>4,489</u>
Total restricted assets applicable to the	
Water Division	<u>392,892</u>
Sewerage Division – Sewerage Capital Additions and	
Contingencies Fund:	
Cash and cash equivalents	209,424
Accrued interest receivable	<u>27,384</u>
Total restricted assets applicable to the	
Sewerage Division	<u>236,808</u>
Total Department of Water and Sewerage	
restricted assets	\$ <u>3,657,908</u>

State law allows a maximum of 10% of assessed valuation of bonded debt for any one purpose or 30% of the total assessed value for all purposes. The City assessed property value at December 31, 2003 is \$114,349,810. The maximum debt allowable for any one purpose and total debt allowable by state law as of December 31, 2003 is \$11,434,981 and \$34,304,944, respectively. The City currently has no general bonded debt outstanding. Therefore, at December 31, 2003, the City has a debt margin of \$22,869,963 available for issuance pursuant to the 30% limitation.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

Component Units

At November 30, 2003, bonds payable consist of Single Family Mortgage Revenue Bonds, 1991 Series as follows:

Term Bonds, 5.0% interest, maturing on August 1, 2015	1	178,000
Term Bonds, 5.125% interest, maturing on August 1, 2028		2,118,000
Serial Bonds, 4.2% - 5.5% interest, annual maturities beginning on August 1, 1998 and ending on August 1, 2008		<u>365,000</u>
Total bonds	5	<u>2,245,000</u>

The principal amount of bonds called for early redemption for the year ended November 30, 2003 was \$1,080,000.

Portions of cash, temporary investments, and investments included in the Mortgage Program Fund, as presented in the statements, are restricted for bond principal reduction. As of November 30, 2003 and 2002, these restricted amounts totaled approximately \$18,400.

Scheduled bond principal maturities are as follows:

2004	5	110,000
2005		110,000
2006		110,000
2007		110,000
2008		110,000
Thereafter		<u>2,005,000</u>
	5	<u>2,245,000</u>

Under provisions of the indentures, the Authority has the option to redeem remaining outstanding bonds in whole at any time on or after August 1, 2003 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 indentures.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

(7) Sales Tax

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

The original one-cent sales tax is used initially to pay operating expenses incurred in the administration and collection of sales taxes. Scheduled payments are made on a monthly basis into the Sales Tax Bond and Interest Sinking Funds for debt service requirements. After those payments, the amount, if any, up to one-half of the total monthly sales tax revenues (net of collection expenses) 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 Fireman's and Policeman'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. During 2002, the voters approved a reallocation of sales tax revenues whereby any amounts in excess of debt service requirements are payable for the purpose of operating and maintaining fire, police, and other departments of the City and for previously authorized purposes which would include payments to the Parkway Capital Projects Fund.

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2009

(B) 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.

B. Concentration of Investments

The Firemen's Fund and Policemen's 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. The BMC Fund had all of its investments in a bank money market fund. There are no investments in loans to or loans with parties related to the pension plans.

C. Plan Descriptions and Contribution Information

Membership of each plan consisted of the following at December 31, 2009:

	<u>Firemen's Fund</u>	<u>Policemen's Fund</u>
Retirees and beneficiaries receiving benefits	97	33
Current employees:		
Vested	1	—
Nonvested	—	—
Total	<u>98</u>	<u>33</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 Bossier Medical Center's Board of Directors authorized termination of the BMC Fund effective June 30, 1999.

CITY OF BORNER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

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, 1989. All firemen employed by the City on or after January 1, 1989 must join the Firefighter's Retirement System of Louisiana Plan.

Pension Benefits – Employees with 30 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 54 years and has served 30 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.

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-five (25) percent of paid 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.

CITY OF BOSSIER CITY, LOUISIANA

Notes to their Financial Statements

December 31, 2003

Deferred Retirement Option Plan – The Firmen’s Fund provides for a Deferred Retirement Option Plan (DROFP). Under the DROFP, 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 those 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 DROFP account. Upon termination of employment at the end of the specified period of participation, the monthly benefits that were being paid into the DROFP 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 Assesment.
- 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 Firmen’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 Firmen’s Plan.
- Amounts from the sales tax levy sufficient to liquidate the unfunded liability over a period not to exceed 30 years.

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

Annual required contribution	\$ 1,144,088
Interest	<u>7,461</u>
Annual pension cost	1,151,549
Contributions made	<u>4,308,196</u>
Increase in net pension obligation	811,387
Net pension obligation beginning of year	<u>87,611</u>
Net pension obligation end of year	<u>\$ 899,008</u>

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2000

The annual required contribution for the current year was determined as part of the December 31, 2000 actuarial valuation using the entry age normal actuarial cost method. Significant actuarial assumptions included: (a) 6.3% 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 of payroll over 9 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 normal pension cost contributed</u>	<u>Net pension asset (obligation)</u>
12/31/00	\$ 4,887,176	181%	(184,400)
12/31/99	4,886,890	182%	(27,617)
12/31/98	5,131,340	84%	(918,982)

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

Policemen's Pension and Relief Fund (Policeman's Fund)

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

Pension Benefits – Employees with 20 years of service or employees with 10 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 Policeman'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.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

Deferred Retirement Option Plan – The Policemen's Plan provides for a Deferred Retirement Option Plan (DROFP). Under the DROFP, 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 obtain employment and received a service retirement allowance will be paid into the DROFP account. Upon termination of employment at the end of the specified period of participation, the monthly benefits that were being paid into the DROFP 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 DROFP 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 Basic Financial Statements

December 31, 2003

Annual Pension Cost and Net Pension Asset – A pension liability at transition was determined in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and equated into before and after transition. The City's annual pension cost and net pension asset to the Policemen's Fund for the current year were as follows:

Annual required contribution	\$ 2,299,680
Interest	<u>(169,523)</u>
Annual pension cost	2,130,158
Contributions made	<u>1,961,412</u>
Decrease in net pension asset	<u>(168,746)</u>
Net pension asset beginning of year	<u>654,985</u>
Net pension asset end of year	\$ <u>486,239</u>

The annual required contribution for the current year was determined as part of the December 31, 2003 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 of payroll over 8 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>
12/31/01	\$ 1,710,440	112%	648,337
12/31/02	1,754,784	112%	854,985
12/31/03	2,130,158	90%	486,239

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. Glavin, Director of Finance, City of Bossier City, P. O. Box 5157, Bossier City, Louisiana 71171-5157.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

Boossier Medical Center Employees' Pension Fund (BMC Fund)

Termination - In connection with the sale of the hospital assets, the Boossier Medical Center's Board of Directors authorized termination of the Boossier 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 determination letter regarding termination dated March 25, 2000 was received from the Internal Revenue Service (IRS). Under the termination plan, \$6,525,286 of plan assets was distributed to 400 plan participants prior to 2003. In 2003, \$73,178 was remitted to the City for unlocated participants. At December 31, 2003, there were two participants to be paid out in 2004. Because the plan was terminated there were no required contributions for 2005.

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

Municipal Employees' Retirement System of Louisiana (MERS)

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. MERS covers substantially all employees of the City not covered by the fire, police and Boossier Medical Center pension plans. Benefits are established and may be amended by State statute. The MERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees, Municipal Employees' Retirement System of Louisiana, 7017 Office Park Boulevard, Baton Rouge, Louisiana 70809 or by calling 504-320-0813.

Funding Policy - Plan members are required to contribute 7% of their annual compensation and the City is required to contribute 7.75% of annual compensation. The contribution requirements of plan members and the City are established and may be amended by State statute. The City's contributions to MERS for the years ended December 31, 2001, 2002, and 2003 were \$761,491, \$460,400, and \$258,840, respectively, equal to the required contributions for each year. The plan's net pension obligation was zero at December 31, 2003.

The City's pension liability at transition was determined in accordance with GASB Statement No. 27 and equated zero before and after transition.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

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 MPERS. MPERS covers any full-time police officers empowered to make arrests, employed by a municipality of the State and engaged in law enforcement, earning at least \$315 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 statute. 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, 5481 United Plaza Blvd., Suite 303, Baton Rouge, Louisiana 70806 or by calling 1-800-443-4248.

Funding Policy – Plan members are required to contribute 15.25% of their annual compensation and the City is required to contribute 9% of annual compensation through August 31, 2003. Effective September 1, 2003, the contribution rate was changed to 15.25%, 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, 2003, 2002, and 2001 were \$772,361, \$588,192, \$492,178, respectively, equal to the required contributions for each year. The plan's net pension obligation was zero at December 31, 2003.

The City's pension liability at transition was determined in accordance with GASB Statement No. 27 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 SFRS. 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 2260 effective January 1, 1998. Benefits are established and may be amended by State statute. 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, 201 Silverwade Drive, Suite 200, Baton Rouge, Louisiana 70804-4134 or by calling 584-923-4668.

Funding Policy – The contribution requirements of plan members and the City are established and may be amended by the SFRS Board of Trustees. The SFRS notified the City in the first quarter of 2003 that the employer contribution rate would change effective July 1, 2003 from 9% to 25.25%. On June 26, 2003, the SFRS informed the City that House Bill 553 had passed and when signed would result in the employer contribution rate being lowered from 25.25% to approximately 21% effective July 1, 2003.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

The City joined several other cities in a lawsuit in an attempt to have the State and possibly the firefighters share in the increased costs, and to look into the operation of the fund and other matters. On July 25, 2000, the state court issued a temporary order stating that the SFERS cannot demand employer contributions in excess of 9% until the suit is settled. On November 29, 2000, the state court ruled that the SFERS is permanently enjoined from collecting an amount in excess of the 9% employer rate from any employer whose employees are members of the SFERS. The State of Louisiana and the SFERS have appealed to the State Supreme Court and the outcome is pending. A tentative court date has been set for April 21, 2004. The City continued to contribute 9% to the SFERS throughout 2000. Plan members are required to contribute 9% of their annual compensation and as discussed above, the City is required to contribute 9% of annual compensation, excluding overtime but including State supplemental pay. The City's contributions to SFERS for the years ended December 31, 2001, 2002, and 2003 were \$117,143, \$179,818, and \$244,811, respectively, equal to the required contributions for each year. The plan's net pension obligation was zero at December 31, 2003.

The City's pension liability at transition was determined in accordance with GASB Statement No. 27 and equated zero before and after transition.

(9) 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 cancellable 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 21 years.

Total rental expense for 2003 for all City operating leases was \$478,997.

(10) Other Required Individual Fund Disclosures

(a) Intergovernmental Receivables and Payables

Interfund balances at December 31, 2003 were as follows:

	FEE FUND		Total
	Nonmajor governmental funds	Nonmajor business-type funds	
FEE FUND			
Revolving Charging Capital			
Projects Fund	\$ 41,081	117,842	\$158,923

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

(B) Transfers

Transfers for the year ended December 31, 2003 were as follows:

TRANSFER TO	TRANSFER OUT							Total
	General Fund	Riverboat Gaming Special Revenue Fund	Area Special Revenue Fund	Riverboat Gaming Capital Projects Fund	Public Health and Safety Permanent Fund	Nonmajor governmental activities	Nonmajor business-type activities	
General Fund	\$	1,400,000	—	—	1,000,000	2,074,000	—	\$ 4,474,000
Riverboat Gaming Special Revenue Fund	—	—	—	2,000,000	—	—	—	2,000,000
Public Health and Safety Permanent Fund	—	—	—	2,000,000	—	—	—	2,000,000
Water and Sewerage (Enterprise Fund)	—	—	—	—	—	274,000	—	274,000
Nonmajor governmental activities	204,000	—	1,000	2,000,000	—	1,800,000	12,000	5,006,000
Nonmajor business-type activities	—	—	—	1,000,000	—	—	—	1,000,000
\$	404,000	1,400,000	1,000	3,000,000	1,000,000	2,074,000	12,000	10,956,000

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

(C) New Funds

In 2003, the Public Safety Pension Reserve fund was created to account for funds reserved for the potential liability that may have to be paid due to the increase of the State Firefighters Pension Fund and the State Police Retirement Fund.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

(2) Deficit Fund Equity

The Emergency Medical Services Fund had a deficit net asset balance of \$14,375 as of December 31, 2003. The Emergency Medical Services Fund expenses exceeded revenues resulting in operating deficit for 2003 of \$413,496. The council passed an ordinance in 2003 which approves discontinuing the operations of the Emergency Medical Services Fund as an enterprise fund effective December 31, 2003 and Emergency Medical Services will be maintained in the General Fund for 2004. The Insurance Fund had a deficit net asset balance of \$4,864 as of December 31, 2003. The Insurance Fund had a deficit for the year ended 2003 due to higher than expected medical insurance costs. The City will eliminate this deficit in 2004 through additional contributions from the City.

(3) 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-113, *Audit 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 initial contribution from the State. For 2003, the State paid supplemental salaries to the following groups of employees: Fire Department employees, \$642,138; Police Department employees, \$341,730; and City Marshal employees (a component unit), \$21,850.

(4) Commitments and Contingencies

Construction Projects

There are certain construction projects in progress at December 31, 2003. The City has entered into an agreement with the Louisiana Department of Environmental Quality whereby the department agrees to provide the City with a low interest loan to provide for engineering and construction of odor control improvements at the Red River Wastewater Treatment Plant and the Norflet Wastewater Treatment Plant estimated to cost approximately \$3.5 million. In 2003, the City issued \$12,243,000 in utility revenue bonds for the purpose of providing additions and improvements to the utility system. The City also entered into a contract with the State of Louisiana Department of Transportation and Development to provide all services necessary to design, acquire right of way, relocate utilities, and construct the Arthur Key League Parkway Interchange at State Route LA 302 in Bossier Parish. The City paid \$813,000 in 2001 and \$308,000 in 2003, which represents a preliminary estimate of costs to purchase remaining right of way and relocate utilities. The total estimate to construct the interchange is \$2.3 million, which will be paid by the City. The City has budgeted to spend approximately \$1.85 million in 2004 on this project. The City is planning to construct a multi-million dollar public recreation riverwalk along a portion of the Red River. In conjunction with this project, the City is also planning to construct new infrastructure consisting of streets, drainage, utilities, and parking structures. The City has purchased land for this project.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2003

Approximately \$5.6 million was expended as of December 31, 2003 and approximately \$4.1 million was expended in 2002. In 2002, the City issued \$28,200,000 in public improvement sales tax bonds for the purpose of purchasing, constructing, acquiring, extending, or improving public works. The City intends to use these funds for capital improvements for riverfront and downtown development. In 2003, the City spent approximately \$6.3 million for development of the Riverwalk project which included construction of a multi-level parking garage, other parking improvements for a new major retail outlet, and a new sidewalk along the riverfront. In 2004, the City budgeted approximately \$21.5 million in public improvement sales tax bonds and \$1.3 million in riverfront gaming funds related to the Riverwalk project. The projected completion date for the City's share of the Riverwalk project should be in the fall of 2004. During 2001, the City issued \$4.85 million in revenue bonds for the purpose of making capital improvements to Traffic Street and for other riverfront and downtown development. To date, the City has spent \$1.2 million for purchase of right of way and construction costs related to the Traffic Street widening project. The City has also budgeted approximately \$5.7 million in riverfront gaming funds for the Traffic Street construction and purchase of right of way in 2004. The City purchased right of way in 2004 for the purpose of constructing the Benton Road overpass. The City has also appropriated \$7.3 million of riverfront gaming funds in 2004 for the Benton Road Overpass project.

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 workers' compensation coverage, group dental coverage, and the self-insured retentions for automobile, general liability, and property claims.

Payments are made from the operating funds to the Insurance Fund and the Liability Insurance Fund which are accounted for as internal service funds. Payments are accounted for as revenues by the receiving fund and expenditures/expenses by the paying funds. The City maintains stop-loss coverage with an insurance company of \$150,000 per occurrence for workers' compensation coverage with an aggregate limit of \$1,800,000. Employer 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 \$1,800,000 per occurrence limit with a \$100,000 per occurrence retention for claims involving third parties. The City maintained property insurance during 2003 on approximately \$95 million in City property, subject to a \$100,000 per occurrence retention for property claims. The maximum cumulative amount of self-insured retentions related to automobile, general liability, and property claims is \$700,000.

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.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2001

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:				
2000	\$ 35,800	228,631	216,817	45,378
2001	45,378	278,478	280,478	58,378
Liability Insurance Fund:				
2000	\$ 793,374	1,878,728	1,878,728	793,374
2001	793,374	1,224,838	1,188,938	849,478

Litigation

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

Grant Disallowances

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

Revenues From the State of Louisiana

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

**REQUIRED
SUPPLEMENTARY
INFORMATION**

CITY OF BOSSIER CITY, LOUISIANA

Required Supplementary Information

Schedule of Funding Progress

Fiscal years ended December 31, 2001 through December 31, 2003
(continued)

Fiscal Year	(1)		(2)		(3)	(4)	(5)	(6)
	Actual Value of Assets	Actual Liability (GAAL) - Early Age	Unfunded GAAL (GAAL) (2-1)	Funded Ratio (3-1)				
Pension Fund:								
2000	\$ 26,051,100	69,038,091	42,986,991	38.0%	\$	143,089	29,495.0%	
2002	21,840,860	67,182,149	45,341,289	38.5%		648,052	9,297.5%	
2001	21,341,870	79,400,190	57,958,320	31.4%		334,448	1,260.6%	
Pollman's Fund:								
2001	6,079,401	26,014,824	19,935,423	31.0%		N/A	N/A	
2002	5,728,198	27,464,252	21,736,054	38.7%		N/A	N/A	
2001	6,359,624	24,377,844	17,927,422	38.7%		N/A	N/A	

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA
Notes to Required Supplementary Information
Year ended December 31, 2003
(quantified)

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

	<u>Firemen's Fund</u>	<u>Policemen's Fund</u>
Valuation date	1/1/04	1/1/04
Actuarial cost method	Entry age normal cost	Entry age normal cost
Amortization method	Level percentage	Level percentage
Remaining amortization period	9 years - closed	9 years - closed
Asset valuation method	Fair value	Fair value
Actuarial assumptions:		
Investment rate of return	6.80%	6.80%
Projected salary increases	4.50%	5.0%
Cost-of-living adjustments	3.25%	3.25%
Amortization interest rate	3.65%	3.40%

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

General Fund

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

Year ended December 31, 2003

(continued)

	Original and Final Budget	Actual on a Budgetary basis	Variance with final budget positive (negative)
Revenues:			
Taxes:			
Sales, net	\$ 11,189,978	11,111,444	488,488
Ad valorem	8,467,159	8,425,856	7,689
Utility	1,089,000	1,089,796	189,796
Telephone	260,000	260,467	159,531
Franchise:			
Cable television	289,000	434,679	58,471
Chain store	81,000	60,440	(533)
Taxi	4,000	4,729	730
	<u>21,289,128</u>	<u>21,827,488</u>	<u>607,810</u>
Licenses and permits	1,074,000	2,240,679	866,679
Intergovernmental:			
Grants	289,000	328,658	79,243
State and parish revenues:			
Supplemental pay	1,111,080	1,226,719	115,230
Sales tax	110,000	104,700	(1,288)
Special funds from State of Louisiana	181,000	178,112	(1,888)
	<u>1,671,080</u>	<u>1,648,189</u>	<u>26,288</u>
Fees and penalties	1,830,000	1,877,117	27,117
Racing - Commission - Louisiana District	430,000	411,977	(11,823)
Value added	481,000	563,390	77,281
Interest	71,000	78,149	(6,833)
Miscellaneous:			
Payment in lieu of taxes - Federal Housing Authority	44,000	48,293	4,933
Parks and recreation	171,000	174,246	(34)
Engineering fees	10,000	70,860	60,860
Enterprise funds and Civic Center fund per rate share of general and administrative expenses	471,500	471,500	---
Police Department revenues	323,000	380,694	(34,280)
Other income	323,000	349,879	26,879
Total miscellaneous	<u>1,284,500</u>	<u>1,377,442</u>	<u>75,342</u>
Total revenues	<u><u>28,226,158</u></u>	<u><u>28,576,394</u></u>	<u><u>1,358,246</u></u>

CITY OF BOSSIER CITY, LOUISIANA

General Fund

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

Year ended December 31, 2003

(continued)

	Original and final budget	Actual on a budgetary basis	Variance with final budget positive (negative)
Expenditures:			
Current:			
General government:			
Administration:	\$ 491,027	506,111	(17,080)
Municipal building	1,384,170	1,311,471	72,276
Finance	214,200	206,111	8,089
City garage	138,540	170,144	(31,600)
Traffic engineering and safety	784,040	811,058	(29,000)
Purchasing	118,504	111,341	7,163
Engineering	711,000	676,177	34,823
Personnel	371,315	380,177	(7,860)
Fees and expenses	621,260	711,094	(89,790)
City attorney	147,150	201,007	(53,857)
Public works	120,000	111,165	8,835
City Council	110,110	120,000	(9,890)
Community development	271,277	304,121	(32,844)
Animal control	208,818	400,000	(191,182)
Information services	400,000	400,000	-
Payments to other governmental agencies	1,007,074	1,088,776	(81,702)
	<u>9,500,000</u>	<u>9,432,011</u>	<u>67,989</u>
Public safety:			
Fire	9,700,000	9,701,500	(1,480)
Police	11,000,001	11,000,000	1,001
	<u>21,540,001</u>	<u>21,001,500</u>	<u>438,501</u>
Highways and streets	1,200,000	1,211,208	(11,208)
Culture and recreation	1,610,000	1,610,700	(700)
City Court and Marshal:			
City Court	500,776	501,268	(491)
Marshal's office	618,100	556,000	62,100
	<u>1,118,876</u>	<u>1,057,268</u>	<u>61,608</u>
Total expenditures	<u>31,000,000</u>	<u>31,001,600</u>	<u>(1,600)</u>
Excess of expenditures over revenues	<u>(9,870,000)</u>	<u>(1,130,000)</u>	<u>8,740,000</u>
Other financing sources (uses):			
Transfers in	3,000,000	6,107,000	3,107,000
Transfers out	-	(400,000)	(400,000)
Transfers to component unit	(145,700)	(145,700)	-
	<u>2,854,300</u>	<u>5,601,300</u>	<u>2,701,300</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(1,070,000)</u>	<u>270,000</u>	<u>1,340,000</u>
Fund balance at beginning of year	<u>5,812,001</u>	<u>5,812,001</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,742,001</u>	<u>\$ 4,742,001</u>	<u>\$ 4,742,001</u>

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Special Revenue Fund
Arena Fund

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

Year ended December 31, 2003

(continued)

		Original and Final Budget	Actual	Variance with Final Budget positive (negative)
Revenues				
Direct event income	\$	371,079	227,982	(143,097)
Auxiliary income		920,311	848,781	(71,530)
Advertising		982,133	917,577	(64,556)
License fee income		573,780	518,684	(55,096)
Other income		294,470	291,287	(3,183)
Total revenues		<u>3,078,873</u>	<u>2,805,308</u>	<u>(273,565)</u>
Expenditures - current - culture and recreation				
Executive		218,406	210,433	(7,973)
Finance		180,349	190,687	10,338
Operations		1,201,484	1,178,039	(23,445)
Marketing		181,000	188,842	7,842
San office		189,340	111,288	(78,052)
Facility overhead		846,830	949,881	103,051
Total expenditures		<u>3,798,419</u>	<u>3,829,169</u>	<u>(30,750)</u>
Excess (deficiency) of revenues over (under) expenditures		279,154	(19,861)	(299,015)
Other financing uses - transfers out		—	(1,000)	(1,000)
Fund balance, beginning of year		180,140	180,140	—
Fund balance, end of year	\$	<u>459,304</u>	<u>159,279</u>	<u>(299,025)</u>

See accompanying independent auditor's report.

CITY OF BOSSER CITY, LOUISIANA

Notes to Budgetary Comparison Schedules

December 31, 2000

(continued)

Budget and Budgetary Accounting

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

- (1) Prior to October 15, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) A public hearing is then conducted, after proper official journal notification, to obtain taxpayer comments.
- (3) Prior to December 15, the budget is legally enacted through passage of an ordinance.
- (4) The budget ordinance is structured such that revenues are budgeted by source, and appropriations are budgeted by department and by principal object of expenditure. The City Charter provides that expenditures may not legally exceed appropriations on a departmental basis after considering fund surpluses or deficits. The Council may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. For the year ended December 31, 2000, amendments were made to the budget for Hotel Motel Taxes and Fire Improvements and Operations. These amendments were to increase the budget for capital outlay for anticipated projects in 2001.
- (5) Comparison of budgeted and actual amounts as shown in the accompanying financial statements includes the General Fund and those special revenue funds which are included in the annual operating budget (Clinic Center, Hotel Motel Taxes, Fire Improvements and Operations, Jail and Municipal Buildings, Streets and Drainage, and Arroyo). Annual operating budgets are not prepared for the State and Federal Grants, 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 statements for these funds. Budgetary control for the debt service funds is achieved through general bond indenture provisions.
- (6) All budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP), except that payments to the Firemen's and Policemen's Pension Funds are not budgeted in the General Fund and administrative expenditures allocated to the State and Federal Grants special revenue fund are budgeted in the General Fund. Appropriations which are not expended before year end, except appropriations for capital improvements, which do not lapse until the purpose of the appropriation has been accomplished or abandoned.
- (7) The City is legally required to prepare annual operating budgets for the Department of Water and Sewerage, Sanitation, and the Emergency Medical Services. The City is not, however, required to present an actual-to-budget comparison for the enterprise funds. Budgets are not prepared for the internal service funds.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Budgetary Comparison Schedules

December 31, 2003

(continued)

Reconciliation of the Budgetary Basis and the GAAP Basis

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

	<u>General Fund</u>
Budgetary basis expenses	\$ 34,807,638
Administrative costs of State and Federal Grant	
- Special Revenue Fund	(128,638)
Sales taxes dedicated to Fierman's and Polkcomer's Police and Sheriff Funds	3,033,948
Payments to component units	<u>145,718</u>
GAAP basis expenses	\$ <u>38,757,626</u>

Excess of Expenditures Over Budget - Major Funds

For those funds for which a budget to actual comparison was made, actual expenditures on a budgetary basis exceeded budgeted expenditures on a few items based as follows:

Fund	<u>Budget</u>	<u>Actual on a budgetary basis</u>	<u>Negative variance</u>
General Fund:			
General government:			
Administration	\$ 481,827	508,132	(27,265)
City garage	728,542	718,188	(10,354)
Traffic engineering and safety	784,865	820,998	(37,893)
Personnel	373,213	388,337	(15,144)
Permits and inspections	622,260	713,984	(91,724)
City Attorney	287,030	301,967	(14,937)
City Council	220,518	234,664	(14,146)
Animal control	388,679	403,958	(15,279)
Payments to other government agencies	997,474	1,088,796	(91,322)
Culture and recreation	1,413,586	1,823,789	(428,203)
City Court	588,738	594,368	(5,630)
Marshal's office	614,150	636,227	(22,077)
Arms fund	2,798,811	3,811,361	(1,012,550)

CITY OF BOSSIER CITY, LOUISIANA

Notes to Budgetary Comparison Schedules

December 31, 2001

(continued)

The unfavorable variance in permits and inspections is due to the transfer of three additional personnel into the department from Community Development. The unfavorable variance in payments to other government agencies is due to an additional payment to the Hurricane Forward project that was applicable in the prior year and an additional amount was paid to the Clean City Committee for additional funding. Also a higher than projected amount was paid to the Northwest Council of Governments. The unfavorable variance in culture and recreation is due to a payment to settle a lawsuit against the City related to recreation.

**COMBINING FUND FINANCIAL
STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

Hotel Motel Taxes - This fund accounts for the revenues received from taxes levied on the occupancy of hotel/motel rooms and related facilities. The revenues can only be used for downtown development and the operation and maintenance of the civic center and multi-purpose areas.

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.

Public Safety Pension Reserve - This fund accounts for funds reserved for the potential liability that may need to be paid due to the increase of contribution requirements of the State Firefighters Retirement System and the State Police Retirement System.

Debt Service Funds

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, 1995, and 2001 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 1997 and 2001 bond series.

Hotel Bond 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 2001 bond series.

Capital Projects Funds

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.

Traffic Street Bond Construction Fund – This fund is used to account for the capital improvements associated with riverfront and downtown development and is funded by the 2001 bond proceeds and interest earned.

Special Project Fund – This fund is used to account for expenditures associated with the completion of the Arthur Ray Trapp Parkway and is funded with the remaining 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.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Governmental Funds

Combining Balance Sheet - By Fund Type

Governmental Activities

December 31, 2003

Assets	Special Revenue Funds	Sales Service Funds	Capital Projects Funds	Total
Assets				
Cash and cash equivalents	\$ 792,277	829,259	794,831	2,416,367
Investments	8,108,806	2,173,880	2,434,637	12,716,723
Receivables, net				
Taxes - other	1,202,540	706,876	97,068	2,006,484
Account interest	82,218	82,266	82,838	247,322
Due from other funds	—	—	—	—
Due from other governmental units	272,825	—	—	272,825
Total assets	\$ 11,448,766	3,892,281	3,308,366	18,649,413
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 293,738	964	288,434	583,136
Due to other funds	83,481	—	—	83,481
Deferred revenues	712,542	—	—	712,542
Total liabilities	1,089,761	964	288,434	1,379,159
Fund Balances				
Reserved				
Debt service	—	4,831,295	—	4,831,295
Encumbrances	1,242,194	—	1,144,792	2,386,986
Unreserved				
Designated for subsequent year's expenditures	—	—	6,811,128	6,811,128
Undesignated	9,206,572	—	—	9,206,572
Total fund balances	10,418,705	4,832,295	6,855,920	22,106,920
Total liabilities and fund balances	\$ 11,508,466	4,833,259	6,856,354	23,198,079

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Governmental Funds

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

Governmental Activities

Year ended December 31, 2003

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Revenues				
Taxes	\$ 4,291,141	1,992,493	289,456	6,573,090
Intergovernmental	2,683,077	—	1,887,565	4,570,642
Fees and rentals	139,793	—	—	139,793
Fines and penalties	55,911	—	—	55,911
Investment earnings	206,041	184,982	1,088,847	1,480,000
Miscellaneous	22,224	2,128	10,188	34,540
Total revenues	<u>7,481,187</u>	<u>2,164,603</u>	<u>3,011,056</u>	<u>12,656,846</u>
Expenditures				
Current:				
General government	882,141	—	—	882,141
Culture and recreation	71,629	—	—	71,629
City-Courier Market	24,811	—	—	24,811
Capital outlay	2,049,643	—	2,588,166	4,637,809
Debt service:				
Principal retirement	—	2,969,888	—	2,969,888
Interest and bond charges	—	4,189,872	—	4,189,872
Total expenditures	<u>3,048,624</u>	<u>7,159,760</u>	<u>2,588,166</u>	<u>12,806,550</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,432,563</u>	<u>(5,995,157)</u>	<u>452,890</u>	<u>(1,510,704)</u>
Other financing sources (uses)				
Refunding bond issue	—	2,107,288	—	2,107,288
Payment to refunded bond-issue agent	—	(2,117,694)	—	(2,117,694)
Transfer in	1,761,428	589,493	1,279,281	3,630,202
Transfer out	(2,788,528)	(284,732)	(174,288)	(3,247,548)
Total other financing sources (uses)	<u>(1,027,100)</u>	<u>281,355</u>	<u>1,105,001</u>	<u>359,656</u>
Net change in fund balances	<u>3,405,463</u>	<u>(5,713,802)</u>	<u>557,891</u>	<u>(1,750,448)</u>
Fund balances at beginning of year	<u>3,317,048</u>	<u>3,878,582</u>	<u>1,712,249</u>	<u>8,907,879</u>
Fund balances at end of year	<u>\$ 6,722,511</u>	<u>8,164,780</u>	<u>2,270,140</u>	<u>17,157,431</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Manager Special Revenue Funds

Combining Balance Sheet

December 31, 2002

Asset	Year-end Balance 12/31/02	Year-end Balance 12/31/01	Change	Investment Earnings	Pro- Rata Share of Operations	Interest Received	Revised Balance	Year-end Balance	Total
Cash and cash equivalents	11,262	11,262	0	0	0	11,262	11,262	11,262	11,262
Receivables	0	0	0	0	0	0	0	0	0
Prepaid expenses - other	0	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0	0	0
Due from other governmental agencies	0	0	0	0	0	0	0	0	0
Total assets	11,262	11,262	0	0	0	11,262	11,262	11,262	11,262

Liabilities and Fund Balance

Accounts payable	0	0	0	0	0	0	0	0	0
Due to other funds	0	0	0	0	0	0	0	0	0
Deferred revenue	0	0	0	0	0	0	0	0	0
Total liabilities	0	0	0	0	0	0	0	0	0
Fund balance	11,262	11,262	0	0	0	11,262	11,262	11,262	11,262
Balance in investments	0	0	0	0	0	0	0	0	0
Unassigned - undesignated	11,262	11,262	0	0	0	11,262	11,262	11,262	11,262
Total fund balance	11,262	11,262	0	0	0	11,262	11,262	11,262	11,262
Total liabilities and fund balance	11,262	11,262	0	0	0	11,262	11,262	11,262	11,262

See accompanying notes to these financial statements.

CITY OF BOSSIER CITY, LOUISIANA

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

Account	Initial and Final Fund Balances	Current Period Revenues	Other Revenues	Revenues from Operations	Revenues from Investments	Revenues from Intergovernmental Activities	Revenues from Miscellaneous Sources	Total
Interest on long-term debt	—	—	267.93	—	—	—	—	267.93
U.S. government securities and other investments	88,124	—	—	—	—	—	—	88,124
Loss on sale of fixed assets	—	—	—	—	—	—	—	—
Total expenditures	88,124	—	—	—	—	—	—	88,124
Revenues available for operations	—	14,119	267.93	—	—	—	—	14,386.93
Revenues	—	—	267.93	—	—	—	—	267.93
Excess revenues	88,124	14,119	—	1,000.00	—	—	—	100,243
Expenditures	—	—	—	—	—	—	—	—
Change	88,124	14,119	267.93	1,000.00	—	—	—	100,501.93
Revenues	—	—	—	—	—	—	—	—
Expenditures	—	—	—	—	—	—	—	—
Capital assets	88,124	—	—	—	—	—	—	88,124
Non-expendable	—	—	—	—	—	—	—	—
Expendable	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Transfer in	—	—	—	—	—	—	—	—
Transfer to	—	—	—	—	—	—	—	—
Revenues	—	—	—	—	—	—	—	—
Expenditures	—	—	—	—	—	—	—	—
Revenues in excess of expenditures	—	—	—	—	—	—	—	—
Revenues	—	—	—	—	—	—	—	—
Expenditures	—	—	—	—	—	—	—	—
Transfer in	—	—	—	—	—	—	—	—
Transfer to	—	—	—	—	—	—	—	—
Revenues	—	—	—	—	—	—	—	—
Expenditures	—	—	—	—	—	—	—	—
Revenues in excess of expenditures	—	—	—	—	—	—	—	—
Revenues	—	—	—	—	—	—	—	—
Expenditures	—	—	—	—	—	—	—	—
Transfer in	—	—	—	—	—	—	—	—
Transfer to	—	—	—	—	—	—	—	—

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Debt Service Funds

Combining Balance Sheet

December 31, 2001

Assets	Sales Tax Bond Sinking and Reserve Fund	Parishway Sales Tax Bond Sinking and Reserve Fund	Hotel Motel Bond Sinking and Reserve Fund	Total
Cash and cash equivalents	\$ 415,383	159,812	53,418	628,613
Investments	3,411,371	2,076,951	688,445	6,176,771
Accounts receivable - taxes	700,179	136,691	—	836,870
Accrued interest	54,935	31,873	4,548	82,356
Total assets	\$ 4,581,869	2,405,326	746,811	7,733,946
Liabilities and Fund Balance				
Accounts payable	\$ 964	—	—	964
Fund balances - reserved for debt service	4,580,905	2,405,326	746,811	7,733,042
Total liabilities and fund balances	\$ 4,581,869	2,405,326	746,811	7,733,949

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Major Debt Service Funds

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

Year ended December 31, 2005

	<u>Sales Tax Bond Sinking and Reserve Fund</u>	<u>Parway Sales Tax Bond Sinking and Reserve Fund</u>	<u>Fixed Bond Sinking and Reserve Fund</u>	<u>Total</u>
Revenues:				
Sales taxes, net	\$ 6,884,564	1,945,532	—	7,930,096
Investment earnings	121,246	45,265	14,591	181,102
Miscellaneous other income	7,128	—	—	7,128
Total revenues	7,012,938	1,990,797	14,591	9,018,326
Expenditures - debt service:				
Principal retirement	2,540,000	1,190,000	431,000	3,961,000
Interest and fiscal charges	3,483,738	681,341	136,893	4,101,972
Total expenditures	6,023,738	1,871,341	567,893	8,462,972
Excess (deficiency) of revenues over (under) expenditures	989,200	119,456	(553,302)	(444,646)
Other financing sources (uses):				
Refunding bond issued	1,137,354	—	—	1,137,354
Payment to refunded bond issuer agent	(3,137,384)	—	—	(3,137,384)
Transfers in	—	—	181,483	181,483
Transfers out	(112,724)	(26,157)	(15,433)	(154,314)
Total other financing sources (uses)	(187,754)	(26,157)	166,050	(47,861)
Net change in fund balances	801,446	93,299	(387,252)	(492,507)
Fund balances at the beginning of year	6,688,611	2,439,117	798,418	9,926,146
Fund balances at the end of year	\$ 7,490,057	2,532,416	411,166	10,433,639

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Major Capital Projects Fund

Combining Balance Sheet

December 31, 2003

Assets	Sales Tax Capital Improvement		Railway Capital Projects		Traffic Street Road Construction		Special Projects		Land Acquisitions		Equipment Acquisition		Total
	Final	Final	Final	Final	Final	Final	Final	Final	Final	Final	Final	Final	
Cash and cash equivalents	489,809	46,874	288,349	46,874	—	—	—	—	6,750	—	76,270	764,801	
Investments	4,051,114	—	2,004,000	400,000	—	—	—	—	112,811	—	76,428	6,454,232	
Trade receivables - other	17,211	—	10,208	—	—	—	—	—	—	—	—	27,419	
Accrued interest	57,811	—	2,480	5,101	—	—	—	—	1,140	—	1,000	60,431	
Total assets	5,306,945	—	2,805,037	458,975	—	—	—	—	120,701	—	83,698	8,344,267	

Liabilities and Fund Balances

Liabilities

Accounts payable

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CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Capital Projects Funds

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

Year ended December 31, 2011

	State Tax Capital Improvements Fund	Portway Capital Projects Fund	Traffic, Street Improvement Fund	Special Project Fund	Land Acquisition Fund	Equipment Replacement Fund	Total
Revenues:							
State taxes, net	81,249	119,117	--	--	--	--	200,366
Investment earnings	86,114	41,944	9,473	--	3,582	--	131,113
Intergovernmental revenue	689,000	500,000	--	--	--	2,500	1,191,500
Other income	--	19,134	--	--	--	25,000	44,134
Total revenues	856,363	879,201	9,473	--	3,582	27,500	1,776,119
Expenditures:							
Capital outlay - projects expenditures and engineering fee	1,026,791	3,493,448	800,270	75,440	--	--	5,395,949
Total expenditures	1,026,791	3,493,448	800,270	75,440	--	--	5,395,949
Excess (deficiency) of revenues over (under) expenditures	(170,428)	(1,614,247)	(790,797)	(75,440)	3,582	27,500	(3,620,150)
Other financing sources (uses):							
Transfers in	2,025,794	1,184,817	--	--	--	--	3,210,611
Transfers out	--	(171,850)	--	--	--	--	(171,850)
Total other financing sources (uses)	2,025,794	1,012,967	--	--	--	--	3,038,761
Net change in fund balances	1,855,366	(1,601,660)	(790,797)	(75,440)	3,582	27,500	(796,758)
Fund balances at beginning of year	3,279,071	4,176,421	800,000	75,440	18,078	278,000	8,577,010
Fund balances at end of year	5,134,437	2,574,761	89,203	--	21,660	495,500	8,000,251

See accompanying notes to basic financial statements.

**NONMAJOR ENTERPRISE
FUNDS**

Sanitation - Operated as a self-sustaining service of the City and is responsible for providing the residents of the City of Bossier City sanitation services.

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 with emergency medical services.

CITY OF BOSSIER CITY, LOUISIANA

Revenue Enterprise Funds

Combining Statement of Net Assets

December 31, 2002

Assets	<u>Sanitation</u>	<u>Emergency Medical Services</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	5 31,386	—	31,386
Investments	416,871	—	416,871
Accounts receivable - customers	214,623	1,412,179	1,626,802
Less allowance for doubtful accounts	<u>(84,565)</u>	<u>(248,874)</u>	<u>(333,439)</u>
	<u>129,858</u>	<u>1163,305</u>	<u>1,293,163</u>
Accrued interest receivable	4,251	—	4,251
Other accounts receivable	<u>81,989</u>	<u>38,994</u>	<u>120,983</u>
Total current assets	<u>211,104</u>	<u>1192,304</u>	<u>1,403,408</u>
Capital assets:			
Equipment	—	1,342,519	1,342,519
Less accumulated depreciation	—	<u>(2,784,900)</u>	<u>(1,442,381)</u>
Total capital assets, net of accumulated depreciation	<u>—</u>	<u>457,619</u>	<u>457,619</u>
Total assets	<u>211,104</u>	<u>1,650,923</u>	<u>1,862,027</u>
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	66,723	8,285	75,008
Accrued expenses	4,083	51,725	55,808
Compensated absences	11,808	89,462	101,270
Due to other funds	—	731,642	731,642
Total current liabilities	<u>82,614</u>	<u>961,114</u>	<u>1,043,728</u>
Long-term liabilities - compensated absences	<u>3,131</u>	<u>51,817</u>	<u>54,948</u>
Total liabilities	<u>85,745</u>	<u>1,012,931</u>	<u>1,098,676</u>
Net assets:			
Invested in capital assets, net of depreciation	—	457,619	457,619
Uninvested	<u>211,104</u>	<u>(117,700)</u>	<u>93,404</u>
Total net assets	<u>211,104</u>	<u>339,919</u>	<u>551,023</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Enterprise Funds

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

Year ended December 31, 2003

	<u>Sanitation</u>	<u>Emergency Medical Services</u>	<u>Total</u>
Operating revenues:			
Charges for services:			
Sanitation fees	1,593,772	—	1,593,772
Ambulance fees	—	1,472,241	1,472,241
	<u>1,593,772</u>	<u>1,472,241</u>	<u>3,066,014</u>
Miscellaneous - other revenues	79,784	3,781	79,563
Total operating revenues	<u>1,673,556</u>	<u>1,476,022</u>	<u>3,149,578</u>
Operating expenses:			
Personal services	367,714	1,355,181	2,012,508
Supplies	92,582	157,684	250,166
Utilities	3,425	11,223	34,648
Repairs and maintenance	12,545	9,524	22,069
Contractual expenses	1,791,684	—	1,791,684
Provision for bad debts	12,130	883,283	895,413
Miscellaneous	53,836	114,647	168,483
Depreciation and amortization	—	12,381	12,381
Total expenses	<u>3,115,756</u>	<u>3,818,759</u>	<u>6,934,515</u>
Operating income (loss)	<u>357,800</u>	<u>(342,737)</u>	<u>(14,937)</u>
Nonoperating revenues (expenses):			
Investment earnings	11,608	—	11,608
Total nonoperating revenues (expenses)	<u>11,608</u>	<u>—</u>	<u>11,608</u>
Income before contributions and transfers	369,408	(342,737)	(13,329)
Transfer in	—	138,375	138,375
Transfer out	—	(170,802)	(170,802)
	<u>—</u>	<u>67,573</u>	<u>67,573</u>
Change in net assets	<u>369,408</u>	<u>(175,164)</u>	<u>(193,756)</u>
Net assets at beginning of year	334,132	478,331	732,463
Net assets at end of year	<u>1</u> <u>703,540</u>	<u>303,167</u>	<u>1,006,707</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

Year ended December 31, 2003

	<u>Sanitation</u>	<u>Emergency Medical Services</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from operations	\$ 1,080,908	1,318,084	2,398,992
Payments to suppliers	(1,943,824)	(1,289,958)	(3,233,782)
Payments to employees	(161,133)	(2,668,804)	(2,829,937)
Other receipts	68,137	312,880	381,017
Net cash provided by (used in) operating activities	<u>78,088</u>	<u>(7178)</u>	<u>71,910</u>
Net cash provided by noncapital financing activities:			
Transfers in	—	150,276	150,276
Transfers out	—	(131,000)	(131,000)
Net cash provided by noncapital financing activities	<u>—</u>	<u>19,276</u>	<u>19,276</u>
Net cash provided by investing activities:			
Purchases of investments	(417,228)	—	(417,228)
Interest received	8,341	—	8,341
Net cash provided by (used in) investing activities	<u>(408,887)</u>	<u>—</u>	<u>(408,887)</u>
Net increase in cash and cash equivalents	<u>(41,599)</u>	<u>—</u>	<u>(41,599)</u>
Cash and cash equivalents at beginning of year	33,871	—	33,871
Cash and cash equivalents at end of year	\$ <u>32,382</u>	<u>—</u>	<u>32,382</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 297,880	(442,134)	(144,254)
Depreciation and amortization	—	33,000	33,000
Provision for bad debts	20,230	883,280	903,510
(Increase) decrease in assets:			
Accounts receivable	(11,174)	(1,000,811)	(1,011,985)
Other receivables	(7,487)	(4,807)	(12,294)
Increase (decrease) in liabilities:			
Accounts payable	40,336	(22,647)	17,689
Accrued expenses	6,241	7,341	13,582
Due to other funds	—	221,806	221,806
Net cash provided by (used in) operating activities	\$ <u>311,086</u>	<u>(7,278)</u>	<u>303,808</u>
Noncash items:			
Change in fair value of investments	(144)	—	(144)

See accompanying notes to basic financial statements.

FIDUCIARY FUNDS

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 Fireman's Pension and Relief Fund, the Policemen's Pension and Relief Fund, and the Boulder Medical Center Pension Fund.

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 Boulder 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.

CITY OF BOSSER CITY, LOUISIANA

Facility Funds

Combining Balance Sheet

December 31, 2003

	Fondex Trust Funds		Agency Funds		Total
	Street's Pensions and Bonds Fund	Police's Pensions and Bonds Fund	Comptroller's Sales Tax Fund	Street's Banding Agency Fund	
Assets					
Cash and cash equivalents	1,892,317	611,163	1,417,281	--	3,920,761
Investments, at fair value	21,744,289	6,894,648	--	--	28,638,937
U.S. treasury bonds and U.S. government and agency obligations	2,734,289	7,671,448	--	--	10,405,737
Accounts receivable	149,091	--	--	--	149,091
Other receivables	--	--	1,472	--	1,472
Other assets	18	--	--	--	18
Total assets	\$ 26,811,102	\$ 15,177,311	\$ 1,418,753	\$ --	\$ 43,407,166
Liabilities and Fund Balances					
Liabilities					
Accounts payable	--	--	20,043	--	20,043
Taxes paid under protest	--	--	1,228,741	--	1,228,741
Refundable deposits	--	--	83,965	--	83,965
Total liabilities	--	--	1,332,749	--	1,332,749
Fund Balances					
Reserved for employees' retirement system	26,811,102	8,076,611	--	--	34,887,713
Total fund liability	26,811,102	8,076,611	--	--	34,887,713
Total liabilities and fund balances	\$ 26,811,102	\$ 8,076,611	\$ 1,332,749	\$ --	\$ 36,220,462

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Pension Trust Funds

Combining Statement of Plan Net Assets

December 31, 2003

Assets		Firemen's Pension and Retiree Fund	Policemen's Pension and Retiree Fund	Booster Medical Center Pension Fund	Total
Cash and cash-equivalents	\$	1,032,727	602,462	19,834	1,654,994
Investments, at fair value:					
U.S. treasury bonds and U.S.					
governmental and agency obligations		20,744,289	4,098,681	---	24,842,970
Certificates of deposit		---	338,787	---	338,787
		<u>20,744,289</u>	<u>4,437,468</u>	<u>---</u>	<u>25,181,757</u>
Accrued interest receivable		142,091	---	---	142,091
Other assets		188	---	---	188
		<u>188</u>	<u>---</u>	<u>---</u>	<u>188</u>
Total assets	\$	<u>26,911,187</u>	<u>8,079,931</u>	<u>19,834</u>	<u>35,010,952</u>
Liabilities and Fund Balances					
Fund balances reserved for employees' retirement system.	\$	26,911,187	8,079,931	19,834	35,010,952

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Pension Trust Funds

Combining Statement of Changes in Plan Net Assets

December 31, 2000

	<u>Firemen's Pension and Retiree Fund</u>	<u>Policemen's Pension and Retiree Fund</u>	<u>Senior Medical Center Pension Fund</u>	<u>Total</u>
Additions				
Contributions from City:				
Sales taxes, net	\$ 4,111,894	1,778,172	—	5,890,066
Fiduciary investment premiums	150,221	—	—	150,221
Employer's contributions	18,840	—	—	18,840
City Court fines	—	177,692	—	177,692
City Super licenses	—	6,142	—	6,142
Total contributions	<u>4,300,055</u>	<u>1,962,112</u>	<u>—</u>	<u>6,262,167</u>
Employee contributions	18,840	—	—	18,840
Investment earnings	971,278	182,657	—	1,153,935
Less investment expenses	<u>(181,192)</u>	<u>(18,811)</u>	<u>—</u>	<u>(199,993)</u>
Net investment earnings	<u>890,086</u>	<u>173,846</u>	<u>—</u>	<u>1,063,932</u>
Total additions	<u>5,088,969</u>	<u>2,138,118</u>	<u>—</u>	<u>7,227,087</u>
Deductions				
Pensions and benefits	4,981,299	1,788,264	71,178	6,840,741
Administrative expenses	<u>20,488</u>	<u>15,477</u>	<u>—</u>	<u>35,965</u>
Total deductions	<u>4,991,787</u>	<u>1,803,741</u>	<u>71,178</u>	<u>6,866,706</u>
Change in net assets	<u>1,097,182</u>	<u>334,377</u>	<u>(71,178)</u>	<u>1,360,381</u>
Net assets - beginning	<u>31,849,800</u>	<u>1,728,188</u>	<u>91,024</u>	<u>33,668,992</u>
Net assets - ending	<u>\$ 32,946,982</u>	<u>2,062,565</u>	<u>19,846</u>	<u>35,029,393</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Fiduciary Funds

Combining Statement of Changes in Assets and Liabilities - Agency Funds

Year ended December 31, 2000

		Balance January 1, 2000			Balance January 1, 2001	
		Assets	Liabilities		Assets	Liabilities
Contributed Note Tax Fund						
<i>Assets</i>						
Cash and cash equivalents	\$	1,288,888	87,848,000	87,559,509	1,437,391	
Other receivables		1,000	18,107	15,687	1,712	
Due from other funds		254,874	---	254,884	---	
Due from Policemen's Pension and Relief Fund		26,797	---	26,797	---	
Due from Firemen's Pension and Relief Fund		62,487	---	62,487	---	
Total assets	\$	1,634,046	87,866,107	87,919,280	1,441,112	
<i>Liabilities</i>						
Accounts payable	\$	14,739	25,240,681	25,225,177	31,063	
Due to other funds		204,182	---	204,182	---	
Taxes paid under protest		1,024,084	2,714,714	2,691,009	1,325,741	
Refundable deposits		62,807	78,424	86,181	81,969	
Total liabilities	\$	1,405,812	28,064,000	28,207,549	1,420,773	
Workmen's Claiming						
<i>Assets</i>						
Cash and cash equivalents	\$	---	1,298,639	1,298,639	---	
<i>Liabilities</i>						
Due to other governmental units	\$	---	1,298,639	1,298,639	---	
Total of Agency Funds						
<i>Assets</i>						
Cash and cash equivalents	\$	1,288,888	88,847,000	88,559,509	1,437,391	
Other receivables		1,000	18,107	15,687	1,712	
Due from other funds		254,874	---	254,884	---	
Due from Policemen's Pension and Relief Fund		26,797	---	26,797	---	
Due from Firemen's Pension and Relief Fund		62,487	---	62,487	---	
Total assets	\$	1,634,046	88,865,107	88,679,280	1,441,112	
<i>Liabilities</i>						
Accounts payable	\$	14,739	25,240,681	25,225,177	31,063	
Due to other funds		204,182	---	204,182	---	
Taxes paid under protest		1,024,084	2,714,714	2,691,009	1,325,741	
Refundable deposits		62,807	78,424	86,181	81,969	
Due to other governmental units		---	1,298,639	1,298,639	---	
Total liabilities	\$	1,405,812	28,332,500	28,325,790	1,420,773	

See accompanying notes to basic financial statements.

INTERNAL SERVICE FUNDS

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 workers's compensation and liability insurance claims.

CITY OF BOSSIER CITY, LOUISIANA

Internal Service Funds

Combining Statement of Net Assets

December 31, 2003

Assets		Interest	Liability	Total
		Fund	Inventory	
			Fund	
Cash and cash equivalents	1	24,807	60,615	85,422
Investments		38,048	863,421	901,469
Prepaid items		—	240,290	240,290
Total assets	1	62,855	1,484,326	1,547,181
Liabilities and Net Assets				
Accounts payable	2	11,111	30,800	41,911
Accrued claims		28,218	889,476	917,694
Total liabilities		39,329	920,276	959,605
Net assets - unrestricted		23,526	564,050	587,576
Total liabilities and net assets	2	62,855	1,484,326	1,547,181

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Internal Service Funds

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

Year ended December 31, 2003

	<u>Insurance Fund</u>	<u>Liability Reserve Fund</u>	<u>Total</u>
Revenues:			
Employee' contributions/premiums	\$ 261,518	1,148,879	2,406,177
Employee' contributions	181,998	—	181,998
Refunds and reimbursements	3,308	372,463	375,771
Total operating revenues	<u>446,824</u>	<u>1,521,342</u>	<u>1,978,166</u>
Expenses:			
Claims	276,478	1,219,830	1,495,308
Employee insurance premiums	184,204	1,019,338	1,203,542
Other	38,732	29,891	68,623
Total operating expenses	<u>499,414</u>	<u>1,269,059</u>	<u>1,768,473</u>
Operating income (loss)	(4,590)	458,643	454,053
Nonoperating revenues - investment earnings	<u>(174)</u>	<u>(1,780)</u>	<u>(1,670)</u>
Change in net assets	(4,864)	456,863	452,078
Net assets at beginning of year	—	132,443	132,443
Net assets at end of year	\$ (4,864)	\$ 589,315	\$ 584,451

See accompanying notes to basic financial statements.

CITY OF MONROE CITY, LOUISIANA

Internal Service Funds

Combining Statement of Cash Flows

Year ended December 31, 2003

	<u>Increase</u>	<u>Liability</u>	
	<u>Fund</u>	<u>Increase</u>	<u>Total</u>
Cash flow from operating activities:			
Receipts from operations	\$ 468,834	2,117,181	2,586,015
Payments to suppliers	(211,321)	(1,104,158)	(1,315,479)
Claims paid	(255,478)	(1,388,258)	(1,643,736)
Net cash provided by (used in)			
operating activities	<u>(117,965)</u>	<u>414,811</u>	<u>296,846</u>
Cash flow from investing activities:			
Purchases of investments	—	(280,000)	(280,000)
Sale of investments	24,836	—	24,836
Net cash used in investing activities	<u>(24,836)</u>	<u>(280,000)</u>	<u>(304,836)</u>
Net decrease in cash	18,941	51,811	70,752
Cash and cash equivalents at beginning of year	1,845	12,689	14,534
Cash and cash equivalents at end of year	\$ <u>19,807</u>	<u>64,500</u>	<u>84,307</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (4,693)	438,443	433,750
Increase (decrease) in liabilities:			
Accounts payable	(18,281)	(92,538)	(110,819)
Accrued claims	5,000	51,931	56,931
Net cash provided by (used in)			
operating activities	\$ <u>(17,974)</u>	<u>414,811</u>	<u>296,846</u>
Noncash items:			
Change in fair value of investments	(174)	(1,780)	(1,954)

See accompanying notes to basic financial statements.

**INDIVIDUAL FUND
SCHEDULES**

CITY OF BOSSIER CITY, LOUISIANA

**Special Revenue Fund
Civic Center Fund**

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

**December 31, 2003
(continued)**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget positive (negative)</u>
Revenues:			
Rental fees	\$ 261,500	228,750	32,750
Investment earnings	75,000	57,456	17,544
Miscellaneous	40,110	22,156	17,954
Total revenues	<u>376,610</u>	<u>308,362</u>	<u>68,248</u>
Expenditures:			
Culture and recreation:			
Salaries, fringe benefits, and payroll taxes	346,417	424,775	(78,358)
Insurance	64,157	18,341	45,816
Professional services	3,000	—	3,000
Contract services	5,000	285	4,715
Utilities	128,750	148,737	(20,007)
Office and operating supplies	68,740	56,177	12,563
Administrative expenses	26,750	3,750	23,000
Traavel and lodging	4,000	1,439	2,561
Maintenance	52,500	52,781	(281)
Other	97,600	25,039	72,561
Capital outlay	—	112,087	(112,087)
Total expenditures	<u>737,624</u>	<u>825,548</u>	<u>(87,924)</u>
Income (deficiency) of revenues over (under) expenditures	<u>(461,014)</u>	<u>(517,186)</u>	<u>56,172</u>
Other financing sources:			
Transfers in	—	500,000	500,000
Net change in fund balance	<u>(461,014)</u>	<u>(17,186)</u>	<u>443,828</u>
Fund balance at beginning of year	977,018	977,118	—
Fund balance at end of year	<u>\$ 516,004</u>	<u>960,032</u>	<u>444,028</u>

See accompanying independent auditor's report.

CITY OF BOSSIER CITY, LOUISIANA

Special Revenue Fund

Hotel/Motel Taxes

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

December 31, 2003

(unaudited)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget positive negative</u>
Revenues:				
Intergovernmental - state and parish				
shared revenues	\$ 1,470,000	1,470,000	1,794,878	324,878
investment earnings	20,000	20,000	64,865	44,865
Total revenues	<u>1,490,000</u>	<u>1,490,000</u>	<u>1,859,743</u>	<u>369,743</u>
Expenditures:				
Capital outlay	741,400	752,410	41,318	711,102
Excess of revenues over				
expenditures	708,600	740,327	1,818,325	1,078,004
Other financing sources (uses):				
Transfers in	200,000	200,000	200,418	(15,433)
Transfers out	---	---	(1,295,493)	1,295,493
Total other financing				
sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>(1,095,075)</u>	<u>1,279,600</u>
Net change in fund balance	908,600	940,327	743,488	2,046,004
Fund balance at beginning of year	3,373,386	3,373,386	3,373,386	---
Fund balance at end of year	\$ <u>4,281,986</u>	\$ <u>4,313,713</u>	\$ <u>4,116,874</u>	\$ <u>1,996,611</u>

See accompanying independent auditor's report.

CITY OF BOSSIER CITY, LOUISIANA
Special Revenue Fund
Fire Improvements and Operations Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
December 31, 2007
(unaudited)

	Original Budget	Final Budget	Actual	Variance with Final Budget positive (negative)
Revenue:				
Sales tax, net	\$ 1,603,817	1,603,817	1,699,194	95,377
Investment earnings	0,000	0,000	—	(0,000)
Total revenue	<u>1,603,817</u>	<u>1,603,817</u>	<u>1,699,194</u>	<u>95,377</u>
Expenditure:				
Capital outlay	—	78,000	1,636	(76,964)
Items of revenue over expenditures	<u>1,603,817</u>	<u>1,525,817</u>	<u>1,697,458</u>	<u>95,641</u>
Other financing uses:				
Transfers out	(0,612,800)	(0,612,800)	(0,612,800)	—
Net change in fund balance	<u>0,000</u>	<u>(14,000)</u>	<u>93,641</u>	<u>93,641</u>
Fund balance at beginning of year	96,438	96,438	96,438	—
Fund balance at end of year	<u>\$ 100,438</u>	<u>82,438</u>	<u>190,079</u>	<u>93,641</u>

See accompanying independent auditor's report.

CITY OF BOSSIER CITY, LOUISIANA
Special Revenue Fund
Jail and Municipal Buildings Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
December 31, 2003
(unaudited)

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget positive (negative)</u>
Revenues:			
Sales tax, net	\$ 1,188,383	1,211,609	23,226
Investment earnings	50,000	46,088	(3,912)
Total revenues	<u>1,238,383</u>	<u>1,257,697</u>	<u>19,314</u>
Expenditures:			
Capital outlay	<u>484,000</u>	881,517	(397,517)
Excess of revenues over expenditures	<u>754,383</u>	<u>376,180</u>	<u>(378,203)</u>
Other financing uses:			
Transfers out	<u>(875,000)</u>	(875,000)	—
Net change in fund balance	<u>(120,617)</u>	(498,820)	(378,203)
Fund balance at beginning of year	<u>2,938,339</u>	<u>2,938,339</u>	<u>—</u>
Fund balance at end of year	<u>\$ 2,817,722</u>	<u>2,440,519</u>	<u>(377,203)</u>

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Special Revenue Fund
Streets and Drainage Fund

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

December 31, 2003

(continued)

	Original and Final Budget	Actual	Variance with final budget positive (negative)
Revenues:			
Sales tax, net	\$ 1,364,108	1,381,188	18,688
Investment earnings	11,608	28,115	13,115
Total revenues	<u>1,375,716</u>	<u>1,409,303</u>	<u>33,587</u>
Expenditures:			
Capital outlay	1,088,000	978,683	20,217
Excess of revenues over expenditures	278,118	432,126	53,987
Other financing uses:			
Transfer out	(600,000)	(600,000)	—
Net change in fund balance	<u>(321,882)</u>	<u>(167,874)</u>	<u>55,987</u>
Fund balance at beginning of year	1,682,840	1,682,840	—
Fund balance at end of year	\$ <u>1,360,958</u>	\$ <u>1,514,966</u>	<u>153,008</u>

See accompanying independent auditor's report.

**STATISTICAL
SECTION**

CITY OF BOSSIER CITY, LOUISIANA
 (General Developmental Expenditures by Function (1))
 Fiscal years ended December 31, 1994 through December 31, 2003

Fiscal Year	General Commitment	Funds (MFC)	Highways and Services	Solid Waste	Culture and Recreation	City Oper.	Standard's (2)(3)	Total
1994	4,007,135	1,622,078	145,245	1,491,776	1,275,747	275,268	275,268	14,119,724
1995	5,576,156	1,343,543	643,806	1,688,682	1,227,876	81,448	365,317	21,087,187
1996	5,072,687	1,171,488	714,786	1,463,131	1,262,181	33,086	338,493	23,834,542
1997	6,205,135	1,309,330	833,776	1,471,664	1,342,771	215,564	396,679	27,781,488
1998	4,488,664	1,499,928	814,624	1,685,196	1,448,848	215,418	415,281	34,461,029
1999	5,000,543	2,078,000	114,341	1,644,163	1,331,111	412,578	457,387	31,649,417
2000	7,231,041	2,148,086	812,263	1,607,818	1,431,697	478,674	482,487	31,966,178
2001	7,918,641	2,408,007	933,587	1,464,817	1,564,894	462,488	522,748	34,346,836
2002	7,948,111	3,001,766	1,049,134	--	1,358,896	492,171	541,289	33,113,882
2003	6,053,111	2,087,078	1,221,285	--	1,811,181	28,282	165,227	34,111,918

Notes:

- (1) Includes General Fund expenditures only.
 (2) Beginning in 1995, public utility and sewer's office expenditures include state apportioned (pp).
 (3) Beginning in 2001, solid waste expenditures were reported in an auxiliary fund.

Revised : see accompanying independent auditor's report.

Table 2

CITY OF BOSSIER CITY, LOUISIANA

General Revenues by Source (1)

Fiscal years ended December 31, 1994 through December 31, 2003

Fiscal Year	Transfers	License and Permits	Intergovernmental	Rent and Royalties	Licenses Fees	Video Rates	Change in Reserves	Interest and Miscellaneous	Total
1994	4,454,282	1,474,811	45,481	19,243	842,302	762,075	1,189,034	1,124,827	14,881,264
1995	1,414,426	1,764,811	1,050,000	86,414	474,226	684,000	1,641,224	1,641,224	14,074,325
1996	1,358,399	1,789,411	1,371,796	81,089	475,424	—	1,641,224	1,641,224	16,648,343
1997	1,358,399	1,444,811	1,354,097	719,124	861,244	171,000	1,641,224	1,641,224	17,446,126
1998	1,358,399	1,803,024	1,398,229	88,299	325,811	451,185	1,641,224	1,641,224	16,883,360
1999	1,647,126	1,896,987	1,698,791	1,442,774	299,825	388,844	1,776,796	1,776,796	16,774,329
2000	2,143,046	1,877,049	1,497,243	1,112,779	261,995	244,009	1,641,224	1,641,224	17,833,339
2001	2,192,075	1,938,881	1,682,124	1,143,779	881,221	464,226	1,641,224	1,641,224	18,933,658
2002	1,483,224	2,043,811	1,971,281	1,184,421	884,429	644,000	1,641,224	1,641,224	16,964,376
2003	1,483,224	2,184,811	1,974,024	1,071,177	812,875	812,224	—	1,641,224	14,074,325

Notes:

- (1) Includes General Fund revenues only. Operating revenues are not included.
 (2) In 1995, the City began recording other than license fees in the General Fund.
 (3) Beginning in 1995, intergovernmental revenue included grants from state departments.
 (4) In 1997, the City received recording other video receipts in the General Fund.
 (5) In 2002, the City began recording video receipts in comprehensive fund.

Modified : not incorporating independent auditor's report

Table 3

CITY OF LOSOSUNTER CITY, LOSOSUNTER

Property Tax Levies and Collections

Fiscal years ended December 31, 1994 through December 31, 2003

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Levy Collected	Delinquent Tax Collections (3)	Total Taxes Collected (4)	Total Outstanding Delinquent Taxes Receivable (5)	Percent of Total Tax Collections in Tax Levy (6)
1994	\$ 4,451,733	3,366,494	76.07%	994,199	4,341,200	110,463	91.52%
1995	4,395,281	3,319,682	75.53%	1,081,180	4,270,182	125,099	94.20%
1996	5,155,216	3,754,690	72.85%	1,400,500	5,261,280	133,936	91.15%
1997	5,854,271	4,247,954	72.66%	1,609,750	5,717,200	136,869	91.68%
1998	6,414,984	4,689,490	73.26%	1,699,546	6,489,125	312,798	94.19%
1999	6,751,267	4,977,229	73.72%	1,781,998	6,309,288	411,287	91.70%
2000	7,217,264	4,916,528	68.14%	2,077,198	7,265,428	411,204	91.17%
2001	5,881,267	3,449,792	58.83%	2,033,606	5,611,298	349,288	98.82%
2002	6,211,763	3,677,321	59.36%	2,533,958	6,011,289	771,493	94.51%
2003	6,244,613	3,751,185	60.23%	2,488,171	6,089,228	339,478	94.65%

Notes:

(1) Includes refinements through February 28 of the subsequent year.

(2) Includes refinements through December 31.

(3) Does not include adjustments from Louisiana Tax Commission.

(4) Percent of total tax collections is tax levy represents only those refinements through February 28 of the subsequent year. After rescheduling all adjustments by the Louisiana Tax Commission and refinements for the remainder of the year, the City has collected from 51.17% to 97.68% of the tax levy for the years 1994 through 2003.

Unaudited - see accompanying independent auditor's report.

Table 4

CITY OF BOSSIER CITY, LOUISIANA
Assessed and Estimated Actual Value of Taxable Property
Fiscal years ended December 31, 1994 through December 31, 2003

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Percent of Total Assessed to Estimated Actual Value</u>
1994	\$ 162,343,830	1,417,308,267	11.52%
1995	184,287,480	1,602,975,867	11.49%
1996	203,083,170	1,744,294,010	11.62%
1997	225,786,430	1,938,471,013	11.62%
1998	243,038,780	2,089,444,520	11.62%
1999	256,338,740	2,176,333,580	11.58%
2000	296,335,780	2,613,187,267	11.34%
2001	296,283,890	2,698,407,219	11.01%
2002	309,086,730	2,776,346,761	11.12%
2003	<u>314,545,818</u>	<u>2,823,226,959</u>	11.13%

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, 2000.

Unaudited – see accompanying independent auditor's report.

Table 5

CITY OF BOSSIER CITY, LOUISIANA

Property Tax Rates and Tax Levies - Direct and Developing Components

Fiscal years ended December 31, 1994 through December 31, 2005

Fiscal Year	Tax Rates per \$1,000 Annual Value				Tax Levies				
	City	Subdiv.	County	Special	City	Subdiv.	County	Special	
1994	21.31	58.62	45.79	112.82	4,481,700	7,114,871	7,580,638	114,832	19,282,041
1995	21.85	59.45	41.27	161.58	4,395,265	7,416,956	7,495,244	141,443	19,448,909
1996	24.28	61.29	42.23	152.84	5,333,274	11,712,843	8,217,156	148,050	25,411,323
1997	24.38	61.14	45.23	154.25	5,000,048	11,448,191	10,009,420	183,179	26,540,838
1998	24.38	61.39	45.23	154.54	4,411,981	14,511,179	11,000,897	154,345	26,088,402
1999	24.38	59.14	45.48	128.54	4,780,187	11,192,141	11,075,258	144,111	25,171,697
2000	24.38	59.16	45.54	129.70	5,013,064	11,066,119	11,060,489	468,295	26,547,977
2001	24.37	59.64	45.69	129.68	5,009,897	10,141,568	10,893,888	484,871	26,529,224
2002	24.35	59.14	45.11	129.55	4,712,141	10,448,149	10,722,851	481,882	26,374,023
2003	24.35	59.14	45.11	129.55	4,549,055	10,278,416	10,620,811	485,111	25,933,483

Unaudited - not accompanying independent auditor's report.

Table 4

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, 1994 through December 31, 2000

Fiscal Year	Population	Assessed Value	Green Bonded Debt (1)	Less Debt Service Funds	Net Bonded Debt	Percent of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1994	45,873 (1)	\$ 180,241,449	3,119,886	2,113,403	(6,483,483) (2)	69.83%	\$ (14.63)
1995	55,088 (1)	184,871,340	—	—	—	—	—
1996	64,284 (1)	203,063,176	—	—	—	—	—
1997	57,141 (1)	225,360,430	—	—	—	—	—
1998	57,073 (1)	240,833,739	—	—	—	—	—
1999	54,073 (1)	254,403,540	—	—	—	—	—
2000	54,073 (1)	296,336,730	—	—	—	—	—
2001	54,073 (1)	296,200,896	—	—	—	—	—
2002	54,073 (1)	309,896,336	—	—	—	—	—
2003	54,073 (1)	314,586,419	—	—	—	—	—

Notes:

- (1) Per Special Census.
- (2) Includes all general obligation debt.
- (3) As of December 31, 1994, there are funds available to service the general obligation bonds in excess of the debt service requirements. The excess funds were used the projects consistent with the original purpose of the bond issue and is attributable to applicable bond covenants.
- (4) Latest statistical information under review.

Unaudited - see accompanying independent auditor's report.

CITY OF BOSSIERE CITY, LOUISIANA

Computation of Legal Debt Margin (1)

December 31, 2020

	Industrial Bonds	Water and Sewerage Improvements	Public Buildings	Fuels and Electricity	Street Improvements	Buildings Improvements	Solid Waste Disposal
Amount value of (2) 14,266,815							
Debt limit - 6% of amount value for any one purpose (3)	8,560,089	8,560,089	8,560,089	8,560,089	8,560,089	8,560,089	8,560,089
Less general bonded debt	8,560,089	8,560,089	8,560,089	8,560,089	8,560,089	8,560,089	8,560,089
Legal debt margin							

Notes:

- (1) This line allows a maximum of 10% of amount valuation for bonded debt for any one purpose or 33% of the total amount value for all purposes. A total of approximately \$115,000,000 is available for bonds pursuant to the 33% limitation.

(2) Unaudited - an accompanying independent auditor's report.

CITY OF BOSSIER CITY, LOUISIANA
Computation of Direct and Overlapping Debt
December 31, 2003

Table B

Jurisdiction	Net Debt	Percentage of Debt Applicable to the City (1)	City's Share of Debt
Total direct and overlapping debt - Bossier Parish, Louisiana, Bossier Parish School Board	\$ <u>10,090,566</u>	67%	\$ <u>6,760,779</u>

Notes:

- (1) Based on 2003 assessed valuation.
- (2) As of December 31, 2003, there are no general obligation bonds recorded in the financial statements of the City.

Classified - see accompanying independent auditors' report.

Table 9

CITY OF BOSSIER CITY, LOUISIANA
Ratio of Annual Debt Service Expenditures
to General Bonded Debt to Total General Expenditures
 Fiscal years ended December 31, 1994 through December 31, 2003

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Debt Service as a Percentage of Total General Expenditures
1994	\$ 480,000	77,311	557,311	18,139,723	3.03
1995	481,089 (2)	48,844	529,933	23,087,187 (4)	2.34
1996	— (3)	—	—	32,854,510	—
1997	—	—	—	37,783,489	—
1998	—	—	—	38,183,818	—
1999	—	—	—	32,189,567	—
2000	—	—	—	33,996,718	—
2001	—	—	—	34,286,838	—
2002	—	—	—	35,313,000	—
2003	—	—	—	49,611,918	—

Notes:

- (1) Includes General Fund expenditures only. Payments to component units are not included.
 (2) Does not include \$741,281 paid by the City to advance refund bonds.
 (3) All general bonded debt was advanced refunded in 1995.
 (4) In 1995, general expenditures began including state supplemental pay.

Unaudited - see accompanying independent auditors' report.

Table 18A

CITY OF BOSSIER CITY, LOUISIANA

Revenue Bond Coverage - Utility Bonds

Fiscal years ended December 31, 1984 through December 31, 2002

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenues Available for Debt Service	Bond Service Requirements		Coverage
				Principal	Interest	
1984	\$ 3,000,318	5,413,004	2,486,734	428,000	1,838,603	1.3523
1985	3,065,177	5,298,822	3,176,325	543,000	1,528,561	2.0650
1986	3,175,148	6,032,248	3,192,848	600,000	1,794,523	2.4489
1987	3,323,463	5,733,723	4,482,736	565,000	1,948,608	2.2871
1988	3,374,654	5,975,032	4,098,792	798,000	1,512,980	3.0187
1989	3,481,733	5,862,488	4,613,862	785,000	1,484,585	3.0877
2000	3,694,218	6,237,228	4,456,799	1,628,129	1,560,623	2.8522
2001	3,614,618	6,096,976	3,118,683	1,698,000	1,918,324	1.6131
2002	3,842,408	6,878,607	4,064,159	1,795,000	2,298,959	1.7685
2003	3,855,718	7,225,193	3,324,584	1,628,000	2,493,266	1.3188

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.

Unaudited - see accompanying independent auditor's report.

Table 100

CITY OF BOSSIER CITY, LOUISIANA

Revenue Bond Coverage - Sales Tax Bonds

Fiscal years ended December 31, 1994 through December 31, 2003

Fiscal Year	Gross Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements		Coverage
				Principal	Interest	
1994	17,478,046	204,896	17,243,150	1,583,800	2,237,587	4,032,463
1995	18,215,397	230,915	18,075,662	1,739,800	2,424,581	4,044,381
1996	21,234,315	313,303	21,014,112	1,871,800	2,497,839	4,032,819
1997	22,877,414	428,730	22,448,684	1,960,800	2,632,726	3,865,734
1998	23,998,039	396,079	23,601,960	1,931,800	2,788,991	4,311,991
1999	25,497,052	427,129	25,070,923	2,740,800	2,894,133	6,034,933
2000	27,098,793	481,883	26,617,910	2,960,800	3,413,877	6,375,997
2001	29,177,180	482,548	28,765,315	3,060,800	3,348,240	6,000,588
2002	29,892,180	581,848	29,310,332	3,790,800	3,648,873	6,796,872
2003	30,185,157	681,835	29,503,322	3,983,800	3,878,387	7,862,187

Notes:

(1) Sales tax department operating expenditures.

(2) Does not include \$200,131 paid by the City in connection with refunding the 1994 Series Bonds.

(3) Does not include \$8,115,000 paid by the City in connection with refunding the 1999 Series Bonds.

(4) Does not include \$9,000,000 paid by the City in connection with refunding the 1997 Series Bonds.

Unaudited - see accompanying independent auditor's report.

Table 10

CITY OF BOSSIER CITY, LOUISIANA

Demographic Statistics

Fiscal years ended December 31, 1994 through December 31, 2003

<u>Fiscal Year</u>	<u>Population</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
1994	51,832 (3)	38.7	12,024	7.6%
1995	51,988 (3)	38.7	12,186	7.3%
1996	56,304 (3)	38.8	12,772	6.9%
1997	57,041 (3)	38.9	12,913	6.3%
1998	57,510 (3)	38.6	12,277	5.8%
1999	58,977 (3)	38.6	11,681	5.0%
2000	58,977 (3)	38.6	11,719	4.9%
2001	58,977 (3)	38.6	11,844	6.7%
2002	58,977 (3)	38.6	11,824	7.4%
2003	58,977 (3)	38.8	11,928	6.3%

Notes:

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

Unaudited – see accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA
Property Value, Construction, and Bank Deposits
Fiscal years ended December 31, 1994 through December 31, 2003

Fiscal Year	Commercial Construction (1)		Residential Construction (1)		Commercial		Property Value Residential		Total (1)
	Number of Units	Value	Number of Units	Value					
1994	42	\$ 52,520,379	706	\$ 30,215,359	414,881,098	1,060,527,264	1,475,258,287		
1995	37	58,111,229	524	31,554,946	464,265,988	1,118,282,879	1,582,565,867		
1996	29	98,590,547	390	33,972,659	514,271,069	1,231,583,808	1,745,854,668		
1997	31	54,552,248	181	30,271,888	562,276,413	1,486,281,860	1,998,471,413		
1998	47	58,778,226	184	24,461,425	626,099,929	1,432,994,800	2,089,466,128		
1999	49	57,983,843	299	33,876,456	726,511,488	1,493,522,109	2,176,323,185		
2000	53	18,116,125	241	30,293,816	1,026,896,387	1,882,981,460	2,933,187,187		
2001	27	13,194,647	266	32,236,652	1,024,172,419	1,616,394,800	2,680,417,269		
2002	36	19,186,266	379	41,293,444	1,118,538,316	1,660,894,475	2,779,348,191		
2003	51	153,233,147	409	57,192,113	1,128,696,768	1,690,736,158	2,821,218,666		

Notes:

(1) Permits and Inspection Department, City of Bossier City, Louisiana.

(2) A revaluation of all property is required to be completed at least once every four years. During 1982, 1986, and 2000, revaluations were completed.

Unaudited - see accompanying independent auditor's report.

Table 13

CITY OF BOSSIER CITY, LOUISIANA

Principal Taxpayers

December 31, 2003

Taxpayer	Type of Business	2003 Assessed Valuation	Percentage of Total Assessed Valuation
Houma/Entertainment	Riverboat Gambling	\$ 30,364,800	9.65%
Isle of Capri	Riverboat Gambling	19,428,000	3.12%
Southern Electric Power Company	Electric Utility	8,158,560	2.59%
BellSouth Telecommunications	Telephone	3,390,800	1.71%
Louisiana Riverboat Gaming	Riverboat Gambling	4,103,160	1.30%
Hibernia Bank	Banking	3,193,400	1.02%
Wal-Mart	Retail Sales	2,891,000	0.90%
Louisiana Machinery	Manufacturing	2,617,500	0.83%
Pierre Diner	Retail Sales	1,874,600	0.62%
Total amount for ten principal taxpayers		71,954,520	22.67%
Total for remaining taxpayers		242,612,790	77.19%
Total amount for all taxpayers		\$ 314,567,310	100.00%

Unaudited - see accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Miscellaneous Statistics

December 31, 2003

Table 14

Date of settlement	1943
Form of government	Mayor - Council
Date established	1977
Date of incorporation	1987
Area-square miles	41.36
Miles of streets:	
Paved	303.4
Unimproved	—
Police protection - number of policemen and officers	289
Fire protection - number of firemen and officers	187
Recreation:	
Parks - number of acres	287
Number of playgrounds	17
Number of picnic areas	8
Number of street lights	4,574
Number of water storage tanks	3
Total capacity of water storage tanks	3,580,000 gallons
Raw water reservoir capacity	3,780,000 gallons
Municipal water plant:	
Number of accounts	21,346
Daily average consumption	8,792,000 gallons
Employees - classified, appointed, elected, and exempt	603

Unaudited - see accompanying independent auditor's report.

Table 15

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

City Council Member	<u>Compensation</u>
Jeffery Dufay	\$ 10,800
Scott Irwin	1,600
David Jones	10,800
Timothy Larkin	10,800
David Montgomery	11,782
James Rogers	11,418
Michael Slomp	2,815
Don Williams	<u>18,280</u>
	\$ <u>73,477</u>

Unaudited – see accompanying independent auditor's report.



CITY OF BOSSIER CITY, LOUISIANA

OMB Circular A-133 Reports

December 31, 2003

(With Independent Auditors' Reports Thereon)

CITY OF BOSSIER CITY, LOUISIANA

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KPMG LLP
Suite 1300
200 Texas Street
Shreveport, LA 71201-2822

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, each nonmajor governmental, nonmajor enterprise, and internal service fund of City of Bossier City, Louisiana (the City) as of and for the year ended December 31, 2003, and have issued our report thereon dated March 28, 2004. We did not audit the component unit financial statements of the Bossier Public Trust Financing Authority (Authority) which represents 71.5% and 21.1%, respectively, of the assets and revenues of the aggregate discretely presented component units. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 83-1.

Internal Control Over Financial Reporting

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



Internal control over financial reporting, which we have reported to management of the City in a separate letter dated March 28, 2004.

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

KPMG LLP

March 28, 2004



KPMG LLP
Suite 1800
333 Texas Street
Bossier, LA 71024-2802

**Independent Auditor's Report on Compliance With Requirements Applicable to the
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 Demart, 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 (the City) with the types of compliance requirements described in the OIG Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2002. The City's major federal program is 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 its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Bossier City, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2002.

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.



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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, each nonmajor governmental, nonmajor enterprise, and internal service fund of City of Bossier City, Louisiana as of and for the year ended December 31, 2003, and have issued our report thereon dated March 26, 2004. We did not audit the component unit financial statements of the Bossier Public Trust Financing Authority (Authority) which represents 11.5% and 27.1%, respectively, of the assets and revenues of the aggregate discretely presented component units. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise City of Bossier City, Louisiana's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-110 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

KPMG LLP

March 26, 2004

CITY OF BOSSIER CITY, LOUISIANA
Schedule of Expenditures of Federal Awards
Year ended December 31, 2003

<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		
<i>Direct programs:</i>		
Community Development Block Grant	14.218	\$ 875,003
Emergency Shelter Grants Program	14.211	58,626
Total Department of Housing and Urban Development		<u>\$933,629</u>
U.S. Department of Justice		
<i>Passed through Louisiana Commission on Law Enforcement:</i>		
Domestic Violence	16.575	32,173
After School (Drug/Alcohol Prevention)	16.579	499
Local Law Enforcement	16.592	67,268
Total Department of Justice		<u>\$100,940</u>
U.S. Office of National Drug Control Policy		
<i>Direct programs:</i>		
High Intensity Drug Traffic Area Award	3.000	3,605
U.S. Department of Transportation		
<i>Passed through Louisiana Highway Planning and Construction -</i>		
Buckle Up Louisiana '98	20.608	4,511
Total expenditures of federal awards		\$ 1,038,182

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, 2003

(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 accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-113, *Guide for States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Subrecipients

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

<u>Program title</u>	<u>Federal CFDA number</u>	<u>Amount provided to subrecipients</u>
Community Development Block Grant	14.215	\$ 98,413

CITY OF BOSSIER CITY, LOUISIANA
Schedule of Findings and Questioned Costs
Year ended December 31, 2003

Section I – Summary of Auditor’s Results

Basic 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 basic financial statements? None reported

Noncompliance material to basic financial statements noted? No

Federal Awards

Internal control over major programs:

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

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 319(a) of OMB Circular A-133? No

Identification of major programs:

CFDA number

Name of federal program or cluster

14.218

United States Department of Housing and
Urban Development – Community
Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$100,000

Auditor qualified as a low-risk auditor under section 310 of OMB Circular A-133: No

CITY OF BOSSIER CITY, LOUISIANA

Schedule of Findings and Questioned Costs

Year ended December 31, 2003

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

Item 05-1

Criteria or specific requirement: State law requires that the City of Bossier City open all meetings to the public in which a quorum is present.

Condition and Context: During 2003, the Bossier Parish District Attorney issued a ruling that the circulation of a letter signed by certain council members violated the spirit of the open meetings law in that from the letter's content it appears a decision was made by the council members that signed the letter.

Effect: The City of Bossier City was not in compliance with state law.

Cause: Unknown.

Recommendation: The City of Bossier City should take steps to ensure that all decisions are subject to due process and available to public access as required by state law.

Section 3 – Federal Awards Findings and Questioned Costs

None

CITY OF BOSSIER CITY, LOUISIANA
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2003

Finding 03-1

State law requires that the City of Bossier City open all meetings to the public in which a quorum is present. During 2003, the Bossier Parish District Attorney issued a ruling that the circulation of a letter signed by certain council members violated the spirit of the open meetings law in that from the letter's content it appears a decision was made by the council members that signed the letter.

Name of Contact Responsible: Charles E. Glover

Corrective Action Planned: The City will maintain a heightened sense of awareness of any potential violation of the spirit of the open meetings law and will open all meetings to the public in which a quorum is present.

Completion Date: June 30, 2004

CITY OF BOSSIER CITY, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2003

Management Letter

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. As a result significant year end adjustments are required. 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 recommend that in the clearing account the City establish separate accounts for short and long term investments. Each separate account should be allocated to individual funds and each fund should reflect a separate account for cash, short-term investments, long-term investments and accrued interest.

Status - The City is recording investments of cash, investments, and accrued interest in the individual funds in the appropriate classification within the general ledger.

Tax Reconciliations - The subledgers for the property and sales tax collections are not reconciled to the general ledger. Currently the property tax department operates a module of the HTE system that indicates the amount received and accounts receivable. In addition, the sales tax department uses the Taxman program to record receipts and amounts due to the City. We recommend that a control be implemented to reconcile the subledgers for property and sales taxes to the general ledger on at least a monthly basis. However, for property taxes we recommend that this control be performed at least weekly during the months of November, December and January, as the majority of property taxes are collected during this period.

Status - The accounting department made significant progress in trying to reconcile the general ledger to the property tax system last year. We will continue work with the tax department to reconcile the general ledger to the HTE tax system subledgers.

Capital Assets - With the implementation of Governmental Accounting Standards Board Statement No. 34, the City is now required to report capital assets for governmental activities in its financial statements. Capital assets can have a significant impact on the financial results reported by the City. Given this, we believe that controls over recording and accounting for capital assets could be strengthened. Specifically, in some instances, purchases were made during the year for capital assets that did not appear on the capital assets records. Also, the City did not report any retirements or disposals of capital assets. We recommend the City implement procedures to identify capital assets at the time invoices are coded. This process should include a review to ensure that all purchases have been coded to the correct expenditure accounts in the general ledger as well as the identification of all capital assets and their useful life. We also recommend that the City implement procedures to ensure as capital assets are sold, destroyed or retired they are removed from the capital assets records at the appropriate value along with the related accumulated depreciation.

Status - All purchases that were identified as capital items were included in the capital asset records. Any assets that were sold or disposed during the year were reflected as a retirement.

Federal Program Documentation - Payroll - One employee splits her time between a federal program and nonfederal duties. As required by the federal program an after-the-fact distribution of her time is maintained, however, these timesheets are not signed by the employee. We recommend the employee be required to sign each timesheet.

Status - This employee no longer splits her time between a federal program and nonfederal duties therefore this situation no longer exists.

Federal Program Documentation - Authorization - We noted three instances in which check requests for a federal program disbursement did not reflect authorization by all appropriate parties. We also noted two instances in which an expenditure was only supported by a check request, no invoice or check copy could be located. While these costs were determined to be allowable, we recommend that the City implement controls to review payments to ensure the payment is supported by an authorized check request and an invoice.

Status - All City disbursements are reviewed by the Controller or Assistant Controller for proper authorization and supporting documentation.

OSIS Circular A-133 Reports

Finding 82-1

State law requires that the total proposed expenditures shall not exceed the total of the estimated funds available for the year. This law was violated when the CenturyTel Center Access Fund was budgeted to have a deficit fund balance. The 2003 budget for the CenturyTel Center Access Fund budgeted a fund deficit of \$51,204.

Status: Corrective action was taken and this finding no longer exists.

Finding 82-2

OSIS Circular A-87 requires that personal activity reports supporting the distribution of salaries between multiple activities be signed by the employee. One employee who splits her time between federal program and nonfederal duties did not sign her personal activity report.

Status: Corrective action was taken and this finding no longer exists.



KPMG LLP
Suite 1000
100 Lakes Street
Bossier City, LA 70041-0001

March 26, 2004

CONFIDENTIAL

The Honorable George Dwyer, 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, 2003, and have issued our report thereon dated March 18, 2004. In planning and performing our audit of the financial statements of the City, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not 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 its operation 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:

TAX RECONCILIATIONS

The subledger for the property tax collections are not reconciled to the general ledger. Currently the property tax department operates a module of the HRG system that indicates the amount received and remaining amount receivable. We recommend that a control be implemented to reconcile the subledger for property taxes to the general ledger on at least a monthly basis. However, we recommend that this control be performed at least weekly during the months of November, December, and January, as the majority of property taxes are collected during this period.

Management's Response - The accounting department made significant progress in trying to reconcile the general ledger to the property tax system last year. We will continue work with the tax department to reconcile the general ledger to the HRG tax system subledger.

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 policies or procedures that may exist. We also, however, to use our knowledge of the City's organization gained during our work to make comments and suggestions that we hope will be useful to you.

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.



MEMBER FIRM OF THE KPMG NETWORK

The Honorable George Demas, Mayor
and Members of the City Council
City of Bossier City
March 18, 2004
Page 2

We appreciate the assistance and cooperation of all of the personnel of the City. We will be pleased to discuss these comments and recommendations with you at any time.

Very truly yours,

KPMG LLP