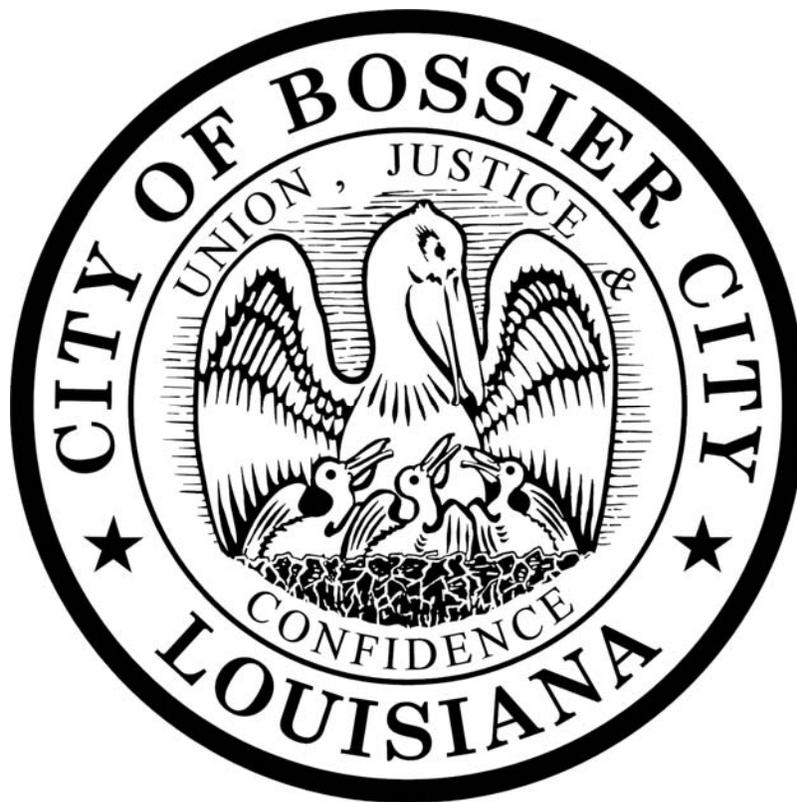


COMPREHENSIVE ANNUAL FINANCIAL REPORT

*Of The
City of
Bossier City, Louisiana*



*For The
Year Ended December 31, 2011*

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

CITY OF BOSSIER CITY, LOUISIANA

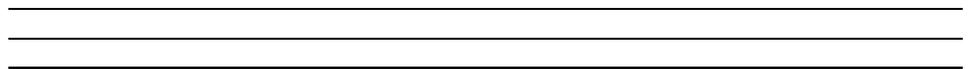
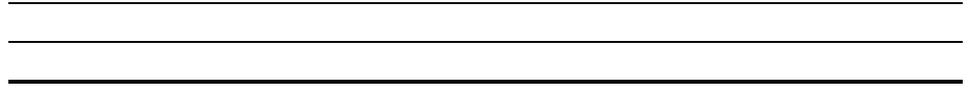
Year Ended December 31, 2011

Lorenz “Lo” Walker
Mayor

William J. Buffington
Director of Finance

Prepared by Department of Finance

**INTRODUCTORY
SECTION**



CITY OF BOSSIER CITY, LOUISIANA
 Comprehensive Annual Financial Report
 Year ended December 31, 2011

Table of Contents

	Page(s)
INTRODUCTORY SECTION	
Title Page	i
Table of Contents	ii – v
Letter of Transmittal	vi – xi
Certificate of Achievement for Excellence in Financial Reporting	xii
Organization Chart	xiii
Elected Officials	xiv
FINANCIAL SECTION	
Independent Auditors' Report	1 – 2
Required Supplemental Information (Unaudited)	
Management's Discussion and Analysis (MD&A)	3 – 14
Basic Financial Statements	
Government-wide Financial Statements (GWFS)	
Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	20
Statement of Net Assets – Proprietary Funds	21
Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds	22
Statement of Cash Flows – Proprietary Funds	23 – 24
Statement of Fiduciary Net Assets – Fiduciary Funds	25
Statement of Changes in Fiduciary Net Assets – Pension Trust Funds	26
Statement of Net Assets – Component Units	27
Statement of Activities – Component Units	28
Notes to Basic Financial Statements	29 – 72

CITY OF BOSSIER CITY, LOUISIANA

Comprehensive Annual Financial Report

Year ended December 31, 2011

Table of Contents

	Page(s)
Required Supplementary Information (Unaudited)	
Schedules of Funding Progress	73
Notes to Required Supplementary Information	74
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual on a Budgetary Basis – General Fund	75 – 76
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – Arena Fund	77
Notes to Budgetary Comparison Schedules	78 – 79
Combining and Individual Fund Financial Statements:	
Combining Balance Sheet – By Fund Type – Nonmajor Governmental Funds	80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – By Fund Type – Nonmajor Governmental Funds	81
Combining Balance Sheet – Nonmajor Special Revenue Funds	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	83
Combining Balance Sheet – Nonmajor Debt Service Funds	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds	85
Combining Balance Sheet – Nonmajor Capital Projects Funds	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	87
Combining Statement of Net Assets – Nonmajor Enterprise Funds	88
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Enterprise Funds	89
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	90
Combining Statement of Plan Net Assets – Pension Trust Funds	91
Combining Statement of Changes in Plan Net Assets – Pension Trust Funds	92
Combining Statement of Changes in Assets and Liabilities – Agency Funds	93
Combining Statement of Net Assets – Internal Service Funds	94
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	95
Combining Statement of Cash Flows – Internal Service Funds	96
Individual Fund Schedules:	
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (unaudited):	
1 Civic Center Fund	97
2 Hotel/Motel Taxes	98
3 Fire Improvements and Operations Fund	99
4 Jail and Municipal Buildings Fund	100
5 Streets and Drainage Fund	101

CITY OF BOSSIER CITY, LOUISIANA

Comprehensive Annual Financial Report

Year ended December 31, 2011

Table of Contents

	Table	Page(s)
STATISTICAL SECTION (UNAUDITED)		
Net Assets by Component – Last Ten Fiscal Years	1	102
Changes in Net Assets – Last Ten Fiscal Years	2	103 – 105
Fund Balances of Governmental Funds – Last Ten Fiscal Years	3	106
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	4	107 – 108
Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years	5	109
Tax Revenues by Source – Governmental Funds – Last Ten Fiscal Years	6	110
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	7	111
Property Tax Rates and Tax Levies – Direct and Overlapping Governments – Last Ten Fiscal Years	8	112
Principal Property Taxpayers – Current Year and Nine Years Ago	9	113
Property Tax Levies and Collections – Last Ten Fiscal Years	10	114
Sales Tax Revenues – Last Ten Fiscal Years	11	115
Taxable Sales by NAICS Category – Last Five Fiscal Years	12	116
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	13	117
Direct and Overlapping Governmental Activities Debt – As of December 31, 2011	14	118
Legal Debt Margin Information – Last Ten Fiscal Years	15	119
Pledged Revenue Coverage – Last Ten Fiscal Years	16	120
Demographic and Economic Statistics – Last Ten Fiscal Years	17	121

CITY OF BOSSIER CITY, LOUISIANA
Comprehensive Annual Financial Report
Year ended December 31, 2011

Table of Contents

	Table	Page(s)
Principal Employers – Current Year and Nine Years Ago	18	122
Full-time Equivalent City Government Employees by Function – Last Ten Fiscal Years	19	123
Operating Indicators by Function – Last Ten Fiscal Years	20	124
Capital Asset Statistics by Function – Last Ten Fiscal Years	21	125
Compensation Paid to City Council Members	22	126



CITY OF BOSSIER CITY

P.O. BOX 5337

BOSSIER CITY, LOUISIANA 71171-5337

June 15, 2012

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

In accordance with Section 4.06, paragraph (7) of the City of Bossier City Charter, I am pleased to submit the Comprehensive Annual Financial Report for the year ended December 31, 2011. The financial statements were prepared in conformity with U.S. generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, by a firm of licensed certified public accountants. I believe this report presents comprehensive information about the City of Bossier City's (the City) financial and operating activities during 2011 that is useful to taxpayers, citizens, and other interested persons.

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

In accordance with Section 3.10 of the City Charter, the City Council is required to provide for an annual independent audit of the accounts and financial transactions of the City by a firm of independent certified public accountants duly licensed to practice in the state of Louisiana. The accounting firm of KPMG LLP was selected by the City to conduct its annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2011 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

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

PROFILE OF THE CITY OF BOSSIER CITY

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

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

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

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

BUDGETARY CONTROL

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

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

Legal budgetary control for operating budgets is exercised at the department/object class. The ordinances provide lump-sum appropriation at the object level. The City Charter provides that expenditures may not legally exceed appropriations. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

LOCAL ECONOMY

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

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

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

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

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

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

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

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

LONG-TERM FINANCIAL PLANNING

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

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

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

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

FINANCIAL POLICIES

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

The City Council may revise or amend the budget at its discretion during legally convened sessions. The City Charter provides that expenditures may not legally exceed appropriations. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year.

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

MAJOR INITIATIVES

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

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

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by the City and its management. We are proud to have received this award each year for more than 25 years (beginning with our Comprehensive Annual Financial Report for the fiscal year ended December 31, 1981).

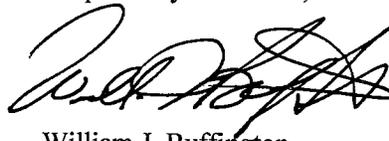
In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both GAAP and applicable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

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

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

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

Respectfully submitted,

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

William J. Buffington
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bossier City Louisiana

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

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



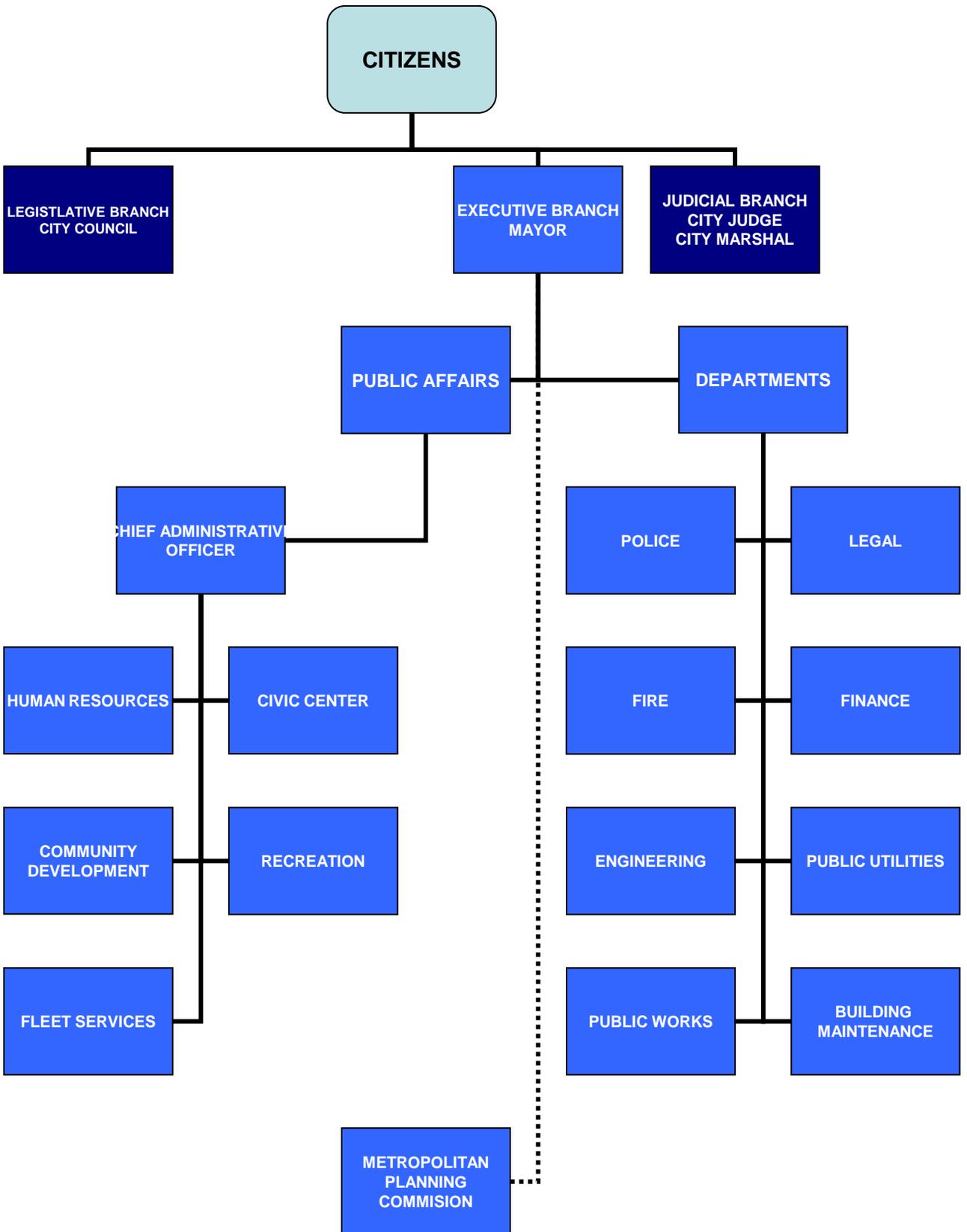
Linda C. Danison

President

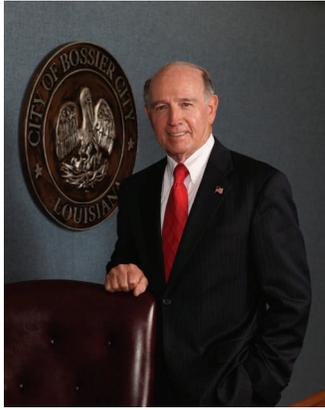
Jeffrey R. Emer

Executive Director

ORGANIZATION CHART



ELECTED OFFICIALS



MAYOR LORENZ "LO" WALKER



Council Member at Large
TIMOTHY LARKIN



Council Member at Large
DAVID MONTGOMERY, JR



Council Member District 1
SCOTT IRWIN



Council Member District 2
JEFFERY DARBY



Council Member District 3
DON WILLIAMS



Council Member District 4
DAVID JONES



Council Member District 5
LARRY HANISEE

**FINANCIAL
SECTION**



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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bossier City, Louisiana (City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bossier Public Trust Financing Authority (Authority), the Bossier City Court (Court), and the Bossier City Marshal (Marshal), which represents 97%, 97%, and 66%, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, the Court, and the Marshal, is based on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bossier City, Louisiana as of December 31, 2011, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended, in conformity with U.S. generally accepted accounting principles. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, enterprise, internal service, and fiduciary

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

KPMG LLP

June 15, 2012

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2011

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

Financial Highlights

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

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

Overview of the Financial Statements

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2011

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

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

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2011

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

Proprietary fund financial statements provide separate information for the water and sewerage operations, which is considered to be a major fund of the City of Bossier City. Data for the other three proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

Financial Analysis of Government-wide Activities

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

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

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2011

City of Bossier City's Net Assets

December 31, 2011 and 2010

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2011

City of Bossier City's Changes in Net Assets

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

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

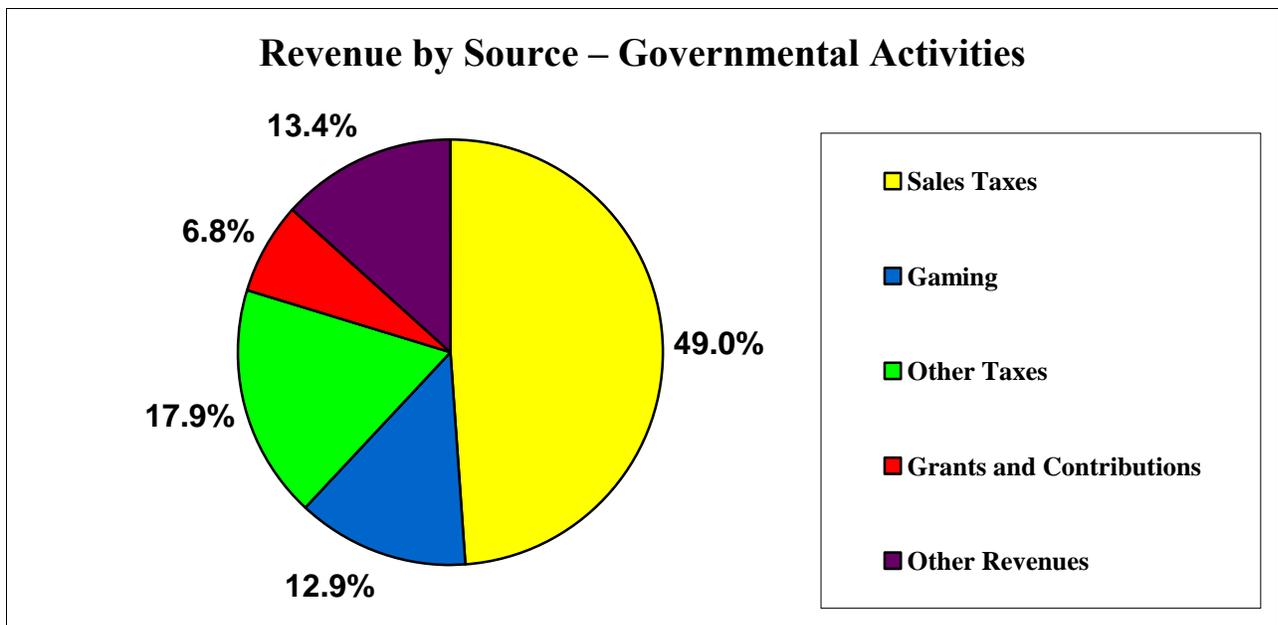
December 31, 2011

Governmental Activities

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

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

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



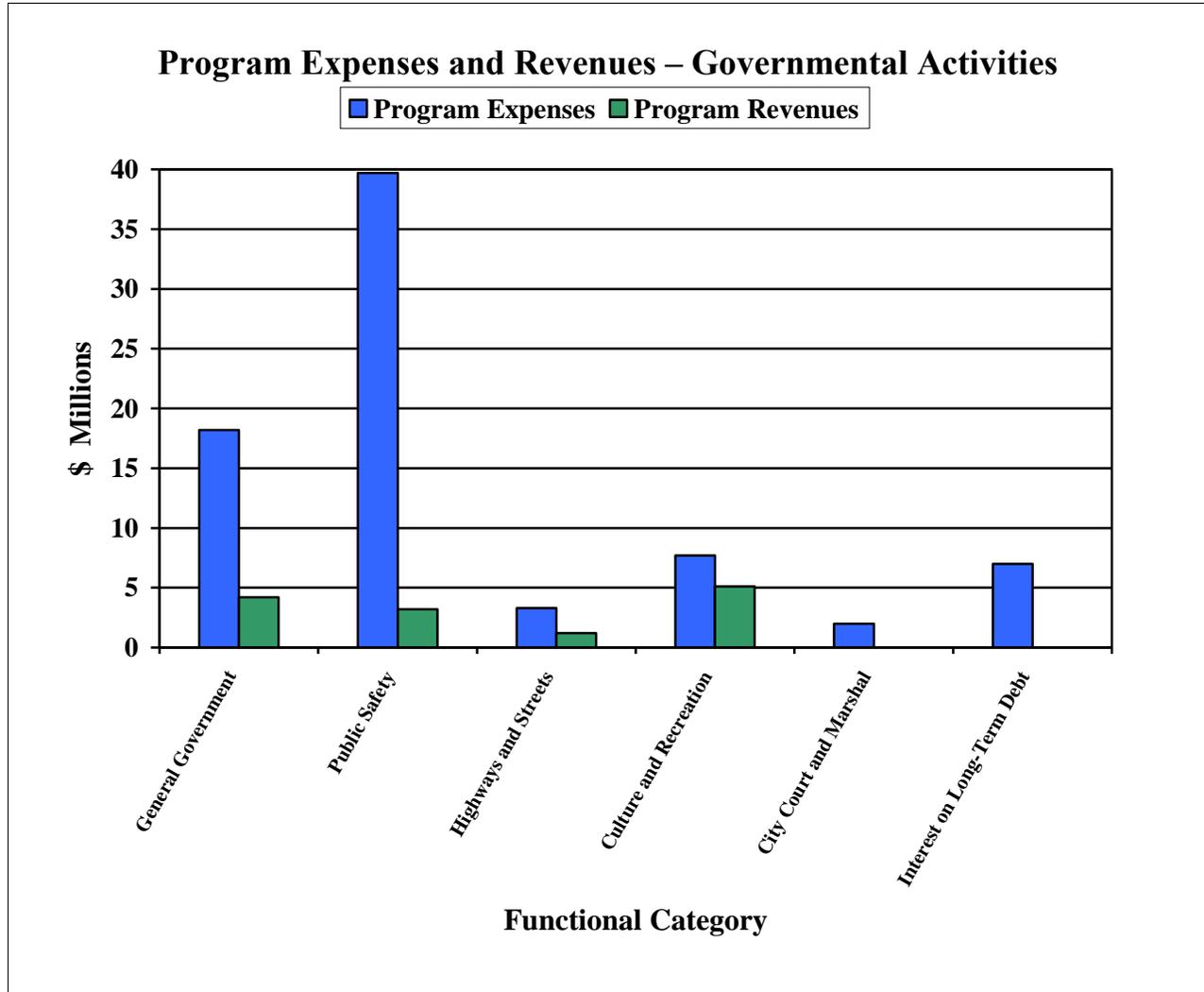
The cost of all governmental activities in 2011 was \$77.9 million, an increase of \$1.6 million. This increase is predominately due to increased postemployment benefit obligations and liability fund claims offset by decreased interest on long-term debt.

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2011

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



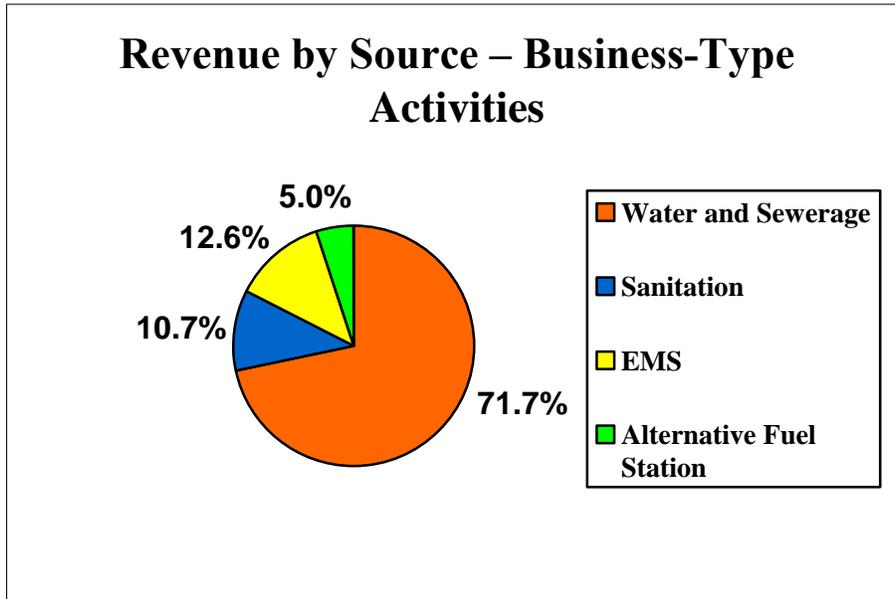
Business-Type Activities

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

CITY OF BOSSIER CITY, LOUISIANA

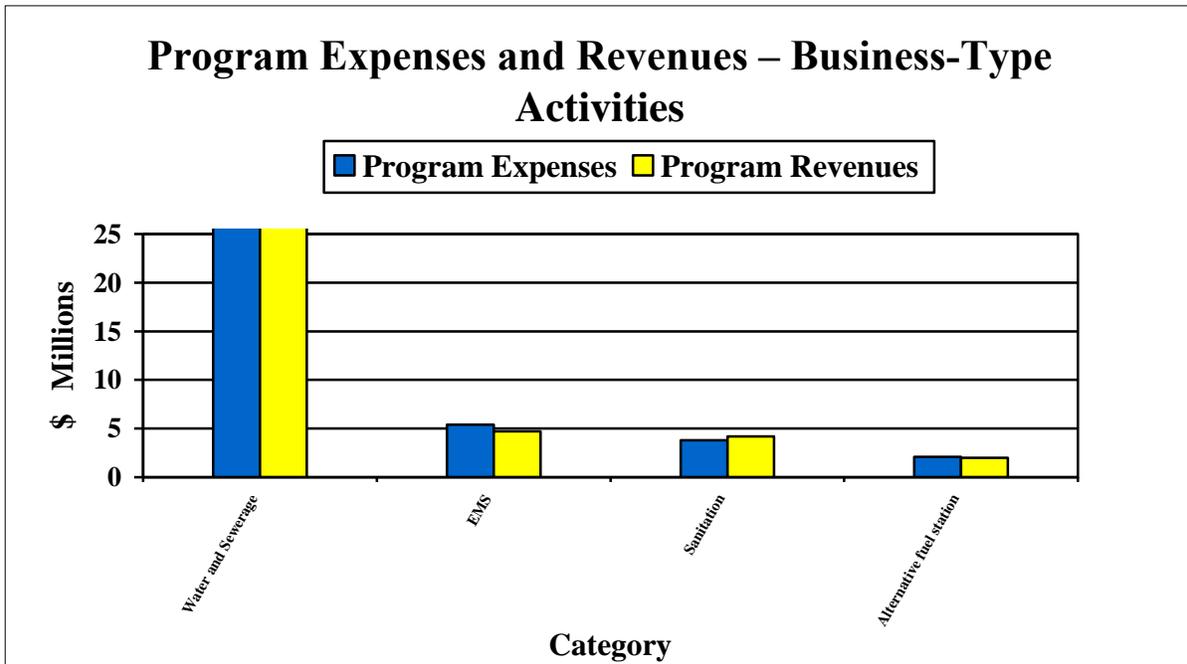
Management's Discussion and Analysis

December 31, 2011



Expenses and Program Revenues – Business-Type Activities

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



CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2011

Financial Analysis of the City of Bossier City's Funds

Governmental Funds

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2011

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

General Fund Budgetary Highlights

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

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

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

Revenues

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

Expenditures

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

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2011

Capital Assets and Debt Administration

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Management’s Discussion and Analysis

December 31, 2011

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

**City of Bossier City’s
Outstanding Debt**

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

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

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

Economic Factors and Next Year’s Budgets and Rates

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

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

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

Requests for Information

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

**BASIC FINANCIAL
STATEMENTS**

CITY OF BOSSIER CITY, LOUISIANA

Statement of Net Assets

December 31, 2011

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

See accompanying notes to basic financial statements.

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

Functions/programs	Program revenues				Net (expenses) revenues and changes in net assets			Component units
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government			
					Governmental activities	Business-type activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 18,156,178	3,423,460	814,632	—	(13,918,086)	—	(13,918,086)	—
Public safety	39,687,586	1,390,782	1,856,209	—	(36,440,595)	—	(36,440,595)	—
Highways and streets	3,316,533	127,128	—	1,113,863	(2,075,542)	—	(2,075,542)	—
Cultural and recreation	7,695,741	2,689,464	2,386,875	—	(2,619,402)	—	(2,619,402)	—
City Court and City Marshal	2,010,443	—	—	—	(2,010,443)	—	(2,010,443)	—
Interest on long-term debt	7,007,140	—	—	—	(7,007,140)	—	(7,007,140)	—
Total governmental activities	77,873,621	7,630,834	5,057,716	1,113,863	(64,071,208)	—	(64,071,208)	—
Business-type activities:								
Water and sewerage	25,681,851	27,460,816	—	—	—	1,778,965	1,778,965	—
EMS	5,373,016	4,744,778	—	—	—	(628,238)	(628,238)	—
Sanitation	3,822,573	4,157,102	—	—	—	334,529	334,529	—
Alternative fuel station	2,064,585	2,015,935	—	—	—	(48,650)	(48,650)	—
Total business-type activities	36,942,025	38,378,631	—	—	—	1,436,606	1,436,606	—
Total primary government	\$ 114,815,646	46,009,465	5,057,716	1,113,863	(64,071,208)	1,436,606	(62,634,602)	—
Component units:								
Bossier Public Trust Financing Authority	\$ 7,125	24,206	—	—	—	—	—	17,081
City Court	249,873	368,726	—	—	—	—	—	118,853
City Marshal	377,173	428,865	—	—	—	—	—	51,691
Metropolitan Planning Commission	470,800	241,739	—	—	—	—	—	(229,061)
Total component units	\$ 1,104,971	1,063,536	—	—	—	—	—	(41,436)
General revenues:								
Taxes:								
Property taxes levied for general purposes					\$ 11,856,831	—	11,856,831	—
Sales taxes levied for general purposes					15,515,545	—	15,515,545	—
Sales taxes levied for capital projects					12,733,955	—	12,733,955	—
Sales taxes levied for debt service					7,457,616	—	7,457,616	—
Sales taxes levied for pension plans					8,903,858	—	8,903,858	—
Franchise taxes					4,491,011	—	4,491,011	—
Gaming					11,747,922	—	11,747,922	—
Grants and contributions not restricted to specific purposes					414,154	—	414,154	—
Investment earnings					1,483,070	766,582	2,249,652	15,147
Payments from City of Bossier City					—	—	—	187,140
Miscellaneous					2,672,307	1,998,093	4,670,400	8,795
Transfers					(3,488,600)	3,488,600	—	—
Total general revenues and transfers					73,787,669	6,253,275	80,040,944	211,082
Change in net assets					9,716,461	7,689,881	17,406,342	169,646
Net assets, beginning					371,073,593	74,866,981	445,940,574	4,339,099
Net assets, ending					\$ 380,790,054	82,556,862	463,346,916	4,508,745

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Balance Sheet

Governmental Funds

December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

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

December 31, 2011

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

See accompanying notes to basic financial statements.

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

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

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

Year ended December 31, 2011

Net change in fund balances – total governmental funds		\$	(19,136,338)
Amounts reported for governmental activities in the statement of activities are different because of the following:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:			
Capital outlay (net of retirements of \$982,035)	\$	36,756,354	
Depreciation expense		<u>(11,328,162)</u>	25,428,192
Revenues reported in the statement of activities, which are not reported in governmental funds because they do not provide current financial resources. This adjustment is to recognize the net change in unavailable revenues, which includes property taxes and other miscellaneous revenues			181,808
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term and related items is as follows:			
Principal payments			7,055,000
The changes in other long-term assets and liabilities are reported in the statement of activities, but do not affect current financial resources of governmental funds. The changes are as follows:			
Policemen’s Pension and Relief Fund net asset		(881,301)	
Firemen’s Pension and Relief Fund net obligation		584,452	
Net other postemployment benefit obligation		<u>(1,136,420)</u>	(1,433,269)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Amortization of deferred loss on refunding		(281,248)	
Amortization of bond issue costs		(259,558)	
Amortization of bond premium and discount		360,749	
Decrease in compensated absences		(8,745)	
Claims		(265,500)	
Increase in accrued interest		<u>125,917</u>	(328,385)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities			<u>(2,050,547)</u>
Change in net assets of governmental activities			\$ <u><u>9,716,461</u></u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Net Assets

Proprietary Funds

December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Assets

Proprietary Funds

Year ended December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2011

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

CITY OF BOSSIER CITY, LOUISIANA

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2011

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

See accompanying notes to basic financial statements.

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

Additions

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

Deductions

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Net Assets

Component Units

December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Activities

Component Units

Year ended December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

(1) Summary of Significant Accounting Policies

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

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

The financial statements present the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Discretely Presented Component Units

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

Metropolitan Planning Commission

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

Balance Sheet

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

Statement of Revenues, Expenditures, and Changes in Fund Balance

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

Bossier City Court

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

Bossier City Marshal

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

Bossier Public Trust Financing Authority

The Bossier Public Trust Financing Authority was created by a trust indenture, pursuant to state enabling legislation, which made the City the beneficiary. There are five trustees appointed by the City Council for terms of five years. In accordance with the terms of the trust indenture, the City has no power to transact business for the trustees nor to control or direct the actions of the trustees. The City is entitled solely to the benefits of the trust, and at the termination of the trust, it shall receive the residual of the trust. The City cannot access the organization's funds at will, although, there is some ability to access them at the discretion of the Bossier Public Trust Financing Authority. The Bossier Public Trust Financing Authority serves the citizenry of the City. The financial statements of the Bossier Public Trust Financing Authority included in the accompanying financial statements are as of and for the fiscal year ended November 30, 2011.

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

Other Related Organizations

Bossier Housing Authority

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

Implementation of New Accounting Statements

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

Accounting Policies

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

Governmental Funds

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

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

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

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

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

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

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

Additionally, the City reports the following governmental fund types:

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

Proprietary Funds

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

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

Additionally, the City reports the following proprietary fund types:

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

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

Fiduciary Funds

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

Board (GASB). Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private sector guidance.

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

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

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

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

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

(c) *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the GWFS. Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. The City maintains a threshold level for capitalization of assets except land and construction in progress. All land and construction in progress are capitalized, regardless of the amount. All other capital assets are capitalized utilizing a threshold of \$25,000 for land improvements; \$50,000 for buildings and building improvements; \$5,000 for furniture, equipment, and vehicles; and \$250,000 for infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

(d) Long-Term Liabilities

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

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

(e) Investments

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

(f) Prepaid Items

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

(g) Inventories

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

(h) Refundable Deposits

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

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

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

(i) Deferred Revenues

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

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

(j) Vacation and Sick Leave

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

(k) Pension Plans

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

(l) *Restricted Assets*

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

(m) *Classifications of Fund Balance*

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

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

(n) *Interfund Receivables and Payables*

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

(o) *Property Taxes*

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

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

(p) *Grants from Other Governmental Agencies*

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

(q) Cash and Cash Equivalents

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

(r) Self-Insurance Claims

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

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

(2) Cash and Investments

City of Bossier City (Primary Government)

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

(a) Deposits

Primary government, including agency funds and excluding pension trust funds

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

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

Pension Trust Funds

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

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

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

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

(b) Investments

Primary government

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

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

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

Pension Trust Funds

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

Firemen's Fund:

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

Policemen's Fund:

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

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

Component Units

City Court of Bossier City (Court)

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

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

Bossier City Marshal (Marshal)

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

(3) Ad Valorem Property Taxes

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

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

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

(4) Receivables

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

(5) Capital Assets

A summary of changes in capital assets is as follows:

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

(6) Long-Term Debt

City of Bossier City (Primary Government)

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. The claims and judgments liability will be liquidated through the City's Insurance Fund and Liability Insurance Fund. These funds will finance the payment of these claims by charging other funds based on the origination of the claims. The General Fund normally bears approximately 76% of these costs. For the governmental activities, the balance of compensated absences is generally liquidated by the General Fund. The net pension obligation will also be liquidated by the General Fund.

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

Revenue bonds – applicable to general city operations:

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

Revenue bonds – applicable to water and sewerage operations:

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

Department of Water and Sewerage Fund:	
Restricted:	
Balance, beginning of year	\$ 12,449,487
Transfer from unreserved net assets	42,481
Balance, end of year	<u>12,491,968</u>
Invested in capital assets and unrestricted:	
Balance, beginning of year	59,139,695
Changes in net assets	7,561,993
Transferred to net assets	(42,481)
Balance, end of year	<u>66,659,207</u>
Total net assets	<u>\$ 79,151,175</u>

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

Component Units

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

(7) Sales Tax

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

(8) Defined Benefit Pension Plans

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

A. Summary of Significant Accounting Policies

Basis of Accounting – The two City-administered pension plans’ financial statements are prepared using the accrual basis of accounting. Employer and plan members’ contributions are recognized when due, pursuant to statutory requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments – Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

B. Concentration of Investments

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

C. Plan Descriptions and Contribution Information

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

	<u>Firemen’s Fund</u>	<u>Policemen’s Fund</u>
Retirees and beneficiaries receiving benefits	93	43

There were no active employees in the plans in 2011.

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

Firemen’s Pension and Relief Fund (Firemen’s Fund)

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

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

Three-Year Trend Information

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

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

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

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

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

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

- 20% of all amounts collected for City Court fines

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

Three-Year Trend Information

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

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

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

Municipal Employees’ Retirement System of Louisiana

Plan Description – The City contributes to the Municipal Employees’ Retirement System of Louisiana (MERS), a cost-sharing multiple-employer defined benefit pension plan administered by the board of trustees of the MERS. MERS covers substantially all employees of the City not covered by the fire and police pension plans. Benefits are established and may be amended by state statutes. The MERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the board of trustees, Municipal Employees’ Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, LA 70809 or by calling 504-925-4810.

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

Municipal Police Employees' Retirement System of Louisiana

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

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

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

Statewide Firefighters' Retirement System

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

(9) Postemployment Benefits

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

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

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

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

(10) Deficits in Net Assets

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

(11) Lease Commitments

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

(12) Other Required Individual Fund Disclosures

(a) Interfund Receivables and Payables

Interfund balances at December 31, 2011 were as follows:

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

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

(b) Transfers

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

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

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) return revenues from an enterprise fund to the capital projects fund from which amounts were originally transferred to support capital projects, in accordance with council authorization.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

(13) Federal and State Financial Assistance

Federal and state governmental units represent an important source of supplementary funding to finance housing, employment, and construction programs, and other activities beneficial to the community. These funds, primarily in the form of grants, are recorded in the General and Special Revenue Funds. A grant receivable is recorded when the City has a right to reimbursement under the related grant. The grants normally specify the purpose for which the funds may be used and are audited annually under the single audit as mandated by the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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

(14) Commitments and Contingencies

Construction Projects

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

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

Pension Funds

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

Insurance Funds

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

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

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

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

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

Postretirement Benefits

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

Litigation

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2011

Grant Disallowances

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

Revenues from the State of Louisiana

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

**REQUIRED
SUPPLEMENTARY
INFORMATION
(Unaudited)**

CITY OF BOSSIER CITY, LOUISIANA

Required Supplementary Information

Schedules of Funding Progress

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Required Supplementary Information

Year ended December 31, 2011
(unaudited)

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

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

CITY OF BOSSIER CITY, LOUISIANA

General Fund

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

Year ended December 31, 2011
(unaudited)

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

CITY OF BOSSIER CITY, LOUISIANA

General Fund

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

Year ended December 31, 2011
(unaudited)

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

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

CITY OF BOSSIER CITY, LOUISIANA

Special Revenue Fund
Arena Fund

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

Year ended December 31, 2011
(unaudited)

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Budgetary Comparison Schedules

December 31, 2011

(unaudited)

Budget and Budgetary Accounting

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

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Budgetary Comparison Schedules

December 31, 2011

(unaudited)

Reconciliation of the Budgetary Basis and the GAAP Basis

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

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

Excess of Expenditures over Budget – Major Funds

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

Debt Service Funds

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

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

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

Capital Projects Funds

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

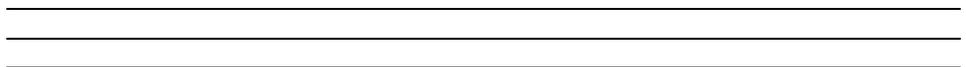
Parkway Capital Projects Fund – This fund is used to account for miscellaneous capital expenditures, as budgeted by the City Council, and is funded by the excess one-half-cent sales tax after payment of debt service on the Parkway Bond Issue and interest earned.

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

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

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

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



CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Governmental Funds

Combining Balance Sheet – By Fund Type

December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Governmental Funds

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

Year ended December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Special Revenue Funds

Combining Balance Sheet

December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Special Revenue Funds

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

Year ended December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Debt Service Funds

Combining Balance Sheet

December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Capital Projects Funds

Combining Balance Sheet

December 31, 2011

Assets	Sales Tax	Parkway	Oil and Gas	2006 Sales	Equipment	Land	Total
	Capital Improvement Fund	Capital Projects Fund	Royalties Capital Projects Fund	Tax Bond Fund	Replacement Fund	Acquisition Fund	
Cash and cash equivalents	\$ 1,586,000	1,481,597	49,962	84,846	273,708	976,511	4,452,624
Investments	1,963,479	1,834,226	—	105,040	338,852	1,208,927	5,450,524
Taxes and other receivable	501,022	552,390	9,964	—	—	—	1,063,376
Due from other government agencies	14,695	6,000	—	—	—	—	20,695
Accrued interest	6,488	6,060	—	347	1,119	3,995	18,009
Total assets	\$ 4,071,684	3,880,273	59,926	190,233	613,679	2,189,433	11,005,228

Liabilities and Fund Balances

Liabilities:							
Accounts payable	\$ 119,574	853,714	—	—	—	—	973,288
Deferred revenue	—	6,000	—	—	—	—	6,000
Total liabilities	119,574	859,714	—	—	—	—	979,288
Fund balances:							
Restricted for:							
Debt service	—	—	—	—	—	—	—
Capital projects	3,952,110	3,020,559	59,926	190,233	613,679	2,189,433	10,025,940
Committed	—	—	—	—	—	—	—
Assigned	—	—	—	—	—	—	—
Unreserved	—	—	—	—	—	—	—
Assigned	—	—	—	—	—	—	—
Total fund balances	3,952,110	3,020,559	59,926	190,233	613,679	2,189,433	10,025,940
Total liabilities and fund balances	\$ 4,071,684	3,880,273	59,926	190,233	613,679	2,189,433	11,005,228

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended December 31, 2011

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

See accompanying notes to basic financial statements.

**NONMAJOR
ENTERPRISE
FUNDS**

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

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

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

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Enterprise Funds

Combining Statement of Net Assets

December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year ended December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

Year ended December 31, 2011

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

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 Firemen’s Pension and Relief Fund and the Policemen’s Pension and Relief Fund.

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

CITY OF BOSSIER CITY, LOUISIANA

Pension Trust Funds

Combining Statement of Plan Net Assets

December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Pension Trust Funds

Combining Statement of Changes in Plan Net Assets

Year ended December 31, 2011

Additions	Firemen's Pension and Relief Fund	Policemen's Pension and Relief Fund	Total
Contributions from the City:			
Sales taxes, net	\$ 6,677,894	2,225,964	8,903,858
Fire insurance premiums	215,184	—	215,184
City court fines	—	279,403	279,403
City liquor licenses	—	6,921	6,921
Total contributions	<u>6,893,078</u>	<u>2,512,288</u>	<u>9,405,366</u>
Investment earnings	<u>5,534,699</u>	<u>357,568</u>	<u>5,892,267</u>
Total additions	<u>12,427,777</u>	<u>2,869,856</u>	<u>15,297,633</u>
Deductions			
Pensions and benefits	4,541,902	1,792,488	6,334,390
Administrative expenses	<u>36,534</u>	<u>30,757</u>	<u>67,291</u>
Total deductions	<u>4,578,436</u>	<u>1,823,245</u>	<u>6,401,681</u>
Change in net assets	7,849,341	1,046,611	8,895,952
Net assets, beginning of year	<u>46,975,795</u>	<u>16,290,146</u>	<u>63,265,941</u>
Net assets, ending of year	<u>\$ 54,825,136</u>	<u>17,336,757</u>	<u>72,161,893</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, 2011

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

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 workmen’s compensation and liability insurance claims.

CITY OF BOSSIER CITY, LOUISIANA

Internal Service Funds

Combining Statement of Net Assets

December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Internal Service Funds

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

Year ended December 31, 2011

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

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Internal Service Funds

Combining Statement of Cash Flows

Year ended December 31, 2011

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

See accompanying notes to basic financial statements.

**INDIVIDUAL FUND
SCHEDULES**

CITY OF BOSSIER CITY, LOUISIANA

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

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

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

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

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

See accompanying independent auditors' report.

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

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

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

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

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

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

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

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

See accompanying independent auditors' report.

**STATISTICAL
SECTION**

City of Bossier City, Louisiana
Statistical Section
Contents

	Table number	Page number
Financial Trends		
These schedules contain trend information to help the reader understand how the City's financial performance and well being has changed over time.		
Net Assets by Component	1	102
Changes in Net Assets	2	103 – 105
Fund Balances of Governmental Funds	3	106
Changes in Fund Balances of Governmental Funds	4	107 – 108
Revenue Capacity		
These schedules contain information to help the reader assess the City's most significant local revenue sources, property tax, and sales tax.		
Governmental Activities Tax Revenues by Source	5	109
Tax Revenues by Source – Governmental Funds	6	110
Assessed Value and Estimated Actual Value of Taxable Property	7	111
Property Tax Rates and Tax Levies – Direct and Overlapping Governments	8	112
Principal Property Taxpayers	9	113
Property Tax Levies and Collections	10	114
Sales Tax Revenues	11	115
Taxable Sales by NAICS Category	12	116
Debt Capacity		
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue debt in the future.		
Ratios of Outstanding Debt by Type	13	117
Direct and Overlapping Governmental Activities Debt	14	118
Legal Debt Margin Information	15	119
Pledged Revenue Coverage	16	120
Demographic and Economic Information		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.		
Demographic and Economic Statistics	17	121
Principal Employers	18	122
Operating Information		
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.		
Full-time Equivalent City Government Employees by Function	19	123
Operating Indicators by Function	20	124
Capital Asset Statistics by Function	21	125
Compensation Paid to City Council Members	22	126

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



CITY OF BOSSIER CITY, LOUISIANA

Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

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

Source: Audited Comprehensive Annual Financial Reports

Unaudited – see accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

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

(continued)

CITY OF BOSSIER CITY, LOUISIANA

Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

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

(continued)

CITY OF BOSSIER CITY, LOUISIANA

Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Business-type activities:										
Intergovernmental	\$ —	—	—	—	—	—	—	—	—	29,548
Investment earnings	766,582	553,267	642,752	1,383,336	510,194	706,728	380,564	254,916	380,599	609,442
Miscellaneous	1,998,093	1,061,907	742,805	745,913	618,165	439,769	787,563	581,157	438,400	535,682
Transfers	3,488,600	775,652	(12,324,112)	1,739,720	1,211,684	2,270,017	638,903	585,671	383,769	493,164
Total business-type activities	6,253,275	2,390,826	(10,938,555)	3,868,969	2,340,043	3,416,514	1,807,030	1,421,744	1,202,768	1,673,836
Total primary government										
general revenues	80,040,944	76,890,501	75,238,094	78,708,115	74,515,555	77,089,717	67,279,748	62,111,403	62,076,412	61,408,716
Changes in net assets:										
Governmental activities	9,716,461	28,583,792	29,908,768	16,154,112	22,209,682	22,851,042	8,358,377	8,707,399	16,086,389	19,615,812
Business-type activities	7,689,881	3,861,183	(12,795,395)	9,881,101	1,855,186	2,708,543	1,476,244	729,155	(90,264)	1,049,649
Total primary government,										
net revenue	\$ 17,406,342	32,444,975	17,113,373	26,035,213	24,064,868	25,559,585	9,834,621	9,436,554	15,996,125	20,665,461

Source: Audited Comprehensive Annual Financial Reports

Notes:

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

Unaudited – see accompanying independent auditors' report.

Table 3

CITY OF BOSSIER CITY, LOUISIANA

Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

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

Source: Audited Comprehensive Annual Financial Reports

Note:

(1) Includes Special Revenue, Capital Projects, Permanent, and Debt Service Funds.

All fund balances in Debt Service funds are reserved to pay future debt service.

Unaudited — see accompanying independent auditors' report.

Table 4

CITY OF BOSSIER CITY, LOUISIANA

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

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

(continued)

Table 4

CITY OF BOSSIER CITY, LOUISIANA

Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

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

Source: Audited Comprehensive Annual Financial Reports

Notes:

Beginning in 2002, sanitation activities were reported in an enterprise fund. Prior to 2002, those activities were reported in the General Fund. Beginning in 2004, emergency medical services activities were reported in the General Fund. Prior to 2004, those activities were reported in an enterprise fund. (1) Calculated as debt service amounts above divided by total noncapital expenditures (calculated as total expenditures above less capital outlay per the "Reconciliation of Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities" prior to reducing for retirements)

Unaudited – see accompanying independent auditors' report.

Table 5

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

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

Unaudited – see accompanying independent auditors’ report.

Table 6

CITY OF BOSSIER CITY, LOUISIANA

Tax Revenues by Source – Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

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

Source: Audited Comprehensive Annual Financial Reports

Unaudited – see accompanying independent auditors' report.

Table 7

CITY OF BOSSIER CITY, LOUISIANA

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

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

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

Note:

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

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

Unaudited – see accompanying independent auditors' report.

Table 8

CITY OF BOSSIER CITY, LOUISIANA

Property Tax Rates and Tax Levies – Direct and Overlapping Governments

Last Ten Fiscal Years

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

Source: Bossier Tax Assessor Grand Recapitulation Report

Unaudited – see accompanying independent auditors' report.

Table 9

CITY OF BOSSIER CITY, LOUISIANA

Principal Property Taxpayers

Current Year and Nine Years Ago

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

Source: Bossier Parish Tax Assessor's Office

Unaudited – see accompanying independent auditors' report.

Table 10

CITY OF BOSSIER CITY, LOUISIANA

Property Tax Levies and Collections

Last Ten Fiscal Years

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

Source: Bossier City Tax Division – Tax Collectors Report

Note:

(1) Does not include adjustments from Louisiana Tax Commission

Unaudited – see accompanying independent auditors' report.

Table 11**CITY OF BOSSIER CITY, LOUISIANA**

Sales Tax Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

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

Source: Audited Comprehensive Annual Financial Reports

Unaudited – see accompanying independent auditors' report.

Table 12

CITY OF BOSSIER CITY, LOUISIANA

Taxable Sales by NAICS Category

Last Five Fiscal Years

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

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

Unaudited – see accompanying independent auditors' report.

Table 13**CITY OF BOSSIER CITY, LOUISIANA**

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(accrual basis of accounting)

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

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

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

Note:

The City has no general obligation bonds outstanding.

Information for 2010 and 2011 is not available.

Unaudited – see accompanying independent auditors' report.

Table 14

CITY OF BOSSIER CITY, LOUISIANA

Direct and Overlapping Governmental Activities Debt

December 31, 2011

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

Source: (1) Bossier Parish Tax Assessor

(2) Financial statements of applicable jurisdictions

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

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City.

This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

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

Unaudited – see accompanying independent auditors' report.

Table 15

CITY OF BOSSIER CITY, LOUISIANA

Legal Debt Margin Information
Last Ten Fiscal Years

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

Total net debt applicable to the limit
as a percentage of debt limit

Legal Debt Margin Calculation for Fiscal Year 2008:

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

Note:

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

Unaudited – see accompanying independent auditors' report.

Table 16

CITY OF BOSSIER CITY, LOUISIANA

Pledged Revenue Coverage

Last Ten Fiscal Years

	Utility Revenue Bonds						Sales Tax Bonds					
	Charges for services and other (1)	Less: operating expenses (1)	Net available revenue	Principal	Debt service Interest	Coverage	Sales taxes	Less: operating expenses (2)	Net available revenue	Principal	Debt service Interest	Coverage
2011	\$ 29,743,844	11,066,281	18,677,563	2,545,000	10,363,335	1.45	\$ 44,610,974	845,294	43,765,680	7,055,000	6,945,200	3.13
2010	25,604,114	10,357,707	15,246,407	2,435,000	7,540,224	1.53	43,939,781	858,675	43,081,106	7,140,000	7,468,995	2.95
2009	22,287,649	10,593,372	11,694,277	1,640,000	6,219,900	1.49	43,953,832	791,845	43,161,987	6,810,000	7,851,759	2.94
2008	21,056,549	9,970,380	11,086,169	1,435,000	1,084,573	4.40	40,988,397	728,610	40,259,787	6,485,000	7,949,803	2.79
2007	13,071,470	8,812,147	4,259,323	1,375,000	1,127,625	1.70	39,919,397	747,416	39,171,981	4,605,000	3,646,252	4.75
2006	13,054,202	8,893,595	4,160,607	1,315,000	1,215,681	1.64	38,487,287	744,110	37,743,177	4,415,000	3,160,039	4.98
2005	13,111,514	8,526,657	4,584,857	1,255,000	1,288,988	1.80	35,934,107	684,231	35,249,876	4,015,000	3,721,471	4.56
2004	11,664,125	7,867,197	3,796,928	1,215,000	1,315,880	1.50	32,606,975	696,840	31,910,135	3,860,000	3,871,175	4.13
2003	11,050,788	7,726,193	3,324,595	1,160,000	1,332,566	1.33	30,763,157	645,653	30,117,504	3,965,000	3,878,267	3.84
2002	10,942,806	6,878,647	4,064,159	1,395,000	903,059	1.77	29,893,553	551,648	29,341,705	3,750,000	3,046,832	4.32

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

Note:

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

(2) Operating expenditures of the sales tax department.

Unaudited – see accompanying independent auditors' report.

Table 17

CITY OF BOSSIER CITY, LOUISIANA

Demographic and Economic Statistics

Last Ten Fiscal Years

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

Sources:

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

Unaudited – see accompanying independent auditors' report.

Table 18

CITY OF BOSSIER CITY, LOUISIANA

Principal Employers

Current Year and Nine Years Ago

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

Source: LSUS Center for Business and Economic Research

Notes:

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

Unaudited – see accompanying independent auditors' report.

Table 19

CITY OF BOSSIER CITY, LOUISIANA

Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

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

Source: Personnel Department of the City

Unaudited – see accompanying independent auditors' report.

Table 20

CITY OF BOSSIER CITY, LOUISIANA

Operating Indicators by Function
Last Ten Fiscal Years

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

Source: Various City departments

Note:

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

Unaudited – see accompanying independent auditors' report.

Table 21

CITY OF BOSSIER CITY, LOUISIANA

Capital Asset Statistics by Function
Last Ten Fiscal Years

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

Source: Various City departments

Note:

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

Unaudited – see accompanying independent auditors’ report.

Table 22

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

City Council Member

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

Unaudited – see accompanying independent auditors' report.