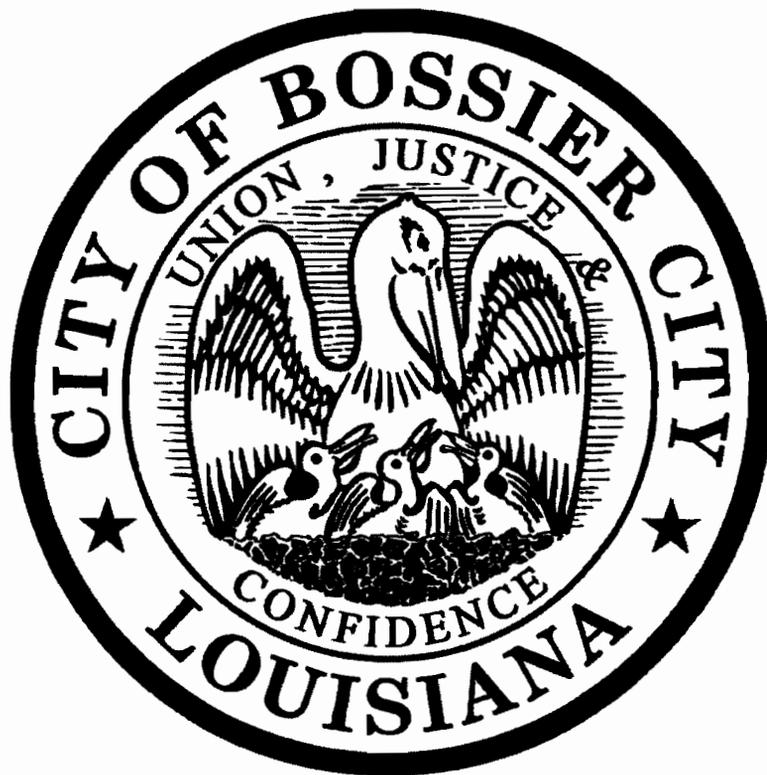


COMPREHENSIVE ANNUAL FINANCIAL REPORT

*Of The
City of
Bossier City, Louisiana*



*For The
Year Ended December 31, 2008*

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

CITY OF BOSSIER CITY, LOUISIANA

Year Ended December 31, 2008

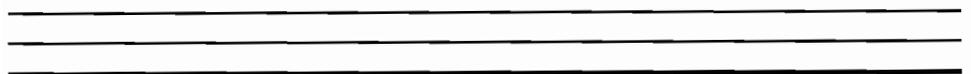
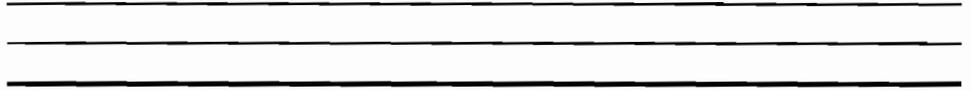
Lorenz “Lo” Walker
Mayor

William J. Buffington
Director of Finance

Prepared by Department of Finance

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**INTRODUCTORY
SECTION**



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CITY OF BOSSIER CITY, LOUISIANA

Comprehensive Annual Financial Report

Year ended December 31, 2008

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CITY OF BOSSIER CITY

P.O. BOX 5337

BOSSIER CITY, LOUISIANA 71171-5337

June 2, 2009

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, 2008. 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 2008 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, 2008 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, 2008 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 2, 2009

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 of Bossier 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 of Bossier 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 of Bossier 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 2, 2009

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 allows the Mayor to authorize the transfer of budgeted amounts from one activity to another within the same lump-sum appropriation, within the same department. The City Charter provides that expenditures may not legally exceed appropriations. Formal budgetary integration and 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 of Bossier City is a dynamic growing area with a proud past and a future filled with the promise of continued growth. It is an area that continues to be defined by the Red River and major cultural features including Barksdale Air Force Base and riverboat casinos. Some of the key factors in the development of the area include its central location among major southern cities and its importance as a transportation hub. Barksdale Air Force Base is one of the largest military installations in the nation and by far the most significant employment generator in the area. The direct impact of Barksdale Air Force Base on the local economy is estimated to be in excess of \$430 million. The City of Bossier 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 15,000 residents between 1970 and 2000, and is currently estimated to have a population of 64,773. Bossier Parish has been documented as the fastest growing parish in the state and grew by nearly 34,000 persons in the three decades ending in year 2000.

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 approximately 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 is expected soon. 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. A recent independent feasibility study of the local market indicates that the “Louisiana Boardwalk” development will generate \$200–\$300 million annually.

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 of Bossier 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

The Honorable Lorenz “Lo” Walker, Mayor
and Members of the City Council
June 2, 2009

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 Force communication and the enterprise level organization in the Air Force for communications. Barksdale has been selected as the preferred location for a larger unit, Global Strike Command. Global Strike Command, which could begin operations at Barksdale as soon as September 2009, is expected to employ about 900 people. The Cyber Innovation Center 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 Cyber Innovation Center and are currently located at Bossier Parish Community College, the interim CIC location, until the facilities can be opened in late 2009.

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 2009–2013 Capital Improvement Program to the City Council in the first quarter of 2009. There are 22 projects that total approximately \$68 million in progress as of December 31, 2008. There are 67 planned projects from year 2009 through 2013, which total approximately \$219 million. Some of the major projects and funding of these projects are summarized as follows:

Project	Funding	Amount
ART – Traffic Street	2007 Capital Bond Issue	\$ 7,700,000
ART – North	2007 Capital Bond Issue	24,100,000
Swan Lake Widening (Shed to I-220) Construction	2007 Capital Bond Issue	10,000,000
Viking Drive Widening Project – Construction	2007 Capital Bond Issue	4,500,000
ART – Hamilton Road to I-20 (Riverside Drive)	Riverboat Capital Project Fund	4,000,000
Cyber Innovation Center	Riverboat Capital Project Fund	24,000,000
Fire Station Number 6 (Riverside)	2007 Capital Bond Issue	3,500,000
Fire Station Number 5 (Meadowview)	Riverboat Gaming Capital Fund	3,500,000
20 Million Gallon Per Day Water Plant Expansion	2008 Utility Bond Issue	70,000,000

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 2, 2009

CASH MANAGEMENT POLICIES AND PRACTICES

The City maintains a pooled cash and investment account that is available for use by all funds except those restricted by statutes or other legal reasons. At the end of each business day, collected balances in all City’s bank accounts are deposited into a sweep account. These funds are invested in U.S. government and U.S. agency securities under the terms of an overnight repurchase agreement. As of December 31, 2008, the City’s cash resources were invested as follows:

Guaranteed investment contract	23.0%
U.S. government securities	21.0
Deposits	55.9
Money market funds	0.1
Total	<u>100.0%</u>

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

Accordingly, deposits are either insured by federal depository insurance or collateralized. State statutes require that all public funds should be insured or collateralized. The City’s policy is not to have uninsured/uncollateralized funds that it controls.

RISK MANAGEMENT

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

PENSION AND OTHER POSTEMPLOYMENT BENEFITS

The City administers two defined benefit pension plans: the Firemen’s Pension and Relief Fund (FPRF) and the Policemen’s Pension and Relief Fund (PPRF). Each year an independent actuary calculates the amount of the annual contribution the City must make to the pension plans. In 2007, the City contributed 129.0% of the annual required contribution of the FPRF and 165.0% of the annual required contribution of the PPRF. In 2008, the City contributed 110.0% of the annual required contribution of the FPRF and 145.0% of the annual required contribution of the PPRF. In 2007, the City had funded 50.5% of the actuarial accrued liability of the FPRF and 47.9% of the actuarial accrued liability of the PPRF. The current funding percentages are FPRF 57.0% and PPRF 53.5%. The remaining unfunded amounts for FPRF and PPRF are being amortized over 10 years.

The Honorable Lorenz "Lo" Walker, Mayor
and Members of the City Council
June 2, 2009

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

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

AWARDS AND ACKNOWLEDGMENTS

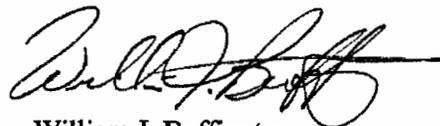
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bossier City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2007. The Certificate of Achievement 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.

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,



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, 2007

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



President

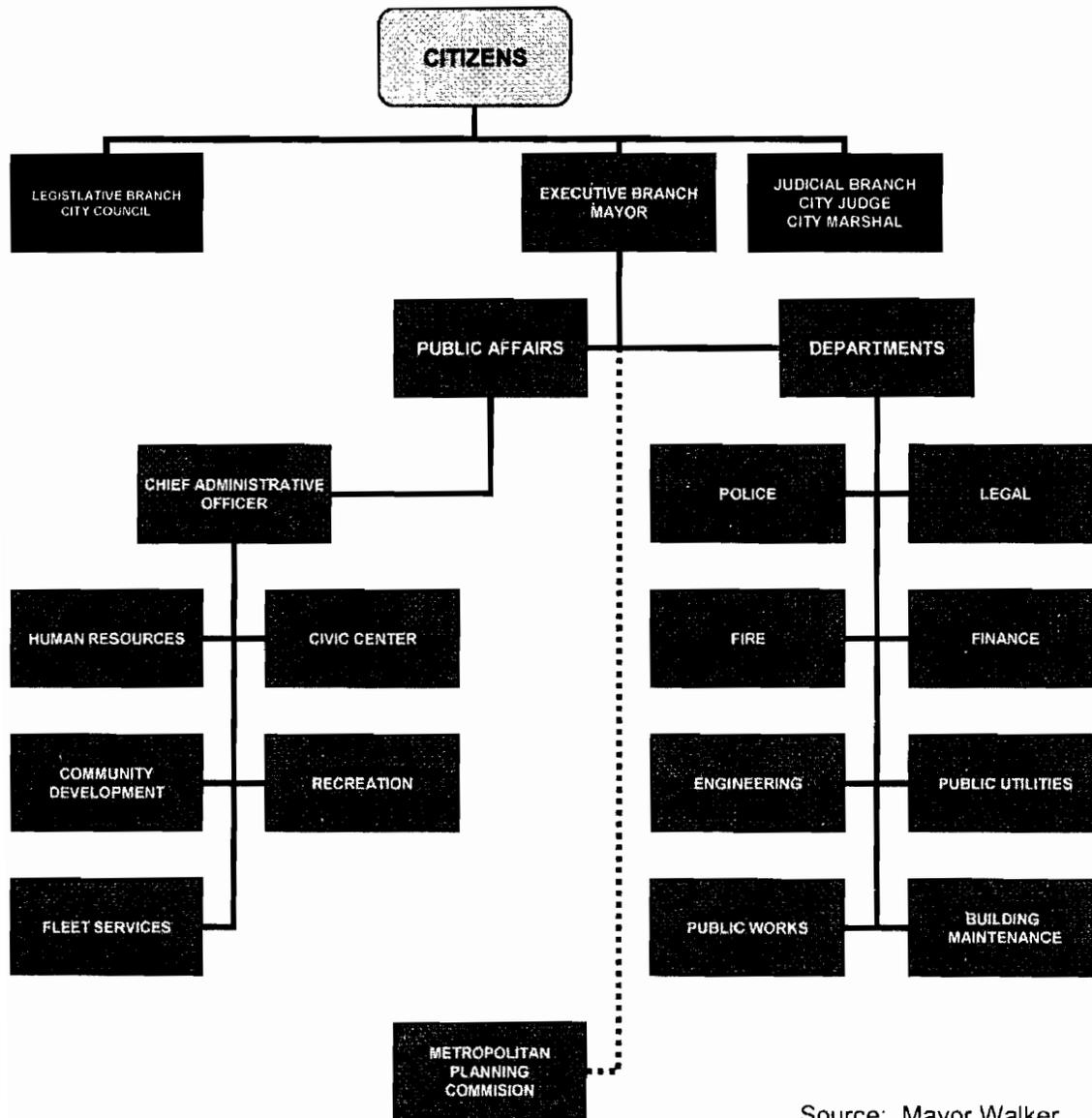
Executive Director



CITY OF BOSSIER CITY

P.O. BOX 5337

BOSSIER CITY, LOUISIANA 71171-5337

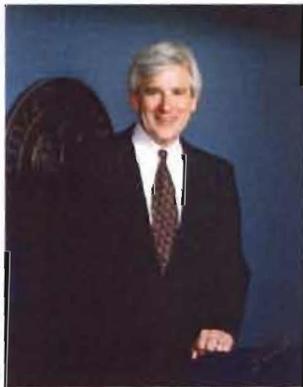


Source: Mayor Walker
November 2006

ELECTED OFFICIALS



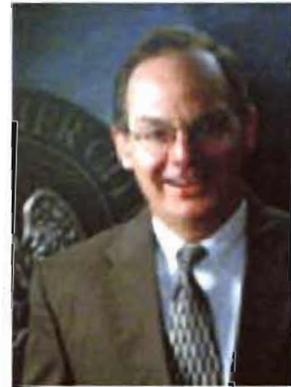
MAYOR LORENZ "LO" WALKER



Council Member at Large
TIMOTHY LARKIN



Council Member at Large
DAVID MONTGOMERY, JR



Council Member District 1
SCOTT IRWIN



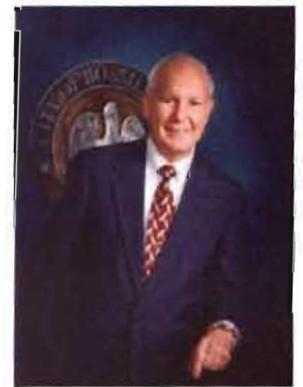
Council Member District 2
JEFFERY DARBY



Council Member District 3
DON WILLIAMS



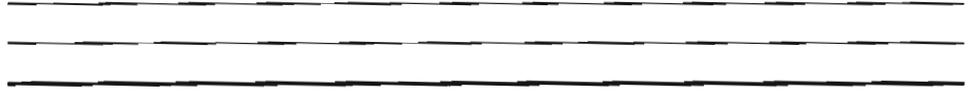
Council Member District 4
DAVID JONES



Council Member District 5
DR. JAMES ROGERS

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**FINANCIAL
SECTION**



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KPMG LLP
Suite 1900
333 Texas Street
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, 2008, 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, 2008, 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 82%, 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, 2008, 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, nonmajor enterprise, internal service, and fiduciary fund of the City of Bossier City, Louisiana, as of December 31, 2008, 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.

The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*, and GASB Statement No. 50, *Pension Disclosures*, as of December 31, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, schedules of funding progress, and budgetary comparison information listed as required supplementary information in the table of contents are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

KPMG LLP

June 2, 2009

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2008

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, 2008. 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 2008 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 \$396 million (net assets). Of this amount, approximately \$172 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 \$26 million for the year ended December 31, 2008. Net assets of governmental activities increased by \$16 million and net assets of business-type activities increased by \$10 million.
- As of the close of the current fiscal year, the City of Bossier City's governmental funds reported combined ending fund balance of \$185 million, a decrease of \$20 million in comparison with the prior fiscal year. Of this amount, \$24.2 million was unreserved, undesignated, and available for spending; \$126.1 million was unreserved, but designated for subsequent years' expenditures; \$11.3 million was reserved for debt service, inventories, and prepaid items; \$5.0 million was reserved for encumbrances; and \$18.0 million is held in a permanent trust and may not be spent.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$9.9 million or 18.0% of total General Fund expenditures.
- The City of Bossier City's total debt increased \$115.8 million (57.4%) during the current fiscal year primarily as a result of issuing \$125 million in new debt, which was offset by principal payments.

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) governmentwide 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.

Governmentwide Financial Statements: The governmentwide 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, 2008

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 of 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), and sanitation.

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 governmentwide financial statements. However, unlike the governmentwide 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 governmentwide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the governmentwide 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 23 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 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary funds – The City of Bossier City maintains three different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the governmentwide financial statements, only in more detail. The City of Bossier City uses enterprise funds to account for its water and

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2008

sewerage, EMS, and sanitation. 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. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the governmentwide 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 two proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

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 governmentwide 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 governmentwide 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 Governmentwide 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 \$396,382,226 at the close of the most recent fiscal year.

The largest portion of the City of Bossier City's net assets totaling approximately \$181 million (46%) is invested in capital assets.

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2008

City of Bossier City's Net Assets

December 31, 2008 and 2007

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 206,166,184	221,846,378	147,587,188	16,916,097	353,753,372	238,762,475
Capital assets	<u>294,491,166</u>	<u>264,723,858</u>	<u>85,726,044</u>	<u>83,120,325</u>	<u>380,217,210</u>	<u>347,844,183</u>
Total assets	<u>500,657,350</u>	<u>486,570,236</u>	<u>233,313,232</u>	<u>100,036,422</u>	<u>733,970,582</u>	<u>586,606,658</u>
Current and other liabilities	11,863,323	9,427,450	1,976,985	1,074,259	13,840,308	10,501,709
Long-term liabilities	<u>176,212,994</u>	<u>180,715,865</u>	<u>147,535,054</u>	<u>25,042,071</u>	<u>323,748,048</u>	<u>205,757,936</u>
Total liabilities	<u>188,076,317</u>	<u>190,143,315</u>	<u>149,512,039</u>	<u>26,116,330</u>	<u>337,588,356</u>	<u>216,259,645</u>
Net assets:						
Invested in capital assets, net of related debt	126,330,795	186,465,732	54,173,137	60,466,449	180,503,932	246,932,181
Restricted	29,296,109	29,680,277	13,804,234	3,798,355	43,100,343	33,478,632
Unrestricted	<u>156,954,129</u>	<u>80,280,912</u>	<u>15,823,822</u>	<u>9,655,288</u>	<u>172,777,951</u>	<u>89,936,200</u>
Total net assets	<u>\$ 312,581,033</u>	<u>296,426,921</u>	<u>83,801,193</u>	<u>73,920,092</u>	<u>396,382,226</u>	<u>370,347,013</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 \$25,100,343 of the total of restricted net assets. The remaining balance is moneys restricted for public health and safety. State law requires the proceeds from the sale of the Bossier Medical Center be held in perpetuity; however, the investment earnings may be spent each year for purposes of public health and safety. As of December 31, 2008, the nonexpendable portion was \$18,000,000.

The remaining balance of unrestricted net assets of \$172,777,951 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, with the exception of Investment in capital assets, net of related debt, for business activities.

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2008

The City of Bossier City's net assets increased by \$26,035,213 during the current fiscal year. Key elements of this increase are as follows:

City of Bossier City's Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 9,179,258	7,658,623	29,301,581	20,330,172	38,480,839	27,988,795
Operating grants and contributions	4,595,741	4,610,709	—	—	4,595,741	4,610,709
Capital grants and contributions	321,000	1,428,093	—	—	321,000	1,428,093
General revenues:						
Sales taxes	40,259,787	39,171,981	—	—	40,259,787	39,171,981
Other taxes	13,098,233	11,635,713	—	—	13,098,233	11,635,713
Gaming	14,476,406	14,721,787	—	—	14,476,406	14,721,787
Other general revenues	8,744,440	7,857,715	2,129,249	1,128,359	10,873,689	8,986,074
Total revenues	<u>90,674,865</u>	<u>87,084,621</u>	<u>31,430,830</u>	<u>21,458,531</u>	<u>122,105,695</u>	<u>108,543,152</u>
Expenses:						
General government	17,767,245	13,589,188	—	—	17,767,245	13,589,188
Public safety	37,344,859	34,262,793	—	—	37,344,859	34,262,793
Highways and streets	106,506	1,953,798	—	—	106,506	1,953,798
Culture and recreation	7,945,002	7,595,275	—	—	7,945,002	7,595,275
City Court and Marshal	1,987,939	1,746,396	—	—	1,987,939	1,746,396
Interest on long-term debt	7,629,482	4,515,805	—	—	7,629,482	4,515,805
Water and sewerage	—	—	14,658,211	13,041,663	14,658,211	13,041,663
EMS	—	—	4,464,185	4,010,269	4,464,185	4,010,269
Sanitation	—	—	4,167,053	3,763,097	4,167,053	3,763,097
Total expenses	<u>72,781,033</u>	<u>63,663,255</u>	<u>23,289,449</u>	<u>20,815,029</u>	<u>96,070,482</u>	<u>84,478,284</u>
Excess before transfers	17,893,832	23,421,366	8,141,381	643,502	26,035,213	24,064,868
Transfers	(1,739,720)	(1,211,684)	1,739,720	1,211,684	—	—
Change in net assets	16,154,112	22,209,682	9,881,101	1,855,186	26,035,213	24,064,868
Net assets, beginning of year	296,426,921	274,217,239	73,920,092	72,064,906	370,347,013	346,282,145
Net assets, end of year	<u>\$ 312,581,033</u>	<u>296,426,921</u>	<u>83,801,193</u>	<u>73,920,092</u>	<u>396,382,226</u>	<u>370,347,013</u>

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

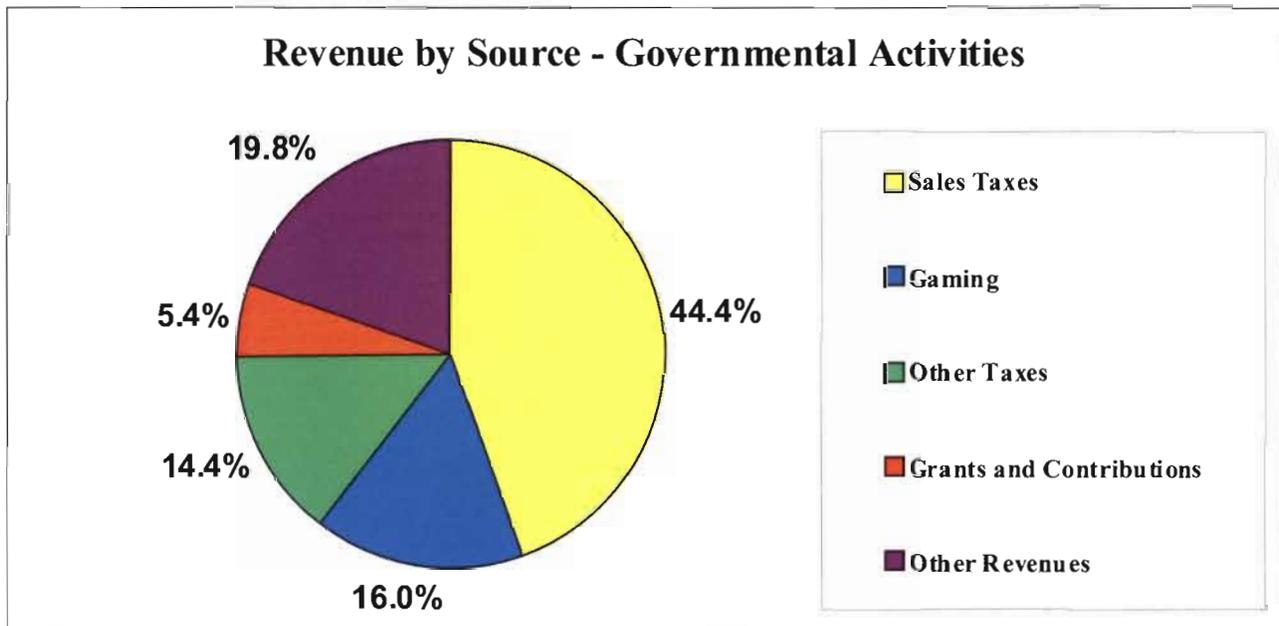
December 31, 2008

Governmental Activities

Revenues for the City of Bossier City's governmental activities for the year ended December 31, 2008 were \$90.7 million, compared to \$87.1 million in 2007.

Program revenues for governmental activities increased by \$398,574 in 2008, compared to \$393,000 in 2007.

In total, general revenues increased by \$3.2 million. This increase was composed of the following: (1) \$1.5 million increase in property tax; (2) gaming revenues decreased \$245,000 as a result of decreased gross revenue at the Riverboats; (3) other general revenues increased \$0.9 million; and (4) an increase in sales tax revenues. Sales tax (52.6%) is the largest component of general revenues. Sales tax revenue increased \$1.1 million as a result of a full year of operations and openings at the Stirling Properties as well as improvements in the overall economy.



The cost of all governmental activities in 2008 was \$72.8 million, an increase of \$9 million. The key components of the increase were:

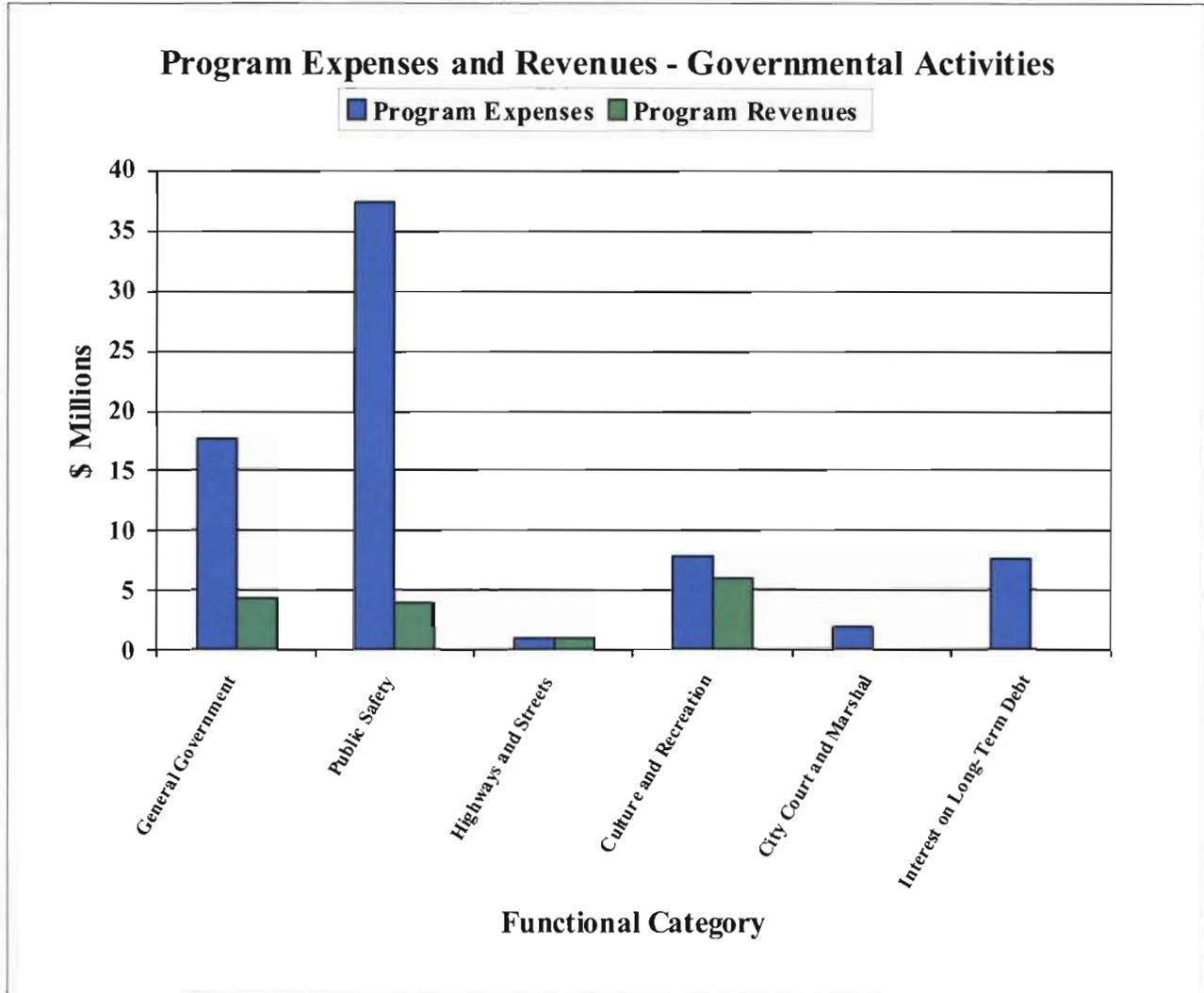
- Public safety expenses increased by \$3.1 million as a result of increased salary expenses related to hurricanes Gustav and Ike and budgeted Fire salary increases.
- General government expenses increased \$4.2 million primarily as a result of the effects of GASB 45 implementation, resulting in the recognition of \$2.2 million in other post-employment benefit obligations.
- Interest on long-term debt increased by \$3.1 million as a result of the issuance of \$125 million in bonds for utility capital projects.
- Highways and streets expenses decreased by \$1.8 million as a result of the completion of the Benton Road overpass in 2007 with no similar expense in 2008.

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2008

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:



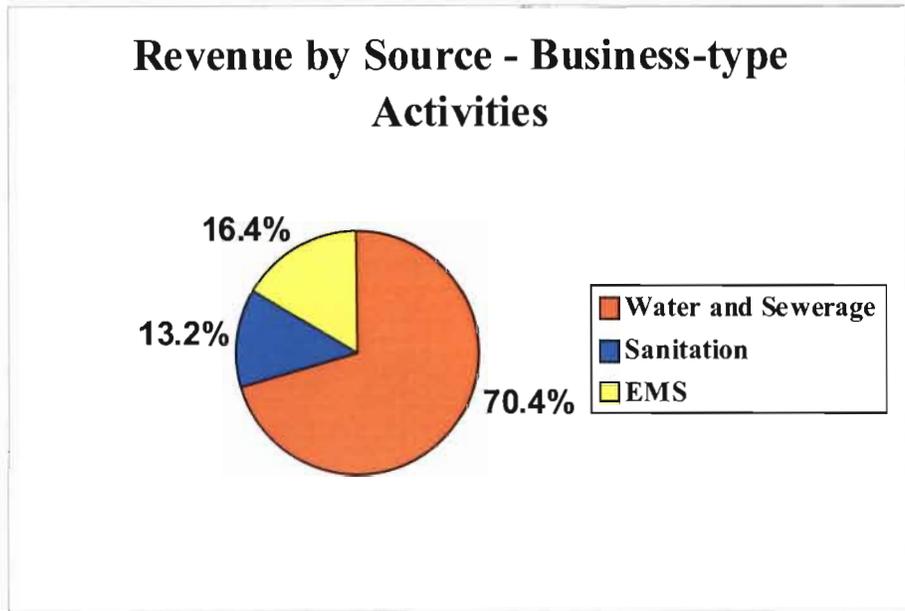
Business-Type Activities

Charges for services for the City of Bossier City's business-type activities were \$29.3 million in 2008, an increase of \$9 million. All business-type activities had increases in charges for services, with the exception of Sanitation, which had a \$0.1 million decrease.

CITY OF BOSSIER CITY, LOUISIANA

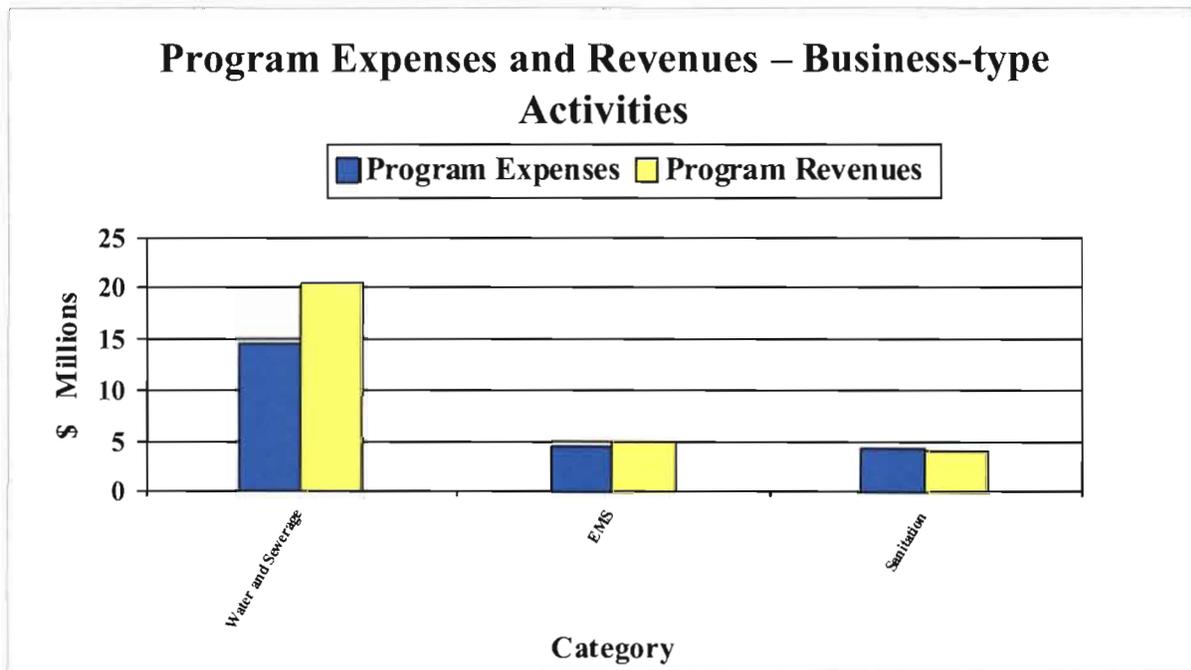
Management's Discussion and Analysis

December 31, 2008



Expenses and Program Revenues – Business-Type Activities

The costs of these activities were \$23.3 million in 2008, an increase of \$2.5 million. All business-type activities had increases in costs.



CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2008

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 \$184,908,836, a decrease of \$19,999,096 in comparison with the prior fiscal year. Of this amount, \$24,248,980 million or 13.1% was unreserved, undesignated, and available for spending. The amount of \$126,051,357 or 68.2% was unreserved, but designated for subsequent years' expenditures. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: (1) to liquidate contracts and purchase orders of the prior period (\$5,021,081), (2) to pay debt service (\$11,296,109), (3) to generate income to fund public health and safety expenses (\$18,000,000), or (4) for other restricted purposes (\$291,309).
- The General Fund is the chief operating fund of the City of Bossier City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$9,881,520. The total (undesignated) is available for spending at the City Council's discretion. The fund balance of the City of Bossier City's General Fund decreased by \$1,907,681. The key factor in this decline was salary increases.
- The Riverboat Gaming Special Revenue Fund has a total fund balance of \$31,938,803, all of which is unreserved but designated for subsequent years' expenditures. Riverboat gaming revenues collected prior to 1999 were accumulated in this fund until a base amount of \$30 million was attained, as required by city ordinance. A net decrease of \$1,072,382 occurred during the current fiscal year due to increase in net transfers out.
- The Arena Special Revenue Fund accounts for the operations of the Bossier City CenturyTel Arena (Arena). The Arena has a fund balance of \$242,071, which reflected an increase of \$84,040 in 2008. Operations of the Arena in 2008 were consistent with those in 2007.
- The Riverboat Gaming Capital Projects Fund has a total fund balance of \$16,931,938, of which \$1,174,539 is reserved to liquidate contracts and purchase orders. A net increase of \$3,261,347 occurred during the current fiscal year due to 2007 spending on the Benton Road overpass with no similar expense in 2008 and completion of planned and budgeted projects.
- The 2007 Bond Issue Capital Projects Fund has a total fund balance of \$72,002,049, of which \$1,877,294 is reserved to liquidate contracts and purchase orders. The remaining balance is unreserved but designated for subsequent years' expenditures. 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.

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2008

- The Public Health and Safety Permanent Fund has a total fund balance of \$18,000,000, all of which is restricted for public health and safety. The fund experienced a net decrease in fund balance of \$692,450 as a result of a transfer from the General Fund for support of public health and safety and lower than expected interest income.

Proprietary Funds

Water and sewerage net assets increased by \$9,459,970 as a result of Ordinance #114 of 2007, which increased water and sewer rates.

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 October 16, 2007. For the year ended December 31, 2008, four amendments were made to the General Fund. The first amendment was to increase budgeted expenditures across multiple departments to allow for increase in fuel prices. The second amendment was to provide funding for an employee of the Bossier Arts Council for 2008. The third amendment was to fund the Gingerbread House Bossier/Caddo Advocacy Center. The fourth amendment was to fund the Shreveport-Bossier military affairs council. Differences between the budget and the actual results of the General Fund are as follows:

Revenues

- Ad valorem taxes were \$1 million higher than the budget due to increased valuation of assessed property.
- Fines and penalties were \$893,776 higher than the budget due to increased activity in City Court proceedings.
- Sales tax revenues were \$285,265 lower than the budget due to lower than anticipated sales.

Expenditures

- Police department expenditures were less than budget by \$672,626 due to lower head count and related salaries expenses and retirement cost.
- Fire department expenses were less than budget by \$536,901 due to lower head count and related salaries expenses and retirement cost.

Capital Assets and Debt Administration

Capital Assets: The City of Bossier City's investment in capital assets as of December 31, 2008 amounts to \$380,217,210 (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, LOUISIANA

Management's Discussion and Analysis

December 31, 2008

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

	Governmental activities		Business-type activities	
	2008	2007	2008	2007
Land and land improvements	\$ 82,412,040	75,097,394	861,184	861,184
Buildings and structures	83,097,642	84,340,158	—	—
Equipment and vehicles	6,886,093	3,002,149	3,633,376	2,642,530
Water and reservoir treatment plant	—	—	42,733,674	42,492,319
Transmission and distribution system	—	—	36,189,197	36,587,292
Infrastructure	97,684,111	73,872,426	—	—
Construction in progress – buildings	24,411,280	28,411,731	2,308,613	537,000
Total	\$ 294,491,166	264,723,858	85,726,044	83,120,325

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

- Viking Drive 3-Lane
- Cyber Innovation Center
- Riverside Drive Project
- Animal Control Building Expansion

Long-term debt: At the end of the current fiscal year, the City of Bossier City had total debt outstanding of \$317,490,228. The City of Bossier City has no general bonded debt outstanding. The following table summarizes bonds outstanding at December 31, 2008 and 2007:

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

	Governmental activities		Business-type activities	
	2008	2007	2008	2007
Revenue bonds	\$ 170,490,234	177,099,150	146,999,994	24,562,792

In 2008, the City issued \$125 million in Utility Revenue Bonds for the purpose of making additions, improvements, extensions, renewals, replacements, or repairs to the waterworks plant and system and the sewer utility system, funding a debt service reserve fund, and paying the costs of issuance of the Bonds. Moody's Investors assigned an Aa1 rating to the City of Bossier related to this issue.

CITY OF BOSSIER CITY, LOUISIANA

Management's Discussion and Analysis

December 31, 2008

There were no changes in the ratings of the city's bonds. Moody's Investors assigned an A2 rating to the City of Bossier City related to the 2006 refunding.

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 2009 was presented to the City Council:

The plan is designed to continue supporting the following broadly stated objectives: (1) improve current level of services to our citizens; (2) continue improving City facilities and infrastructure; (3) 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 2009, the City has budgeted a 3.4% increase in sales tax dollars over 2008 actual. This increase is anticipated due to one full year of operations of the Stirling Property Shopping Center and continued success of the Boardwalk. Preliminary 2009 figures reflect an increase of close to 13.5% for the first quarter. In 2008, the assessed value of property with the City increased by 9%. Actual licenses and permits collected during 2008 were 18.8% higher than 2007, and are budgeted 2.2% higher in 2009.

Requests for Information

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

**BASIC FINANCIAL
STATEMENTS**

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CITY OF BOSSIER CITY, LOUISIANA

Statement of Net Assets

December 31, 2008

Assets	Primary government			Component units
	Governmental activities	Business-type activities	Total	
Cash and cash equivalents	\$ 65,320,908	81,314,972	146,635,880	2,748,487
Investments	119,753,286	55,802,026	175,555,312	1,181,013
Receivables, net	13,047,852	4,979,970	18,027,822	132,288
Prepaid items and other assets	409,927	156,507	566,434	—
Inventories	261,710	236,674	498,384	—
Net pension asset	5,042,638	—	5,042,638	—
Bond issue costs, net	2,329,863	5,097,039	7,426,902	—
Capital assets:				
Land and construction in progress	106,823,320	3,169,797	109,993,117	—
Other capital assets, net of depreciation	187,667,846	82,556,247	270,224,093	299,718
Total assets	500,657,350	233,313,232	733,970,582	4,361,506
Liabilities				
Accounts payable	8,097,866	1,038,567	9,136,433	40,490
Accrued liabilities	1,339,487	234,887	1,574,374	—
Accrued interest payable	696,154	519,479	1,215,633	8,384
Deposits and deferred charges	1,729,816	184,052	1,913,868	—
Noncurrent liabilities:				
Due within one year	7,774,862	2,060,040	9,834,902	—
Due in more than one year	168,438,132	145,475,014	313,913,146	575,000
Total liabilities	188,076,317	149,512,039	337,588,356	623,874
Net Assets				
Invested in capital assets, net of related debt	126,330,795	54,173,137	180,503,932	299,718
Restricted for:				
Debt service – expendable	11,296,109	13,804,234	25,100,343	310,943
Public health and safety – nonexpendable	18,000,000	—	18,000,000	—
Victims of juvenile crime	—	—	—	3,425
Facility expenses	—	—	—	863,976
Unrestricted	156,954,129	15,823,822	172,777,951	2,259,570
Total net assets	\$ 312,581,033	83,801,193	396,382,226	3,737,632

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Activities

Year ended December 31, 2008

Functions/programs	Program revenues				Net (expenses) revenues and changes in net assets			Component units
	Expenses	Charges for services	Operating	Capital	Primary Government			
			grants and contributions	grants and contributions	Governmental activities	Business-type activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 17,767,245	3,400,648	558,405	321,000	(13,487,192)	—	(13,487,192)	—
Public safety	37,344,859	2,238,270	1,778,012	—	(33,328,577)	—	(33,328,577)	—
Highways and streets	106,506	127,128	—	—	20,622	—	20,622	—
Cultural and recreation	7,945,002	3,413,212	2,259,324	—	(2,272,466)	—	(2,272,466)	—
City Court and City Marshal	1,987,939	—	—	—	(1,987,939)	—	(1,987,939)	—
Interest on long-term debt	7,629,482	—	—	—	(7,629,482)	—	(7,629,482)	—
Total governmental activities	72,781,033	9,179,258	4,595,741	321,000	(58,685,034)	—	(58,685,034)	—
Business-type activities:								
Water and sewerage	14,658,211	20,638,433	—	—	—	5,980,222	5,980,222	—
EMS	4,464,185	4,811,893	—	—	—	347,708	347,708	—
Sanitation	4,167,053	3,851,255	—	—	—	(315,798)	(315,798)	—
Total business-type activities	23,289,449	29,301,581	—	—	—	6,012,132	6,012,132	—
Total primary government	\$ 96,070,482	38,480,839	4,595,741	321,000	(58,685,034)	6,012,132	(52,672,902)	—
Component units:								
Bossier Public Trust Financing Authority	\$ 53,708	68,357	—	—	—	—	—	14,649
City Court	232,898	629,886	—	—	—	—	—	396,988
City Marshal	602,156	734,450	—	—	—	—	—	132,294
Metropolitan Planning Commission	368,574	167,089	—	—	—	—	—	(201,485)
Total component units	\$ 1,257,336	1,599,782	—	—	—	—	—	342,446
General revenues:								
Taxes:								
Property taxes levied for general purposes					\$ 10,692,762	—	10,692,762	—
Sales taxes levied for general purposes					14,320,512	—	14,320,512	—
Sales taxes levied for capital projects					10,315,345	—	10,315,345	—
Sales taxes levied for debt service					7,661,005	—	7,661,005	—
Sales taxes levied for pension plans					7,962,925	—	7,962,925	—
Franchise taxes					2,405,471	—	2,405,471	—
Gaming					14,476,406	—	14,476,406	—
Grants and contributions not restricted to specific purposes					266,813	—	266,813	—
Investment earnings					6,961,169	1,383,336	8,344,505	61,973
Payments from City of Bossier City					—	—	—	161,205
Miscellaneous					1,516,458	745,913	2,262,371	19,574
Transfers					(1,739,720)	1,739,720	—	—
Total general revenues and transfers					74,839,146	3,868,969	78,708,115	242,752
Change in net assets					16,154,112	9,881,101	26,035,213	585,198
Net assets, beginning					296,426,921	73,920,092	370,347,013	3,152,434
Net assets, ending					\$ 312,581,033	83,801,193	396,382,226	3,737,632

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Balance Sheet

Governmental Funds

December 31, 2008

Assets	General	Riverboat	Arena	Riverboat	2007 Bond	Public Health	Other	Total
		Gaming Special	Special	Gaming Capital	Issue Capital	and Safety	governmental	governmental
		Revenue Fund	Revenue Fund	Projects Fund	Projects Fund	Permanent Fund	funds	funds
Cash and cash equivalents	\$ 4,540,604	18,822,027	1,555,170	9,613,780	13,714	10,463,784	19,333,402	64,342,481
Investments	3,066,096	12,916,831	—	6,597,567	74,852,431	7,180,892	14,378,152	118,991,969
Receivables, net	5,455,479	591,600	758,863	1,188,345	1,852,112	105,304	2,991,927	12,943,630
Due from other funds	92,932	—	91,967	—	—	250,071	—	434,970
Prepaid items and other assets	—	—	29,599	—	—	—	—	29,599
Inventories, at cost	261,710	—	—	—	—	—	—	261,710
Investments – restricted	—	—	—	—	—	100,000	—	100,000
Total assets	\$ 13,416,821	32,330,458	2,435,599	17,399,692	76,718,257	18,100,051	36,703,481	197,104,359
Liabilities and Fund Balance								
Liabilities:								
Accounts payable	\$ 728,207	391,655	952,680	419,362	4,716,208	51	867,262	8,075,425
Accrued liabilities	1,225,578	—	—	—	—	100,000	13,909	1,339,487
Due to other funds	250,071	—	—	—	—	—	184,899	434,970
Deferred revenue	918,701	—	435,815	48,392	—	—	137,700	1,540,608
Deposits and deferred charges	—	—	805,033	—	—	—	—	805,033
Total liabilities	3,122,557	391,655	2,193,528	467,754	4,716,208	100,051	1,203,770	12,195,523
Fund balance:								
Reserved for:								
Debt service	—	—	—	—	—	—	11,296,109	11,296,109
Encumbrances	151,034	—	—	1,174,539	1,877,294	—	1,818,214	5,021,081
Inventories	261,710	—	—	—	—	—	—	261,710
Prepaid items	—	—	29,599	—	—	—	—	29,599
Public health and safety	—	—	—	—	—	18,000,000	—	18,000,000
Unreserved, designated for subsequent years' expenditures	—	31,938,803	—	15,757,399	70,124,755	—	8,230,400	126,051,357
Unreserved:								
Undesignated	9,881,520	—	212,472	—	—	—	—	10,093,992
Undesignated, reported in nonmajor special revenue funds	—	—	—	—	—	—	14,154,988	14,154,988
Total fund balance	10,294,264	31,938,803	242,071	16,931,938	72,002,049	18,000,000	35,499,711	184,908,836
Total liabilities and fund balance	\$ 13,416,821	32,330,458	2,435,599	17,399,692	76,718,257	18,100,051	36,703,481	197,104,359

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, 2008

Fund balances – total governmental funds		\$ 184,908,836
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$ 359,426,734	
Less accumulated depreciation	<u>(64,935,568)</u>	294,491,166
Other assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds		
Unamortized bond issuance costs		2,329,863
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		4,827,869
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		
		615,825
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	1,435,725	
Accrued interest payable	(696,154)	
Compensated absences	(1,414,667)	
Claims	(1,121,500)	
Bonds, notes, and loans payable	(171,925,959)	
Net pension obligation – Firemen’s Pension and Relief Fund	214,769	
Net other post-employment benefit obligation – unfunded actuarial accrued liability	<u>(2,221,731)</u>	(175,729,517)
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.		
Net assets of governmental activities		<u>1,136,991</u>
		<u>\$ 312,581,033</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, 2008

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	\$ 35,460,552	—	—	—	—	—	17,976,350	53,436,902
Licenses and permits	3,400,648	—	—	—	—	—	—	3,400,648
Intergovernmental	2,044,825	—	—	321,000	—	—	2,817,729	5,183,554
Video poker	444,492	—	—	—	—	—	—	444,492
Fees and rentals	3,000	—	3,106,404	127,128	—	—	306,808	3,543,340
Fines and penalties	2,193,776	—	—	—	—	—	44,494	2,238,270
Racing commission – Louisiana								
Downs	843,268	—	—	—	—	—	—	843,268
Gaming	—	11,339	—	13,177,307	—	—	—	13,188,646
Investment earnings	187,037	1,016,279	—	436,777	3,676,663	570,614	1,073,799	6,961,169
Miscellaneous	1,362,584	—	—	—	—	8,025	142,849	1,513,458
Total revenues	45,940,182	1,027,618	3,106,404	14,062,212	3,676,663	578,639	22,362,029	90,753,747
Expenditures								
Current:								
General government	12,511,846	—	—	—	—	—	659,045	13,170,891
Public safety	37,503,386	—	—	—	—	21,160	—	37,524,546
Highways and streets	668,129	—	—	—	—	—	—	668,129
Culture and recreation	2,282,110	—	3,147,364	—	—	—	806,571	6,236,045
City Court and City Marshal	1,862,751	—	—	—	—	—	47,592	1,910,343
Debt service:								
Principal	—	—	—	—	—	—	6,485,000	6,485,000
Bond issuance costs	—	—	—	—	244,952	—	—	244,952
Interest and other charges	—	—	—	—	—	—	7,954,903	7,954,903
Capital outlay	—	—	—	5,618,655	18,369,000	—	10,669,455	34,657,110
Metropolitan planning – payments to component units	161,204	—	—	—	—	—	—	161,204
Total expenditures	54,989,426	—	3,147,364	5,618,655	18,613,952	21,160	26,622,566	109,013,123
Excess (deficiency) of revenues over (under) expenditures	(9,049,244)	1,027,618	(40,960)	8,443,557	(14,937,289)	557,479	(4,260,537)	(18,259,376)
Other financing sources (uses):								
Transfers in	7,141,563	—	125,000	5,045,182	—	—	16,536,517	28,848,262
Transfers out	—	(2,100,000)	—	(10,227,392)	(9,039,738)	(1,249,929)	(7,970,923)	(30,587,982)
Total other financing sources and uses	7,141,563	(2,100,000)	125,000	(5,182,210)	(9,039,738)	(1,249,929)	8,565,594	(1,739,720)
Net change in fund balances	(1,907,681)	(1,072,382)	84,040	3,261,347	(23,977,027)	(692,450)	4,305,057	(19,999,096)
Fund balances, beginning	12,201,945	33,011,185	158,031	13,670,591	95,979,076	18,692,450	31,194,654	204,907,932
Fund balances, ending	\$ 10,294,264	31,938,803	242,071	16,931,938	72,002,049	18,000,000	35,499,711	184,908,836

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, 2008

Net change in fund balances – total governmental funds		\$ (19,999,096)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 38,780,026	
Depreciation expense	<u>(9,012,718)</u>	29,767,308
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.		(78,883)
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		6,485,000
Bond issue costs paid		244,952
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	1,012,148	
Firemen’s Pension and Relief Fund net obligation	460,189	
Net other post-employment benefit obligation	<u>(2,221,731)</u>	(749,394)
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	(106,678)	
Amortization of bond issue costs	(199,113)	
Amortization of bond premium	230,594	
Decrease in compensated absences	(209,394)	
Claims	311,000	
Decrease in accrued interest	<u>400,618</u>	427,027
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>57,198</u>
Change in net assets of governmental activities		<u>\$ 16,154,112</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Net Assets

Proprietary Funds

December 31, 2008

Assets	Business-type activities enterprise funds			Governmental activities internal service funds
	Water and sewerage	Other enterprise funds	Total	
Current assets:				
Cash and cash equivalents	\$ 7,598,381	1,253,106	8,851,487	978,427
Investments	9,396,511	859,957	10,256,468	661,317
Receivables, net	2,786,570	2,064,692	4,851,262	104,222
Prepaid items	—	—	—	380,328
Inventories	236,674	—	236,674	—
Restricted:				
Cash and cash equivalents	3,074,158	—	3,074,158	—
Accrued interest receivable	128,708	—	128,708	—
Total current assets	23,221,002	4,177,755	27,398,757	2,124,294
Noncurrent assets:				
Restricted:				
Cash and cash equivalents	69,389,327	—	69,389,327	—
Investments	45,545,558	—	45,545,558	—
Capital assets:				
Land and land improvements	861,184	—	861,184	—
Construction in process	2,308,613	—	2,308,613	—
Water reservoir and treatment plant	63,599,720	—	63,599,720	—
Transmission and distribution system	56,747,054	—	56,747,054	—
Equipment	10,617,975	—	10,617,975	—
Less accumulated depreciation	(48,408,502)	—	(48,408,502)	—
Total capital assets (net of accumulated depreciation)	85,726,044	—	85,726,044	—
Deferred bond costs, net	5,097,039	—	5,097,039	—
Other deferred charges	156,507	—	156,507	—
Total other assets	5,253,546	—	5,253,546	—
Total noncurrent assets	205,914,475	—	205,914,475	—
Total assets	229,135,477	4,177,755	233,313,232	2,124,294
Liabilities				
Current liabilities (payable from current assets):				
Accounts payable	768,391	270,176	1,038,567	22,441
Accrued liabilities	191,246	43,641	234,887	—
Customer deposits	184,052	—	184,052	—
Accrued claims	—	—	—	964,862
Compensated absences	202,821	217,219	420,040	—
Total current liabilities (payable from current assets)	1,346,510	531,036	1,877,546	987,303
Current liabilities (payable from restricted assets):				
Accrued interest on revenue bonds	519,479	—	519,479	—
Current portion of long-term debt	1,640,000	—	1,640,000	—
Total current liabilities (payable from restricted assets)	2,159,479	—	2,159,479	—
Total current liabilities	3,505,989	531,036	4,037,025	987,303
Noncurrent liabilities:				
Compensated absences	41,960	73,060	115,020	—
Bonds and notes payable	145,359,944	—	145,359,944	—
Total noncurrent liabilities	145,401,904	73,060	145,474,964	—
Total liabilities	148,907,893	604,096	149,511,989	987,303
Net assets				
Invested in capital assets, net of related debt	54,173,137	—	54,173,137	—
Restricted for debt service	13,804,234	—	13,804,234	—
Unrestricted	12,250,163	3,573,659	15,823,822	1,136,991
Total net assets	\$ 80,227,534	3,573,659	83,801,193	1,136,991

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, 2008

	<u>Business-type activities enterprise funds</u>			<u>Governmental activities internal service funds</u>
	<u>Water and sewerage</u>	<u>Other enterprise funds</u>	<u>Total</u>	
Operating revenues				
Charges for services pledged as security for revenue bonds (net of allowance of \$459,177)	\$ 20,638,433	—	20,638,433	—
Charges for services (net of allowance of \$1,041,828)	—	8,663,148	8,663,148	2,939,347
Miscellaneous	418,116	327,797	745,913	—
Total operating revenues	<u>21,056,549</u>	<u>8,990,945</u>	<u>30,047,494</u>	<u>2,939,347</u>
Operating expenses				
Personal services	5,437,271	5,325,591	10,762,862	—
Supplies	1,576,512	513,421	2,089,933	—
Administrative	—	43,200	43,200	—
Utilities	1,067,478	137,137	1,204,615	—
Repairs and maintenance	916,623	208,552	1,125,175	—
Travel and training	—	34,519	34,519	—
Professional services	—	9,877	9,877	—
Insurance	—	220,136	220,136	—
Contractual expenses	44,586	2,092,471	2,137,057	161,583
Miscellaneous	927,910	46,334	974,244	45,306
Claims	—	—	—	2,667,179
Depreciation	3,264,157	—	3,264,157	—
Total operating expenses	<u>13,234,537</u>	<u>8,631,238</u>	<u>21,865,775</u>	<u>2,874,068</u>
Operating income	<u>7,822,012</u>	<u>359,707</u>	<u>8,181,719</u>	<u>65,279</u>
Nonoperating revenues (expenses)				
Investment earnings	1,321,912	61,424	1,383,336	(8,081)
Interest expense	(1,324,298)	—	(1,324,298)	—
Amortization	(63,635)	—	(63,635)	—
Fiscal charges	(35,741)	—	(35,741)	—
Total nonoperating revenues (expenses)	<u>(101,762)</u>	<u>61,424</u>	<u>(40,338)</u>	<u>(8,081)</u>
Income before transfers	7,720,250	421,131	8,141,381	57,198
Transfers in	1,739,720	—	1,739,720	—
	<u>1,739,720</u>	<u>—</u>	<u>1,739,720</u>	<u>—</u>
Change in net assets	9,459,970	421,131	9,881,101	57,198
Total net assets, beginning	<u>70,767,564</u>	<u>3,152,528</u>	<u>73,920,092</u>	<u>1,079,793</u>
Total net assets, ending	<u>\$ 80,227,534</u>	<u>3,573,659</u>	<u>83,801,193</u>	<u>1,136,991</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2008

	<u>Business-type activities enterprise funds</u>			<u>Governmental</u>
	<u>Water and sewerage</u>	<u>Other enterprise funds</u>	<u>Total</u>	<u>activities internal service funds</u>
Cash flows from operating activities:				
Receipts from operations	\$ 21,394,687	8,185,551	29,580,238	2,962,053
Payments to suppliers	(3,978,281)	(3,214,354)	(7,192,635)	(201,451)
Payments to employees	(5,337,259)	(5,299,430)	(10,636,689)	—
Claims paid	—	—	—	(2,435,839)
Other receipts (payments)	(199,241)	419,412	220,171	(92,795)
Net cash provided by operating activities	<u>11,879,906</u>	<u>91,179</u>	<u>11,971,085</u>	<u>231,968</u>
Cash flows from noncapital financing activity:				
Transfers in	<u>1,739,720</u>	<u>—</u>	<u>1,739,720</u>	<u>—</u>
Net cash provided by noncapital financing activity	<u>1,739,720</u>	<u>—</u>	<u>1,739,720</u>	<u>—</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(5,869,876)	—	(5,869,876)	—
Bond proceeds	125,000,000	—	125,000,000	—
New bond costs	(5,814,556)	—	(5,814,556)	—
Principal paid on debt	(1,435,000)	—	(1,435,000)	—
Interest paid	(1,084,571)	—	(1,084,571)	—
Fiscal charges	(35,741)	—	(35,741)	—
Net cash provided by capital and related financing activities	<u>110,760,256</u>	<u>—</u>	<u>110,760,256</u>	<u>—</u>
Cash flows from investing activities:				
Sale of investments	—	834,735	834,735	551,494
Purchase of investments	(46,124,135)	—	(46,124,135)	—
Interest received	<u>508,533</u>	<u>74,191</u>	<u>582,724</u>	<u>—</u>
Net cash provided by (used in) investing activities	<u>(45,615,602)</u>	<u>908,926</u>	<u>(44,706,676)</u>	<u>551,494</u>
Net increase in cash and cash equivalents	<u>78,764,280</u>	<u>1,000,105</u>	<u>79,764,385</u>	<u>783,462</u>
Cash and cash equivalents, beginning of year	<u>1,297,586</u>	<u>253,001</u>	<u>1,550,587</u>	<u>194,966</u>
Cash and cash equivalents, end of year	<u>\$ 80,061,866</u>	<u>1,253,106</u>	<u>81,314,972</u>	<u>978,428</u>

CITY OF BOSSIER CITY, LOUISIANA

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2008

	Business-type activities enterprise funds			Governmental activities internal service funds
	Water and sewerage	Other enterprise funds	Total	
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 7,822,012	359,707	8,181,719	65,279
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	3,264,157	—	3,264,157	—
Provision for bad debts	459,177	1,041,828	1,501,005	—
(Increase) decrease in assets:				
Accounts receivable	(320,068)	(1,427,810)	(1,747,878)	(88,025)
Inventories	43,302	—	43,302	—
Prepaid items	10,000	—	10,000	9,782
Increase (decrease) in liabilities:				
Accounts payable	511,526	90,126	601,652	13,592
Accrued liabilities	60,779	10,780	71,559	—
Compensated absences	39,233	16,548	55,781	—
Customer deposits	(10,212)	—	(10,212)	—
Accrued claims	—	—	—	231,340
Total adjustments	4,057,894	(268,528)	3,789,366	166,689
Net cash provided by operating activities	\$ 11,879,906	91,179	11,971,085	231,968
Noncash items:				
Amortization	\$ 63,635	—	63,635	—
Change in fair value of investments	128,283	61,424	189,707	(1,369)

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2008

Assets	Pension Trust Funds	Agency Funds
Cash and cash equivalents	\$ 13,485,023	2,736,209
Receivables:		
Interest receivable	246,015	27,417
Other	—	214,669
Investments, at fair value:		
U.S. government securities	35,332,347	1,877,688
Certificates of deposit	5,149,641	—
Total investments	<u>40,481,988</u>	<u>1,877,688</u>
Total assets	<u>54,213,026</u>	<u>4,855,983</u>
Liabilities		
Accounts payable	—	32,499
Accrued liabilities	—	15,102
Taxes paid under protest	—	4,650,760
Refundable deposits	—	85,170
Due to other governmental units	—	72,452
Total liabilities	<u>—</u>	<u>4,855,983</u>
Net assets		
Held in trust for pension benefits	\$ <u><u>54,213,026</u></u>	<u><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, 2008

Additions

Contributions from the City:		
Sales taxes, net	\$	7,963,023
Fire insurance premiums		197,252
City Court fines		449,883
City liquor licenses		6,369
Total contributions		<u>8,616,527</u>
Investment earnings		<u>3,222,085</u>
Total additions		<u>11,838,612</u>

Deductions

Pensions and benefits		6,538,283
Administrative expenses		58,801
Total deductions		<u>6,597,084</u>
Change in net assets		5,241,528
Net assets, beginning		<u>48,971,498</u>
Net assets, ending	\$	<u><u>54,213,026</u></u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Net Assets

Component Units

December 31, 2008

Assets	Bossier Public Trust Financing Authority	Bossier City Court	Bossier City Marshal	Metropolitan Planning Commission	Total
Cash and cash equivalents	\$ 12,206	2,428,338	224,888	83,055	2,748,487
Investments	877,448	146,475	100,162	56,928	1,181,013
Receivables, net	—	3,181	450	—	3,631
Accrued interest	4,673	—	—	831	5,504
Due from other governments	—	—	123,153	—	123,153
Capital assets:					
Other capital assets, net of depreciation	—	—	299,718	—	299,718
Total assets	894,327	2,577,994	748,371	140,814	4,361,506
Liabilities					
Accounts payable	—	8,643	20,284	11,563	40,490
Accrued interest payable	8,384	—	—	—	8,384
Noncurrent liabilities:					
Due within one year	—	—	—	—	—
Due in more than one year	575,000	—	—	—	575,000
Total liabilities	583,384	8,643	20,284	11,563	623,874
Net assets					
Invested in capital assets	—	—	299,718	—	299,718
Restricted for:					
Debt service	310,943	—	—	—	310,943
Victims of juvenile crime	—	3,425	—	—	3,425
Facility expenses	—	863,976	—	—	863,976
Unrestricted	—	1,701,950	428,369	129,251	2,259,570
Total net assets	\$ 310,943	2,569,351	728,087	129,251	3,737,632

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Activities

Component Units

Year ended December 31, 2008

	<u>Program revenues</u>		<u>Net (expenses) revenues and changes in net assets</u>				
	<u>Expenses</u>	<u>Charges for services</u>	<u>Bossier Public Trust Financing Authority</u>	<u>Bossier City Court</u>	<u>Bossier City Marshal</u>	<u>Metropolitan Planning Commission</u>	<u>Total</u>
Bossier Public Trust Financing Authority							
Mortgage operations	\$ 53,708	68,357	14,649	—	—	—	14,649
Bossier City Court							
Judicial	232,898	629,886	—	396,988	—	—	396,988
Bossier City Marshal							
Judicial	602,156	734,450	—	—	132,294	—	132,294
Metropolitan Planning Commission							
Planning and zoning	368,574	167,089	—	—	—	(201,485)	(201,485)
	<u>1,257,336</u>	<u>1,599,782</u>					
General revenues:							
Investment earnings			—	50,791	6,061	5,121	61,973
Payment from the City of Bossier City			—	—	—	161,205	161,205
Miscellaneous			—	2,415	15,934	1,225	19,574
Total general revenues			<u>—</u>	<u>53,206</u>	<u>21,995</u>	<u>167,551</u>	<u>242,752</u>
Change in net assets			14,649	450,194	154,289	(33,934)	585,198
Net assets, beginning			<u>296,294</u>	<u>2,119,157</u>	<u>573,798</u>	<u>163,185</u>	<u>3,152,434</u>
Net assets, ending			\$ <u>310,943</u>	<u>2,569,351</u>	<u>728,087</u>	<u>129,251</u>	<u>3,737,632</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

(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.

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, 2008.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

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, 2008.

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, 2008.

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

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.

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) Governmentwide and Fund Financial Statements

The governmentwide 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 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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

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.

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:

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

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.

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

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 capital maintenance is 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 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.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

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 \$619,776, \$92,756, and \$130,699, respectively, at December 31, 2008.

(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.

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

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, 2008 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 reserve for prepaid expenditures in governmental fund types is equal to the amount of prepaid expenditures to indicate a portion of the fund balance is not available for future expenditures.

(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 governmentwide and fund financial statements. The reserve for inventories in governmental fund type is equal to the

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

amount of inventories to indicate a portion of fund balance is not available for future expenditures. 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.

(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.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

(m) Fund Equity

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

(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, and construction programs, and other activities beneficial to the community. These funds, primarily in the form of grants, are recorded in the General Fund, special revenue funds, capital projects funds, and enterprise funds. The grants normally specify the purpose for which the funds may be used and are subject to audit by the granting agency or its representative.

(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.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

(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, 2008 for the City are summarized as follows:

<u>Carrying Amount</u>	<u>Bank Balance</u>
\$180,197,393	\$187,447,320

Certificates of deposit with a maturity of three months or more are classified in the statement of net assets as "investments" (\$31,951,123). There were no certificates of deposits with a maturity of three months or less.

The City's bank balance of deposits at December 31, 2008 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 \$742,484, 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 \$383,335 are classified as a cash equivalent in the statement of net assets but are an investment type.

Pension Trust Funds:

Deposits (including demand deposit accounts and certificates of deposits) at December 31, 2008 for the Fiduciary Funds are summarized as follows:

<u>Carrying Amount</u>	<u>Bank Balance</u>
\$18,634,664	\$18,645,326

Certificates of deposit with a maturity of three months or more are classified in the statement of net assets as "investments" (\$5,149,641). 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, 2008 is not exposed to any custodial credit risk as all deposits are covered by FDIC insurance or pledged securities.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

(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

At December 31, 2008, investments for the primary government, 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	\$ —	15,627,722	53,977,737	69,605,459
MBIA Guaranteed Investment Contract (GIC)	—	75,933,347	—	75,933,347
Money market	383,335	—	—	<u>383,335</u>
Total investments				\$ <u><u>145,922,141</u></u>

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

The investments with original maturities of three months or more when purchased totaling \$69,605,459 are classified as “investments” in the statement of net assets. There were no investments with original maturities of three months or less when purchased.

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. The guaranteed investment contract requires minimum ratings be maintained and an underlying insurance policy guarantees payment of principal and interest.

Concentration of Credit Risk: The City places no limit on the amount the City may invest in any one issuer. More than 5.00% of the City’s investments are in the Federal Home Loan Bank, Freddie Mac, Fannie Mae, and MBIA GIC. These investments are 26.57%, 7.40%, 9.55%, and 52.04%, 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 of Bossier City, or in certificates of deposit in banks of the United States of America and/or the State of Louisiana.

The Policemen’s Fund investments are made in accordance with LSA R.S. 11:3197. Such investments shall be only in interest-bearing bonds of the United States of America, the State of Louisiana, the City, or any other municipality of Louisiana, any parish, any drainage or levee district, or any school board district, or the State Board of Highways, or may be deposited in savings accounts of banks, loan companies, or associations, or any other agencies, whose deposits are insured by the U.S. government.

At December 31, 2008, the Pension Trust Funds’ investments were all in U.S. government instrumentalities. Maturities of those investments were as follows:

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

Less than 1 year	\$	7,276,154
1 – 5 years		2,487,244
5 – 10 years		4,650,832
10 – 15 years		9,572,941
15 – 20 years		8,895,939
20 – 25 years		1,402,658
25 – 30 years		683,729
30 – 35 years		362,850
	\$	<u>35,332,347</u>

The investments with original maturities of three months or more when purchased totaling \$35,332,347 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, 2008, the Policemen’s Fund’s investments, totaling \$7,622,290, were U.S. government instrumentalities with AAA ratings. The Firemen’s Fund investments as of December 31, 2008 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 for Financing Corporation CPN FICO Strips, Resolution Funding Corporation, and Tennessee Valley Authority, which are unrated.

Unrated	\$	7,722,860
Moody’s AAA/S&P Aaa		19,987,197
	\$	<u>27,710,057</u>

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

Concentration of Credit Risk: The Pension Trust Funds place no limit on the amount they may invest in any one issuer. At December 31, 2008, the Pension Trust Funds had the following concentrations of investment of more than 5% of total investments in any one issuer:

Federal Home Loan Mortgage	35%
Federal National Mortgage Association	25%
Federal Home Loan Bank	14%
Financing Corp. CPN FICO Strips	7%
U.S. Treasury Bonds	5%

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, 2008, 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, 2008, the Court, including its fiduciary funds, which are not part of this report, had cash, cash equivalents, and investments (book balances) totaling \$3,404,681. The portion attributable to fiduciary funds was \$691,949 in cash and cash equivalents and \$137,919 in investments.

These deposits with financial institutions are stated at cost, which approximates market value. At December 31, 2008, the carrying amount of the Court's deposits was \$3,120,287, and the collected bank balance was \$3,287,721. 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, 2008, the Court held certificates of deposit totaling \$284,394 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.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

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 \$3,522,115 were protected by \$1,034,395 of federal depository insurance. The remaining bank balance of \$2,487,720 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, 2008, the Marshal, including its fiduciary funds, which are not part of this report, had cash and cash equivalents (book balances) totaling \$325,050.

These deposits are stated at cost, which approximates market value. At December 31, 2008, the carrying amount of the Marshal's deposits was \$325,050 and the collected bank balance was \$368,584. 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.

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, 2008, the Marshal's bank balance of \$368,584 was protected by \$230,290 of FDIC Insurance and \$138,294 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 Parish Tax Assessor and approved by the State of Louisiana Tax Commission. Total assessed value was \$489,850,170 and \$424,688,760 in 2008 and 2007, respectively. Property taxes are recorded as receivables and revenues in the year for which it was

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

levied. The General Fund property tax receivable at December 31, 2008 and 2007 is shown net of an allowance for uncollectible taxes as of each year-end of \$65,000. The distribution of the City's levy (tax rate per \$1,000 assessed value) was as follows for 2008 and 2007:

	Levy	
	2008	2007
General Fund – unrestricted	\$ 5.59	6.02
General Fund – restricted for Fire and Police Departments	16.10	17.35
	<u>\$ 21.69</u>	<u>23.37</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, 2008.

(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:

	Customers	Property taxes	Other taxes	Gaming fees	Accrued interest	Due from other governments	Other	Allowance for uncollectible accounts	Net receivables
Governmental funds:									
General Fund	\$ —	2,992,753	2,104,015	36,982	44,770	331,546	10,413	(65,000)	5,455,479
Riverboat Gaming Special Revenue Fund	—	—	—	402,995	188,605	—	—	—	591,600
Arena Special Revenue Fund	758,863	—	—	—	—	—	—	—	758,863
Riverboat Gaming Capital Projects Fund	—	—	—	1,092,010	96,335	—	—	—	1,188,345
2007 Bond Issue Capital Projects Fund	—	—	—	—	137	1,851,938	36	—	1,852,111
Public Health and Safety Permanent Fund	—	—	—	—	104,852	—	452	—	105,304
Nonmajor governmental funds	—	—	2,196,393	—	194,022	590,508	11,005	—	2,991,928
Total governmental funds	<u>\$ 758,863</u>	<u>2,992,753</u>	<u>4,300,408</u>	<u>1,531,987</u>	<u>628,721</u>	<u>2,773,992</u>	<u>21,906</u>	<u>(65,000)</u>	<u>12,943,630</u>
Enterprise funds:									
Water and Sewerage Fund	\$ 1,775,487	—	—	—	673,530	6,610	620,746	(289,803)	2,786,570
Nonmajor enterprise funds									
EMS	2,545,073	—	—	—	4,897	—	92,756	(1,097,874)	1,544,852
Sanitation	419,650	—	—	—	7,660	41,744	132,151	(81,365)	519,840
	<u>2,964,723</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>12,557</u>	<u>41,744</u>	<u>224,907</u>	<u>(1,179,239)</u>	<u>2,064,692</u>
Total enterprise funds	<u>\$ 4,740,210</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>686,087</u>	<u>48,354</u>	<u>845,653</u>	<u>(1,469,042)</u>	<u>4,851,262</u>

The 2007 Bond Issue Capital Projects fund has an accounts receivable balance of \$1,852,111 of which \$1,851,938 is due from the State of Louisiana related to reimbursements for the Cyber Innovation Center.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

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)	\$ 410,173	—
Other revenues not collected within 60 days of year-end	113,685	—
Hotel/motel taxes (Hotel/Motel Taxes Special Revenue Fund)	91,967	—
Licenses collected in advance (General Fund)	—	59,515
Civic center rental revenue collected in advance	—	43,663
Arena rental and advertising revenues collected in advance	—	435,815
Taxes paid in protest (General Fund)	—	692
Grant drawdowns prior to meeting all eligibility requirements – General Fund	—	385,098
	<hr/>	<hr/>
Total deferred revenue for governmental funds	\$ 615,825	924,783
	<hr/>	<hr/>

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

(5) Capital Assets

A summary of changes in capital assets is as follows:

	<u>Balance December 31, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2008</u>
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 75,097,394	7,314,646	—	82,412,040
Construction in progress	<u>28,411,731</u>	<u>23,059,718</u>	<u>(27,060,169)</u>	<u>24,411,280</u>
Total capital assets not being depreciated	<u>103,509,125</u>	<u>30,374,364</u>	<u>(27,060,169)</u>	<u>106,823,320</u>
Capital assets being depreciated:				
Buildings and structures	109,072,569	1,522,167	—	110,594,736
Equipment and vehicles	24,922,009	4,564,230	(2,130,046)	27,356,193
Infrastructure	<u>87,544,170</u>	<u>27,108,315</u>	<u>—</u>	<u>114,652,485</u>
Total capital assets being depreciated	<u>221,538,748</u>	<u>33,194,712</u>	<u>(2,130,046)</u>	<u>252,603,414</u>
Less accumulated depreciation for:				
Buildings and structures	(24,732,411)	(2,764,683)	—	(27,497,094)
Equipment and vehicles	(21,919,860)	(2,951,405)	4,401,165	(20,470,100)
Infrastructure	<u>(13,671,744)</u>	<u>(3,296,630)</u>	<u>—</u>	<u>(16,968,374)</u>
Total accumulated depreciation	<u>(60,324,015)</u>	<u>(9,012,718)</u>	<u>4,401,165</u>	<u>(64,935,568)</u>
Total capital assets being depreciated, net	<u>161,214,733</u>	<u>24,181,994</u>	<u>2,271,119</u>	<u>187,667,846</u>
Capital assets, net	\$ <u><u>264,723,858</u></u>	\$ <u><u>54,556,358</u></u>	\$ <u><u>(24,789,050)</u></u>	\$ <u><u>294,491,166</u></u>

Construction in progress consisted of: \$15,605,671 for the Cyber Innovation Center Project \$559,076; for the Hamilton Road Widening Project; \$982,611 for the Bossier Ditch Improvement Project; \$202,301 for the North Bossier Recreational Facility Improvements; \$1,232,723 for the Swan Lake Improvements; \$899,035 for the Animal Control Building Expansion; \$4,099,938 for the Viking Drive Project; \$186,268 for Fire Station #6; \$122,677 for the I-20 Traffic Street On-Ramp; and \$520,980 related to many small various projects.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

	<u>Balance December 31, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2008</u>
Business-type activities – water and sewerage:				
Capital assets not being depreciated:				
Land and land improvements	\$ 861,184	—	—	861,184
Construction in progress	<u>537,000</u>	<u>2,308,613</u>	<u>(537,000)</u>	<u>2,308,613</u>
Total capital assets not being depreciated	<u>1,398,184</u>	<u>2,308,613</u>	<u>(537,000)</u>	<u>3,169,797</u>
Capital assets being depreciated:				
Water reservoir and treatment plant	62,041,842	1,557,878	—	63,599,720
Transmission and distribution system	55,974,665	772,389	—	56,747,054
Equipment	<u>9,089,748</u>	<u>1,767,995</u>	<u>(239,768)</u>	<u>10,617,975</u>
Total capital assets being depreciated	<u>127,106,255</u>	<u>4,098,262</u>	<u>(239,768)</u>	<u>130,964,749</u>
Less accumulated depreciation for:				
Water reservoir and treatment plant	(19,549,523)	(1,316,522)	—	(20,866,045)
Transmission and distribution system	(19,387,373)	(1,170,486)	—	(20,557,859)
Equipment	<u>(6,447,218)</u>	<u>(777,148)</u>	<u>239,768</u>	<u>(6,984,598)</u>
Total accumulated depreciation	<u>(45,384,114)</u>	<u>(3,264,156)</u>	<u>239,768</u>	<u>(48,408,502)</u>
Total capital assets being depreciated, net	<u>81,722,141</u>	<u>834,106</u>	<u>—</u>	<u>82,556,247</u>
Capital assets, net	<u>\$ 83,120,325</u>	<u>3,142,719</u>	<u>(537,000)</u>	<u>85,726,044</u>

Construction in progress consisted of \$1,552,579 for the Water Treatment Plant Expansion, \$502,500 for the Wastewater Master Plan Project, and \$253,535 related to smaller sewer projects.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

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

Governmental activities:		
General government		\$ 2,134,597
Public safety		1,488,792
Highways and streets		3,532,292
Culture and recreation		1,779,441
City court and marshal		<u>77,596</u>
Total depreciation expense – governmental activities		<u>\$ 9,012,718</u>
Business-type activities:		
Water and sewerage		<u>\$ 3,264,157</u>
Total depreciation expense – business-type activities		<u>\$ 3,264,157</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, 2008:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
Revenue bonds payable	\$ 175,180,000	—	6,485,000	168,695,000	6,810,000
Premium on bonds	3,461,553	—	230,594	3,230,959	—
Deferral on refunding	(1,542,403)	—	106,678	(1,435,725)	—
Claims and judgments payable	2,166,022	2,356,179	2,435,839	2,086,362	964,862
Net pension obligation	245,420	—	460,189	(214,769)	—
Net other post-employment benefit obligation	—	2,221,731	—	2,221,731	—
Compensated absences	<u>1,205,273</u>	<u>1,251,553</u>	<u>1,042,159</u>	<u>1,414,667</u>	<u>—</u>
Governmental activity long-term liabilities	<u>\$ 180,715,865</u>	<u>5,829,463</u>	<u>10,760,459</u>	<u>175,998,225</u>	<u>7,774,862</u>
Business-type activities – water and sewerage:					
Revenue bonds payable	\$ 24,562,792	125,000,000	1,435,000	148,127,792	1,640,000
Discount on bonds	—	(1,127,798)	—	(1,127,798)	—
Compensated absences	<u>205,548</u>	<u>242,054</u>	<u>202,821</u>	<u>244,781</u>	<u>202,821</u>
Water and sewerage long-term liabilities	24,768,340	124,114,256	1,637,821	147,244,775	1,842,821
Other business-type activities:					
Compensated absences	<u>273,731</u>	<u>233,767</u>	<u>217,219</u>	<u>290,279</u>	<u>217,219</u>
Total business-type activities	<u>\$ 25,042,071</u>	<u>124,348,023</u>	<u>1,855,040</u>	<u>147,535,054</u>	<u>2,060,040</u>

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

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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, 2008:

Bonds payable, January 1, 2008	\$ 201,661,942
New issue, net	123,872,202
Debt retired	(7,920,000)
Amortization of premium	(230,594)
Deferral on refunding bonds	<u>106,678</u>
Bonds payable, December 31, 2008	<u>\$ 317,490,228</u>

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

In addition to \$7,920,000 of bonds retired, the City paid \$4,421,973 in interest.

Bonds payable at December 31, 2008 comprise the following issues:

Revenue bonds – applicable to general city operations:

\$8,765,000 1997 Revenue Refunding Bonds due in annual installments of \$550,000 to \$830,000 through 2014; maturing November 1 of each year; interest at 4.45% to 5.20%	\$ 4,340,000
\$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%	3,825,000
\$4,880,000 2001 Revenue Bonds due in annual installments of \$490,000 to \$570,000 through 2011; maturing October 1 of each year; interest at 3% to 4%	1,640,000
\$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% (plus a premium of \$559,498)	26,899,498
\$5,190,000 2003 Public Improvement Sales Tax Bonds due in annual installments of \$740,000 to \$800,000 through 2010; maturing December 1 of each year; interest at 2% to 3% (plus premium of \$5,073 and net of deferred amount on refunding of \$366,816)	1,208,257
\$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%	6,480,000
\$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 \$193,946 and net of deferred amount on refunding \$1,068,909)	25,235,037
\$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 \$2,432,442)	100,862,442
	<u>170,490,234</u>

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

Revenue bonds – applicable to water and sewerage operations:

\$7,595,000 1996 Utilities Revenue Refunding Bonds due in annual installments of \$760,000 to \$880,000 through 2010; maturing October 1 of each year; interest at 4.3% to 5.1%	\$ 1,715,000
\$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%	3,765,000
\$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%	2,547,792
\$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%	15,100,000
\$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%	<u>123,872,202</u>
Total water and sewerage bonds	<u>146,999,994</u>
Total revenue bonds	<u>\$ 317,490,228</u>

In 2008, the City authorized the issuance of \$125,000,000 Utility Revenue Bonds, Series 2008 for the purpose of making additions, improvements, extensions, renewals, replacements, or repairs to the waterworks plant and system and the sewer utility system, funding a debt service reserve fund, and paying the costs of issuance of the Bonds. The proceeds from issuance of \$123,872,202 included a discount of \$1,127,798. The City paid \$4,676,757 in costs related to the issuance.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

The annual requirements, excluding \$2,103,161 premium on bonds and deferral of \$1,435,725, to amortize all debt outstanding as of December 31, 2008 are as follows:

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
Year(s) ending December 31:					
2009	\$ 6,810,000	7,851,759	1,640,000	6,219,900	22,521,659
2010	7,095,000	7,577,114	2,435,000	7,540,224	24,647,338
2011	7,460,000	7,284,468	2,545,000	7,434,392	24,723,860
2012	7,210,000	6,955,618	2,645,000	7,335,148	24,145,766
2013	6,505,000	6,622,413	2,755,000	7,230,471	23,112,884
2014-2018	33,410,000	28,529,649	15,730,000	34,225,800	111,895,449
2019-2023	35,735,000	20,269,978	19,747,792	30,276,792	106,029,562
2024-2028	19,160,000	13,999,560	25,210,000	24,821,101	83,190,661
2029-2033	22,730,000	9,253,750	32,695,000	17,336,000	82,014,750
2034-2038	22,580,000	3,011,188	42,725,000	7,301,250	75,617,438
2039-2043	—	—	—	—	—
	<u>\$ 168,695,000</u>	<u>111,355,497</u>	<u>148,127,792</u>	<u>149,721,078</u>	<u>577,899,367</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, 2008 were as follows:

Department of Water and Sewerage Fund:	
Restricted:	
Balance, beginning of year	\$ 3,798,355
Transfer from unreserved net assets	10,005,879
Balance, end of year	<u>13,804,234</u>
Invested in capital assets and unrestricted:	
Balance, beginning of year	66,969,209
Changes in net assets	9,459,970
Transferred to net assets	(10,005,879)
Balance, end of year	<u>66,423,300</u>
Total net assets	<u>\$ 80,227,534</u>

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

Details of restricted assets at December 31, 2008 are as follows:

Department of Water and Sewerage:	
Water Division:	
Utility Revenue Bond Funds – 1996, 1997, 2001, 2002, and	
2008 Utility Revenue Serial Bonds Debt Service Fund:	
Cash and cash equivalents	\$ 70,163,779
Investments	45,545,558
Accrued interest receivable	115,042
	<u>115,824,379</u>
Water Capital Additions and Contingencies Fund:	
Cash and cash equivalents	1,520,623
Accrued interest receivable	9,036
	<u>1,529,659</u>
Total restricted assets applicable to the	
Water Division	<u>1,529,659</u>
Sewerage Division – Sewerage Capital Additions and	
Contingencies Fund:	
Cash and cash equivalents	779,083
Accrued interest receivable	4,630
	<u>783,713</u>
Total restricted assets applicable to the	
Sewerage Division	<u>783,713</u>
Total Department of Water and Sewerage	
restricted assets	<u>\$ 118,137,751</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, 2008 is \$489,850,170. The maximum debt allowable for any one purpose and total debt allowable by state law as of December 31, 2008 is \$48,985,017 and \$171,248,546, respectively. Therefore, at December 31, 2008, the City has a debt margin of \$171,248,546 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, 2008:

Balance, November 30, 2007	\$ 830,000
Additions	—
Reductions	<u>255,000</u>
Balance, November 30, 2008	<u>\$ 575,000</u>

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Notes to Basic Financial Statements

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At November 30, 2008, bonds payable consist of Single Family Mortgage Revenue Bonds, 1995 Series as follows:

Term Bonds, 6.0% interest, maturing on August 1, 2015	\$	145,000
Term Bonds, 6.125% interest, maturing on August 1, 2028		<u>430,000</u>
Total bonds	\$	<u><u>575,000</u></u>

The principal amount of bonds called for early redemption for the year ended November 30, 2008 was \$35,000.

Scheduled bond principal maturities are as follows:

2009	\$	—
Thereafter		<u>575,000</u>
	\$	<u><u>575,000</u></u>

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.

(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) are payable to the General Fund for Fire and Police Department operations and maintenance. The remaining amount, if any, is payable to the Sales Tax Capital Improvement Fund.

A half-cent sales tax was approved by the voters in 1982. This revenue, net of expenses incurred in collecting the tax, is to be paid to the Firemen's and Policemen's 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.

CITY OF BOSSIER CITY, LOUISIANA

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December 31, 2008

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.

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.

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

C. Plan Descriptions and Contribution Information

Membership of each plan consisted of the following at December 31, 2008:

	<u>Firemen's Fund</u>	<u>Policemen's Fund</u>
Retirees and beneficiaries receiving benefits	102	46

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.

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-third (2/3) of the member's salary.

If an active employee becomes disabled by reason of serving the department, he shall receive monthly a sum which, with the benefits from the Workmen's Compensation Act, shall be equal to 75% of the monthly salary of the active member holding the position corresponding to that held by the beneficiary at the time he became disabled. The benefits shall continue as long as the disability shall continue or until he becomes eligible for retirement on a service basis, whichever is sooner. If an active member with at least 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 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-third (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.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

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
- A matching 5% of employees’ salaries paid by the General Fund
- Reimbursement by the General Fund for the operating deficit, if any
- Income from investments owned by the Firemen’s Fund
- Amounts from the sales tax levy sufficient to liquidate the unfunded liability over a period not to exceed 30 years.

Annual Pension Cost and Net Pension Obligation – A pension liability at transition was determined in accordance with GASB Statement No. 27 (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	\$	4,931,215
Interest		<u>(18,187)</u>
Annual pension cost		4,913,028
Contributions made		<u>(5,373,217)</u>
Decrease in net pension obligation		(460,189)
Net pension obligation, beginning of year		<u>245,420</u>
Net pension asset, end of year	\$	<u><u>(214,769)</u></u>

The annual required contribution for the current year was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. Significant actuarial assumptions included: (a) 6.50% investment rate of return, compounded annually, including inflation of 3.25%, (b) cost of living adjustments of 3.25%, and (c) amortization method of level percentage of payroll over an eight-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, 2008

Three-Year Trend Information

	<u>Annual pension cost</u>	<u>Percentage of annual pension cost contributed</u>	<u>Net pension asset (obligation)</u>
Fiscal year ended:			
12/31/06	\$ 4,545,345	111	(1,440,870)
12/31/07	4,099,246	129	(245,420)
12/31/08	4,913,028	110	214,769

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, remains at two-thirds (2/3) of monthly salary, but not less than \$100 per month.

Deferred Retirement Option Plan – The Policemen’s Plan provides for a 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.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

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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.

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
- 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.

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	\$	1,948,399
Interest		<u>282,763</u>
Annual pension cost		2,231,162
Contributions made		<u>(3,243,310)</u>
Increase in net pension asset		(1,012,148)
Net pension asset, beginning of year		<u>(3,815,721)</u>
Net pension asset, end of year	\$	<u><u>(4,827,869)</u></u>

The annual required contribution for the current year was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. Significant actuarial assumptions included: (a) 6.50% investment rate of return, compounded annually, including inflation of 3.25%, (b) cost of living adjustments of 3.25%, and (c) amortization method of level percentage of payroll over an eight-year closed period. The actuarial value of assets is based upon fair value.

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Notes to Basic Financial Statements

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Three-Year Trend Information

Fiscal year ended:	<u>Annual pension cost</u>	<u>Percentage of annual pension cost contributed</u>	<u>Net pension asset</u>
12/31/06	\$ 1,847,412	155%	\$ 2,408,991
12/31/07	1,852,165	165	3,815,721
12/31/08	2,231,162	145	4,827,869

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, 2008, 2007, and 2006 were \$1,428,595, \$1,550,259, and \$1,163,538, respectively, equal to the required contributions for each year. The plan’s net pension obligation was \$0 at December 31, 2008.

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

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

CITY OF BOSSIER CITY, LOUISIANA

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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 2008. 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, 2008, 2007, and 2006 were \$1,827,694, \$2,057,436, and \$1,685,996, respectively, equal to the required contributions for each year. The plan's net pension obligation was \$0 at December 31, 2008.

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, 2008, 2007, and 2006 were \$2,244,273, \$2,119,567, and \$2,033,789, 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, 2008.

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

(9) Post-Employment Benefits

Plan Description. The City of Bossier 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 six retirement systems: the Municipal Employees' Retirement System of Louisiana, the Municipal Police Retirement System of Louisiana, Parochial Employees' Retirement system of Louisiana, Firefighters' Retirement System and two self-funded systems for Fire and Police. 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.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

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Contribution Rates. Employees do not contribute to their post-employment benefits 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 of Bossier City recognized the cost of providing post-employment 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 post-employment benefits on a pay-as-you-go basis. In 2008, the City of Bossier City's portion of healthcare funding cost for retired employees totaled \$614,489.

Effective with the Fiscal Year beginning January 1, 2008, the City of Bossier City implemented GASB Statement No. 45 (GASB 45), *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*.

Annual Required Contribution. The City of Bossier City's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (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 post-employment benefits. The total ARC for the fiscal year beginning January 1, 2008 is \$2,836,220, as set forth below:

	<u>Medical</u>	
Normal cost	\$	1,158,892
30-year UAL amortization amount		<u>1,677,328</u>
Annual required contribution (ARC)	\$	<u><u>2,836,220</u></u>

Net Post-employment Benefit Obligation (Asset). The table below shows the City of Bossier City's Net Other Post-employment Benefit (OPEB) obligation for fiscal year ending December 31, 2008:

	<u>Medical</u>	
Net OPEB obligation as of January 1, 2008	\$	—
Annual required contribution		2,836,220
Interest on net OPEB obligation		—
ARC adjustment		<u>—</u>
OPEB cost		2,836,220
Contribution		—
Current year retiree premium		<u>(614,489)</u>
Net OPEB obligation as of December 31, 2008	\$	<u><u>2,221,731</u></u>

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

CITY OF BOSSIER CITY, LOUISIANA

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December 31, 2008

<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, 2008	\$ 2,836,220	21.67%	\$ 2,221,731

Funded Status and Funding Progress. In the fiscal year ending December 31, 2008, the City of Bossier City made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of January 1, 2008, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$29,004,443, which is defined as that portion, as determined by a particular actuarial cost method (the City of Bossier City uses the Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses that is not provided by normal cost. Since the plan was not funded in fiscal year 2008, the entire actuarial accrued liability of \$29,004,443 was unfunded. The Plan does not issue stand-alone financial statements.

	<u>Medical</u>
Actuarial accrued liability (AAL)	\$ 29,004,443
Actuarial value of plan assets	—
Unfunded actuarial accrued liability (UAAL)	<u>29,004,443</u>
Funded ratio (actuarial valuation of assets/AAL)	0%
Covered payroll (active plan members)	35,427,386
UAAL as a percentage of covered payroll	82%

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 post-employment 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 of Bossier City and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City of Bossier 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 of Bossier 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 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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

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%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 – 25	18.0%
26 – 40	12.0%
41 – 54	8.0%
55+	6.0%

Post-employment 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 continue 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% annual investment return has been used in this valuation. This is a 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 & 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”

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

rates, we have 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, we have 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.

(10) Lease Commitments

The City has commitments under several operating lease agreements for equipment, land, and a water supply reservoir. With the exception of the water supply reservoir, these lease agreements are cancelable by the City at any time. City management does feel, however, that such leases will generally be renewed or replaced each year. The City’s lease agreement for the water supply reservoir calls for fixed annual payments of \$1,000 for the next 19 years.

Total rental expense for 2008 for all City operating leases was \$557,513.

(11) Other Required Individual Fund Disclosures

(a) Interfund Receivables and Payables

Interfund balances at December 31, 2008 were as follows:

<u>DUE FROM</u>	<u>DUE TO</u>		<u>Total</u>
	<u>Nonmajor governmental funds</u>	<u>Major governmental funds</u>	
General Fund	\$ 92,932	250,071	343,003
Arena Fund	91,967	—	91,967
	<u>\$ 184,899</u>	<u>250,071</u>	<u>434,970</u>

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, 2008 were as follows:

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

TRANSFERS IN	TRANSFERS OUT					Total
	Riverboat Gaming Special Revenue Fund	Riverboat Gaming Capital Projects Fund	Public Health and Safety Permanent Fund	2007 Bond Issue Capital Project Fund	Nonmajor governmental activities	
General Fund	\$ 2,100,000	—	1,249,929	—	3,791,634	7,141,563
Water and Sewerage Enterprise Fund	—	—	—	—	1,739,720	1,739,720
CenturyTel Center Arena Special Revenue Fund	—	—	—	—	125,000	125,000
Riverboat Gaming Capital Project Fund	—	—	—	5,045,182	—	5,045,182
Nonmajor governmental activities	—	10,227,392	—	3,994,556	2,314,569	16,536,517
	<u>\$ 2,100,000</u>	<u>10,227,392</u>	<u>1,249,929</u>	<u>9,039,738</u>	<u>7,970,923</u>	<u>30,587,982</u>

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

(c) Fund Deficits

The state and federal grant fund had a deficit fund balance of \$421 at December 31, 2008. The deficit was a result of expenditures for which the City will be reimbursed under federal programs. However, at December 31, 2008, the revenues related to those expenditures were not considered available as they had not been collected within 60 days of year-end.

(12) 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 2008, the state paid supplemental salaries to the following groups of employees: Fire Department employees, \$748,476; Police Department employees, \$991,896; and City Marshal employees (a component unit), \$37,641.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

(13) Commitments and Contingencies

Construction Projects

There are certain construction projects in progress at December 31, 2008. The largest project under construction is the Cyber Innovation Center. The Cyber Innovation Center is located adjacent to Bossier Parish Community College, where a tract of land was purchased for \$4.7 million in 2007. This is a joint venture between the City and the Bossier Parish Police Jury with the total cost estimated to be \$50 million. The City's share of the Cyber Innovation Center is \$35 million, \$25 million being funded by the Riverboat Gaming Trust and the remaining \$10 million to be funded by the 2007 Bond Issue. There are also several transportation improvement projects under way, all funded from the 2007 Transportation Improvement Bond Issue, including the widening of Hamilton Road, Swan Lake Road, and Traffic Street and the extension of Arthur Ray Teague both north and south. Other projects under construction are improvements to the North Bossier Recreation Facility and other City's parks, building additions to Animal Control and the City Garage, and a new station and water test pit for the Fire Department.

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.

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 2008 on approximately \$206 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:

CITY OF BOSSIER CITY, LOUISIANA

Notes to Basic Financial Statements

December 31, 2008

	<u>Accrued claims January 1</u>	<u>Claims incurred</u>	<u>Claims paid</u>	<u>Accrued claims December 31</u>
Insurance Fund:				
2007	\$ 36,425	326,955	335,706	27,674
2008	27,674	355,742	352,230	31,186
Liability Insurance Fund:				
2007	775,774	1,496,207	1,566,133	705,848
2008	705,848	2,311,437	2,083,609	933,676
General liability claims (GWFS):				
2007	1,177,500	255,000	—	1,432,500
2008	1,432,500	(311,000)	—	1,121,500

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 8) 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, 2008, 155 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, 2008

Grant Disallowances

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

Revenues from the State of Louisiana

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

**REQUIRED
SUPPLEMENTARY
INFORMATION
(Unaudited)**

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CITY OF BOSSIER CITY, LOUISIANA

Required Supplementary Information

Schedules of Funding Progress

Fiscal years ended December 31, 2006 through December 31, 2008
(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:						
2008	\$ 39,435,830	69,127,943	29,692,113	57.0%	\$ N/A	N/A
2007	36,099,790	71,549,456	35,449,666	50.5%	N/A	N/A
2006	32,281,519	66,163,569	33,882,050	48.8%	N/A	N/A
Policemen's Fund:						
2008	14,524,751	27,124,542	12,599,791	53.5%	N/A	N/A
2007	12,866,064	26,872,777	14,006,713	47.9%	N/A	N/A
2006	11,118,623	26,900,101	15,781,479	41.3%	N/A	N/A
2008	—	29,004,443	29,004,443	0%	35,427,386	82.0%
Post-Employment Medical Benefits:						

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, 2008
(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	1/1/09	1/1/09
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	6.50%	6.50%
Projected salary increases	N/A	N/A
Cost of living adjustments	3.25%	3.25%
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, 2008
(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	\$ 14,605,780	14,605,780	14,320,515	(285,265)
Ad valorem	9,745,290	9,770,290	10,771,643	1,001,353
Utility	1,500,000	1,500,000	1,594,551	94,551
Telephone	175,000	175,000	169,829	(5,171)
Franchise:				
Cable television	465,000	465,000	558,297	93,297
Chain store	95,000	95,000	82,794	(12,206)
Taxi	8,000	8,000	—	(8,000)
	<u>26,594,070</u>	<u>26,619,070</u>	<u>27,497,629</u>	<u>878,559</u>
Licenses and permits	2,975,000	2,975,000	3,400,648	425,648
Intergovernmental:				
Grants	85,000	85,000	148,892	63,892
State and parish revenues:				
Supplemental pay	2,025,720	2,025,720	1,778,012	(247,708)
Beer tax	110,000	110,000	105,773	(4,227)
Tobacco tax	—	—	—	—
Special funds from State of Louisiana	165,000	165,000	161,040	(3,960)
	<u>2,385,720</u>	<u>2,385,720</u>	<u>2,193,717</u>	<u>(192,003)</u>
Fines and penalties	1,300,000	1,300,000	2,193,776	893,776
Racing commission – Louisiana Downs	985,000	985,000	843,268	(141,732)
Video poker	615,000	615,000	444,492	(170,508)
Investment earnings	400,000	400,000	187,037	(212,963)
Miscellaneous:				
Payment in lieu of taxes – Federal Housing Authority	41,000	41,000	—	(41,000)
Parks and recreation	185,000	185,000	232,495	47,495
Engineering fees	85,000	85,000	107,536	22,536
Enterprise funds and Civic Center Fund pro rata share of general and administrative expenses	452,500	452,500	428,500	(24,000)
Police department revenues	275,000	275,000	271,542	(3,458)
Other income	200,000	200,000	325,511	125,511
Total miscellaneous	<u>1,238,500</u>	<u>1,238,500</u>	<u>1,365,584</u>	<u>127,084</u>
Total revenues	<u>36,493,290</u>	<u>36,518,290</u>	<u>38,126,151</u>	<u>1,607,861</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, 2008
(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	\$ 530,084	530,084	562,774	(32,690)
Municipal building	2,019,541	2,270,615	2,325,960	(55,345)
Finance	947,455	950,562	894,278	56,284
City garage	1,060,520	1,073,305	1,082,254	(8,949)
Traffic engineering and safety	997,234	1,070,463	989,940	80,523
Purchasing	278,193	278,193	288,568	(10,375)
Engineering	763,602	763,745	837,460	(73,715)
Personnel	446,222	446,222	453,919	(7,697)
Permits and inspections	1,184,659	1,193,816	1,242,839	(49,023)
City attorney	355,645	355,645	362,233	(6,588)
Public works	286,284	286,284	294,640	(8,356)
City council	304,378	304,611	298,889	5,722
Community development	196,358	196,405	192,103	4,302
Information services	851,572	873,768	851,881	21,887
Payments to other governmental agencies	1,733,454	1,820,954	1,983,001	(162,047)
	<u>11,955,201</u>	<u>12,414,672</u>	<u>12,660,739</u>	<u>(246,067)</u>
Public safety:				
Fire	13,129,389	13,166,484	12,629,583	536,901
Police	17,411,022	17,583,504	16,910,878	672,626
	<u>30,540,411</u>	<u>30,749,988</u>	<u>29,540,461</u>	<u>1,209,527</u>
Highways and streets	549,584	579,682	668,129	(88,447)
Culture and recreation	2,308,221	2,340,995	2,282,110	58,885
City Court and Marshal:				
City Court	821,424	821,623	771,019	50,604
Marshal's office	1,075,074	1,075,289	1,091,731	(16,442)
	<u>1,896,498</u>	<u>1,896,912</u>	<u>1,862,750</u>	<u>34,162</u>
Total expenditures	<u>47,249,915</u>	<u>47,982,249</u>	<u>47,014,189</u>	<u>968,060</u>
Excess of expenditures over revenues	(10,756,625)	(11,463,959)	(8,888,038)	2,575,921
Other financing sources (uses):				
Transfers in	7,100,176	7,100,176	7,141,563	41,387
Transfer to component unit	(160,185)	(160,185)	(161,206)	1,021
	<u>6,939,991</u>	<u>6,939,991</u>	<u>6,980,357</u>	<u>42,408</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(3,816,634)	(4,523,968)	(1,907,681)	2,618,329
Fund balance, beginning of year	<u>12,201,945</u>	<u>12,201,945</u>	<u>12,201,945</u>	<u>—</u>
Fund balance, end of year	\$ <u>8,385,311</u>	<u>7,677,977</u>	<u>10,294,264</u>	<u>2,618,329</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, 2008
(unaudited)

	<u>Original and final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Direct event income	\$ 364,600	294,729	(69,871)
Ancillary income	1,127,975	1,276,031	148,056
Advertising	772,640	761,617	(11,023)
Luxury box income	515,484	512,199	(3,285)
Other income	<u>262,265</u>	<u>261,828</u>	<u>(437)</u>
Total revenues	<u>3,042,964</u>	<u>3,106,404</u>	<u>63,440</u>
Expenditures – current – culture and recreation:			
Executive	234,179	212,656	21,523
Finance	189,883	177,193	12,690
Operations	1,287,720	1,338,069	(50,349)
Marketing	195,306	197,154	(1,848)
Box office	111,254	118,115	(6,861)
Facility overhead	<u>987,480</u>	<u>1,104,177</u>	<u>(116,697)</u>
Total expenditures	<u>3,005,822</u>	<u>3,147,364</u>	<u>(141,542)</u>
Excess (deficiency) of revenues over (under) expenditures	37,142	(40,960)	(78,102)
Other financing sources:			
Transfers in	<u>100,000</u>	<u>125,000</u>	<u>25,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	137,142	84,040	(53,102)
Fund balance, beginning of year	<u>158,031</u>	<u>158,031</u>	<u>—</u>
Fund balance, end of year	<u>\$ 295,173</u>	<u>242,071</u>	<u>(53,102)</u>

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

CITY OF BOSSIER CITY, LOUISIANA

Notes to Budgetary Comparison Schedules

December 31, 2008
(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, 2008, four amendments were made to the General Fund. The first amendment was to increase budgeted expenditures across multiple departments to allow for increase in fuel prices. The second amendment was to provide funding for an employee of the Bossier Arts Council for 2008. The third amendment was to fund the Gingerbread House Bossier/Caddo Advocacy Center. The fourth amendment was to fund the Shreveport-Bossier military affairs council.
- (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, and Emergency Medical Services. The City is not, however, required to present an actual-to-budget comparison for the enterprise funds. Budgets are not prepared for the internal service funds.

CITY OF BOSSIER CITY, LOUISIANA

Notes to Budgetary Comparison Schedules

December 31, 2008

(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:

	General Fund
Budgetary basis expenses	\$ 47,014,189
Administrative costs of State and Federal Grant Special Revenue Fund	(148,892)
Sales taxes dedicated to Firemen's and Policemen's Pension and Relief Funds	7,962,924
Payments to component units	161,205
GAAP basis expenses	<u>\$ 54,989,426</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:			
Administration	\$ 530,084	562,774	(32,690)
Municipal building	2,270,615	2,325,960	(55,345)
City garage	1,073,305	1,082,254	(8,949)
Purchasing	278,193	288,568	(10,375)
Engineering	763,745	837,460	(73,715)
Personnel	446,222	453,919	(7,697)
Permits and inspections	1,193,816	1,242,839	(49,023)
City attorney	355,645	362,233	(6,588)
Public works	286,284	294,640	(8,356)
Payments to other governmental agencies	1,820,954	1,983,001	(162,047)
Highways and streets	579,682	668,129	(88,447)
Marshal's office	1,075,289	1,091,731	(16,442)
Arena Fund:			
Operations	1,287,720	1,338,069	(50,349)
Marketing	195,306	197,154	(1,848)
Box office	111,254	118,115	(6,861)
Facility overhead	987,480	1,104,177	(116,697)

Arena Facility OH – The unfavorable variance in the Arena facility overhead is largely related to increasing prices for electricity and fuel as well as an increase in credit card discounts given.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Governmental Funds

Combining Balance Sheet – By Fund Type

December 31, 2008

Assets	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Assets:				
Cash and cash equivalents	\$ 8,447,025	5,633,052	5,253,325	19,333,402
Investments	5,796,182	4,956,074	3,625,896	14,378,152
Receivables, net:				
Taxes – other	662,775	639,538	894,085	2,196,398
Accrued interest	84,633	56,445	52,943	194,021
Other	—	11,000	—	11,000
Due from other governmental units	<u>578,695</u>	<u>—</u>	<u>11,813</u>	<u>590,508</u>
Total assets	\$ <u><u>15,569,310</u></u>	<u><u>11,296,109</u></u>	<u><u>9,838,062</u></u>	<u><u>36,703,481</u></u>
 Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 331,217	—	536,045	867,262
Accrued liabilities	13,909	—	—	13,909
Due to other funds	184,899	—	—	184,899
Deferred revenue	<u>137,700</u>	<u>—</u>	<u>—</u>	<u>137,700</u>
Total liabilities	<u>667,725</u>	<u>—</u>	<u>536,045</u>	<u>1,203,770</u>
 Fund balances:				
Reserved:				
Debt service	—	11,296,109	—	11,296,109
Encumbrances	746,597	—	1,071,617	1,818,214
Unreserved:				
Designated for subsequent year's expenditure	—	—	8,230,400	8,230,400
Undesignated	<u>14,154,988</u>	<u>—</u>	<u>—</u>	<u>14,154,988</u>
Total fund balances	<u>14,901,585</u>	<u>11,296,109</u>	<u>9,302,017</u>	<u>35,499,711</u>
Total liabilities and fund balances	\$ <u><u>15,569,310</u></u>	<u><u>11,296,109</u></u>	<u><u>9,838,062</u></u>	<u><u>36,703,481</u></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, 2008

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Taxes	\$ 5,829,455	7,661,005	4,485,890	17,976,350
Intergovernmental	2,817,729	—	—	2,817,729
Fees and rentals	306,808	—	—	306,808
Fines and penalties	44,494	—	—	44,494
Investment earnings	443,376	441,952	188,471	1,073,799
Miscellaneous	35,591	—	107,258	142,849
Total revenues	9,477,453	8,102,957	4,781,619	22,362,029
Expenditures:				
Current:				
General government	659,045	—	—	659,045
Culture and recreation	806,571	—	—	806,571
City court and marshal	47,592	—	—	47,592
Capital outlay	2,592,877	—	8,076,578	10,669,455
Debt service:				
Principal retirement	—	6,485,000	—	6,485,000
Interest and fiscal charges	—	7,954,903	—	7,954,903
Total expenditures	4,106,085	14,439,903	8,076,578	26,622,566
Excess (deficiency) of revenues over (under) expenditures	5,371,368	(6,336,946)	(3,294,959)	(4,260,537)
Other financing sources (uses):				
Transfers in	500,000	7,820,012	8,216,505	16,536,517
Transfers out	(5,009,254)	(1,174,784)	(1,786,885)	(7,970,923)
Total other financing sources (uses)	(4,509,254)	6,645,228	6,429,620	8,565,594
Net change in fund balances	862,114	308,282	3,134,661	4,305,057
Fund balances, beginning of year	14,039,471	10,987,827	6,167,356	31,194,654
Fund balances, end of year	\$ 14,901,585	11,296,109	9,302,017	35,499,711

See accompanying notes to basic financial statements.

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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.

Hotel/Motel 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 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.

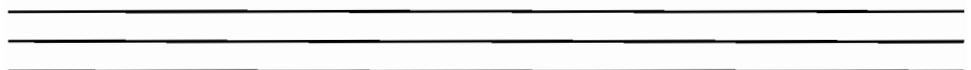
Parkway Capital Projects Fund – This fund is used to account for miscellaneous capital expenditures, as budgeted by the City Council, and is funded by the excess one-half cent sales tax after payment of debt service on the Parkway Bond Issue and interest earned.

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

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 Special Revenue Funds

Combining Balance Sheet

December 31, 2008

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	\$ —	—	622,052	3,851,389	97,079	2,490,498	1,386,007	8,447,025
Investments	—	—	426,205	2,643,060	66,622	1,709,132	951,163	5,796,182
Tax receivables – other	—	—	5	—	261,374	186,696	214,700	662,775
Interest receivables	—	—	6,223	38,593	973	24,956	13,888	84,633
Due from other government agencies	109,588	777	—	468,330	—	—	—	578,695
Total assets	\$ 109,588	777	1,054,485	7,001,372	426,048	4,411,282	2,565,758	15,569,310
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 15,007	—	21,136	245,674	—	49,400	—	331,217
Accrued liabilities	—	—	13,909	—	—	—	—	13,909
Due to other funds	92,932	—	—	91,967	—	—	—	184,899
Deferred revenue	2,070	—	43,663	91,967	—	—	—	137,700
Total liabilities	110,009	—	78,708	429,608	—	49,400	—	667,725
Fund balances:								
Reserved for encumbrances	15,642	—	5,262	614,530	—	69,400	41,763	746,597
Unreserved – undesignated	(16,063)	777	970,515	5,957,234	426,048	4,292,482	2,523,995	14,154,988
Total fund balances	(421)	777	975,777	6,571,764	426,048	4,361,882	2,565,758	14,901,585
Total liabilities and fund balances	\$ 109,588	777	1,054,485	7,001,372	426,048	4,411,282	2,565,758	15,569,310

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, 2008

	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	\$ —	—	—	—	2,298,940	1,642,100	1,888,415	5,829,455
Fees and rentals	—	—	306,808	—	—	—	—	306,808
Intergovernmental:								
U.S. government grants and entitlements	558,405	—	—	—	—	—	—	558,405
State and parish-shared revenues	—	—	—	2,259,324	—	—	—	2,259,324
Total intergovernmental	<u>558,405</u>	<u>—</u>	<u>—</u>	<u>2,259,324</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,817,729</u>
Fines and penalties	—	44,494	—	—	—	—	—	44,494
Investment earnings	—	—	27,082	208,380	4,287	121,665	81,962	443,376
Miscellaneous	—	—	91	35,500	—	—	—	35,591
Total revenues	<u>558,405</u>	<u>44,494</u>	<u>333,981</u>	<u>2,503,204</u>	<u>2,303,227</u>	<u>1,763,765</u>	<u>1,970,377</u>	<u>9,477,453</u>
Expenditures:								
Current:								
General government	531,578	—	—	127,467	—	—	—	659,045
Culture and recreation	—	—	806,571	—	—	—	—	806,571
City Court and Marshal	—	47,592	—	—	—	—	—	47,592
Capital outlay	—	—	97,143	587,439	—	194,195	1,714,100	2,592,877
Total expenditures	<u>531,578</u>	<u>47,592</u>	<u>903,714</u>	<u>714,906</u>	<u>—</u>	<u>194,195</u>	<u>1,714,100</u>	<u>4,106,085</u>
(Deficiency) excess of revenues over (under) expenditures	26,827	(3,098)	(569,733)	1,788,298	2,303,227	1,569,570	256,277	5,371,368
Other financing sources (uses):								
Transfers in	—	—	500,000	—	—	—	—	500,000
Transfers out	—	—	—	(1,217,620)	(2,316,634)	(875,000)	(600,000)	(5,009,254)
Net change in fund balances	<u>26,827</u>	<u>(3,098)</u>	<u>(69,733)</u>	<u>570,678</u>	<u>(13,407)</u>	<u>694,570</u>	<u>(343,723)</u>	<u>862,114</u>
Fund balances, beginning of year	(27,248)	3,875	1,045,510	6,001,086	439,455	3,667,312	2,909,481	14,039,471
Fund balances, end of year	\$ <u>(421)</u>	<u>777</u>	<u>975,777</u>	<u>6,571,764</u>	<u>426,048</u>	<u>4,361,882</u>	<u>2,565,758</u>	<u>14,901,585</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Debt Service Funds

Combining Balance Sheet

December 31, 2008

Assets	Sales Tax Bond Sinking and Reserve Fund	Parkway Sales Tax Bond Sinking and Reserve Fund	Hotel/Motel Bond Sinking and Reserve Fund	2007 Capital Projects Bond Issue Sinking and Reserve Fund	Total
Cash and cash equivalents	\$ 3,783,593	1,333,295	516,164	—	5,633,052
Investments	2,596,535	914,989	354,223	1,090,327	4,956,074
Accounts receivable – taxes	481,282	158,256	—	—	639,538
Accrued interest	37,913	13,360	5,172	—	56,445
Prepaid expenses	—	11,000	—	—	11,000
Total assets	<u>\$ 6,899,323</u>	<u>2,430,900</u>	<u>875,559</u>	<u>1,090,327</u>	<u>11,296,109</u>
 Fund Balances					
Fund balances – reserved for debt service	<u>\$ 6,899,323</u>	<u>2,430,900</u>	<u>875,559</u>	<u>1,090,327</u>	<u>11,296,109</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, 2008

	Sales Tax Bond Sinking and Reserve Fund	Parkway Sales Tax Bond Sinking and Reserve Fund	Hotel/Motel Bond Sinking and Reserve Fund	2007 Capital Projects Bond Issue Sinking and Reserve Fund	Total
Revenues:					
Sales taxes, net	\$ 5,771,302	1,889,703	—	—	7,661,005
Investment earnings	274,438	90,691	31,485	45,338	441,952
Total revenues	<u>6,045,740</u>	<u>1,980,394</u>	<u>31,485</u>	<u>45,338</u>	<u>8,102,957</u>
Expenditures – debt service:					
Principal retirement	2,950,000	1,455,000	510,000	1,570,000	6,485,000
Interest and fiscal charges	2,825,030	434,350	83,120	4,612,403	7,954,903
Total expenditures	<u>5,775,030</u>	<u>1,889,350</u>	<u>593,120</u>	<u>6,182,403</u>	<u>14,439,903</u>
Excess (deficiency) of revenues over (under) expenditures	270,710	91,044	(561,635)	(6,137,065)	(6,336,946)
Other financing sources:					
Transfers in	—	—	592,620	7,227,392	7,820,012
Transfers out	(1,008,974)	(165,810)	—	—	(1,174,784)
Total other financing sources	<u>(1,008,974)</u>	<u>(165,810)</u>	<u>592,620</u>	<u>7,227,392</u>	<u>6,645,228</u>
Net change in fund balances	(738,264)	(74,766)	30,985	1,090,327	308,282
Fund balances, beginning of year	7,637,587	2,505,666	844,574	—	10,987,827
Fund balances, end of year	<u>\$ 6,899,323</u>	<u>2,430,900</u>	<u>875,559</u>	<u>1,090,327</u>	<u>11,296,109</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Capital Projects Funds

Combining Balance Sheet

December 31, 2008

Assets	Sales Tax Capital Improvement Fund	Parkway Capital Projects Fund	Sales Tax Bond Capital Projects Fund	2006 Sales Tax Bond Fund	Equipment Replacement Fund	Land Acquisition Fund	Total
Cash and cash equivalents	\$ 2,793,031	2,151,135	16,943	113,584	93,524	85,108	5,253,325
Investments	1,949,117	1,476,241	—	77,948	64,183	58,407	3,625,896
Taxes receivable – other	452,196	441,889	—	—	—	—	894,085
Due from other government agencies	11,813	—	—	—	—	—	11,813
Accrued interest	28,460	21,555	—	1,138	937	853	52,943
Total assets	\$ 5,234,617	4,090,820	16,943	192,670	158,644	144,368	9,838,062
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 166,464	352,542	16,943	96	—	—	536,045
Total liabilities	166,464	352,542	16,943	96	—	—	536,045
Fund balances:							
Reserved for encumbrances	208,039	863,578	—	—	—	—	1,071,617
Unreserved – designated for subsequent years' expenditures	4,860,114	2,874,700	—	192,574	158,644	144,368	8,230,400
Total fund balances	5,068,153	3,738,278	—	192,574	158,644	144,368	9,302,017
Total liabilities and fund balances	\$ 5,234,617	4,090,820	16,943	192,670	158,644	144,368	9,838,062

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, 2008

	Sales Tax Capital Improvement Fund	Parkway Capital Projects Fund	Sales Tax Bond Capital Projects Fund	2006 Sales Tax Bond Fund	Equipment Replacement Fund	Land Acquisition Fund	Total
Revenues:							
Sales taxes, net	\$ 2,303,682	2,182,208	—	—	—	—	4,485,890
Investment earnings	75,874	99,023	4,304	5,730	(980)	4,520	188,471
Other income	—	—	—	—	107,258	—	107,258
Total revenues	2,379,556	2,281,231	4,304	5,730	106,278	4,520	4,781,619
Expenditures:							
Capital outlay – project expenditures and engineering fees	3,718,696	3,790,140	403,265	65,621	98,856	—	8,076,578
Total expenditures	3,718,696	3,790,140	403,265	65,621	98,856	—	8,076,578
Excess (deficiency) of revenues over (under) expenditures	(1,339,140)	(1,508,909)	(398,961)	(59,891)	7,422	4,520	(3,294,959)
Other financing sources (uses):							
Transfers in	4,955,806	3,213,534	47,165	—	—	—	8,216,505
Transfers out	(1,039,650)	(747,235)	—	—	—	—	(1,786,885)
Total other financing sources (uses)	3,916,156	2,466,299	47,165	—	—	—	6,429,620
Net change in fund balances	2,577,016	957,390	(351,796)	(59,891)	7,422	4,520	3,134,661
Fund balances, beginning of year	2,491,137	2,780,888	351,796	252,465	151,222	139,848	6,167,356
Fund balances, end of year	\$ 5,068,153	3,738,278	—	192,574	158,644	144,368	9,302,017

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.

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CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Enterprise Funds

Combining Statement of Net Assets

December 31, 2008

Assets	EMS Fund	Public Service and Sanitation Fund	Total
Cash and cash equivalents	\$ 488,707	764,399	1,253,106
Investments	335,379	524,578	859,957
Receivables	<u>1,544,852</u>	<u>519,840</u>	<u>2,064,692</u>
Total assets	<u>\$ 2,368,938</u>	<u>1,808,817</u>	<u>4,177,755</u>
Liabilities			
Current liabilities (payable from current assets):			
Accounts payable	\$ 21,117	249,059	270,176
Accrued liabilities	4,303	39,338	43,641
Compensated absences	<u>168,364</u>	<u>48,855</u>	<u>217,219</u>
Total current liabilities	193,784	337,252	531,036
Noncurrent liabilities:			
Compensated absences	<u>63,457</u>	<u>9,603</u>	<u>73,060</u>
Total noncurrent liabilities	<u>63,457</u>	<u>9,603</u>	<u>73,060</u>
Total liabilities	<u>257,241</u>	<u>346,855</u>	<u>604,096</u>
Net Assets			
Net assets – unrestricted	<u>2,111,697</u>	<u>1,461,962</u>	<u>3,573,659</u>
Total liabilities and net assets	<u>\$ 2,368,938</u>	<u>1,808,817</u>	<u>4,177,755</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, 2008

	<u>EMS Fund</u>	<u>Public Service and Sanitation Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services (net of allowance of \$843,877 and \$197,951, respectively)	\$ 4,811,893	3,851,255	8,663,148
Miscellaneous revenue	236,166	91,631	327,797
Total operating revenues	<u>5,048,059</u>	<u>3,942,886</u>	<u>8,990,945</u>
Operating expenses:			
Personal services	3,816,938	1,508,653	5,325,591
Supplies	264,288	249,133	513,421
Administrative	13,200	30,000	43,200
Utilities	96,914	40,223	137,137
Repairs and maintenance	47,678	160,874	208,552
Travel and training	29,441	5,078	34,519
Professional services	9,877	—	9,877
Insurance	156,000	64,136	220,136
Contractual expenses	29,849	2,062,622	2,092,471
Miscellaneous	—	46,334	46,334
Total operating expenses	<u>4,464,185</u>	<u>4,167,053</u>	<u>8,631,238</u>
Operating income (loss)	583,874	(224,167)	359,707
Nonoperating revenues:			
Investment earnings	24,201	37,223	61,424
Nonoperating revenues	<u>24,201</u>	<u>37,223</u>	<u>61,424</u>
Change in net assets	608,075	(186,944)	421,131
Net assets, beginning of year	<u>1,503,622</u>	<u>1,648,906</u>	<u>3,152,528</u>
Net assets, end of year	\$ <u><u>2,111,697</u></u>	<u><u>1,461,962</u></u>	<u><u>3,573,659</u></u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

Year ended December 31, 2008

	EMS Fund	Public Service and Sanitation Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Cash flows from operating activities:			
Receipts from operations	\$ 4,314,755	3,870,796	8,185,551
Payments to suppliers	(644,187)	(2,570,167)	(3,214,354)
Payments to employees	(3,803,223)	(1,496,207)	(5,299,430)
Other receipts	281,873	137,539	419,412
Net cash provided by (used in) operating activities	<u>149,218</u>	<u>(58,039)</u>	<u>91,179</u>
Cash flows from investing activities:			
Sale of investments	227,638	607,097	834,735
Interest received	27,819	46,372	74,191
Net cash provided by investing activities	<u>255,457</u>	<u>653,469</u>	<u>908,926</u>
Net increase in cash	404,675	595,430	1,000,105
Cash and cash equivalents, beginning of year	<u>84,032</u>	<u>168,969</u>	<u>253,001</u>
Cash and cash equivalents, end of year	\$ <u><u>488,707</u></u>	\$ <u><u>764,399</u></u>	\$ <u><u>1,253,106</u></u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$ 583,874	(224,167)	359,707
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Provision for bad debts	843,877	197,951	1,041,828
Increase in assets:			
Accounts receivables	(1,295,308)	(132,502)	(1,427,810)
Increase (decrease) in liabilities:			
Accounts payable	1,893	88,233	90,126
Accrued liabilities	1,167	9,613	10,780
Compensated absences	13,715	2,833	16,548
Net cash provided by (used in) operating activities	\$ <u><u>149,218</u></u>	\$ <u><u>(58,039)</u></u>	\$ <u><u>91,179</u></u>
Noncash items:			
Change in fair value of investments	\$ 24,201	37,223	61,424

See accompanying notes to basic financial statements.

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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.

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CITY OF BOSSIER CITY, LOUISIANA

Pension Trust Funds

Combining Statement of Plan Net Assets

December 31, 2008

Assets	Firemen's Pension and Relief Fund	Policemen's Pension and Relief Fund	Total
Cash and cash equivalents	\$ 10,638,376	2,846,647	13,485,023
Investments, at fair value:			
U.S. Treasury bonds and U.S. government and agency obligations	27,710,057	7,622,290	35,332,347
Certificates of deposit	878,432	4,271,209	5,149,641
	28,588,489	11,893,499	40,481,988
Accrued interest receivables	156,128	89,887	246,015
Total assets	<u>\$ 39,382,993</u>	<u>14,830,033</u>	<u>54,213,026</u>
Liabilities and Fund Balances			
Fund balances reserved for employees' retirement system	<u>\$ 39,382,993</u>	<u>14,830,033</u>	<u>54,213,026</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, 2008

Additions	Firemen's Pension and Relief Fund	Policemen's Pension and Relief Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Contributions from the City:			
Sales taxes, net	\$ 5,175,965	2,787,058	7,963,023
Fire insurance premiums	197,252	—	197,252
City court fines	—	449,883	449,883
City liquor licenses	—	6,369	6,369
Total contributions	<u>5,373,217</u>	<u>3,243,310</u>	<u>8,616,527</u>
Investment earnings	<u>2,655,841</u>	<u>566,244</u>	<u>3,222,085</u>
Total additions	<u>8,029,058</u>	<u>3,809,554</u>	<u>11,838,612</u>
Deductions			
Pensions and benefits	4,712,656	1,825,627	6,538,283
Administrative expenses	<u>33,199</u>	<u>25,602</u>	<u>58,801</u>
Total deductions	<u>4,745,855</u>	<u>1,851,229</u>	<u>6,597,084</u>
Change in net assets	3,283,203	1,958,325	5,241,528
Net assets, beginning of year	<u>36,099,790</u>	<u>12,871,708</u>	<u>48,971,498</u>
Net assets, ending of year	<u>\$ 39,382,993</u>	<u>14,830,033</u>	<u>54,213,026</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, 2008

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2008
Consolidated Sales Tax Fund				
Assets				
Cash and cash equivalents	\$ 443,469	119,374,662	117,081,922	2,736,209
Investments	2,973,502	3,879,111	4,974,925	1,877,688
Other receivable	210,319	226,098	221,748	214,669
Accrued interest receivable	40,086	55,436	68,105	27,417
Total assets	\$ <u>3,667,376</u>	<u>123,535,307</u>	<u>122,346,700</u>	<u>4,855,983</u>
Liabilities				
Accounts payable	\$ 42,905	79,415,121	79,425,527	32,499
Accrued liabilities	11,340	15,102	11,340	15,102
Taxes paid under protest	3,474,150	1,420,817	244,207	4,650,760
Refundable deposits	91,280	25,748	31,858	85,170
Due to other governmental units	47,701	24,751	—	72,452
Total liabilities	\$ <u>3,667,376</u>	<u>80,901,539</u>	<u>79,712,932</u>	<u>4,855,983</u>
Riverboat Gaming				
Assets				
Cash and cash equivalents	\$ —	6,982,871	6,982,871	—
Liabilities				
Due to other governmental units	\$ —	6,982,871	6,982,871	—
Total all Agency Funds				
Assets				
Cash and cash equivalents	\$ 443,469	126,357,533	124,064,793	2,736,209
Investments	2,973,502	3,879,111	4,974,925	1,877,688
Other receivable	210,319	226,098	221,748	214,669
Accrued interest receivable	40,086	55,436	68,105	27,417
Total assets	\$ <u>3,667,376</u>	<u>130,518,178</u>	<u>129,329,571</u>	<u>4,855,983</u>
Liabilities				
Accounts payable	\$ 42,905	79,415,121	79,425,527	32,499
Accrued liabilities	11,340	15,102	11,340	15,102
Taxes paid under protest	3,474,150	1,420,817	244,207	4,650,760
Refundable deposits	91,280	25,748	31,858	85,170
Due to other governmental units	47,701	7,007,622	6,982,871	72,452
Total liabilities	\$ <u>3,667,376</u>	<u>87,884,410</u>	<u>86,695,803</u>	<u>4,855,983</u>

See accompanying notes to basic financial statements.

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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.

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CITY OF BOSSIER CITY, LOUISIANA

Internal Service Funds

Combining Statement of Net Assets

December 31, 2008

Assets	Insurance Fund	Liability Insurance Fund	Total
Cash and cash equivalents	\$ 120,133	858,294	978,427
Investments	72,303	589,014	661,317
Prepaid items	4,770	375,558	380,328
Accrued interest receivable	1,056	8,600	9,656
Receivable – expense reimbursement	—	94,566	94,566
Total assets	<u>\$ 198,262</u>	<u>1,926,032</u>	<u>2,124,294</u>
 Liabilities and Net Assets			
Accounts payable	\$ 5,438	17,003	22,441
Accrued claims	<u>31,186</u>	<u>933,676</u>	<u>964,862</u>
Total liabilities	36,624	950,679	987,303
Net assets – unrestricted	<u>161,638</u>	<u>975,353</u>	<u>1,136,991</u>
Total liabilities and net assets	<u>\$ 198,262</u>	<u>1,926,032</u>	<u>2,124,294</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, 2008

	Insurance Fund	Liability Insurance Fund	Total
Revenues:			
Employers' contributions/premiums	\$ 313,293	2,149,866	2,463,159
Employees' contributions	277,239	—	277,239
Refunds and reimbursements	—	198,949	198,949
Total revenues	<u>590,532</u>	<u>2,348,815</u>	<u>2,939,347</u>
Expenses:			
Claims	355,742	2,311,437	2,667,179
Employee insurance premiums	161,583	—	161,583
Other	45,306	—	45,306
Total expenses	<u>562,631</u>	<u>2,311,437</u>	<u>2,874,068</u>
Operating income	27,901	37,378	65,279
Nonoperating revenues – investment earnings	<u>(800)</u>	<u>(7,281)</u>	<u>(8,081)</u>
Change in net assets	27,101	30,097	57,198
Net assets, beginning of year	<u>134,537</u>	<u>945,256</u>	<u>1,079,793</u>
Net assets, end of year	<u>\$ 161,638</u>	<u>975,353</u>	<u>1,136,991</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, 2008

	Insurance Fund	Liability Insurance Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Cash flows from operating activities:			
Receipts from operations	\$ 590,532	2,371,521	2,962,053
Payments to suppliers	(201,451)	—	(201,451)
Claims paid	(352,230)	(2,083,609)	(2,435,839)
Other payments	<u>(4,770)</u>	<u>(88,025)</u>	<u>(92,795)</u>
Net cash provided by operating activities	<u>32,081</u>	<u>199,887</u>	<u>231,968</u>
Cash flows from investing activities:			
Sale of investments	<u>55,111</u>	<u>496,383</u>	<u>551,494</u>
Net cash provided by investing activities	<u>55,111</u>	<u>496,383</u>	<u>551,494</u>
Net increase in cash	87,192	696,270	783,462
Cash and cash equivalents, beginning of year	<u>32,942</u>	<u>162,024</u>	<u>194,966</u>
Cash and cash equivalents, end of year	\$ <u><u>120,134</u></u>	<u><u>858,294</u></u>	<u><u>978,428</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 27,901	37,378	65,279
(Increase) decrease in assets:			
Receivables	—	(88,025)	(88,025)
Prepaid items	(4,770)	14,552	9,782
Increase (decrease) in liabilities:			
Accounts payable	5,438	8,154	13,592
Accrued claims	<u>3,512</u>	<u>227,828</u>	<u>231,340</u>
Net cash provided by operating activities	\$ <u><u>32,081</u></u>	<u><u>199,887</u></u>	<u><u>231,968</u></u>
Noncash items:			
Change in fair value of investments	\$ (136)	(1,233)	(1,369)

See accompanying notes to basic financial statements.

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**INDIVIDUAL FUND
SCHEDULES**

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CITY OF BOSSIER CITY, LOUISIANA

Special Revenue Fund
Civic Center FundSchedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and ActualDecember 31, 2008
(unaudited)

	<u>Original and final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Rental fees	\$ 345,700	306,899	(38,801)
Investment earnings	40,000	27,082	(12,918)
Total revenues	<u>385,700</u>	<u>333,981</u>	<u>(51,719)</u>
Expenditures:			
Culture and recreation:			
Salaries, fringe benefits, and payroll taxes	478,430	475,793	(2,637)
Insurance	21,850	21,850	—
Professional services	5,000	4,914	(86)
Contract services	900	1,041	141
Utilities	180,000	224,841	44,841
Office and operating supplies	52,805	36,446	(16,359)
Administrative expenses	23,000	23,000	—
Travel and training	4,500	2,527	(1,973)
Maintenance	29,500	15,375	(14,125)
Other	5,000	784	(4,216)
Capital outlay	175,000	97,143	(77,857)
Total expenditures	<u>975,985</u>	<u>903,714</u>	<u>72,271</u>
Deficiency of revenues under expenditures	<u>(590,285)</u>	<u>(569,733)</u>	<u>20,552</u>
Other financing sources:			
Transfer in	500,000	500,000	—
Net change in fund balance	(90,285)	(69,733)	20,552
Fund balance, beginning of year	1,045,510	1,045,510	—
Fund balance, end of year	<u>\$ 955,225</u>	<u>975,777</u>	<u>20,552</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, 2008
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget positive (negative)
Revenues:				
Intergovernmental – state and parish-shared revenues	\$ 1,700,000	1,700,000	2,259,324	559,324
Investment earnings	300,000	300,000	208,380	(91,620)
Other	—	—	35,500	35,500
Total revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,503,204</u>	<u>503,204</u>
Expenditures:				
Capital outlay	350,000	1,650,000	587,439	1,062,561
Other	—	—	127,467	(127,467)
Total expenditures	<u>350,000</u>	<u>1,650,000</u>	<u>714,906</u>	<u>935,094</u>
Excess of revenues over expenditures	1,650,000	350,000	1,788,298	1,438,298
Other financing sources (uses):				
Transfer in	—	—	—	—
Transfer out	(500,000)	(1,000,000)	(1,217,620)	(217,620)
Total other financing uses	<u>(500,000)</u>	<u>(1,000,000)</u>	<u>(1,217,620)</u>	<u>(217,620)</u>
Net change in fund balance	1,150,000	(650,000)	570,678	1,220,678
Fund balance, beginning of year	<u>6,001,086</u>	<u>6,001,086</u>	<u>6,001,086</u>	—
Fund balance, end of year	<u>\$ 7,151,086</u>	<u>5,351,086</u>	<u>6,571,764</u>	<u>(579,322)</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, 2008
(unaudited)

	Original and final budget	Actual	Variance with final budget positive (negative)
Revenues:			
Sales tax, net	\$ 2,304,634	2,298,940	(5,694)
Investment earnings	12,000	4,287	(7,713)
Total revenues	<u>2,316,634</u>	<u>2,303,227</u>	<u>(13,407)</u>
Expenditures:			
Capital outlay	<u>—</u>	<u>—</u>	<u>—</u>
Excess of revenues over expenditures	<u>2,316,634</u>	<u>2,303,227</u>	<u>(13,407)</u>
Other financing uses:			
Transfer out	<u>(2,316,634)</u>	<u>(2,316,634)</u>	<u>—</u>
Net change in fund balance	<u>—</u>	<u>(13,407)</u>	<u>(13,407)</u>
Fund balance, beginning of year	<u>439,455</u>	<u>439,455</u>	<u>—</u>
Fund balance, end of year	<u>\$ 439,455</u>	<u>426,048</u>	<u>13,407</u>

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA
Special Revenue Fund
Jail and Municipal Buildings Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
December 31, 2008
(unaudited)

	Original and final budget	Actual	Variance with final budget positive (negative)
Revenues:			
Sales tax, net	\$ 1,646,167	1,642,100	(4,067)
Investment earnings	125,000	121,665	(3,335)
Total revenues	<u>1,771,167</u>	<u>1,763,765</u>	<u>(7,402)</u>
Expenditures:			
Capital outlay	700,000	194,195	505,805
Excess of revenues over expenditures	<u>1,071,167</u>	<u>1,569,570</u>	<u>498,403</u>
Other financing uses:			
Transfer out	(875,000)	(875,000)	—
Net change in fund balance	196,167	694,570	498,403
Fund balance, beginning of year	<u>3,667,312</u>	<u>3,667,312</u>	<u>—</u>
Fund balance, end of year	<u>\$ 3,863,479</u>	<u>4,361,882</u>	<u>498,403</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, 2008
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget positive (negative)
Revenues:				
Sales tax, net	\$ 1,893,093	1,893,093	1,888,415	(4,678)
Investment earnings	85,000	85,000	81,962	(3,038)
Total revenues	<u>1,978,093</u>	<u>1,978,093</u>	<u>1,970,377</u>	<u>(7,716)</u>
Expenditures:				
Capital outlay	<u>1,300,000</u>	<u>1,482,400</u>	<u>1,714,100</u>	<u>(231,700)</u>
Excess of revenues over expenditures	678,093	495,693	256,277	(239,416)
Other financing uses:				
Transfer out	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>—</u>
Net change in fund balance	78,093	(104,307)	(343,723)	(239,416)
Fund balance, beginning of year	<u>2,909,481</u>	<u>2,909,481</u>	<u>2,909,481</u>	<u>—</u>
Fund balance, end of year	<u>\$ 2,987,574</u>	<u>2,805,174</u>	<u>2,565,758</u>	<u>(239,416)</u>

See accompanying independent auditors' report.

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**STATISTICAL
SECTION**

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**City of Bossier City, Louisiana
Statistical Section
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report (CAFR) for the relevant year.

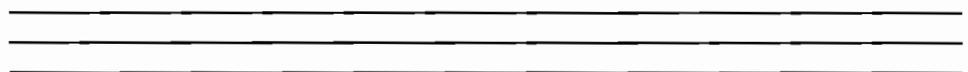


Table 1

CITY OF BOSSIER CITY, LOUISIANA

Net Assets by Component

Last Six Fiscal Years
(accrual basis of accounting)

Fiscal year

	2008	2007	2006	2005	2004	2003
Governmental activities:						
Invested in capital assets, net of related debt	\$ 126,330,795	186,465,732	167,545,977	151,362,489	144,172,168	140,330,985
Restricted	29,296,109	29,680,277	29,925,688	27,479,073	27,793,422	29,963,514
Unrestricted	156,954,129	80,280,912	78,192,477	73,971,538	72,489,133	65,452,825
Total governmental activities net assets	312,581,033	296,426,921	275,664,142	252,813,100	244,454,723	235,747,324
Business-type activities:						
Invested in capital assets, net of related debt	54,173,137	60,466,449	59,278,622	55,314,909	57,275,837	48,742,367
Restricted	13,804,234	3,798,355	2,631,727	2,760,263	3,420,135	3,338,741
Unrestricted	15,823,822	9,655,288	10,154,557	11,281,191	7,184,147	15,069,856
Total business-type activities net assets	83,801,193	73,920,092	72,064,906	69,356,363	67,880,119	67,150,964
Primary government:						
Invested in capital assets, net of related debt	180,503,932	246,932,181	226,824,599	206,677,398	201,448,005	189,073,352
Restricted	43,100,343	33,478,632	32,557,415	30,239,336	31,213,557	33,302,255
Unrestricted	172,777,951	89,936,200	88,347,034	85,252,729	79,673,280	80,522,681
Total primary government net assets	\$ 396,382,226	370,347,013	347,729,048	322,169,463	312,334,842	302,898,288

Source: Audited Comprehensive Annual Financial Reports

Unaudited – see accompanying independent auditors’ report.

Table 2

CITY OF BOSSIER CITY, LOUISIANA

Changes in Net Assets

Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal year					
	2008	2007	2006	2005	2004	2003
Expenses:						
Governmental activities:						
General government	\$ 17,767,245	13,589,188	12,491,347	12,122,863	11,084,501	10,883,770
Public safety	37,344,859	34,262,793	34,206,159	39,309,494	37,711,185	28,026,913
Highways and streets	106,506	1,953,798	5,120,181	11,079,601	6,710,590	7,028,600
Cultural and recreation	7,945,002	7,595,275	7,165,222	7,104,623	7,297,540	6,998,869
City court and City marshal	1,987,939	1,746,396	1,843,893	1,635,432	1,384,667	1,299,469
Interest on long-term debt	7,629,482	4,515,805	3,299,376	3,736,672	3,886,658	4,121,524
Total governmental activities expenses	72,781,033	63,663,255	64,126,178	74,988,685	68,075,141	58,359,145
Business-type activities:						
Water and sewerage	14,658,211	13,041,663	12,932,577	12,485,709	11,611,928	11,391,493
Sanitation	4,167,053	4,010,269	3,526,361	2,819,565	2,733,210	2,375,756
Emergency medical services (1)	4,464,185	3,763,097	4,093,140	—	—	3,918,759
Total business-type activities expense	23,289,449	20,815,029	20,552,078	15,305,274	14,345,138	17,686,008
Total primary government expenses	96,070,482	84,478,284	84,678,256	90,293,959	82,420,279	76,045,153
Program revenues:						
Governmental activities:						
Charges for services:						
General government	3,400,648	2,863,463	2,592,047	2,580,024	2,648,743	2,540,673
Public safety	2,238,270	1,595,615	1,452,048	5,640,922	5,083,818	1,094,032
Highways and streets	127,128	127,128	127,128	127,128	—	—
Culture and recreation	3,413,212	3,072,417	3,491,358	2,331,776	3,136,892	3,041,961
Operating grants and contributions	4,595,741	4,610,709	3,891,436	3,441,130	3,061,774	3,367,825
Capital grants and contributions	321,000	1,428,093	1,750,000	3,753,364	2,161,654	3,527,399
Total governmental activities program revenues	14,095,999	13,697,425	13,304,017	17,874,344	16,092,881	13,571,890
Business-type activities:						
Charges for services:						
Water and sewerage	20,638,433	12,272,210	11,999,790	12,109,022	10,939,409	10,322,962
Sanitation	3,851,255	4,114,354	3,830,934	2,865,466	2,713,140	2,597,772
Emergency medical services (1)	4,811,893	3,943,608	4,013,383	—	—	3,472,242
Total business-type activities program revenues	29,301,581	20,330,172	19,844,107	14,974,488	13,652,549	16,392,976
Total primary government program revenues	43,397,580	34,027,597	33,148,124	32,848,832	29,745,430	29,964,866
Net expense:						
Governmental activities	(58,685,034)	(49,965,830)	(50,822,161)	(57,114,341)	(51,982,260)	(44,787,255)
Business-type activities	6,012,132	(484,857)	(707,971)	(330,786)	(692,589)	(1,293,032)
Total primary government net expense	(52,672,902)	(50,450,687)	(51,530,132)	(57,445,127)	(52,674,849)	(46,080,287)

(Continued)

Table 2

CITY OF BOSSIER CITY, LOUISIANA

Changes in Net Assets

Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal year					
	2008	2007	2006	2005	2004	2003
General revenues and other changes in net assets:						
Governmental activities:						
Taxes:						
Property	\$ 10,692,762	9,290,483	9,536,827	8,497,236	8,362,284	8,490,128
Sales	40,259,787	39,171,981	37,743,177	35,249,876	31,910,135	30,117,504
Franchise	2,405,471	2,345,230	2,191,128	2,117,698	1,874,451	1,912,121
Gaming	14,476,406	14,721,787	15,626,932	14,842,388	14,932,147	15,261,464
Grants and contributions not restricted to specific purposes	266,813	345,144	342,918	356,841	303,029	191,579
Investment earnings	6,961,169	5,742,915	5,399,404	2,445,567	1,398,490	2,283,448
Miscellaneous	1,516,458	1,769,656	5,102,834	2,602,015	2,494,794	3,001,169
Transfers	(1,739,720)	(1,211,684)	(2,270,017)	(638,903)	(585,671)	(383,769)
Total governmental activities general revenues	<u>74,839,146</u>	<u>72,175,512</u>	<u>73,673,203</u>	<u>65,472,718</u>	<u>60,689,659</u>	<u>60,873,644</u>
Business-type activities:						
Intergovernmental	—	—	—	—	—	—
Investment earnings	1,383,336	510,194	706,728	380,564	254,916	380,599
Miscellaneous	745,913	618,165	439,769	787,563	581,157	438,400
Transfers	1,739,720	1,211,684	2,270,017	638,903	585,671	383,769
Total business-type activities general revenues	<u>3,868,969</u>	<u>2,340,043</u>	<u>3,416,514</u>	<u>1,807,030</u>	<u>1,421,744</u>	<u>1,202,768</u>
Total primary government general revenues	<u>78,708,115</u>	<u>74,515,555</u>	<u>77,089,717</u>	<u>67,279,748</u>	<u>62,111,403</u>	<u>62,076,412</u>
Changes in net assets:						
Governmental activities	16,154,112	22,209,682	22,851,042	8,358,377	8,707,399	16,086,389
Business-type activities	9,881,101	1,855,186	2,708,543	1,476,244	729,155	(90,264)
Total primary government net revenue	<u>\$ 26,035,213</u>	<u>24,064,868</u>	<u>25,559,585</u>	<u>9,834,621</u>	<u>9,436,554</u>	<u>15,996,125</u>

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 Six Fiscal Years
(modified accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:						
Reserved	\$ 412,744	358,052	373,425	312,690	192,388	242,467
Unreserved	9,881,520	11,843,893	12,263,707	10,779,879	8,089,045	6,039,756
Total General Fund	<u>10,294,264</u>	<u>12,201,945</u>	<u>12,637,132</u>	<u>11,092,569</u>	<u>8,281,433</u>	<u>6,282,223</u>
All other governmental funds (1):						
Reserved	34,195,755	34,968,880	34,206,545	28,527,580	34,060,781	36,634,759
Unreserved, reported in:						
Special revenue funds	46,306,263	46,331,656	43,531,004	40,308,080	40,017,760	42,185,299
Capital projects funds	94,112,554	110,624,369	16,689,888	23,077,994	22,588,892	43,565,715
Permanent fund	—	781,082	1,651,913	754,028	1,404,774	2,239,161
Total all other governmental funds	<u>\$ 174,614,572</u>	<u>192,705,987</u>	<u>96,079,350</u>	<u>92,667,682</u>	<u>98,072,207</u>	<u>124,624,934</u>

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									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenues:										
Taxes	\$ 53,436,902	51,203,381	49,394,168	45,885,819	42,226,759	40,489,486	39,327,341	38,319,143	36,259,480	33,259,670
Licenses and permits	3,400,648	2,863,463	2,592,047	2,580,024	2,648,743	2,540,673	2,045,831	1,958,687	1,867,440	1,966,087
Intergovernmental	5,183,554	6,383,946	5,984,354	5,488,296	4,612,553	5,229,031	4,398,760	4,008,321	5,055,731	6,655,037
Video poker	444,492	478,251	573,602	527,424	563,119	562,293	544,952	496,226	469,486	388,916
Fees and rentals	3,543,340	3,199,545	3,618,486	2,458,904	3,136,892	3,041,961	3,326,942	2,662,997	836,928	213,715
Fines and penalties	2,238,270	1,595,615	1,452,048	1,342,813	1,217,773	1,094,032	1,154,814	1,195,284	1,239,089	1,163,259
Charges for services	—	—	—	4,298,109	3,866,045	—	—	1,628,997	1,643,345	1,706,796
Racing commission – Louisiana Downs	843,268	884,557	969,207	1,008,173	816,756	412,977	188,639	195,125	261,995	290,635
Gaming	13,188,646	13,358,979	14,084,123	13,306,791	13,552,272	14,286,194	14,500,607	14,279,098	15,831,847	14,479,446
Investment earnings	6,961,169	5,742,915	5,399,404	2,445,567	1,398,490	2,283,448	3,449,466	3,455,941	4,819,378	3,793,362
Miscellaneous	1,513,458	1,619,375	5,044,656	2,602,015	3,819,854	4,074,947	1,527,641	1,489,305	1,283,528	1,567,814
Total revenues	90,753,747	87,330,027	89,112,095	81,943,935	77,859,256	74,015,042	70,464,993	69,689,124	69,568,247	65,484,737
Expenditures										
Current:										
General government	13,170,891	12,440,412	11,014,551	10,568,293	9,824,916	10,180,498	8,709,063	8,063,723	7,365,320	7,224,192
Solid waste	—	—	—	—	—	—	—	2,164,617	2,067,610	2,010,192
Public safety	37,524,546	35,413,709	34,003,642	38,122,172	35,997,291	27,082,705	24,383,866	22,989,537	21,450,746	20,134,385
Highways and streets	668,129	578,771	542,007	1,367,818	1,405,612	1,221,209	1,049,714	933,967	1,088,576	937,074
Culture and recreation	6,236,045	5,723,448	5,634,206	5,249,668	5,395,122	5,396,409	4,868,631	4,845,111	3,834,649	1,815,108
City court and marshal	1,910,343	1,680,395	1,558,173	1,598,150	1,355,885	1,273,338	1,046,967	997,004	927,256	897,351
Miscellaneous	—	—	—	—	—	—	—	402,268	612,615	350,577
Debt service:										
Principal	6,485,000	4,605,000	4,415,000	4,015,000	3,860,000	3,965,000	3,750,000	3,060,000	2,900,000	2,740,000
Interest and other charges	244,952	3,646,252	3,160,039	3,725,706	3,874,375	4,183,872	3,237,558	3,363,392	3,415,507	3,590,073
Bond issuance costs	7,954,903	1,606,761	583,522	—	—	—	—	—	—	—
Advance refunding escrow	—	—	619,793	—	—	—	—	—	—	—
Capital outlay	34,657,110	26,642,232	27,860,105	19,090,140	39,998,502	21,765,986	17,321,508	16,174,548	48,231,503	32,912,560
Metropolitan planning – payments to component units	161,204	152,830	165,000	161,474	115,399	145,710	132,650	87,528	80,765	51,600
Total expenditures	109,013,123	92,489,810	89,556,038	83,898,421	101,827,102	75,214,727	64,499,957	63,081,695	91,974,547	72,663,112
Excess (deficiency) of revenues over (under) expenditures	(18,259,376)	(5,159,783)	(443,943)	(1,954,486)	(23,967,846)	(1,199,685)	5,965,036	6,607,429	(22,406,300)	(7,178,375)

(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									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Other financing sources (uscs):										
Transfers in	\$ 28,848,262	13,202,876	19,006,801	24,362,118	16,659,145	16,090,030	8,605,270	6,803,374	7,031,207	4,394,620
Transfers out	(30,587,982)	(14,414,560)	(21,276,818)	(25,001,021)	(17,244,816)	(16,473,799)	(9,104,434)	(5,703,576)	(6,171,450)	(3,983,402)
Debt issuance	—	100,000,000	7,160,000	—	—	—	30,292,952	4,880,000	—	—
Premium on debt issuance	—	2,561,524	—	—	—	—	—	—	—	—
Premium on refunded bonds	—	—	279,564	—	—	—	—	—	—	—
Refunding bonds issued	—	—	27,400,000	—	—	—	—	—	—	—
Payment to refunded bond escrow agent	—	—	(27,169,373)	—	—	—	—	—	—	—
Total other financing sources (uses)	(1,739,720)	101,349,840	5,400,174	(638,903)	(585,671)	(383,769)	29,793,788	5,979,798	859,757	411,218
Net change in fund balances \$	(19,999,096)	96,190,057	4,956,231	(2,593,389)	(2,453,517)	(1,583,454)	35,758,824	12,587,227	(21,546,543)	(6,767,157)
Debt services as a percentage of noncapital expenditures	20%	15%	13%	11%	12%	14%	14%	N/A	N/A	N/A

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.

Unaudited – see accompanying independent auditors' report.

Table 5

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

	<u>Property taxes</u>	<u>Sales taxes</u>	<u>Franchise taxes</u>	<u>Total</u>
2008	\$ 10,771,643	40,259,788	641,091	51,672,522
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

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)

	<u>Property taxes</u>	<u>Sales taxes</u>	<u>Utility taxes</u>	<u>Telephone taxes</u>	<u>Franchise taxes</u>	<u>Total</u>
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
2001	7,664,819	28,795,515	1,187,201	240,608	431,000	38,319,143
2000	7,709,522	27,057,905	922,284	233,073	416,276	36,339,060
1999	6,719,904	25,059,892	855,747	212,249	411,878	33,259,670

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					
1999	(1)						\$ 256,358,740	26.38	2,176,533,580	11.78%	
2000	(1)						296,336,780	26.38	2,613,187,787	11.34%	
2001	(1)						296,288,890	26.77	2,690,417,219	11.01%	
2002	(1)						309,006,730	26.77	2,776,340,791	11.13%	
2003	\$	202,288,690	15,106,160	84,952,440	1,691,710	5,198,460	5,329,350	314,566,810	26.77	2,821,226,996	11.15%
2004		247,284,290	15,693,370	90,745,970	1,172,480	3,604,660	5,351,580	363,852,350	23.37	3,263,249,776	11.15%
2005		264,595,660	17,286,650	95,952,370	1,490,850	3,492,310	4,944,910	387,762,750	23.37	3,391,817,696	11.43%
2006		279,702,960	18,105,920	105,749,880	1,565,580	3,492,310	4,808,290	413,424,940	23.37	3,673,948,427	11.25%
2007		289,391,600	17,576,760	108,493,450	1,315,590	3,649,870	4,261,490	424,688,760	23.37	3,657,672,047	11.61%
2008		342,275,100	17,570,630	121,347,220	1,089,210	3,645,710	3,922,900	489,850,770	21.69	4,375,789,387	11.19%

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, 2008.

(1) Detail of assessed value for 1999 through 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
1999	\$ 6.90	19.48	26.38	55.14	43.48	1.54	126.54	6,761,107	15,190,241	11,975,734	344,113	34,271,195
2000	6.90	19.48	26.38	55.16	42.64	1.54	125.72	7,817,364	18,206,129	13,493,489	408,296	39,925,278
2001	6.90	19.87	26.77	54.64	42.69	1.54	125.64	7,929,897	20,162,108	14,953,886	464,671	43,510,562
2002	6.90	19.87	26.77	53.14	42.11	1.54	123.56	8,272,141	20,468,369	15,722,021	481,802	44,944,333
2003	6.90	19.87	26.77	53.14	42.11	1.54	123.56	8,544,055	20,920,480	16,073,035	490,411	46,027,981
2004	6.02	17.35	23.37	56.53	37.10	1.54	118.54	8,503,249	26,298,710	16,822,476	570,752	52,195,187
2005	6.02	17.35	23.37	56.53	38.98	1.54	120.42	9,062,015	28,504,976	20,144,592	611,053	58,322,636
2006	6.02	17.35	23.37	56.53	40.14	1.54	121.58	9,706,514	31,063,862	26,385,231	661,740	67,817,347
2007	6.02	17.35	23.37	56.53	40.14	1.54	121.58	9,740,110	32,928,803	22,116,985	681,067	65,466,965
2008	5.59	16.10	21.69	52.26	36.88	1.41	112.24	10,460,688	38,034,456	26,841,002	744,275	76,080,421

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 Ten Years Ago

Taxpayer	2008			1998		
	Assessed valuation	Rank	Percentage of total assessed valuation	Assessed valuation	Rank	Percentage of total assessed valuation
Horseshoe Entertainment	\$ 29,577,470	1	6.77%	22,208,570	1	9.14%
Louisiana Riverboat Gaming	11,609,610	2	2.81%	—	—	—
Southwestern Electric Power Company	9,112,790	3	2.14%	6,540,500	4	2.69%
Harrah's Louisiana Downs	8,402,540	4	2.09%	—	—	—
Halliburton Energy Services	5,572,450	5	1.13%	—	—	—
Louisiana Riverwalk, LLC	5,307,150	6	1.02%	—	—	—
Bellsouth Telecommunications	4,606,090	7	1.19%	5,373,260	5	2.21%
Louisiana Machinery Co., LLC	4,110,040	8	0.87%	—	—	—
Wal-Mart	3,404,460	9	0.75%	2,061,150	10	0
Diamond Jack's Casino	3,099,170	10	0.69%	—	—	—
Casino Magic	—	—	—	8,158,260	2	3.36%
Isle of Capri	—	—	—	7,115,270	3	2.93%
Bank One	—	—	—	2,663,630	6	1.10%
Hibernia Bank	—	—	—	2,545,410	7	1.05%
Bossier Plaza Associates, Inc.	—	—	—	2,439,280	8	1.00%
Louisiana Downs, Inc.	—	—	—	2,269,280	9	0.93%
Total amount for ten principal taxpayers	84,801,770		19.46%	61,374,610		25.25%
Total for remaining taxpayers	397,479,790		82.42%	181,684,170		74.75%
Total amount for all taxpayers	\$ 482,281,560		101.88%	243,058,780		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	Percent of total tax collections to tax levy
		Amount	Percent of levy collected			
1999	\$ 6,761,107	4,597,220	68.00%	1,741,980	6,339,200	93.76%
2000	7,817,364	4,528,320	57.93%	2,677,108	7,205,428	92.17%
2001	7,834,442	5,430,702	69.32%	2,374,348	7,805,050	99.62%
2002	8,244,332	5,657,331	68.62%	2,553,075	8,210,406	99.59%
2003	8,431,989	5,701,105	67.61%	2,709,696	8,410,801	99.75%
2004	8,504,896	5,051,656	59.40%	3,438,922	8,490,578	99.83%
2005	9,032,808	5,373,553	59.49%	3,649,314	9,022,867	99.89%
2006	9,592,268	6,699,610	69.84%	2,871,531	9,571,141	99.78%
2007	9,923,518	6,126,932	61.74%	3,781,722	9,908,654	99.85%
2008	10,622,876	7,908,427	74.45%	—	7,908,427	74.45%

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
1999	\$ 6,430,005	4,987,407	6,324,191	7,318,289	25,059,892
2000	6,953,281	5,408,130	6,324,191	8,372,303	27,057,905
2001	7,000,376	5,664,364	6,346,830	9,471,943	28,483,513
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

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 Two Fiscal Years

Category	Fiscal year	
	2008	2007
Agriculture, Forestry, Fishing, Hunting	\$ 680,238	615,252
Mining; Oil & Gas	63,246,611	42,909,749
Utilities	3,320,207	707,636
Construction	10,999,331	17,260,304
Manufacturing	56,493,606	72,276,621
Wholesale Trade	131,026,380	132,763,078
Retail Trade	937,792,179	911,396,740
Transportation & Warehousing	1,363,639	1,163,433
Publishing, Broadcasting, Telecommunications	21,347,759	19,393,876
Finance, Insurance, Real Estate	47,036,346	42,693,776
Professional, Administrative, Healthcare	44,670,920	40,052,621
Arts, amusements, Accommodations	261,842,989	260,171,228
Other Services; Public Administration	45,077,864	47,979,434
Total	\$ 1,624,898,069	1,589,383,748
City direct sales tax rate	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
1999 \$	63,110,000	17,934,480	81,044,480	3.01%	3.84%	\$ 1,430
2000	60,210,000	17,125,975	77,335,975	2.79%	3.46%	1,370
2001	62,385,000	17,825,289	80,210,289	2.84%	3.43%	1,407
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%	—	3,724
2008	168,695,000	148,127,792	316,822,792	7.24%	—	4,891

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.

Unaudited – see accompanying independent auditors’ report.

Table 14

CITY OF BOSSIER CITY, LOUISIANA
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2008

<u>Jurisdiction</u>	<u>Debt outstanding (2)</u>	<u>Estimated percentage applicable (1)</u>	<u>Estimated share of overlapping debt</u>
Bossier Parish ⁽³⁾	\$ 38,295,000	54.14%	\$ 20,732,913
Bossier Parish School Board	80,756,738	54.14%	43,721,698
Subtotal overlapping debt			64,454,611
City direct debt			168,695,000
Total direct and overlapping debt			<u>\$ 233,149,611</u>

Source: (1) Bossier Parish Tax Assessor

(2) Financial statements of applicable jurisdictions

(3) Bossier Parish debt outstanding represents the 2007 fiscal year balance as 2008 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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 89,725,559	103,822,873	103,701,112	108,152,356	110,098,384	127,348,323	135,716,963	144,698,729	148,641,066	171,248,546
Total net debt applicable	—	—	—	—	—	—	—	—	100,000,000	—
Legal debt margin	\$ 89,725,559	103,822,873	103,701,112	108,152,356	110,098,384	127,348,323	135,716,963	144,698,729	48,641,066	171,248,546
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	67.30%	72.99%

Legal Debt Margin Calculation for Fiscal Year 2008:

Assessed value	\$ 489,850,170
Debt limit (35% of total assessed value for any one purpose)	171,248,546
Less general bonded debt	—
Legal debt margin	\$ <u>171,248,546</u>

Note:

Total debt applicable to limit includes all general obligation bonds payable from assessed property taxes in their original principal amount outstanding. State law allows a maximum of 10% of 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	Debt service		Coverage	Sales taxes	Less: operating expenses (2)	Net available revenue	Debt service		Coverage
			Principal	Interest					Principal	Interest		
2008	\$ 21,056,549	9,970,380	11,086,169	1,435,000	1,084,573	4.40	\$ 40,988,397	728,610	40,259,787	6,485,000	7,949,803	2.79
2007	13,071,470	8,812,147	4,259,323	1,375,000	1,127,625	1.70	39,919,397	747,416	39,171,981	4,605,000	3,646,252	4.75
2006	13,054,202	8,893,595	4,160,607	1,315,000	1,215,681	1.64	38,487,287	744,110	37,743,177	4,415,000	3,160,039	4.98
2005	13,111,514	8,526,657	4,584,857	1,255,000	1,288,988	1.80	35,934,107	684,231	35,249,876	4,015,000	3,721,471	4.56
2004	11,664,125	7,867,197	3,796,928	1,215,000	1,315,880	1.50	32,606,975	696,840	31,910,135	3,860,000	3,871,175	4.13
2003	11,050,788	7,726,193	3,324,595	1,160,000	1,332,566	1.33	30,763,157	645,653	30,117,504	3,965,000	3,878,267	3.84
2002	10,942,806	6,878,647	4,064,159	1,395,000	903,059	1.77	29,893,353	551,648	29,341,705	3,750,000	3,046,832	4.32
2001	10,016,659	6,896,976	3,119,683	1,090,000	820,324	1.63	29,277,883	482,368	28,795,515	3,060,000	3,249,580	4.56
2000	10,694,230	6,237,520	4,456,710	1,059,130	884,293	2.29	27,499,793	441,888	27,057,905	2,900,000	3,415,507	4.28
1999	9,981,751	5,967,889	4,013,862	785,000	899,590	2.38	25,497,052	437,159	25,059,893	2,740,000	3,584,193	3.96

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 (5)	Per capita estimated actual value of taxable property	Median age (3)	School enrollment (2)	Unemployment rate (3)
1999	56,667 (3)	\$ 2,176,533,580	2,110,550,000	38,409	31.6	18,787	5.0%
2000	56,466 (4)	2,613,187,787	2,235,278,000	46,279	31.6	18,950	4.9%
2001	57,002 (3)	2,690,417,219	2,339,423,000	47,199	31.6	18,933	6.7%
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	—	59,950	32.1	19,202	5.2%
2008	64,773 (6)	4,375,789,387	—	67,556	32.1	19,923	5.2%

Sources:

- (1) Bossier Parish Tax Assessor
- (2) Bossier Parish School Board
- (3) Center for Business Research, Louisiana State University in Shreveport
- (4) Per Census Bureau
- (5) Personal income data for Bossier Parish. Obtained from the Bureau of Economic Analysis at www.bea.gov. Personal income not available for 2007 and 2008
- (6) State of Louisiana Treasurer

Unaudited – see accompanying independent auditors' report.

Table 18

CITY OF BOSSIER CITY, LOUISIANA

Principal Employers
Last Five Fiscal Years

Employer	2007 (1)			2006			2005			2004			2003		
	Number of employees	Rank	% of total Workforce (2)	Number of employees	Rank	% of total Workforce (2)	Number of employees	Rank	% of total Workforce (2)	Number of employees	Rank	% of total Workforce (2)	Number of employees	Rank	% of total Workforce (2)
Barksdale Air Force Base	9,018	1	21.4%	9,423	1	23.2%	9,815	1	25.0%	9,046	1	24.3%	8,743	1	24.3%
Bossier Parish School Board	2,638	2	6.3%	2,633	3	6.5%	2,633	3	6.7%	2,500	3	6.7%	2,524	3	7.0%
Harrah's Horseshoe Casino and Hotel/ Harrah's Louisiana Downs	2,000	3	4.8%	3,332	2	8.2%	3,399	2	8.6%	2,561	2	6.9%	2,554	2	7.1%
State of Louisiana - Dept. of Civil Service (3)	1,857	4	4.4%	—	—	—	—	—	—	—	—	—	—	—	—
Diamond Jack's Casino Resort (4)	963	5	2.3%	1,056	4	2.6%	1,110	4	2.8%	1,207	4	3.2%	1,229	4	3.4%
Willis-Knighton Health System	834	6	2.0%	—	—	—	—	—	—	—	—	—	648	8	1.8%
City of Bossier City	826	7	2.0%	825	6	2.0%	810	6	2.1%	776	6	2.1%	730	6	2.0%
Boomtown Bossier City Casino and Hotel	787	8	1.9%	850	5	2.1%	975	5	2.5%	1,040	5	2.8%	1,118	5	3.1%
McElroy Metal, Inc.	700	9	1.7%	667	7	1.6%	667	7	1.7%	630	7	1.7%	700	7	1.9%
Wal-Mart Supercenter – Airline Drive	639	10	1.5%	600	8	1.5%	539	8	1.4%	539	8	1.4%	539	8	1.5%
Cellxion, LLC	—	—	—	486	10	1.2%	503	9	1.3%	509	9	1.4%	—	—	—
Bossier Parish Community College	—	—	—	553	9	1.4%	493	10	1.3%	431	10	1.2%	540	10	1.5%
Harrah's Louisiana Downs	—	—	—	—	—	—	—	—	—	—	—	—	645	9	1.8%

Source: LSUS Center for Business and Economic Research

Notes:

- (1) 2008 information was not available.
- (2) % of workforce is based on Parish totals - Information not available for City due to it's size.
- (3) 2007 was the first year State Employee were broken out - should be no significant change from previous years.
- (4) Previously Isle of Capri Casino & 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

Full-time equivalent employees as of December 31										
Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	\$ 84	89	92	90	98	96	102	98	102	101
Public safety:										
Police	196	192	196	205	212	228	239	238	238	241
Fire	177	189	187	199	199	224	218	221	213	220
Highways and streets	43	37	46	48	48	46	48	49	50	38
Engineering	18	19	16	16	20	21	22	22	21	22
Permits/inspections	13	12	12	12	12	12	12	13	14	14
Culture and recreation	27	28	24	27	29	28	29	30	32	30
City court and marshal	23	23	24	26	25	26	27	27	29	31
Water and sewerage	56	56	57	61	61	63	58	59	60	61
Sanitation	51	54	53	51	57	59	58	60	61	62
Total	\$ 688	699	707	735	761	803	813	817	820	820

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	Full-time equivalent employees as of December 31									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police:										
Physical arrests	7,090	7,849	8,467	7,169	7,591	7,621	8,049	8,463	9,474	9,360
Traffic violations	7,753	8,402	7,833	7,469	8,749	11,510	9,721	16,900	22,271	19,832
Fire:										
Number of calls answered	1,704	1,816	1,829	1,812	1,684	1,876	2,127	2,044	2,053	2,248
Inspections (1)	809	131	1,227	1,979	2,204	2,267	2,419	2,462	2,644	2,761
Highways and streets:										
Street resurfacing (miles)	—	2.18	1.72	4.36	3.44	1.62	1.62	0.80	2.20	1.31
Culture and recreation:										
Athletic field permits issued (1)	—	—	—	17	18	18	22	23	17	23
Civic center events	213	235	222	237	242	221	202	188	205	192
Civic center use days	350	343	357	339	354	382	313	315	353	341
Water and sewerage:										
New connections (1)	—	—	—	—	4,260	4,608	5,080	4,859	4,789	4,673
Water main breaks (1)	—	219	145	135	123	87	156	198	133	121
Average daily consumption (millions of gallons) (1)	—	9.60	9.50	9.54	10.45	10.65	12.47	13.27	12.47	11.94
Average daily sewage treatment (millions of gallons) (1)	—	8.22	10.64	9.64	8.69	10.61	9.34	8.18	9.45	8.84
EMS:										
Number of emergency responses	4,884	5,302	5,355	5,913	6,088	6,766	6,930	7,040	6,636	7,089
Number of patient transports (1)	—	—	—	—	—	—	5,413	5,319	5,040	5,467
Sanitation:										
Refuse collected (tons/day) (1)	—	—	—	84.10	78.50	83.99	84.88	80.55	84.33	85.92
Recyclables collected (tons/day) (1)	—	—	—	2.88	2.93	0.81	0.91	0.84	0.96	1.15

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	Full-time Equivalent Employees as of December 31									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public safety:										
Police:										
Stations (includes training facility)	2	2	2	2	2	2	2	2	3	3
Patrol units (2)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	134	153	154
Fire stations (includes training facility)	9	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	N/A	N/A	N/A	325.35	334.55	335.86
Streetlights (2)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9,370	9,521	9,683
Traffic signals (2)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	72	71	71
Culture and recreation:										
Parks acreage	310.94	310.94	310.94	309.35	273.99	328.99	328.99	328.99	328.99	328.99
Parks	21	21	21	18	17	18	18	18	18	18
Swimming pools	3	3	3	3	3	3	3	3	3	3
Tennis courts	15	15	15	12	12	12	12	24	24	24
Civic centers	1	1	1	1	1	1	1	1	1	1
Community centers (2)	N/A	N/A	N/A	3	3	3	3	3	3	3
Water and sewerage:										
Water mains (miles) (2)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	324.86	341.10	356.21
Fire hydrants (2)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,627	2,637	2,712
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	N/A	N/A	N/A	236.61	248.49	320.88
Storm sewers (miles) (2)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	63.55	64.19	65.71
Maximum daily treatment capacity (millions of gallons)	12	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, 2008

City Council Member	
Jeffery Darby	\$ 11,442
Scott Irwin	11,358
David Jones	10,800
Timothy Larkin	10,800
David Montgomery	10,800
James Rogers	10,800
Don Williams	10,800
	<hr/>
	\$ <u>76,800</u>

Unaudited – see accompanying independent auditors’ report.