

CITY OF BOSSIER CITY, LOUISIANA

Comprehensive Annual Financial Report

December 31, 2017

Lorenz "Lo" Walker
Mayor

Stacie B. Fernandez
Director of Finance

Prepared by Department of Finance

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**INTRODUCTORY
SECTION**

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CITY OF BOSSIER CITY

PO. BOX 5337
BOSSIER CITY, LOUISIANA 71171-5337

June 15, 2018

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, 2017. 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 2017 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 Heard, McElroy & Vestal, LLC 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, 2017 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 unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2017 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The Honorable Lorenz "Lo" Walker, Mayor,
and Members of the City Council
June 15, 2018

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

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

Profile of the City of Bossier City

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

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

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

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

Budgetary Control

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

The Honorable Lorenz “Lo” Walker, Mayor,
and Members of the City Council
June 15, 2018

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

Local Economy

The City is a dynamic growing area with a proud past and a future filled with the promise of continued growth. It is an area that continues to be defined by the Red River and major cultural features including Barksdale Air Force Base and four 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. Barksdale Air Force Base directly contributes almost 9,000 jobs and more than \$500 million in payroll to the local economy. Estimated total spending exceeded \$686 million in 2016. The City and Bossier Parish have continued to gain in population in recent decades with both growing at a faster pace than statewide rates for Louisiana. The City’s current population is 69,584, which is 8,269 over the 2010 census count representing a 13.5% increase.

New construction from 1990 to 1994 was primarily retail and commercial in nature centered on the intersection of East Texas and Airline Drive. Pierre Bossier Mall, a regional mall, is located at this intersection and has been the draw for national retailers such as Office Depot, Chuck E. Cheese, Red Lobster, Logan’s Roadhouse and many other local and regional retailers. More recent construction in the central portion of Bossier City includes numerous restaurants and hotels in close proximity to I-20.

The majority of the new construction from 1995 to the present has been along Benton Road and Airline Drive, north of Shed Road and along the I-220 corridor. The construction of a Kroger Marketplace Store and the new Dement Corner’s Shopping Center, Home Depot, a Lowe’s, a Wal-Mart Supercenter, Willis Knighton Medical Center, and the new Stirling Retail Center has resulted in a significant amount of commercial and retail growth along Benton Road and Airline Drive.

The City has seen the northern area of the city continually grow in both areas of residential development and new retail/commercial development. In August of 2014 the Sam’s Wholesale Club along the Airline Drive corridor opened and in 2015 the new Kroger Marketplace store opened.

The Bossier riverfront has undergone significant changes over the last two decades. 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 The Outlets at Louisiana Boardwalk lifestyle center adjacent to the Horseshoe Casino and Hotel, the top-grossing casino in Louisiana. It consists of entertainment, retail, hospitality, and restaurant elements. The approximate 56 acres of riverfront property is situated in the heart of the Bossier/Shreveport metropolitan area. The project includes a variety of live music, performance theaters, restaurants, a blend of retail specialty shops, a multiplex movie theater, and a hotel. It is not only a major attraction for the 14 million plus gaming tourist visitors annually, but also to residents of the metropolitan area and surrounding region’s growing population and was recently indicated as the top tourist attraction by the Shreveport Bossier Tourist Bureau, narrowly edging out the

The Honorable Lorenz “Lo” Walker, Mayor,
and Members of the City Council
June 15, 2018

riverboat casinos. Louisiana Boardwalk is the first lifestyle center to open in the state of Louisiana offering outlet shopping, an entertainment district, and riverfront dining.

Also along the Riverfront District is the Bossier City CenturyLink Center. 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 CenturyLink Center has grown in national prominence within the event and entertainment industry, consistently placing in the top 100 venues in the world for ticket sales, according to Pollstar Magazine, the leading industry tracking firm.

The City and the Bossier Parish Police Jury, combined, issued bonds totaling \$50 million for the development of the Cyber Innovation Center (CIC) and National Cyber Research Park. The State of Louisiana has appropriated \$57 million to facilitate the development of these facilities and related infrastructure to support this development. Sixty-four acres of property was acquired in close proximity to Barksdale Air Force Base and close to the Louisiana Optical Network Initiative (LONI) line, which will provide access to high-speed computer capability and also provide a connection to all the major universities in the United States of America. Construction began in January of 2008 and the Center opened in 2011.

The Cyber Innovation Facility supports 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 location for a larger unit, Global Strike Command. Global Strike Command began operations at Barksdale in September 2010 and employs about 900 people. The CIC has a distinguished list of academic research institutions serving as an academic advisory board. Currently, many of the major defense and technology companies have joined the CIC. The CIC became fully operational in May 2011.

In early 2014, both the City of Bossier and the State of Louisiana were proud to announce 800 new technology based jobs coming to the area, with a new anchor tenant to the Cyber Innovation Park of Computer Science Corporation (CSC). Bossier City was selected from a site-selection process which the company considered 134 locations around the United States. In the fall of 2016, a new 30,000 square foot office building opened its doors for the Computer Science Corporation housing 800 employees. They also opened up a new operations call center building utilizing an existing bank building at 301 Benton Road that will house 300 employees.

The growth of the Cyber Innovation Park area in 2017 gained the new Louisiana Tech and Bossier Community College building to the park that now includes the Louisiana Tech Academic Success Center building. This building’s programs will help bring to the area more college and career opportunities to the Shreveport-Bossier area. The workforce development collaborations will empower the area residents with in-demand, high-paying careers that have exceptional growth potential.

Bossier City, as a result of the location of Barksdale Air Force Base being centrally located in Bossier City, saw initial development centered around Barksdale Air Force Base. This offers many opportunities for businesses who are offering goods and services to the base, as it is ideally located in Northwest Louisiana. However, as the City grew, growth continued in a southerly direction and a northerly direction as East/west growth is limited due to the location of the Base and the Red River. With the growth of the Cyber Innovation Park and business coming to this area, Bossier City has continued to see significant development around Barksdale Air Force Base. The most significant amount of development is in the northern portion of the neighborhoods of Bossier Parish and along Airline Drive and Benton Road. The location of Barksdale Air Force Base in the area has historically benefited the residential market which in turn caused expansion in the commercial and retail markets.

The Honorable Lorenz “Lo” Walker, Mayor,
and Members of the City Council
June 15, 2018

Prior to the arrival of riverboat gambling, “Old Bossier” was typical of many downtown areas in that it was populated with older masonry buildings which were occupied by low density commercial and/or industrial users. With the arrival of the casinos, the Boardwalk entertainment district and the City of Bossier’s revitalization effort for the downtown area, the City planned a significant project called the Downtown Re-Envisioning Project, which began in April 2016. This project involved a \$13 million public investment into the redevelopment of Barksdale Boulevard and the central area of the district.

The downtown area contains multiple buildings, dating from the early to the mid 1900’s. Most existing uses do not fully utilize the site, circulation, frontage, or access. While many of the buildings have an interesting character, mechanical, electrical and even some structural systems are deficient and require renovation to bring them into code and ADA compliance. The site’s historic character, frontage and interesting buildings lend itself to a mixed-use development with public open areas accessible to a town square for tenants and the community.

In 2016, the City began the implementation of the Bossier City Downtown Re-Envisioning Project which is designed to develop and stimulate market driven projects that ensure development in various districts. The introduction of mixed uses could create a vibrant downtown district and feed other businesses in the area. Improved circulation, landscaping, user-friendly building entrances and attractive signage could make this area a destination for locals and potential businesses looking to relocate in Bossier City.

The project was completed in November 2017 and was renamed the “East Bank District”. Its focus is on residential, public, and commercial uses which should represent a variety of uses that create an economic and community hub for the City of Bossier City. The area includes a mix of uses including offices, retail, medium to high density residential uses, houses of worship, meeting areas and parks/open spaces. This type of development reverts back to the more traditional central Main Street or square with a contemporary look, fronted by pathways, civic buildings, specialty retailers, family eateries, a community theater, and plaza with decorative landscaping.

Overall, the economy in the Bossier City area in 2017 was strong and continues to grow in both the availability and creation of good jobs for its citizens and availability to offer many quality of life and economic opportunities to the area.

The Honorable Lorenz “Lo” Walker, Mayor,
and Members of the City Council
June 15, 2018

Long-Term Financial Planning

In accordance with Section 6.09 of the City Charter, The Mayor submitted the year 2018 – 2022 Capital Improvement Program to the City Council in the first quarter of 2018. There are 63 projects that total approximately \$129 million in progress as of December 31, 2017. There are 77 projects from year 2018 through 2022, which total approximately \$168 million.

Project	Funding	Amount
Construction of W.O.B. Carriageway	2015 LCDA Bonds	50,000,000
NE WWTP Rehabilitation/Upgrade	2017 Revolving Loan	11,500,000
Shed Road (Benton to Airline)	2007 Capital Bond Issue	10,500,000
Viking Drive Widening	Riverboat Capital	10,000,000
Big Airline PS Project	2014 Utility Bond	4,867,000
Greenacres FM Project	2014 Utility Bond	4,480,000
Greenacres PS Project	2014 Utility Bond	3,800,000
E. Texas Street Gravity Main Repairs	2017 Capital Contingency	3,770,000
HR14-C(42” Water Line from Shed Road to Airline)	Water Capital Improvements	3,700,000
Walter O. Bigby Carriageway Water Line Relocation	2015 LCDA Bond	2,763,543

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

Financial Policies

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

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

The Honorable Lorenz “Lo” Walker, Mayor,
and Members of the City Council
June 15, 2018

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

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. 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 36 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,



Stacie B. Fernandez
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bossier City
Louisiana**

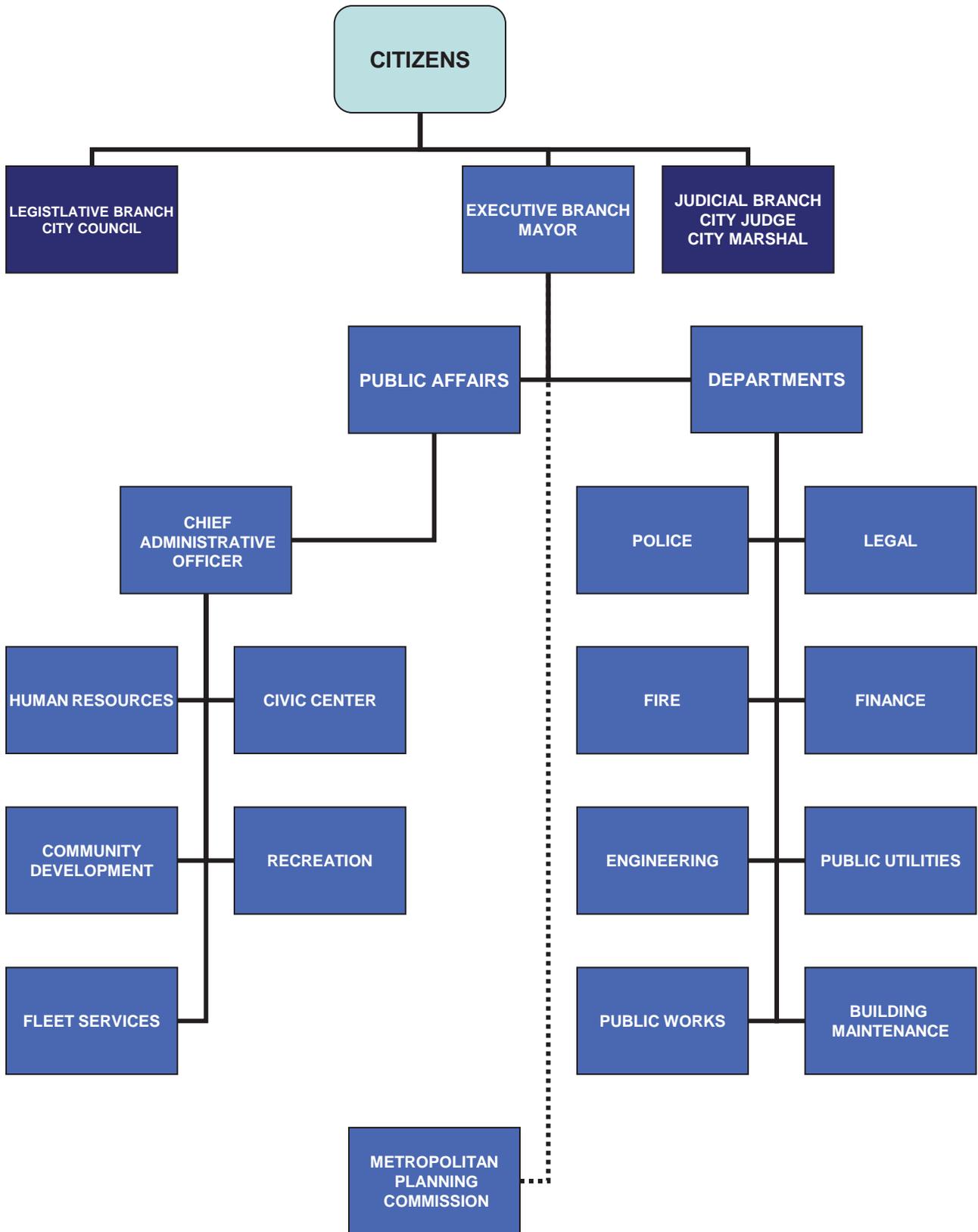
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

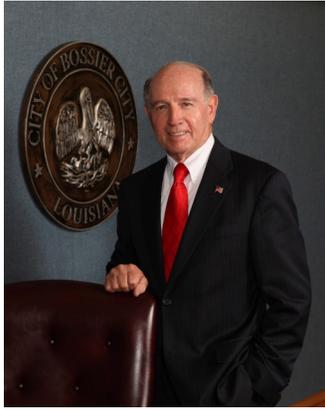
Christopher P. Morrill

Executive Director/CEO

ORGANIZATION CHART



ELECTED OFFICIALS



MAYOR LORENZ "LO" WALKER



Council Member at Large
TIMOTHY LARKIN



Council Member at Large
DAVID MONTGOMERY, JR



Council Member District 1
SCOTT IRWIN



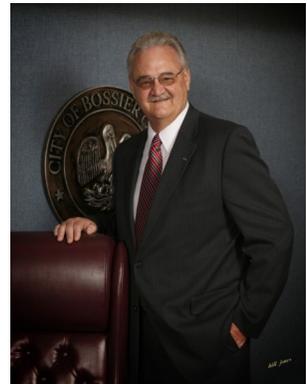
Council Member District 2
JEFFERY DARBY



Council Member District 3
DON WILLIAMS



Council Member District 4
JEFF FREE



Council Member District 5
THOMAS HARVEY

**FINANCIAL
SECTION**

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HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

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318-429-1525 PHONE • 318-429-2070 FAX

June 15, 2018

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

Independent Auditor's Report

Report on the Financial Statements

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 (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bossier City Court (the Court) and the Bossier City Marshal (Marshal), which represent 85.5%, 85.4%, and 61.5%, respectively, of the assets, net position, 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 related to the amounts included for 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal



control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinions.

Opinions

In our opinion, based on our audit and the reports of 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, 2017, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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, combining and individual fund schedules, schedule of compensation, benefits, and other payments to elected officials, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules and the schedule of compensation, benefits and other payments to elected officials are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

CITY OF BOSSIER CITY, LOUISIANA
Management's Discussion and Analysis
December 31, 2017

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, 2017. 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 2017 fiscal year include the following:

- The assets and deferred outflows of the City of Bossier City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$484.8 million (net position). Of this amount, approximately \$20.2 million (unrestricted net position) may be used to meet the City's obligations to citizens and creditors.
- The total net position of the City of Bossier City increased by \$21.0 million for the year ended December 31, 2017. Net position of governmental activities increased by \$10.8 million and net position of business-type activities increased by \$10.2 million.
- As of the close of the current fiscal year, the City of Bossier City's governmental funds reported combined ending fund balance of \$179.7 million, an increase of \$16.0 million in comparison with the prior fiscal year. Of this amount, \$10.4 million was unassigned; \$0.5 million was assigned; \$45.7 million was committed for civic center operations and capital projects, \$104.1 million was restricted for debt service, capital projects, federal grants, public health and safety, and economic development and facility operations, and \$18.9 million was nonspendable in the form of prepaid assets, inventories, and permanent fund principal.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10.0 million or 19.0% of the total General Fund expenditures.

Overview of the Financial Statements

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

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

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

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The statement of activities presents information showing how the City of Bossier City's net position changed during the most recent fiscal year. All changes in net position 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 position and the statement of activities distinguish between functions of the City of Bossier City that are principally supported by taxes, intergovernmental revenues, and charges for services (governmental activities) and other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City of Bossier City's governmental activities include general government, public safety, highways and streets, cultural and recreation, and Bossier City Court and Bossier City Marshal. The business-type activities of the City of Bossier City include water and sewerage, Emergency Medical Services (EMS), sanitation, and alternative fuel.

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

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

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

The City of Bossier City maintains 30 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, 2015 LCDA Bond fund, and Public Health and Safety Permanent Fund, all of which are considered to be major funds. Data for the other 24 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.

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

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

The internal service fund is included in the proprietary fund financial statements and presented alongside the enterprise funds.

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

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

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

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

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Financial Analysis of Government-Wide Activities

As noted earlier, net position 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 \$484.8 million at the close of the most recent fiscal year.

The largest portion of the City of Bossier City's net position totaling approximately \$402.8 million (83.1%) is net investment in capital assets.

City of Bossier City's Net Position
December 31, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	191,239,855	177,863,293	56,085,803	55,903,624	247,325,658	233,766,917
Capital assets	454,504,022	445,002,670	284,290,925	273,918,371	738,794,947	718,921,041
Total assets	645,743,877	622,865,963	340,376,728	329,821,995	986,120,605	952,687,958
Deferred outflows of resources	21,512,053	28,537,826	19,361,655	21,855,929	40,873,708	50,393,755
Total assets and deferred outflows of resources	667,255,930	651,403,789	359,738,383	351,677,924	1,026,994,313	1,003,081,713
Current and other liabilities	6,536,730	8,716,831	4,545,832	4,993,638	11,082,562	13,710,469
Long-term liabilities	280,909,201	274,477,649	243,942,969	245,883,246	524,852,170	520,360,895
Total liabilities	287,445,931	283,194,480	248,488,801	250,876,884	535,934,732	534,071,364
Deferred inflows of resources	4,889,933	4,064,039	1,396,843	1,192,431	6,286,776	5,256,470
Total liabilities and deferred inflows of resources	292,335,864	287,258,519	249,885,644	252,069,315	542,221,508	539,327,834
Net position:						
Net investment in capital assets	321,337,643	323,787,804	81,511,557	75,008,258	402,849,200	398,796,062
Restricted	58,577,170	50,584,083	3,155,976	3,024,141	61,733,146	53,608,224
Unrestricted	(4,994,747)	(10,226,617)	25,185,206	21,576,210	20,190,459	11,349,593
Total net position	374,920,066	364,145,270	109,852,739	99,608,609	484,772,805	463,753,879

There was 12.7% of net position, which represents resources that are subject to external restrictions on how they may be used. Restrictions for debt service account for \$7.8 million of the total of restricted net position. The remaining balance is moneys restricted for public health and safety, economic development and facility operations, federal grants, and capital projects. State law requires the proceeds from the sale of the Bossier Medical Center be held in perpetuity; however, the investment earnings may be spent each year for purposes of public health and safety. As of December 31, 2017, the nonexpendable portion was \$18.0 million.

The remaining balance of unrestricted net position of \$20.2 million is used to meet the City of Bossier City's ongoing obligations to citizens and creditors.

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The City of Bossier City's net position increased by \$25.5 million during the current fiscal year. Key elements of this increase are as follows:

City of Bossier City's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	7,489,285	7,038,407	44,378,618	43,287,406	51,867,903	50,325,813
Operating grants and contributions	5,420,211	5,710,502	-	-	5,420,211	5,710,502
Capital grants and contributions	1,982,931	-	-	-	1,982,931	-
General revenues:						
Sales taxes	46,479,002	45,617,810	-	-	46,479,002	45,617,810
Other taxes	19,209,687	18,453,303	-	-	19,209,687	18,453,303
Gaming	13,143,507	13,076,936	-	-	13,143,507	13,076,936
Other general revenues	4,054,734	5,149,643	4,545,843	3,046,041	8,600,577	8,195,684
Total revenues	<u>97,779,357</u>	<u>95,046,601</u>	<u>48,924,461</u>	<u>46,333,447</u>	<u>146,703,818</u>	<u>141,380,048</u>
Expenses:						
General government	26,299,574	24,955,178	-	-	26,299,574	24,955,178
Public safety	39,103,994	29,029,308	-	-	39,103,994	29,029,308
Highways and streets	2,992,379	3,064,194	-	-	2,992,379	3,064,194
Culture and recreation	7,244,148	7,251,613	-	-	7,244,148	7,251,613
City Court and Marshal	2,092,753	2,113,383	-	-	2,092,753	2,113,383
Interest on long-term debt	8,311,000	7,864,449	-	-	8,311,000	7,864,449
Water and sewerage	-	-	26,907,300	28,477,425	26,907,300	28,477,425
EMS	-	-	6,116,814	6,684,218	6,116,814	6,684,218
Sanitation	-	-	5,766,708	5,715,614	5,766,708	5,715,614
Alternative fuel station	-	-	850,222	743,246	850,222	743,246
Total expenses	<u>86,043,848</u>	<u>74,278,125</u>	<u>39,641,044</u>	<u>41,620,503</u>	<u>125,684,892</u>	<u>115,898,628</u>
Excess before transfers	11,735,509	20,768,476	9,283,417	4,712,944	21,018,926	25,481,420
Transfers	<u>(960,713)</u>	<u>(978,600)</u>	<u>960,713</u>	<u>978,600</u>	<u>-</u>	<u>-</u>
Change in net position	10,774,796	19,789,876	10,244,130	5,691,544	21,018,926	25,481,420
Net position, beginning of year	<u>364,145,270</u>	<u>344,355,394</u>	<u>99,608,609</u>	<u>93,917,065</u>	<u>463,753,879</u>	<u>438,272,459</u>
Net position, end of year	<u><u>374,920,066</u></u>	<u><u>364,145,270</u></u>	<u><u>109,852,739</u></u>	<u><u>99,608,609</u></u>	<u><u>484,772,805</u></u>	<u><u>463,753,879</u></u>

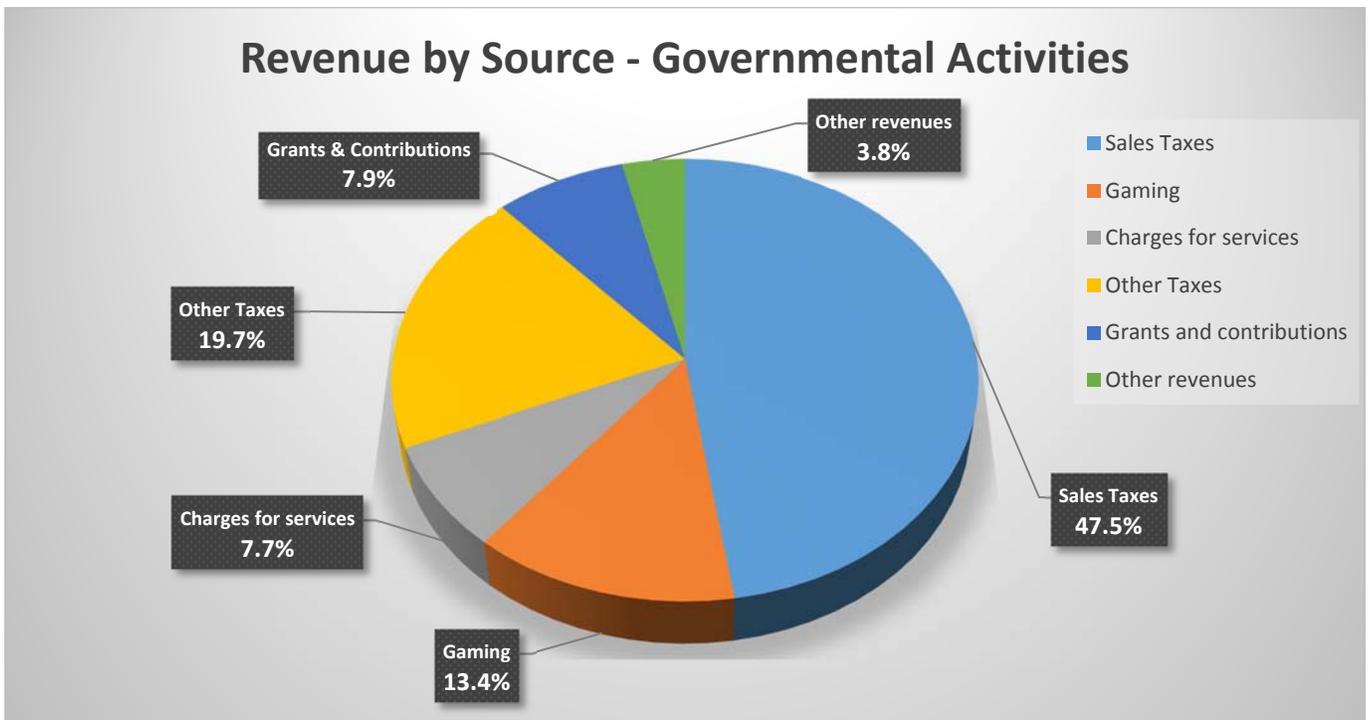
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Governmental Activities

Revenues for the City of Bossier City's governmental activities for the year ended December 31, 2017 were \$97.8 million, compared to \$95.0 million in 2016.

Program revenues for governmental activities increased by \$2.1 million in 2017. The increase is primarily attributable to an increase in capital grants.

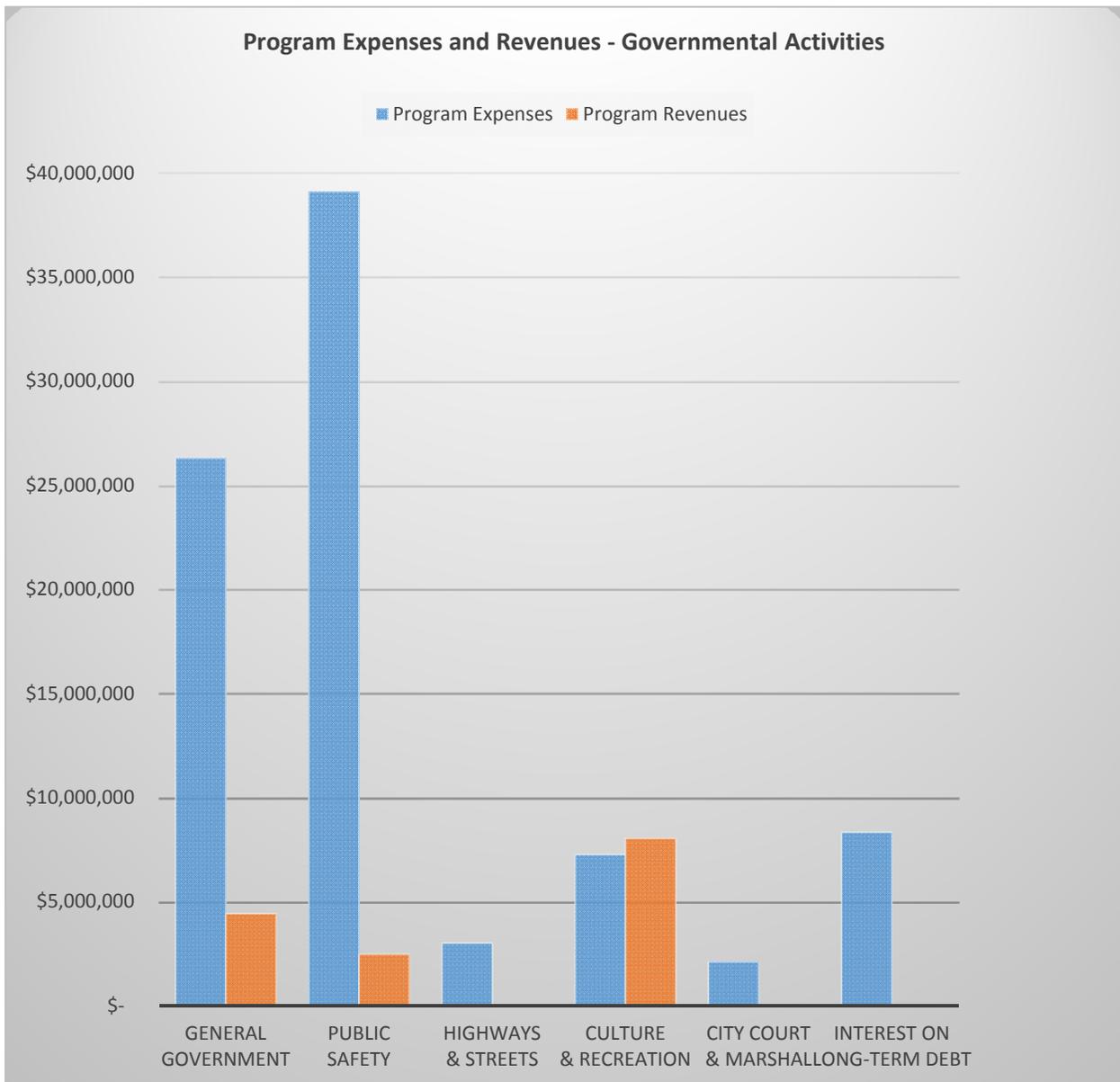
Overall, general revenues increased by \$0.6 million. In addition to grant revenue, the increase is primarily attributable to an increase in property and sales taxes, while miscellaneous general revenues decreased.



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The cost of all governmental activities in 2017 was \$86.0 million, an increase of \$11.7 million. This decrease is predominantly due to increase in public safety function related to changes in the pension trust funds net pension liability.

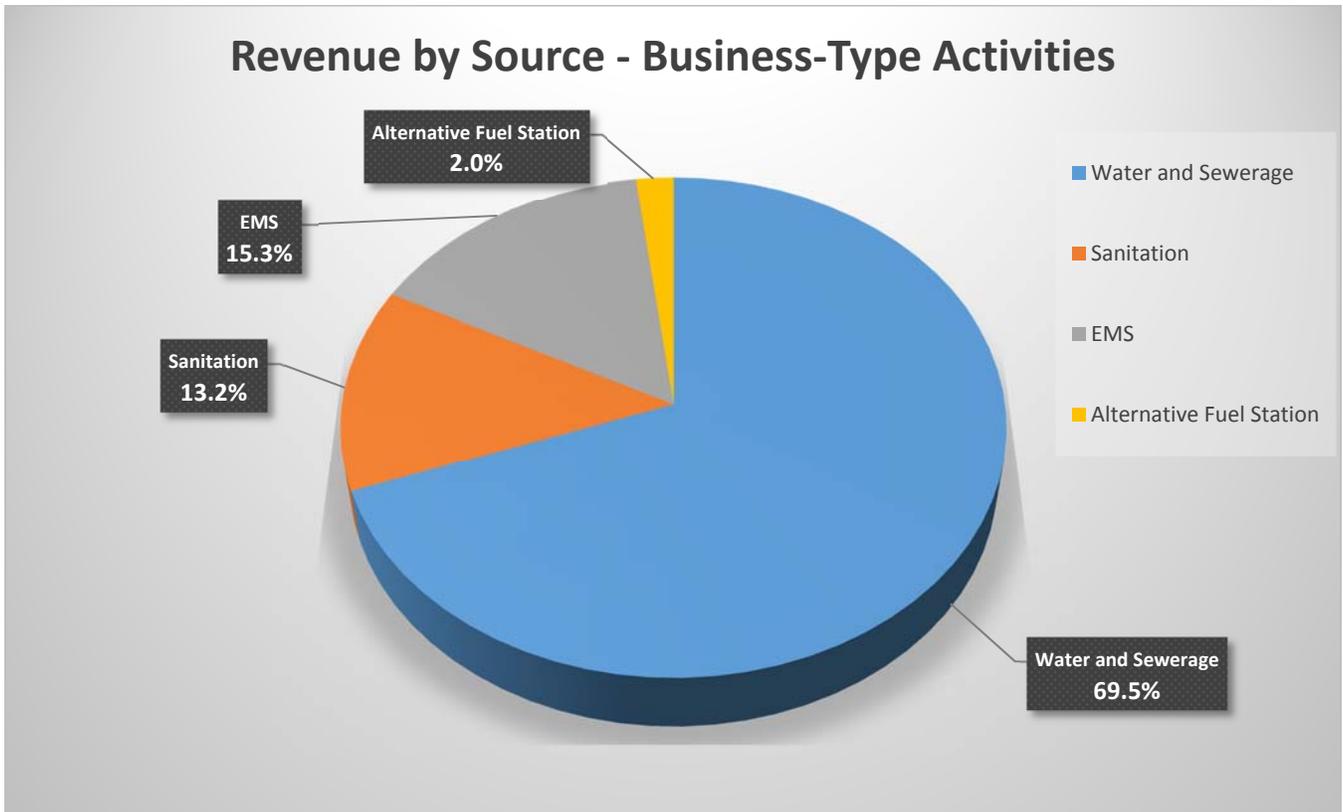
The City of Bossier City's largest programs are public safety, general government, highways and streets, culture and recreation, and City Court and Marshal. The graph below shows the expenses and program revenues generated by governmental activities:



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Business-Type Activities

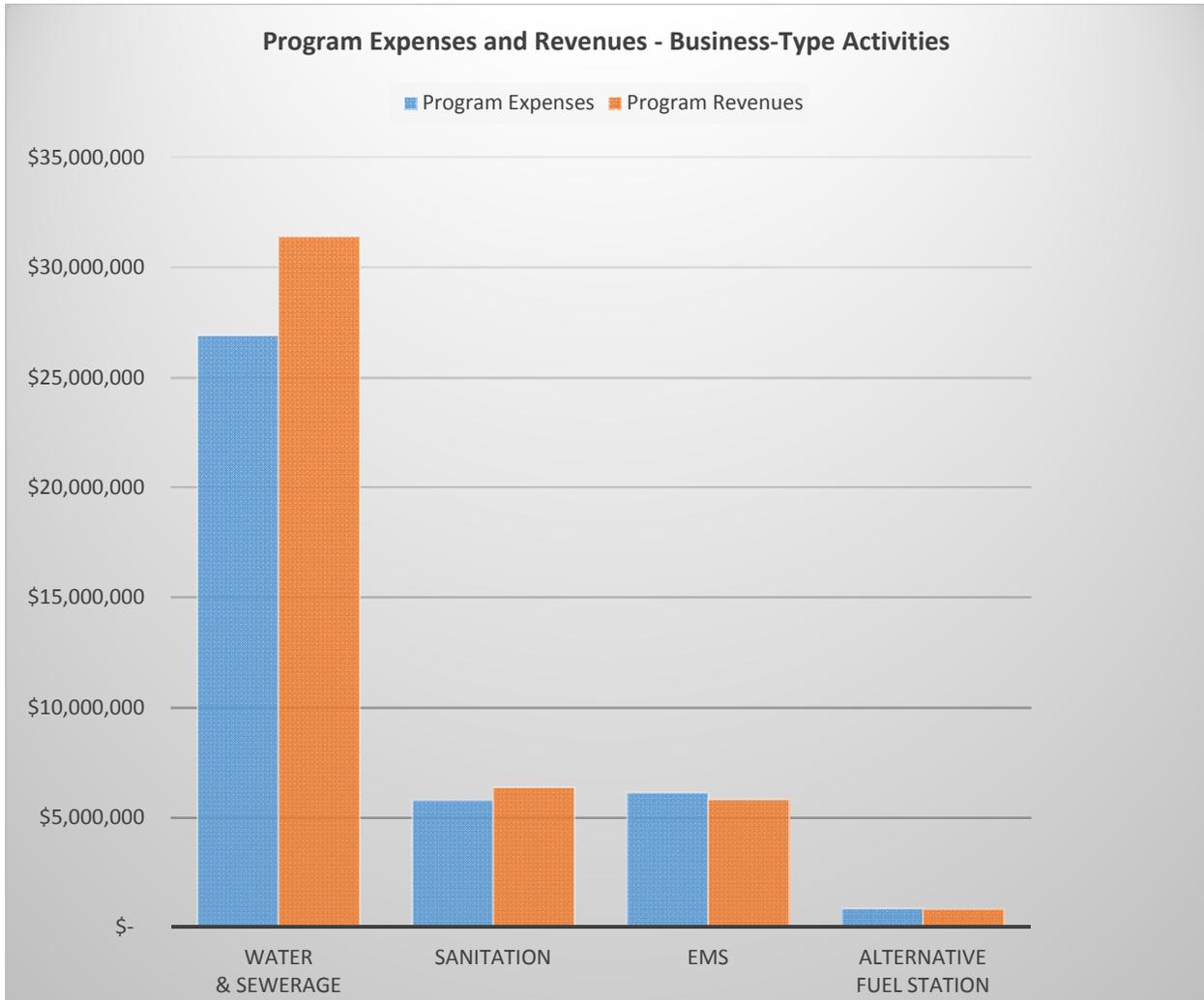
Total revenues for the City of Bossier City's business-type activities were \$48.9 million in 2017, an increase of \$2.6 million. This increase is due to a \$1.1 million increase in charges for services, as well as in increase in miscellaneous revenue of \$1.5 million.



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Expenses and Program Revenues – Business-Type Activities

The costs of these activities were \$39.6 million in 2017, a decrease of \$2.0 million. The Water and Sewerage, and EMS funds had decreases in expenses while the Sanitation and Alternative Fuel Station funds had an increase. Charges for services for the City's business-type activities were \$44.4 million in 2017, an increase of \$1.1 million. This increase is primarily due to a small increase in charges revenue for each of the business-type activities, with the largest increase being related to EMS.



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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 \$179.7 million, an increase of \$16.0 million in comparison with the prior fiscal year. Of this amount, \$10.4 million, or 5.8%, was unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is not available for new spending and has been classified into the following categories:

Nonspendable	\$ 18,937,353
Restricted	104,119,857
Committed	45,718,337
Assigned	518,974

- The General Fund is the chief operating fund of the City of Bossier City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10.0 million. The total unassigned is available for spending at the City Council's discretion. The fund balance of the City of Bossier City's General Fund increased by \$0.7 million.
- The Riverboat Gaming Special Revenue Fund has a total fund balance of \$31.6 million, all of which is currently committed for economic development although the City Council may elect to redirect some or all of these funds in the future. Riverboat gaming revenues collected prior to 1999 were accumulated in this fund until a base amount of \$30 million was attained, as required by city ordinance. A net increase of \$265,406 occurred during the current fiscal year.
- The Arena Special Revenue Fund accounts for the operations of the Bossier City CenturyLink Arena (Arena). The Arena has a fund balance of \$414,656, which reflected an increase of \$416,999 in 2017. Arena revenues increased by approximately \$298,000 in 2017 compared to an increase in expenses of approximately \$78,000. Transfers in increased by approximately \$149,000 in 2017.
- The Riverboat Gaming Capital Projects Fund has a total fund balance of \$7.2 million. This fund balance is restricted by the City Council to be used for capital projects. A net increase of \$4.7 million occurred during the current fiscal year due to a decrease in transfers out and a decrease in capital outlay compared to 2016.

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- The 2015 LCDA Bond Fund has a total fund balance of \$42.5 million, which is restricted for capital projects. This fund was created in 2015 to account for the proceeds and expenditure of the City's \$50 million of bonds issued in 2015. The bonds were issued for the purpose of funding the Downtown Re-Envisioning Project and the ART Parkway North Project. The fund experienced a decrease in fund balance of \$9.5 million during 2017 as a result of capital outlay projects.
- The Public Health and Safety Permanent Fund has a total fund balance of \$18.9 million, of which \$18.0 million is the nonspendable principal balance. The remaining \$0.9 million is restricted for public health and safety. The fund experienced a net increase in fund balance of \$230,562.
- Other Governmental Funds had a total fund balance of \$68.0 million, which reflected an increase of \$19.1 million primarily due to an increase in debt proceeds from the issuance of two bonds during the year.

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. 39:1031 et seq.).

The original budget for the General Fund of the City of Bossier City was adopted on November 1, 2016. For the year ended December 31, 2017, amendments made to the General Fund increased budgeted expenditures \$404,000.

Selected significant differences between the budget and the actual results of the General Fund are:

Revenues

- Sales taxes were \$0.3 million lower than the budget due to lower than anticipated sales taxes collected.
- Fines and penalties revenue was \$0.2 million lower than the budget due to a decline in violations.

Expenditures

- Fire department expenditures were less than budget by \$0.6 million due to lower head count and related costs.
- Police department expenditures were less than budget by \$0.9 million due to lower head count and related costs.

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Capital Assets and Debt Administration

Capital Assets: The City of Bossier City's investment in capital assets as of December 31, 2017 amounts to \$738.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, streets, drainage, furniture and equipment, and construction in progress. The table below shows the value at the end of the fiscal year.

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and land improvements	132,107,802	130,613,697	2,073,140	2,073,140	134,180,942	132,686,837
Buildings and structures	132,392,641	135,488,434	-	-	132,392,641	135,488,434
Equipment and vehicles	10,810,141	10,441,962	2,238,831	2,065,444	13,048,972	12,507,406
Water and reservoir treatment plant	-	-	190,074,584	192,799,608	190,074,584	192,799,608
Transmission and distribution system	-	-	62,591,870	56,799,140	62,591,870	56,799,140
Infrastructure	157,837,636	146,866,010	-	-	157,837,636	146,866,010
Construction in progress	21,355,802	21,592,567	27,312,500	20,181,039	48,668,302	41,773,606
Total capital assets	<u>454,504,022</u>	<u>445,002,670</u>	<u>284,290,925</u>	<u>273,918,371</u>	<u>738,794,947</u>	<u>718,921,041</u>

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

- Downtown Re-Envisioning Project
- Sewer Sub-basin Rehabilitation Construction
- Shed Road Widening Project

Long-term debt: At the end of the current fiscal year, the City of Bossier City had total debt outstanding of \$440,615,993. The City of Bossier City has no general bonded debt outstanding. The following table summarizes bonds outstanding at December 31, 2017 and 2016:

City of Bossier City's Outstanding Debt

	Governmental Activities		Business-Type Activities	
	2017	2016	2017	2016
Revenue bonds	207,900,421	192,373,048	232,715,572	232,492,237

There were changes in the ratings of the City's bonds from Moody's and Standard and Poor's. Moody's Investors Service assigned an Aa2 rating to the City compared to an Aa3 in the prior year, while Standard and Poor's Corporation rating changed from AA- to AA.

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

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Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for fiscal year 2018 was presented to the City Council:

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

For the year 2018, the City has budgeted a 3.4% increase in sales tax dollars over 2017 actual. This increase is due to the continued success of the Boardwalk, the addition of new retail outlets at the Sterling Property Shopping Center, and the addition of a new Kroger Market Place on Airline Drive. Preliminary 2018 figures reflect a increase in sales taxes of 6.8% for the first quarter. In 2017, the assessed value of property within the City decreased by 1.3% due to store closings. However, an increase of 7.1% in property tax dollars was budgeted for 2018 due to recent property development along Innovation Drive. Actual licenses and permits collected during 2017 were \$93,000 higher than 2016 and are budgeted 5.1% higher in 2018 as commercial and residential trends have risen.

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, Louisiana 71111, or by calling 318-741-8525.

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**BASIC FINANCIAL
STATEMENTS**

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CITY OF BOSSIER CITY, LOUISIANA

Statement of Net Position

December 31, 2017

Assets	Primary government			Component units
	Governmental activities	Business-type activities	Total	
Cash and cash equivalents	\$ 46,430,644	11,051,709	57,482,353	3,914,812
Investments	129,619,916	35,984,523	165,604,439	931,142
Receivables, net	13,660,514	8,965,342	22,625,856	59,844
Prepaid items and other assets	1,299,029	60,000	1,359,029	33,466
Inventories	229,752	24,229	253,981	—
Capital assets:				
Land and construction in progress	153,463,604	29,385,640	182,849,244	—
Other capital assets, net of depreciation	301,040,418	254,905,285	555,945,703	215,327
Total assets	<u>645,743,877</u>	<u>340,376,728</u>	<u>986,120,605</u>	<u>5,154,591</u>
Deferred Outflows of Resources				
Deferred loss on refunding, net	8,913,981	16,919,392	25,833,373	—
Deferred outflows of resources - pension	<u>12,598,072</u>	<u>2,442,263</u>	<u>15,040,335</u>	<u>50,908</u>
Total deferred outflows of resources	<u>21,512,053</u>	<u>19,361,655</u>	<u>40,873,708</u>	<u>50,908</u>
Liabilities				
Accounts payable	2,571,894	2,233,055	4,804,949	74,782
Accrued liabilities	891,672	336,413	1,228,085	51,770
Accrued interest payable	138,297	1,610,079	1,748,376	—
Deposits and unearned revenues	2,934,867	366,285	3,301,152	—
Noncurrent liabilities:				
Due within one year	11,629,590	7,891,369	19,520,959	—
Due in more than one year	<u>269,279,611</u>	<u>236,051,600</u>	<u>505,331,211</u>	<u>291,101</u>
Total liabilities	<u>287,445,931</u>	<u>248,488,801</u>	<u>535,934,732</u>	<u>417,653</u>
Deferred Inflows of Resources				
Deferred inflows of resources - pension	<u>4,889,933</u>	<u>1,396,843</u>	<u>6,286,776</u>	<u>6,125</u>
Net Position				
Net investment in capital assets	321,337,643	81,511,557	402,849,200	215,327
Restricted for:				
Debt service – expendable	4,663,526	3,155,976	7,819,502	—
Public health and safety – nonexpendable	18,000,000	—	18,000,000	—
Public Health and Safety	935,099	—	935,099	—
Capital projects	32,099,160	—	32,099,160	—
Federal grants	27,201	—	27,201	—
Economic development and facility operations	2,852,184	—	2,852,184	—
Probation activities	—	—	—	46,933
Facility expenses	—	—	—	1,494,609
Unrestricted	<u>(4,994,747)</u>	<u>25,185,206</u>	<u>20,190,459</u>	<u>3,024,852</u>
Total net position	<u>\$ 374,920,066</u>	<u>109,852,739</u>	<u>484,772,805</u>	<u>4,781,721</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Activities
Year ended December 31, 2017

Functions/programs	Expenses	Program revenues			Net (expenses) revenues and changes in net position			Component units
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government			
					Governmental activities	Business-type activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 26,299,574	3,510,989	899,521	—	(21,889,064)	—	(21,889,064)	—
Public safety	39,103,994	724,356	1,731,557	—	(36,648,081)	—	(36,648,081)	—
Highways and streets	2,992,379	—	—	—	(2,992,379)	—	(2,992,379)	—
Cultural and recreation	7,244,148	3,253,940	2,789,133	1,982,931	781,856	—	781,856	—
City Court and City Marshal	2,092,753	—	—	—	(2,092,753)	—	(2,092,753)	—
Interest on long-term debt	8,311,000	—	—	—	(8,311,000)	—	(8,311,000)	—
Total governmental activities	86,043,848	7,489,285	5,420,211	1,982,931	(71,151,421)	—	(71,151,421)	—
Business-type activities:								
Water and sewerage	26,907,300	31,390,167	—	—	—	4,482,867	4,482,867	—
EMS	6,116,814	5,810,714	—	—	—	(306,100)	(306,100)	—
Sanitation	5,766,708	6,354,583	—	—	—	587,875	587,875	—
Alternative fuel station	850,222	823,154	—	—	—	(27,068)	(27,068)	—
Total business-type activities	39,641,044	44,378,618	—	—	—	4,737,574	4,737,574	—
Total primary government	\$ 125,684,892	51,867,903	5,420,211	1,982,931	(71,151,421)	4,737,574	(66,413,847)	—
Component units:								
Bossier Public Trust Financing Authority	\$ 3,000	3,455	—	—	—	—	—	455
City Court	300,826	263,964	—	—	—	—	—	(36,862)
City Marshal	345,834	253,092	—	—	—	—	—	(92,742)
Metropolitan Planning Commission	463,885	319,991	—	—	—	—	—	(143,894)
Total component units	\$ 1,113,545	840,502	—	—	—	—	—	(273,043)
General revenues:								
Taxes:								
Property taxes levied for general purposes					\$ 14,617,605	—	14,617,605	—
Sales taxes levied for general purposes					16,158,190	—	16,158,190	—
Sales taxes levied for capital projects					14,721,550	—	14,721,550	—
Sales taxes levied for debt service					6,553,112	—	6,553,112	—
Sales taxes levied for pension plans					9,046,150	—	9,046,150	—
Franchise taxes					4,592,082	—	4,592,082	—
Gaming					13,143,507	—	13,143,507	—
Grants and contributions not restricted to specific purposes					335,775	—	335,775	—
Investment earnings (losses)					1,276,870	423,784	1,700,654	9,478
Payments from City of Bossier City					2,442,089	4,122,059	6,564,148	233,883
Miscellaneous					(960,713)	960,713	—	14,384
Transfers								—
Total general revenues and transfers					81,926,217	5,506,556	87,432,773	257,745
Change in net position					10,774,796	10,244,130	21,018,926	(15,298)
Net position, beginning					364,145,270	99,608,609	463,753,879	4,797,019
Net position, ending					\$ 374,920,066	109,852,739	484,772,805	4,781,721

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Balance Sheet
Governmental Funds
December 31, 2017

Assets	General	Riverboat Gaming Special Revenue Fund	Arena Special Revenue Fund	Riverboat Gaming Capital Projects Fund	Public Health and Safety Permanent Fund	2015 LCDA Bond Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 705,178	407,242	2,149,197	1,318,695	86,666	17,686,054	23,245,633	45,598,665
Investments	5,148,624	30,979,810	—	4,711,144	18,409,779	24,716,984	42,681,260	126,647,601
Receivables, net	6,765,395	720,029	845,427	1,173,752	438,654	91,655	3,182,348	13,217,260
Due from other funds	64,562	—	—	—	—	—	—	64,562
Prepaid items and other assets	689,138	—	18,463	—	—	—	—	707,601
Inventories, at cost	229,752	—	—	—	—	—	—	229,752
Investments – restricted	—	—	—	—	—	—	—	—
Total assets	\$ 13,602,649	32,107,081	3,013,087	7,203,591	18,935,099	42,494,693	69,109,241	186,465,441
Liabilities, Deferred Inflows, and Fund Balance								
Liabilities:								
Accounts payable	\$ 738,794	514,753	158,574	—	—	—	1,026,004	2,438,125
Accrued liabilities	754,752	—	136,920	—	—	—	—	891,672
Due to other funds	—	—	—	—	—	—	64,562	64,562
Unearned revenue	595,339	—	242,441	—	—	—	29,186	866,966
Deposits	—	—	2,060,496	—	—	7,405	—	2,067,901
Total liabilities	2,088,885	514,753	2,598,431	—	—	7,405	1,119,752	6,329,226
Deferred inflows of resources:								
Unavailable revenues	485,980	—	—	—	—	—	—	485,980
Fund balance (deficit):								
Nonspendable:								
Prepays	689,138	—	18,463	—	—	—	—	707,601
Inventories	229,752	—	—	—	—	—	—	229,752
Permanent fund principal	—	—	—	—	18,000,000	—	—	18,000,000
Restricted for:								
Debt service	—	—	—	—	—	—	4,663,526	4,663,526
Capital projects	—	—	—	—	—	42,487,288	53,154,559	95,641,847
Federal grants	—	—	—	—	—	—	27,201	27,201
Public health and safety	—	—	—	—	935,099	—	—	935,099
Economic development and facility operations	—	—	—	—	—	—	2,852,184	2,852,184
Committed for:								
Civic Center operations	—	—	—	—	—	—	1,000,046	1,000,046
Capital projects	—	—	—	7,203,591	—	—	—	7,203,591
Facility maintenance	—	—	—	—	—	—	5,922,372	5,922,372
Economic development	—	31,592,328	—	—	—	—	—	31,592,328
Assigned for:								
General purposes	149,373	—	—	—	—	—	—	149,373
Disasters	—	—	—	—	—	—	369,601	369,601
Unassigned	9,959,521	—	396,193	—	—	—	—	10,355,714
Total fund balance	11,027,784	31,592,328	414,656	7,203,591	18,935,099	42,487,288	67,989,489	179,650,235
Total liabilities, deferred inflows and fund balance	\$ 13,602,649	32,107,081	3,013,087	7,203,591	18,935,099	42,494,693	69,109,241	186,465,441

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

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

December 31, 2017

Fund balances – total governmental funds		\$ 179,650,235
Amounts reported for governmental activities in the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	\$ 616,876,181	
Less accumulated depreciation	<u>(162,372,159)</u>	454,504,022
Net pension liability		
City's unfunded liability in the Policemen's Pension	1,037,511	
City's unfunded liability in the Firemen's Pension	193,791	
City's Proportionate share of the unfunded liability in MPRS, MERS, FRS and LASERS	<u>(55,526,887)</u>	(54,295,585)
Deferred outflows and inflows of resources are not available to pay current period expenditures and therefore are not reported in governmental funds		
Deferred Outflows of Resources-Pension	12,598,072	
Deferred Inflows of Resources-Pension	<u>(4,889,933)</u>	7,708,139
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		485,980
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	8,913,981	
Accrued interest payable	(138,298)	
Compensated absences	(1,278,161)	
Claims	(1,247,500)	
Bonds, notes, and loans payable	(207,900,421)	
Net other postemployment benefit obligation – unfunded actuarial accrued liability	<u>(14,257,089)</u>	(215,907,488)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities		<u>2,774,763</u>
Net position of governmental activities		<u><u>\$ 374,920,066</u></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, 2017

Revenues	General	Riverboat Gaming Special Revenue Fund	Arena Special Revenue Fund	Riverboat Gaming Capital Projects Fund	Public Health and Safety Permanent Fund	2015 LCDA Bond Fund	Other Governmental Funds	Total Governmental Funds
Taxes	\$ 44,311,205	—	—	—	—	—	21,274,662	65,585,867
Licenses and permits	3,510,989	—	—	—	—	—	—	3,510,989
Intergovernmental	2,067,332	—	—	—	—	—	5,671,585	7,738,917
Video poker fees	314,261	—	—	—	—	—	—	314,261
Fees and rentals	1,100,111	—	2,709,461	—	—	68,668	475,811	4,354,051
Fines and penalties	704,029	—	—	—	—	—	20,327	724,356
Racing commission – Louisiana Downs	387,142	—	—	—	—	—	—	387,142
Gaming	—	—	—	12,442,104	—	—	—	12,442,104
Investment earnings (losses)	9,196	265,406	—	28,728	130,562	371,834	471,144	1,276,870
Miscellaneous	—	—	—	—	100,000	—	2,096,132	2,196,132
Total revenues	52,404,265	265,406	2,709,461	12,470,832	230,562	440,502	30,009,661	98,530,689
Expenditures								
Current:								
General government	11,221,942	—	—	—	—	44,350	610,151	11,876,443
Public safety	39,881,353	—	—	—	—	—	—	39,881,353
Highways and streets	388,025	—	—	—	—	—	—	388,025
Culture and recreation	2,678,327	—	3,005,752	—	—	—	682,759	6,366,838
City Court and City Marshal	1,907,269	—	—	—	—	—	13,650	1,920,919
Debt service:								
Principal	—	—	—	—	—	—	8,200,000	8,200,000
Interest and other charges	—	—	—	—	—	—	7,878,617	7,878,617
Bond Issuance Costs	—	—	—	—	—	—	581,939	581,939
Capital outlay	—	—	—	428,863	—	8,053,170	20,371,629	28,853,662
Metropolitan planning – payments to component units	233,883	—	—	—	—	—	—	233,883
Total expenditures	56,310,799	—	3,005,752	428,863	—	8,097,520	38,338,745	106,181,679
Excess (deficiency) of revenues over (under) expenditures	(3,906,534)	265,406	(296,291)	12,041,969	230,562	(7,657,018)	(8,329,084)	(7,650,990)
Other financing sources (uses):								
Bonds issued	—	—	—	—	—	—	24,580,239	24,580,239
Payment to refund bonds	—	—	—	—	—	—	—	—
Premium on bonds	—	—	—	—	—	—	—	—
Transfers in	4,639,734	—	713,290	1,797,432	—	—	9,788,494	16,938,950
Transfers out	—	—	—	(9,168,994)	—	(1,797,432)	(6,933,237)	(17,899,663)
Total other financing sources and uses	4,639,734	—	713,290	(7,371,562)	—	(1,797,432)	27,435,496	23,619,526
Net change in fund balances	733,200	265,406	416,999	4,670,407	230,562	(9,454,450)	19,106,412	15,968,536
Fund balances (deficit), beginning	10,294,584	31,326,922	(2,343)	2,533,184	18,704,537	51,941,738	48,883,077	163,681,699
Fund balances, ending	\$ 11,027,784	31,592,328	414,656	7,203,591	18,935,099	42,487,288	67,989,489	179,650,235

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, 2017

Net change in fund balances – total governmental funds		\$ 15,968,536
Amounts reported for governmental activities in the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay (net of retirements of \$1,600,236)	\$ 23,854,264	
Depreciation expense	<u>(14,352,911)</u>	9,501,353
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		102,822
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 position. 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:		
Bonds Issued	(24,580,239)	
Principal payments	<u>8,200,000</u>	(16,380,239)
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:		
Net pension liability	3,578,607	
Net other postemployment benefit obligation	<u>(1,796,200)</u>	1,782,407
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:		
Change in deferred loss on refunding	(670,183)	
Change in bond premium and discount	(2,277,374)	
Premium on bonds issued	3,130,239	
Decrease in compensated absences	176,741	
Increase in claims	(152,500)	
Increase in accrued interest	<u>(33,126)</u>	173,797
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>(373,880)</u>
Change in net position of governmental activities		\$ <u><u>10,774,796</u></u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

Year ended December 31, 2017

	Business-type activities enterprise funds			Governmental activities internal service funds
	Water and sewerage	Other enterprise funds	Total	
Operating Revenues				
Charges for services pledged as security for revenue bonds (net of bad debt of \$374,220)	\$ 31,390,167	—	31,390,167	—
Charges for services (net of bad debt of \$653,336)	—	12,988,451	12,988,451	2,458,343
Miscellaneous	2,229,740	1,892,319	4,122,059	93,000
Total operating revenues	<u>33,619,907</u>	<u>14,880,770</u>	<u>48,500,677</u>	<u>2,551,343</u>
Operating Expenses				
Personal services	3,220,471	6,114,325	9,334,796	—
Supplies	1,379,425	1,077,841	2,457,266	—
Administrative	474,000	103,200	577,200	—
Utilities	1,680,669	206,886	1,887,555	—
Repairs and maintenance	925,418	431,252	1,356,670	—
Travel and training	3,930	33,707	37,637	—
Professional services	1,306,390	11,192	1,317,582	—
Insurance	230,000	297,000	527,000	1,747,037
Contractual expenses	37,988	3,920,030	3,958,018	—
Miscellaneous	474,677	538,311	1,012,988	341,647
Claims	—	—	—	873,360
Depreciation	7,270,432	—	7,270,432	—
Total operating expenses	<u>17,003,400</u>	<u>12,733,744</u>	<u>29,737,144</u>	<u>2,962,044</u>
Operating income (loss)	<u>16,616,507</u>	<u>2,147,026</u>	<u>18,763,533</u>	<u>(410,701)</u>
Nonoperating Revenues (Expenses)				
Investment earnings (losses)	361,301	62,483	423,784	36,821
Interest expense	(9,425,305)	—	(9,425,305)	—
Bond issue costs	—	—	—	—
Amortization	(303,258)	—	(303,258)	—
Fiscal charges	(175,337)	—	(175,337)	—
Total nonoperating revenues (expenses)	<u>(9,542,599)</u>	<u>62,483</u>	<u>(9,480,116)</u>	<u>36,821</u>
Income before transfers	<u>7,073,908</u>	<u>2,209,509</u>	<u>9,283,417</u>	<u>(373,880)</u>
Transfers in	37,724,653	1,432,632	39,157,285	—
Transfers out	(36,724,653)	(1,471,919)	(38,196,572)	—
	<u>1,000,000</u>	<u>(39,287)</u>	<u>960,713</u>	<u>—</u>
Change in net position	8,073,908	2,170,222	10,244,130	(373,880)
Total net position, beginning	<u>99,182,246</u>	<u>426,363</u>	<u>99,608,609</u>	<u>3,148,643</u>
Total net position, ending	<u>\$ 107,256,154</u>	<u>2,596,585</u>	<u>109,852,739</u>	<u>2,774,763</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2017

	<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>	
Cash flows from operating activities:				
Receipts from operations	\$ 31,225,414	12,645,424	43,870,838	2,133,168
Payments to suppliers	(6,451,751)	(6,960,458)	(13,412,209)	(2,073,296)
Payments to employees	(3,745,155)	(6,065,823)	(9,810,978)	—
Claims paid	—	—	—	(981,050)
Other receipts	2,229,740	1,739,680	3,969,420	93,000
Net cash provided by (used in) operating activities	23,258,248	1,358,823	24,617,071	(828,178)
Cash flows from noncapital financing activities:				
Transfers in (out)	1,000,000	(39,287)	960,713	—
Advance from other fund	—	—	—	—
Net cash provided by (used in) noncapital financing activities	1,000,000	(39,287)	960,713	—
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(17,642,987)	—	(17,642,987)	—
Refunding bond proceeds	—	—	—	—
Bond proceeds	7,722,116	—	7,722,116	—
Bond issuance costs	—	—	—	—
Payments to bond refunding escrow	—	—	—	—
Principal paid on debt	(6,888,647)	—	(6,888,647)	—
Interest paid	(9,440,472)	—	(9,440,472)	—
Fiscal charges	(175,337)	—	(175,337)	—
Net cash (used in) capital and related financing activities	(26,425,327)	—	(26,425,327)	—
Cash flows from investing activities:				
Sale (purchase) of investments	(5,100,590)	(2,217,372)	(7,317,962)	(154,763)
Interest received	587,923	109,178	697,101	60,037
Net cash provided by (used in) investing activities	(4,512,667)	(2,108,194)	(6,620,861)	(94,726)
Net increase (decrease) in cash and cash equivalents	(6,679,746)	(788,658)	(7,468,404)	(922,904)
Cash and cash equivalents, beginning of year	15,975,091	2,545,022	18,520,113	1,754,883
Cash and cash equivalents, end of year	\$ 9,295,345	1,756,364	11,051,709	831,979

CITY OF BOSSIER CITY, LOUISIANA

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2017

	<u>Business-type activities enterprise funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Other</u>		<u>activities</u>
	<u>and</u>	<u>enterprise</u>	<u>Total</u>	<u>internal</u>
	<u>sewerage</u>	<u>funds</u>		<u>service funds</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 16,616,507	2,147,026	18,763,533	(410,701)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	7,270,432	—	7,270,432	—
Provision for bad debts	208,920	118,267	327,187	—
Decrease (increase) in assets:				
Accounts receivable	(364,972)	(580,078)	(945,050)	(325,175)
Inventories	—	1,926	1,926	—
Prepaid items	—	—	—	(5,837)
Decrease in deferred outflows related to pensions	429,560	1,161,322	1,590,882	—
Increase (decrease) in liabilities:				
Accounts payable	60,746	(342,965)	(282,219)	21,225
Accrued liabilities	(104,653)	(3,211)	(107,864)	—
Compensated absences	(14,492)	(11,008)	(25,500)	—
Customer deposits	(8,701)	—	(8,701)	—
Net pension liability	(969,101)	(1,169,011)	(2,138,112)	—
Unearned revenue	—	(33,855)	(33,855)	—
Accrued claims	—	—	—	(107,690)
Increase (decrease) in deferred inflows	134,002	70,410	204,412	—
Total adjustments	<u>6,641,741</u>	<u>(788,203)</u>	<u>5,853,538</u>	<u>(417,477)</u>
Net cash provided by (used in) operating activities	\$ <u>23,258,248</u>	<u>1,358,823</u>	<u>24,617,071</u>	<u>(828,178)</u>
Noncash items:				
Amortization	\$ 303,258	—	303,258	—
Change in fair value of investments	(372,394)	(81,349)	(453,743)	(35,983)

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2017

Assets	Pension trust funds	Agency funds
	<u> </u>	<u> </u>
Cash and cash equivalents	\$ 5,369,617	—
Receivables:		
Interest receivable	683,767	5
Other receivables	—	247,320
Other assets	246,358	30,564
Investments, at fair value:		
U.S. government, agency, and municipal securities	97,737,895	588
Certificates of deposit	2,413,954	—
Total investments	<u>100,151,849</u>	<u>588</u>
Total assets	<u>106,451,591</u>	<u>278,477</u>
Liabilities		
Accounts payable	—	16,530
Accrued liabilities	—	27,288
Taxes paid under protest	—	42,330
Refundable deposits	—	138,070
Due to other funds	—	—
Due to other governmental units	63,402	54,259
Total liabilities	<u>63,402</u>	<u>278,477</u>
Net Position		
Net position restricted for pensions	<u>\$ 106,388,189</u>	<u>—</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA
Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year ended December 31, 2017

Additions

Contributions from the City:		
Sales taxes, net	\$	9,046,150
Fire insurance premiums		289,025
City court fines		149,969
City liquor licenses		7,206
Total contributions		9,492,350
Investment earnings		3,586,022
Total additions		13,078,372

Deductions

Pensions and benefits		6,165,663
Administrative expenses		142,770
Total deductions		6,308,433
Change in net position		6,769,939
Net position, beginning		99,618,250
Net position, ending	\$	106,388,189

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Net Position

Component Units

December 31, 2017

Assets	Bossier Public Trust Financing Authority	Bossier City Court	Bossier City Marshal	Metropolitan Planning Commission	Total
Cash and cash equivalents	\$ 935	3,452,257	381,708	79,912	3,914,812
Investments	377,982	12,908	255,472	284,780	931,142
Receivables, net	184	162	3,651	100	4,097
Prepaid expenses	—	15,831	16,447	1,188	33,466
Accrued interest	—	—	—	2,341	2,341
Due from other governments	—	—	53,406	—	53,406
Capital assets:					
Other capital assets, net of depreciation	—	37,144	175,776	2,407	215,327
Total assets	<u>379,101</u>	<u>3,518,302</u>	<u>886,460</u>	<u>370,728</u>	<u>5,154,591</u>
 Deferred Outflows of Resources					
Deferred outflows of resources - Pension	—	29,484	21,424	—	50,908
 Liabilities					
Accounts payable	—	3,395	2,644	2,015	8,054
Accrued expenses	—	1,929	—	49,841	51,770
Due to other governments	—	—	66,728	—	66,728
Noncurrent liabilities					
Due in more than one year	—	265,223	25,878	—	291,101
Total liabilities	—	<u>270,547</u>	<u>95,250</u>	<u>51,856</u>	<u>417,653</u>
 Deferred Inflows of Resources					
Deferred inflows of resources - Pension	—	5,563	562	—	6,125
 Net position					
Net investment in capital assets	—	37,144	175,776	2,407	215,327
Restricted for:					
Probation activities	—	—	46,933	—	46,933
Facility expenses	—	1,494,609	—	—	1,494,609
Unrestricted	379,101	1,739,923	589,363	316,465	3,024,852
Total net position	\$ <u>379,101</u>	<u>3,271,676</u>	<u>812,072</u>	<u>318,872</u>	<u>4,781,721</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

Statement of Activities

Component Units

Year ended December 31, 2017

	<u>Expenses</u>	<u>Program revenues</u>		<u>Net (expenses) revenues and changes in net position</u>				<u>Total</u>
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Bossier Public Trust Financing Authority</u>	<u>Bossier City Court</u>	<u>Bossier City Marshal</u>	<u>Metropolitan Planning Commission</u>	
Bossier Public Trust Financing Authority								
Mortgage operations	\$ 3,000	3,455	—	455	—	—	—	455
Bossier City Court								
Judicial	300,826	263,964	—	—	(36,862)	—	—	(36,862)
Bossier City Marshal								
Public Safety	345,834	253,092	—	—	—	(92,742)	—	(92,742)
Metropolitan Planning Commission								
Planning and zoning	463,885	319,991	—	—	—	—	(143,894)	(143,894)
	<u>\$ 1,113,545</u>	<u>840,502</u>	<u>—</u>					
General revenues:								
Investment earnings				\$ —	4,679	1,944	2,855	9,478
Payment from the City of Bossier City				—	—	—	233,883	233,883
Miscellaneous				—	3,863	—	10,521	14,384
Total general revenues				<u>—</u>	<u>8,542</u>	<u>1,944</u>	<u>247,259</u>	<u>257,745</u>
Change in net position				455	(28,320)	(90,798)	103,365	(15,298)
Net position, beginning				<u>378,646</u>	<u>3,299,996</u>	<u>902,870</u>	<u>215,507</u>	<u>4,797,019</u>
Net position, ending				<u>\$ 379,101</u>	<u>3,271,676</u>	<u>812,072</u>	<u>318,872</u>	<u>4,781,721</u>

See accompanying notes to basic financial statements.

CITY OF BOSSIER CITY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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 relationship between the City and the Commission is such that exclusion would cause the City's financial statements to be incomplete. The Commission serves the citizenry of the City and parish. The Commission does not issue separate financial statements. Condensed fund financial statements as of and for the fiscal year ended December 31, 2017 are as follows:

1. **Summary of Significant Accounting Policies (Continued)**

Balance Sheet	
Assets:	
Cash and equivalents	\$ 79,912
Investments	284,780
Other current assets	3,629
Capital assets	2,407
Total assets	\$ 370,728
Liabilities:	
Accounts payable	\$ 51,856
Total liabilities	51,856
Fund balance:	
Net investment in capital assets	\$ 2,407
Unassigned	316,465
Total fund balance	318,872
Total liabilities and fund balance	\$ 370,728

Statement of Revenues, Expenditures, and Changes in Fund Balance	
Revenues:	
Licenses and permits	\$ 86,108
Intergovernmental	233,883
Payments from City of Bossier	233,883
Investment earnings	2,855
Miscellaneous	10,521
Total revenues	567,250
Expenditures:	
General government	463,885
Total expenditures	463,885
Net change in fund balance	103,365
Fund balance, beginning	215,507
Fund balance, ending	\$ 318,872

Bossier City Court

The Bossier City Court (City Court) was created by special legislative act. Its jurisdiction includes the incorporated area of the City. The City judge is elected and cannot be removed by City officials. The City Court is fiscally dependent on the City. The City has the ability to modify or approve its

1. Summary of Significant Accounting Policies (Continued)

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 relationship between the City and City Court is such that exclusion would cause the City's financial statements to be incomplete. The financial statements of the City Court included in the accompanying financial statements are as of and for the fiscal year ended December 31, 2017.

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 relationship between the City and Marshal is such that exclusion would cause the City's financial statements to be incomplete. The financial statements of the City Marshal included in the accompanying financial statements are as of and for the fiscal year ended December 31, 2017.

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 relationship between the City and the Authority is such that exclusion would cause the City's financial statements to be incomplete. 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, 2017.

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

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

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

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

1. **Summary of Significant Accounting Policies (Continued)**

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

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.

Accounting Policies

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

(a) Government-Wide and Fund Financial Statements

The government-wide financial statements (GWFS) (i.e., the statement of net position 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 position presents information on all of the City's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position 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.

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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 position, revenues, and expenditures/expenses. The various funds are summarized by type in the financial statements. The following fund types are used by the City:

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City’s expendable financial resources and the related

1. Summary of Significant Accounting Policies (Continued)

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 economic development as well as other uses as determined by City Council ordinance. Currently fund balance amounts are committed to economic development but this is subject to change.

Arena Special Revenue Fund – This fund accounts for the revenues received (including direct event, ancillary, advertising, luxury box, and other income) and operating expenses incurred in the operations of the City’s CenturyLink 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 four riverboat casinos and related interest earnings.

2015 LCDA Bond Capital Projects Fund – This fund accounts for the proceeds and expenditures of the 2015 bonds that were issued for the purpose of funding the Downtown Re-envisioning Project and the ART Parkway North Project.

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 million 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).

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

1. **Summary of Significant Accounting Policies (Continued)**

are accounted for on a capital maintenance measurement focus; that is, the measurement focus is upon determination of the change in net position. 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 one internal service fund for workmen's compensation and general insurance coverage.

Fiduciary Funds

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

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

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

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.

1. Summary of Significant Accounting Policies (Continued)

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 service 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.

(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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their estimated acquisition 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.

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

1. Summary of Significant Accounting Policies (Continued)

(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 position. Bond premiums and discounts 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 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, 2017 were primarily U.S. government instrumentalities (see note 2 for the City's investment policy).

(f) Prepaid Items

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

(g) Inventories

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

(h) Refundable Deposits

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

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

1. Summary of Significant Accounting Policies (Continued)

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 Inflows/Outflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to a future period so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has items that qualify for reporting in this category. It has deferred losses on refunding. A deferred loss on refunding results from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the remaining life of the refunded debt or the life of the refunding. The City also has reported deferred outflows of resources related to its net pension liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element represents an acquisition of net position that applies to a future period so will not be recognized as an inflow of resources (revenue) until then. The City has items that qualify for reporting in this category. The first is unavailable revenue, which arises under the modified accrual basis of accounting and is presented in the City's fund financial statements for the general fund. Unavailable revenues consist primarily of taxes not collected within 60 days after year-end. These amounts are deferred and recognized as an inflow of resources in the period they become available in the governmental fund financial statements and are recognized as revenue in the government-wide financial statements. The City also reported deferred inflows related to its net pension liability in the government-wide financial statements.

Certain licenses are collected in advance; therefore, the recognition of revenue is deferred until the following year. Memberships, 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 45 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. 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 six pension plans, which cover substantially all employees who meet certain length of service requirements. See note 8 for details of these plans.

1. Summary of Significant Accounting Policies (Continued)

(l) Restricted Assets

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

(m) Classifications of Fund Balance

Fund balances in the governmental funds classified as restricted are amounts that are restricted to specific purposes that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. Committed fund balances are amounts that can only be used for specific purposes with constraints imposed by formal action (ordinance) of the City Council. Such committed amounts can only be used for other purposes if the City Council removes or changes the specified use by taking the same type of action taken to initially commit the amounts. Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Assigned fund balances are determined by the City's Director of Finance based on an ordinance or other City Council direction. The assigned fund balance currently reported in the general fund is related to encumbrances. Other assigned amounts are related to disaster relief. Nonspendable fund balance are amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

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

(n) Interfund Receivables and Payables

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

(o) Property Taxes

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

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

(p) Grants from Other Governmental Agencies

Federal and state governmental agencies represent an important source of supplementary funding to finance housing, employment, construction programs, and other activities

1. Summary of Significant Accounting Policies (Continued)

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 \$400,000 for non-civil service employees and \$750,000 for civil service employees for workmen’s compensation coverage with an aggregate limit of \$1,000,000. 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 \$3,000,000 per occurrence limit with a \$100,000 per occurrence retention for claims involving third parties. The City is self-insured up to \$50,000 for property claims and up to \$1,000,000 for automobile and general liability claims.

Self-insured claims are recorded in the City’s internal service funds in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

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

2. Cash and Investments

City of Bossier City (Primary Government)

The City maintains a consolidated cash management pool that is available for use by all funds except the Pension Trust Funds. Each fund type’s portion of the consolidated cash pool is displayed in the statement of net position 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, 2017 for the City are summarized as follows:

<u>Carrying Amount</u>	<u>Bank Balance</u>
\$20,216,916	\$25,495,725

Certificates of deposit with a maturity of three months or more are classified in the statement of net position as “investments” (\$-0-).

2. Cash and Investments (Continued)

Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposits may not be returned. The City’s deposits with financial institutions have a carrying value of \$18,074,719 and a bank balance of \$23,242,146 excluding the Arena Special Revenue Fund (the Arena) and are held in the name of the City. At December 31, 2017, \$250,000 of the \$23,242,146 bank balance held in the name of the City was insured by FDIC insurance and \$22,992,146 was covered by securities pledged by the bank in the name of the City. The Arena’s deposits with financial institutions have a carrying value of \$2,142,197 and a bank balance of \$2,253,579 and are held in the name of the Arena’s management company, which is a private entity. At December 31, 2017, \$250,000 of the \$2,253,579 bank balance held in the name of the Arena’s management company was insured by FDIC insurance. The remaining \$2,003,579 bank balance is exposed to custodial credit risk. Under Louisiana state law, all public funds are required to be covered by depository insurance or securities pledged by the bank; however, as the Arena’s deposits are held in the name of a private entity, state and federal laws prohibit banks from collateralizing these deposits.

The carrying amount of deposits does not include a cash-on-hand balance of \$11,980, 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 \$37,253,457 with original maturities of three months or less are classified as cash equivalents in the statement of net position but are an investment type.

Pension Trust Funds

Deposits (including demand deposit accounts and certificates of deposits) as December 31, 2017 for the Fiduciary Funds are summarized as follows:

<u>Carrying Amount</u>	<u>Bank Balance</u>
\$5,369,617	\$5,382,514

Certificates of deposit with a maturity of three months or more are classified in the statement of net position as “investments” totaling \$2,413,954. 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, 2017 is not exposed to any custodial credit risk as all deposits are covered by FDIC insurance or pledged securities.

(b) Investments

Primary Government

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

U.S Treasury obligations

U.S. government agencies

2. Cash and Investments (Continued)

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)

Obligations of state agencies, counties, cities, and other political subdivisions of any state rated as to investment quality not less than A or its equivalent

Any other investments allowed by state statute for local governments

At December 31, 2017, investments for the primary government, including agency funds and excluding pension trust funds, were as follows:

	<u>Investment Maturity in Years</u>			<u>Fair Value</u>
	<u>Less Than 1 Year</u>	<u>1-3 Years</u>	<u>3-5 Years</u>	
U.S. government instrumentalities	\$ 55,273,528	\$ 96,669,538	\$ 13,661,961	\$ 165,605,027
Money market	<u>37,253,457</u>	<u>-</u>	<u>-</u>	<u>37,253,457</u>
Total investments	<u>\$ 92,526,985</u>	<u>\$ 96,669,538</u>	<u>\$ 13,661,961</u>	<u>\$ 202,858,484</u>

The investments with original maturities of three months or more when purchased totaling \$165,604,439 are classified as "investments" in the statement of net position and \$588 are included in agency funds.

2. Cash and Investments (Continued)

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

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

Concentration of Credit Risk: The City places no limit on the amount the City may invest in any one issuer. More than 5% of the City's investments are in U.S. Treasury Bills, Federal Home Loan Bank, Federated Money Market, and U.S. Treasury Notes. These investments are 10.10%, 6.60%, 6.43%, and 33.85%, 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. 11:3197. 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 this state, 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 United States Government.

At December 31, 2017, the Pension Trust Funds' investments were all in U.S. government and government agency securities, asset and mortgage-backed securities, certificates of deposit, and municipal bonds. Maturities of the remaining investments were as follows:

Less than 1 year	7,449,476
1-5 years	33,610,547
5-10 years	21,037,935
Greater than ten years	<u>38,053,891</u>
	<u>100,151,849</u>

The investments with original maturities of three months or more when purchased totaling \$100,151,849 are classified as "investments" in the statement of plan net position. 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 increase interest rates.

2. Cash and Investments (Continued)

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, 2017, the Policemen’s Fund’s investments were municipal and state bonds, government agency securities, and U.S. Treasury securities with Aa2, Aa3, and A3 ratings except certain municipal bonds that are rated AA-.

The Firemen’s Fund investments as of December 31, 2017 were all in certificates of deposit, U.S. government and government agency securities, asset and mortgage-backed securities, and municipal bonds, the ratings of which are summarized in the table below. All issuers with whom investments are held are rated AA+ and/or Aaa or better except certain municipal bonds that are rated S&P AA or AA – or Moody’s A1 or Aa2, and certain government and agency securities which are unrated. Investment ratings from S&P or from Moody’s where an S&P rating is not available are as follows:

Unrated	10,987,781
S&P AAA	49,870,233
S&P AA	5,377,965
S&P AA ½	2,289,836
S&P AA/WD	<u>81,608</u>
	<u>68,607,423</u>

Concentration of Credit Risk: The Pension Trust Funds place no limit on the amount they may invest in any one issuer. At December 31, 2017, the Pension Trust Funds had the following concentrations of investment of more than 5% of total investments in any one issuer:

Firemen’s Fund:

Federal Farm Credit Bank	33%
Tennessee Valley Authority	18
Federal Home Loan Bank	22
Government National Mortgage Association	7

Policemen’s Fund:

Federal Home Loan Bank	10%
Louisiana State Series A & B	19
United States Treasury Notes	59
Louisiana Local Gov’t Environment	6

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Pension Trust Funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2017, 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

2. Cash and Investments (Continued)

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, 2017, the Court, including its fiduciary funds, which are not part of this report, had cash, cash equivalents, and investments (book balances) totaling \$4,324,068. The portion attributable to fiduciary funds was \$826,634 in cash and cash equivalents and \$32,269 in investments.

These deposits with financial institutions are stated at cost, which approximates market value. At December 31, 2017, the carrying amount of the Court's deposits was \$4,278,891, and the collected bank balance was \$4,331,866. 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, 2017, the Court held certificates of deposit totaling \$45,177 that were classified as investments since their maturity was in excess of 90 days subsequent to their initial purchase. These certificates of deposits are carried at cost, which approximates market value, and are secured by federal deposit insurance and the pledge of securities owned by the fiscal agent bank. Investments are limited by LSA R.S. 33:2955.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. At year-end, bank balances of \$4,331,866 were protected by \$295,177 of federal depository insurance. The remaining bank balance of \$4,036,689 was exposed to custodial credit risk as it consists of 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. The Court may invest in U.S. bonds, treasury notes and bills, government-backed agency securities, or certificates and time

2. Cash and Investments (Continued)

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, 2017, the Marshal, including its fiduciary funds, which are not part of this report, had cash, cash equivalents, and investments (book balances) totaling \$666,425. The portion attributable to fiduciary funds was \$29,245 in cash and cash equivalents.

At December 31, 2017, the Marshal held certificates of deposit totaling \$255,472 that were classified as investments since their maturity was in excess of ninety days subsequent to their initial purchase. These certificates of deposit are carried at cost, which approximates market value, and are secured by federal deposit insurance. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955.

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the government will not be able to recover its deposits. As of December 31, 2017, the Marshal’s bank balance of \$672,688 was protected by \$403,223 of FDIC insurance and \$136,658 of NCUSIF insurance with the remaining \$132,807 protected and collateralized with pledged securities held by the custodial bank’s trust department not in the Bossier Marshal’s name.

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 and Caddo Parish Tax Assessors and approved by the State of Louisiana Tax Commission. Total assessed value was \$600,619,535 in 2017. Property taxes are recorded as receivables and revenues in the year for which they were levied. The General Fund property tax receivable at December 31, 2017 is shown net of an allowance for uncollectible taxes as of year-end of \$65,000. The distribution of the City’s levy (tax rate per \$1,000 of assessed value) was as follows for 2017:

	<u>2017 Levy</u>
General Fund – unrestricted	5.76
General Fund – restricted for Fire and Police Departments	<u>17.60</u>
	<u><u>23.36</u></u>

3. Ad Valorem Property Taxes (Continued)

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, 2016.

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	\$ -	3,719,540	2,712,365	88,772	42,315	255,085	12,318	(65,000)	6,765,395
Riverboat Gaming Special Revenue Fund	-	-	-	514,753	205,276	-	-	-	720,029
Arena Special Revenue Fund	845,427	-	-	-	-	-	-	-	845,427
Riverboat Gaming Capital Projects Fund	-	-	-	1,135,032	38,720	-	-	-	1,173,752
Public Health and Safety Permanent Fund	-	-	-	-	145,901	292,753	-	-	438,654
2015 LCDA Bond Fund	-	-	-	-	91,655	-	-	-	91,655
Nonmajor governmental funds	-	-	2,437,358	-	288,119	-	456,871	-	3,182,348
Total Governmental Funds	\$ 845,427	3,719,540	5,149,723	1,738,557	811,986	547,838	469,189	(65,000)	13,217,260
Proprietary funds:									
Enterprise funds -									
Water and Sewerage	\$ 3,123,896	-	-	-	244,181	-	3,332,658	(543,526)	6,157,209
Nonmajor enterprise fund	1,871,146	-	-	-	51,564	-	1,201,118	(315,695)	2,808,133
Total Enterprise Funds	4,995,042	-	-	-	295,745	-	4,533,776	(859,221)	8,965,342
Internal service funds	-	-	-	-	24,429	-	418,825	-	443,254
Total Proprietary Funds	\$ 4,995,042	-	-	-	320,174	-	4,952,601	(859,221)	9,408,596

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 \$3,279,156, \$328,486, and \$607,910, respectively, at December 31, 2017.

Governmental funds report deferred inflows of resources 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 unavailable revenue and unearned revenue reported in the governmental funds were as follows:

4. Receivables (Continued)

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 472,327	\$ -
Other revenues not collected within 60 days (General Fund)	13,653	-
Licenses collected in advance (General Fund)	-	66,175
Civic center rental revenue collected in advance	-	29,186
Arena rental and advertising revenues collected in advance	-	242,441
Taxes paid in protest (General Fund)	-	177,175
Grant drawdowns prior to meeting all eligibility requirements - (General Fund)	-	351,989
Total deferred revenue for governmental funds	<u>\$ 485,980</u>	<u>\$ 866,966</u>

5. Capital Assets

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>December 31,</u> <u>2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31,</u> <u>2017</u>
Governmental activities:				
Capital assets not being depreciated:				
Land and Land Improvements	\$ 81,228,314	2,600,996	(2,511,350)	81,317,960
Right of Way	49,385,383	1,404,459	-	50,789,842
Construction in Progress	21,592,567	14,227,717	(14,464,482)	21,355,802
Total capital assets not being depreciated	152,206,264	18,233,172	(16,975,832)	153,463,604
Capital assets being depreciated:				
Buildings and Structures	196,924,274	2,262,580	(414,945)	198,771,909
Equipment and Vehicles	50,366,754	4,867,293	(623,804)	54,610,243
Infrastructure & Pavement	194,160,902	15,869,523	-	210,030,425
Total capital assets being depreciated	441,451,930	22,999,396	(1,038,749)	463,412,577
Less accumulated depreciation for:				
Buildings and Structures	(61,435,840)	(4,957,260)	13,831	(66,379,269)
Equipment and Vehicles	(39,924,792)	(4,497,754)	622,445	(43,800,101)
Infrastructure & Pavement	(47,294,892)	(4,897,897)	-	(52,192,789)
Total accumulated depreciation	(148,655,524)	(14,352,911)	636,276	(162,372,159)
Total being depreciated, net	292,796,406	8,646,485	(402,473)	301,040,418
Capital Assets, net	<u>\$ 445,002,670</u>	<u>26,879,657</u>	<u>(17,378,305)</u>	<u>454,504,022</u>

Construction in progress consisted of: \$6,664,076 for the CIC/CSC Building Project; \$4,425,095 for the Shed Road Widening Project; \$4,454,775 for Hwy 80/Art-Parkway Extension Project and \$5,811,856 related to many various smaller projects.

5. Capital Assets (Continued)

	Balance December 31, 2016	Additions	Retirements	Balance December 31, 2017
Business-type activities - water and sewerage:				
Capital assets not being depreciated:				
Land and Land Improvements	\$ 2,073,140	-	-	2,073,140
Construction in Progress	20,181,039	12,690,512	(5,559,051)	27,312,500
Total capital assets not being depreciated	22,254,179	12,690,512	(5,559,051)	29,385,640
Capital assets being depreciated:				
Water reservoir and treatment plant	231,162,841	2,684,864		233,847,705
Transmission and distribution system	88,559,268	7,182,387	-	95,741,655
Equipment	14,228,255	644,274	(153,023)	14,719,506
Total capital assets being depreciated	333,950,364	10,511,525	(153,023)	344,308,866
Less accumulated depreciation for:				
Water reservoir and treatment plant	(38,363,233)	(4,637,016)	-	(43,000,249)
Transmission and distribution system	(31,760,128)	(1,982,130)	-	(33,742,258)
Equipment	(12,162,811)	(651,286)	153,023	(12,661,074)
Total accumulated depreciation	(82,286,172)	(7,270,432)	153,023	(89,403,581)
Total being depreciated, net	251,664,192	3,241,093	-	254,905,285
Capital Assets, net	<u>\$ 273,918,371</u>	<u>15,931,605</u>	<u>(5,559,051)</u>	<u>284,290,925</u>

Construction in progress consisted of \$2,729,651 for the Riverview Force Main Rehab Project; \$10,178,942 for the Sewer Sub-basin Rehabilitation Projects; \$3,230,276 for the Pump Station Projects; and \$11,173,631 related to various smaller water and sewer projects.

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

General government	7,454,324
Public safety	3,373,804
Highways and streets	2,732,659
Culture and recreation	745,613
City court and marshal	46,511
Total depreciation expense – governmental activities	<u>14,352,911</u>
Business-type activities:	
Water and sewage	<u>7,270,432</u>
Total depreciation expense – business-type activities	<u>7,270,432</u>

6. Long-Term Obligations

City of Bossier City (Primary Government)

The following is a summary of the long-term obligation activity for the year ended December 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds payable	\$ 178,765,000	21,450,000	8,200,000	192,015,000	8,735,000
Premium on bonds	13,608,048	3,130,239	852,866	15,885,421	-
Claims and judgments payable	3,133,134	1,075,860	1,031,050	3,177,944	1,930,444
Net pension liability	65,055,677	-	10,760,091	54,295,586	-
Net other postemployment benefit obligation	12,460,889	2,373,080	576,880	14,257,089	-
Compensated absences	1,454,902	787,405	964,146	1,278,161	964,146
Governmental activity long-term liabilities	<u>\$ 274,477,650</u>	<u>28,816,584</u>	<u>22,385,033</u>	<u>280,909,201</u>	<u>11,629,590</u>
Business-type activities - water and sewerage:					
Revenue bonds payable	\$ 218,899,234	7,722,116	6,888,647	219,732,703	7,506,000
Premium on bonds	13,593,003	-	610,134	12,982,869	-
Net pension liability	3,811,794	-	969,101	2,842,693	-
Compensated liabilities	178,237	131,625	146,117	163,745	146,118
Water and sewerage long-term liabilities	<u>236,482,268</u>	<u>7,853,741</u>	<u>8,613,999</u>	<u>235,722,010</u>	<u>7,652,118</u>
Other business-type activities:					
Net pension liability	9,075,949	-	1,169,011	7,906,938	-
Compensated absences	325,029	228,243	239,251	314,021	239,251
Other business-type long-term liabilities	<u>9,400,978</u>	<u>228,243</u>	<u>1,408,262</u>	<u>8,220,959</u>	<u>239,251</u>
Total business-type long-term liabilities	<u>\$ 245,883,246</u>	<u>\$ 8,081,984</u>	<u>\$ 10,022,261</u>	<u>\$ 243,942,969</u>	<u>\$ 7,891,369</u>

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 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 80% of these costs. For the governmental activities, the balance of compensated absences is generally liquidated by the General Fund. The net pension obligation and net other postemployment benefit 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, 2017:

Bonds payable, January 1, 2017	\$	424,865,285
New issue, net		32,302,355
Debt retired		(15,088,647)
Amortization of premium		(1,463,000)
Bonds payable, December 31, 2017	\$	<u>440,615,993</u>

In addition to \$15,088,647 of bonds retired, the City paid \$17,350,635 in interest.

6. Long-Term Obligations (Continued)

Bonds payable at December 31, 2017 comprise the following issues:

Revenue bonds – applicable to general city operations:

\$15,000,000 Public Improvement Sales Tax Revenue Bonds due in annual installments of \$100,000 to \$1,405,000 through 2036; maturing December 1 of each year; interest at 3% to 5% (plus premium of \$2,163,419)	\$ 17,163,419
\$4,000,000 Public Improvement Sales Tax Bonds due in annual installments of \$155,000 to \$270,000 through 2035; maturing December 1 of each year; interest at 2% to 4% (plus premium of \$396,990)	4,016,990
\$4,030,000 Public Improvement Sales Tax Refunding Bonds due in annual installments of \$355,000 to \$470,000 through 2025; maturing December 1 of each year; interest at 2% to 3% (plus premium of \$107,839)	3,427,839
\$13,300,000 Public Improvement Sales Tax Refunding Bonds due in annual installments of \$70,000 to \$2,355,000 through 2022; maturing December 1 of each year; interest at 2% to 2.65% (plus premium of \$71,060)	11,236,060
\$21,810,000 Public Improvement Sales Tax Refunding Bonds due in annual installments of \$140,000 to \$2,320,000 through 2022; maturing December 1 of each year; interest at 2% to 4% (plus premium of \$494,357)	11,329,357
\$14,065,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds due in annual installments of \$355,000 to \$865,000 through 2039; maturing September 1 of each year; interest at 2.0% to 5.0% (plus debt premium of \$491,784)	13,446,784
\$80,460,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds due in annual installments of \$2,545,000 to \$5,880,000 through 2037; maturing November 1 of each year; interest at 3.5% to 5.0% (plus premium of \$8,562,904)	89,022,904
\$35,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds due in annual installments of \$755,000 to \$2,410,000 through 2040; maturing June 1 of each year; interest at 3.0% to 5.0% (plus premium of \$2,465,023)	35,930,023
\$15,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds due in annual installments of \$100,000 to \$1,380,000 through 2040; maturing November 1 of each year; interest at 3.5% to 5.0% (plus premium of \$260,545)	15,005,545
\$6,450,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds due in annual installments of \$220,000 to \$475,000 through 2037; maturing October 1 of each year; interest at 2.0% to 5.0% (plus premium of \$871,500)	7,321,500
Total general bonds	\$ 207,900,421

6. Long-Term Obligations (Continued)

\$13,500,000 Utility Revenue Refunding Bonds, Series 2010 due in annual installments of \$155,000 to \$1,475,000 through 2022; maturing October 1 of each year; interest at 2.53%	\$ 7,020,000
\$60,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds due in annual installments of \$1,225,000 to \$3,235,000 through 2040; maturing November 1 of each year; interest at 1.23% to 6.27%	50,217,256
\$22,000,000 Louisiana Department of Environmental Quality Utility Revenue Bonds, Series 2010 due in annual installments based on defined percentages based on funds drawn through October 31, 2031; maturing October 1 of each year; interest at 0.45%	17,585,747
\$4,645,000 Utility Revenue Refunding Bonds, Series 2012 due in annual installments of \$97,000 to \$691,000 through 2019; maturing October 1 of each year; interest at 2.09%	1,367,000
\$10,000,000 Louisiana Department of Environmental Quality Utility Revenue Bonds, Series 2014 due in annual installments based on defined percentages based on funds drawn through October 31, 2035; maturing October 1 of each year; interest at 0.45%	8,339,977
\$114,070,000 Utility Revenue Refunding Bonds, Series 2014 due in annual installments of \$1,520,000 to \$8,695,000 through 2038; maturing October 1 of each year; interest at 2.0% to 5.0%; (plus debt premium of \$12,098,569)	121,423,569
\$22,000,000 Utility Revenue Bonds, Series 2014 due in annual installments of \$305,000 to \$1,300,000 through 2043; maturing October 1 of each year; interest at 2.0% to 5.0%; (plus debt premium of \$884,300)	21,699,300
\$10,000,000 Louisiana Department of Environmental Quality Utility Revenue Bonds, Series 2016 due in annual installments based on defined percentages based on funds drawn through October 31, 2037; maturing October 1 of each year; interest at 0.45%	4,967,873
\$13,000,000 Louisiana Department of Environmental Quality Utility Revenue Bonds, Series 2017 due in annual installments based on defined percentages based on funds drawn through October 31, 2038; maturing October 1 of each year; interest at 0.95%	94,850
Total water and sewerage bonds	\$ 232,715,572
Total revenue bonds	\$ 440,615,993

In November 2010, the City entered into a Loan and Pledge Agreement with the Louisiana Department of Environmental Quality in connection with the authorization of the issuance of \$22,000,000 Utility Revenue Bonds Series 2010, for the purpose of constructing a waste system (the project). Under the Loan and Pledge Agreement, funds are drawn as expenditures on the project are incurred. During 2017, the City drew \$25,625 under the agreement. As of December 31, 2017, a total of \$21,998,632 had been drawn.

6. Long-Term Obligations (Continued)

In August 2014, the City entered into a Loan and Pledge Agreement with the Louisiana Department of Environmental Quality in connection with the authorization of the issuance of \$10,000,000 Utility Revenue Bonds Series 2014, for the purpose of funding various sewer projects. Under the Loan and Pledge Agreement, funds are drawn as expenditures on the project are incurred. During 2017, the City drew \$2,744,518 under the agreement. As of December 31, 2017, a total of \$9,003,978 had been drawn.

In June 2016, the City entered into a Loan and Pledge Agreement with the Louisiana Department of Environmental Quality in connection with the authorization of the issuance of \$10,000,000 Utility Revenue Bonds Series 2016, for the purpose of funding various sewer projects. Under the Loan and Pledge Agreement, funds are drawn as expenditures on the project are incurred. During 2017, the City drew \$4,857,123 under the agreement. As of December 31, 2017, a total of \$4,967,873 had been drawn.

In October 2017, the City entered into a Loan and Pledge Agreement with the Louisiana Department of Environmental Quality in connection with the authorization of the issuance of \$13,000,000 Utility Revenue Bonds Series 2017, for the purpose of funding various sewer projects. Under the Loan and Pledge Agreement, funds are drawn as expenditures on the project are incurred. During 2017, the City drew \$94,850 under the agreement.

In April 2017, the City issued \$15,000,000 Public Improvement Sales Tax Bonds for the purpose of purchasing, constructing, acquiring, extending or improving any public works or capital improvements for the City, and paying the costs of issuance of the bonds. The City paid \$195,794 in costs related to the issuance.

In October 2017, the City issued \$6,450,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds for the purpose of financing the costs of additions, acquisitions, repairs and/or expansions needed for the restoration of the CenturyLink Center (multi-purpose event center in Bossier City), and paying the costs of issuance of the bonds. The City paid \$156,225 in costs related to the issuance.

The annual requirements, excluding \$28,868,290 premium on bonds, and deferral on refundings of \$25,833,373, to amortize all debt outstanding as of December 31, 2017 are as follows:

	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
Year(s) ending December 31:					
2018	8,735,000	8,108,467	7,506,000	9,331,890	33,681,357
2019	9,135,000	7,833,739	7,754,850	9,171,060	33,894,649
2020	9,495,000	7,497,939	7,538,000	8,987,002	33,517,941
2021	9,880,000	7,134,201	7,758,000	8,774,292	33,546,493
2022	10,295,000	6,733,451	8,156,000	8,527,577	33,712,029
2023-2027	35,415,000	28,295,794	46,041,000	37,825,735	147,577,529
2028-2032	43,240,000	19,987,825	53,576,620	27,794,440	144,598,885
2033-2037	53,220,000	9,224,903	56,564,977	15,086,092	134,095,972
2038-2042	12,600,000	897,738	23,537,256	2,528,224	39,563,217
2043	-	-	1,300,000	53,625	1,353,625
	<u>192,015,000</u>	<u>95,714,056</u>	<u>219,732,703</u>	<u>128,079,937</u>	<u>635,541,696</u>

6. Long-Term Obligations (Continued)

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 components of net position restricted for debt service and unrestricted and invested in capital assets during the year ended December 31, 2017 were as follows:

Department of Water & Sewerage Fund:

Restricted:

Balance, beginning of year	\$ 3,024,141
Transfer from unreserved position	<u>131,835</u>
Balance, end of year	<u><u>3,155,976</u></u>

Net investment in capital assets and unrestricted:

Balance, beginning of year	96,158,105
Changes in net position	8,073,908
Transferred to restricted net position	<u>(131,835)</u>
Balance, end of year	<u>104,100,178</u>
Total net position	<u><u>\$ 107,256,154</u></u>

Details of restricted assets at December 31, 2017 are as follows:

Serial Bonds Debt Service Fund:

Cash and cash equivalents	\$ 7,854,520
Investments	8,637,200
Accrued interest receivable	<u>244,181</u>
	<u>16,735,901</u>

Water Capital Additions and Contingencies Fund:

Cash and cash equivalents	<u>682,520</u>
Total restricted assets applicable to Water Division	<u>682,520</u>

Sewerage Division - Sewerage Capital Additions and Contingencies Fund:

Cash and cash equivalents	<u>409,654</u>
Total restricted assets applicable to the Sewerage Division	<u>409,654</u>
Total Department of Water and Sewerage restricted assets	<u><u>\$ 17,828,075</u></u>

State law allows a maximum of 10% of assessed valuation of bonded debt for any one purpose or 35% of the total assessed value for all purposes. The City assessed property value at December 31, 2017 is \$600,619,535. The maximum debt allowable for any one purpose and total debt allowable by state law as of December 31, 2017 is \$60,061,954 and \$210,216,837 respectively. Therefore, at December 31, 2017, the City has a debt margin of \$210,216,837 available for issuance pursuant to the 35% limitation.

7. Sales Tax

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

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

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

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

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

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 include other miscellaneous revenues related to the operation of the department and the collection of the tax.

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

7. Sales Tax (Continued)

City of Bossier City - Collections on Behalf of Other Taxing Authorities			
Annual totals - 2017 tax periods			
	Total Collections	Collection Cost	Final Distribution
Sales tax:			
Bossier Parish School Board (1.75%)	\$ 43,599,478	-	43,599,478
Bossier Parish Police Jury (2.25%)			
Rural Tax (1.5%)	6,447,037	42,357	6,404,680
Special District Tax (.25%)	1,392,001	9,862	1,382,139
Capital Projects Tax (.5%)	12,454,257	110,128	12,344,129
	<u>20,293,295</u>	<u>162,347</u>	<u>20,130,948</u>
Law Enforcement District of Bossier Parish (.25%)	6,228,232	55,075	6,173,157
Town of Benton (2.5%)	1,483,152	13,946	1,469,206
Town of Haughton (2.5%)	1,315,592	10,640	1,304,952
Town of Plain Dealing (2.5%)	347,877	3,158	344,719
Hotel/Motel Occupancy Tax:			
Shreveport/Bossier Tourist Commission (3%)	1,781,470	17,815	1,763,655
City of Shreveport (.75%)	445,368	-	445,368
Shreveport/Bossier Sports Commission (.50%)	292,842	2,928	289,914
Ark-La-Tex Regional Air Service Alliance (.50%)	292,842	2,928	289,914
Independence Bowl Foundation (.50%)	292,842	2,928	289,914
Gaming Gross Revenues Tax:			
Boomtown:			
Bossier Parish SB (6% of 810)	94,896	-	94,896
Bossier Sheriff (4% of 810)	63,264	-	63,264
Bossier Parish Police Jury (6% of 810)	94,896	-	94,896
Economic Development (3% of 810)	47,448	-	47,448
Johnny Gray Jones (1% of 810)	15,816	-	15,816
Horseshoe:			
Bossier Parish SB (.56% of receipts)	1,051,821	-	1,051,821
Bossier Sheriff (.20% of receipts)	375,650	-	375,650
Bossier Parish PJ (.63% of receipts)	1,183,298	-	1,183,298
Economic Development (.12% of receipts)	225,390	-	225,390
Johnny Gray Jones (.04% of receipts)	75,130	-	75,130
Margaritaville:			
Bossier Parish SB (.56% of receipts)	850,017	-	850,017
Bossier Sheriff (.20% of receipts)	303,577	-	303,577
Bossier Parish PJ (.63% of receipts)	956,269	-	956,269
Economic Development (.12% of receipts)	182,146	-	182,146
Johnny Gray Jones (.04% of receipts)	60,716	-	60,716
	<u>81,953,324</u>	<u>271,765</u>	<u>81,681,559</u>

8. Defined Benefit Pension Plans

Effective December 31, 2015, the City implemented Governmental Accounting Standards Board Statement No. 68, *Accounting for Financial Reporting and Pensions – an amendment of GASB Statement No. 27*, and Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No.68*. These statements required the City to recognize its proportionate share of the net pension liability for the four defined benefit plans in which its employees participate.

I. Cost-Sharing Multiple-Employer Retirement Systems

Plan Descriptions

The City participates in four state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the City's full-time employees: Municipal Employees' Retirement System (MERS), Municipal Police Employees' Retirement System (MPERS), Firefighters' Retirement System (FRS) and Louisiana State Employees' Retirement System (LASERS) of the State of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual, publicly available financial reports that include financial statements and required supplementary information for the systems. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. The City of Bossier City implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. Additional disclosures with respect to GASB 68 to the City's participation in these systems are provided below. The reports for MERS, MPERS, FRS, and LASERS may be obtained at www.mersla.com, www.lampers.org, www.lafirefightersret.com and www.lasersonline.org respectively. The Municipal Employees' Retirement System (MERS) issues a publicly available financial report, which may be obtained by writing to that system at 9737 Office Park Boulevard, Baton Rouge, LA 70809. The financial report for the Municipal Police Employees' Retirement System (MPERS) may be obtained by writing to that system at 8401 United Plaza Boulevard Suite 270, Baton Rouge, LA 70809-7017. The financial report for the Firefighters' Retirement System (FRS) may be obtained by writing to that system at P.O. Box 94095, Capitol Station, Baton Rouge, LA 70804-9095. The financial report for LASERS may be obtained by writing to that system at 8401 United Plaza Blvd #100, Baton Rouge, LA 70809.

Plan Description- MERS

MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana and is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City of Bossier City are members of Plan B. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in MERS.

8. **Defined Benefit Pension Plans (Continued)**

Plan Description- MPERS

All full-time police department employees engaged in law enforcement are required to participate in MPERS providing he or she does not have to pay social security and providing he or she meets the statutory criteria. MPERS provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through MPERS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

Plan Description- FRS

The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment.

No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Plan Description- LASERS

The City of Bossier City has one Judge participating in LASERS. The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of LRS 11:401, as amended, for eligible state officers, employees and their beneficiaries. The projection of benefit payments in the calculation of total pension liability includes all benefits to

8. **Defined Benefit Pension Plans (Continued)**

be provided to current active and inactive employees through LASERS in accordance with benefit terms and any legal agreements in force at the measurement date.

Benefits Provided

Retirement Benefits- MERS (Plan B)

Any member of Plan B hired before January 1, 2013 may retire at any age with 30 years of creditable service or at age 60 with at least 10 years of creditable service. Any member of Plan B hired on or after January 1, 2013 may retire at age 67 with at least 7 years of creditable service, at age 62 with at least 10 years of creditable service, or at age 55 with at least 30 years of creditable service. Members hired on or after January 1, 2013 are also eligible to retire at any age with at least 25 years of creditable service, but their benefit will be actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any of the previously-mentioned provisions, if the member had continued in service to that age. Members are entitled to a retirement benefit, payable monthly for life, equal to 2% of the member's final compensation (defined below) multiplied by the member's years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

Final compensation is the employee's average salary over the 36 consecutive or joined months that produce the highest average for a member whose first employment made him or her eligible for membership in the system on or before June 30, 2006. Final compensation is the employee's average salary over the 60 consecutive or joined months that produce the highest average for a member whose first employment made him or her eligible for membership in the system after June 30, 2006. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

Retirement Benefits- MPERS

Members of MPERS with membership beginning prior to January 1, 2013 are eligible for regular retirement after he or she has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years of creditable service and is age 55. A member is eligible for early retirement after he or she has been a member of MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent (3.33%) of the member's final compensation (employee's average salary over the 36 consecutive or joined months that produce the highest average) multiplied by the member's years of creditable service.

Members of MPERS with membership beginning on or after January 1, 2013 are eligible for regular retirement, early retirement, disability and survivor benefits based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of MPERS and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of MPERS and has 30

8. Defined Benefit Pension Plans (Continued)

years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he or she has been a member of MPERS for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

In 1999, the State Legislature authorized MPERS to establish an Initial Benefit Option program. This is available to MPERS members who are eligible for regular retirement but have not participated in DROP. This program provides both a one-time single sum payment of up to 36 months of the regular monthly retirement benefit, plus a reduced monthly retirement benefit for life.

Retirement Benefits- FRS

Members of the FRS are eligible to retire at the age of 50 with at least 20 years of service, at the age of 55 with at least 12 years of service, or at any age with at least 25 years of service. Members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent (3.33%) of the member's final compensation (employee's average salary over the 36 consecutive or joined months that produce the highest average) multiplied by the member's years of creditable service.

In 1999, the State Legislature authorized FRS to establish an Initial Benefit Option program. This is available to MPERS members who are eligible for regular retirement but have not participated in DROP. This program provides both a one-time single sum payment of up to 36 months of the regular monthly retirement benefit, plus a reduced monthly retirement benefit for life.

Retirement Benefits- LASERS

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of the members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Members may also choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. For employees hired prior to July 1, 2006, average compensation is defined as the average compensation for the highest 36 consecutive months of employment. For employees hired after July 1, 2006, average compensation is defined as the average compensation for the highest 60 consecutive months of employment. Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011.

This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service, and may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years

8. Defined Benefit Pension Plans (Continued)

of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan. A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement is ten years of service.

Deferred Retirement Options

In lieu of terminating employment and accepting a service retirement allowance, any member of MERS who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. A MERS member may participate in DROP only once. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment, are credited to the MERS member's individual DROP account. Interest is earned when the member has completed DROP participation. Upon termination of employment prior to or at the end of the participation period, the member may receive a lump sum from the account or a true annuity based on the account balance. If employment is not terminated at the end of the three year DROP participation period, payments into the DROP account cease and the person resumes active contributing membership in MERS.

A member of MPERS is eligible to enter DROP when he or she is eligible for regular retirement based on the members' sub plan participation. At the entry date into DROP, employee and employer contributions cease. The amount deposited into the DROP account for MPERS members is equal to the benefit computed under the retirement plan elected by participant date of application. The duration of participation in the DROP is 36 months or less. Interest is earned when the MPERS member has completed DROP participation. Upon termination of employment prior to or at the end of the participation period, the MPERS member may receive a lump sum from the account or a true annuity based on the account balance.

A member of FRS may elect to participate in the deferred retirement option plan (DROP) for up to 36 months, after completing 20 years of creditable service and age 50 or 25 years at any age. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

A member of LASERS is eligible to enter DROP when he or she is eligible for regular retirement

8. Defined Benefit Pension Plans (Continued)

based on service requirements. The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When members enter DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors. Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

Disability Benefits

A member of MERS Plan B is eligible to retire and receive a disability benefit if he or she has at least 10 years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. The monthly maximum retirement benefit under Plan B of MERS is the lesser of an amount equal to two percent of member's final compensation multiplied by years of service (not less than 30% of member's final compensation) or an amount equal to what the member's normal retirement benefit would be based on final compensation at time of disability, but assuming continuous service until member's earliest normal retirement age.

A member of MPERS is eligible to retire and receive a disability benefit if he or she has been certified as disabled by the State Medical Disability Board. If the disability incurred is job-related, there is no minimum creditable service requirement. If the disability is non-job-related, a minimum of 10 years of creditable service is required if the member was employed on or after July 1, 2008. Members of MPERS employed prior to July 1, 2008 must have a minimum of 5 years of creditable service to be eligible to retire with disability benefits if the disability incurred is non-job-related. The disability benefit received by a MPERS member is equal to three percent of his or her final average compensation multiplied by years of creditable service (not less than 40%, nor more than 60% of final average compensation). At the time the disabled MPERS member reaches normal retirement age, he or she will have the option to continue to receive the disability retirement benefit or to receive his or her vested retirement benefit.

A member of FRS disability benefit or any member who has been officially certified as totally disabled solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member, is entitled to disability benefits. Any member totally disabled from injury received in the line of duty is entitled

8. Defined Benefit Pension Plans (Continued)

to compensation equal to 60% of average final compensation being received at the time of the disability. Any member with at least 5 years of creditable service and not eligible for retirement that is disabled or incapacitated because of continued illness or as a result of any injury received, even though not in the line of duty, may apply for retirement and receive a benefit equal to the greater of 75% of the retirement salary entitled under R.S. 11:2256 or 25% of the member's average salary. Any retired member or DROP participant who becomes disabled for any reason shall be permitted to apply for conversion of service retirement to a service connected disability retirement. The surviving spouse of a member who was on disability retirement at the time of death receives a benefit of \$200 per month. When the member takes disability retirement, he may in addition take an actuarially reduced benefit in which case the member's surviving spouse receives 50% of the disability benefit being paid immediately prior to the death of the disability retiree. The retirement system may reduce benefits paid to a disability retiree who is also receiving workers compensation payments.

A member of LASERS with ten or more years of credited service who becomes disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor's Benefit

The surviving spouse (defined as someone married to the deceased member for at least 12 months immediately preceding the member's death) of a MERS Plan B member (not eligible for retirement at the time of death) will receive a survivor benefit, provided that the member had 5 or more years of creditable service. The surviving spouse will be paid either a monthly benefit equal to 30% of member's final compensation, payable when surviving spouse attains the age of 60 or becomes disabled, or a monthly benefit equal to actuarial equivalent of the benefit described previously (not less than 15% of member's final compensation), payable upon the death of the member. A MERS Plan B member who is eligible for normal retirement at the time of death will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse upon the date of death. Benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Survivor benefits for MPERS members are payable to the surviving spouse or surviving minor child/children of a deceased active contributing member or a deceased disability retiree. Survivor benefits are not payable to survivors of retirees receiving benefits under the provisions of early or normal service retirement. The maximum benefit for a surviving spouse of a MPERS member is equal to the regular retirement formula, regardless of age, but not less than 40% or more than 60% of the deceased member's final average compensation. There is no requirement for minimum years of creditable service. If the MPERS member is killed in the line of duty, the surviving spouse shall receive a benefit equal to 100% of the deceased member's final average compensation, less any survivor benefits payable to a child or children. Each surviving minor child of the MPERS member will receive a benefit equal to 10% of deceased member's final average compensation or \$200 per month, whichever is greater. Benefits for a surviving child cease upon the child's attainment of age 18 or upon marriage, whichever occurs first. The benefit may continue after age 18 if the child meets certain educational or disability requirements. The surviving minor child may receive an increased benefit if there is no surviving spouse of the MPERS member.

8. Defined Benefit Pension Plans (Continued)

Survivor benefits for FRS are payable to survivors of a deceased member who dies and is not eligible for retirement as follows. If any member is killed in the line of duty and leaves a surviving eligible spouse, the spouse is entitled to an annual benefit equal to two-thirds of the deceased member's final compensation. If any member dies from a cause not in the line of duty, the surviving spouse is entitled to an annual benefit equal to 3% of the deceased member's average final compensation multiplied by his total years of creditable service; however, in no event is the annual benefit less than 40% nor more than 60% of the deceased member's average final compensation. Children of the deceased member who are under the age of eighteen years are entitled to the greater of \$200 per month or 10% of average final compensation (not to exceed 100% of average final compensation) until reaching the age of eighteen or until the age of twenty-two if enrolled full-time in an institution of higher learning, unless the surviving child is physically handicapped or mentally retarded in which case the benefit is payable regardless of age. If a member who is eligible to retire dies before retiring, the designated beneficiary will be paid under the 2nd option above, survivor benefit equal to member's benefit.

Certain eligible LASERS surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

Cost of Living Increases

MERS is authorized under state law to grant an annual cost of living adjustment to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit and may only be granted if sufficient funds are available. The cost of living increase must be paid from investment income in excess of normal requirements.

MPERS is authorized to provide annual cost of living adjustments to members who have been retired for at least one full fiscal year. The adjustment cannot exceed 3% in any given year. MPERS members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

The present value of future FRS and LASERS retirement benefits are based on benefits currently being paid by the System and include previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic. As fully described in Title 11 of the Louisiana Revised Statutes, LASERS allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved.

Contributions

The MERS, MPERS, FRS, and LASERS employer contribution rates are established annually under LRS 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC),

8. Defined Benefit Pension Plans (Continued)

taking into consideration the recommendation of the system’s actuary. Each plan pays a separate actuarially determined employer contribution rate. For the year ending December 31, 2017 the employer contribution rate for MERS Plan B was 13.25%; MPERS was 30.75%; FRS was 26.50%; and LASERS was 40.10%. Employer contributions to MERS, MPERS, FRS, and LASERS were \$1,239,145; \$2,950,935; \$2,754,656; and \$13,585, respectively, for the year ended December 31, 2017. Employees participating in MERS are required to contribute 5.00%; employees participating in MPERS are required to contribute 10.00%; employees participating in the FRS are required to contribute 10.00%; employees participating in LASERS are required to contribute 11.50% and 13% for those hired after January 1, 2011.

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. MERS receives ad valorem taxes and state revenue sharing funds. MPERS receives insurance premium tax monies appropriated by the legislature each year based on an actuarial study. FRS receives insurance premium tax monies appropriated by the legislature each year based on an actuarial study. The City of Bossier City recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2017, the City of Bossier City recognized revenue as a result of support received from non-employer contributing entities of \$355,644 for its participation in MERS; \$605,639 for its participation in MPERS; and \$1,151,666 for its participation in the FRS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2017, the City of Bossier City reported a liability for MERS, MPERS, FRS, and LASERS of \$12,359,535, \$27,697,407, \$26,080,630, and \$138,947, respectively, for its proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2017 and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuations as of that date. The City of Bossier City’s proportion of the net pension liability for each retirement system was based on a projection of the City of Bossier City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the City of Bossier City’s proportion for MERS, MPERS, FRS, and LASERS was 14.284636%, 3.172516%, 4.550125%, and 0.00197%, respectively. This reflects an increase (decrease) for MERS, MPERS, FRS, and LASERS of (2.138824)%, (0.126903)%, (0.049421)%, and 0.00001%, respectively, from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the City of Bossier City recognized pension expense, for which there were no forfeitures, as follows:

	<u>Pension Expense</u>
MERS	\$ 1,932,671
MPERS	3,974,693
FRS	4,050,929
LASERS	<u>15,179</u>
Total	<u>\$ 9,973,472</u>

8. Defined Benefit Pension Plans (Continued)

At December 31, 2017, the City of Bossier reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources					
	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>	<u>Total</u>
Difference between expected and actual experience	\$ 64,743	\$ 181,361	\$ -	\$ -	\$ 246,104
Changes in assumptions	544,201	1,970,823	1,090,832	550	3,606,406
Net difference between projected and actual earnings on pension plan investments	2,604,096	1,212,488	2,243,686	4,518	6,064,788
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	90,577	-	-	90,577
Employer contributions subsequent to measurement date	<u>667,770</u>	<u>1,437,491</u>	<u>1,398,888</u>	<u>6,975</u>	<u>3,511,124</u>
Total	<u>\$ 3,880,810</u>	<u>\$ 4,892,740</u>	<u>\$ 4,733,406</u>	<u>\$ 12,043</u>	<u>\$ 13,518,999</u>
Deferred Inflows of Resources					
	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>	<u>Total</u>
Difference between expected and actual experience	\$ 268,311	\$ 212,887	\$ 1,454,437	\$ 2,551	\$ 1,938,186
Changes in assumptions	-	-	6,220	-	6,220
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,258,036	746,869	2,016,894	-	4,021,799
Employer contributions subsequent to measurement date	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,526,347</u>	<u>\$ 959,756</u>	<u>\$ 3,477,551</u>	<u>\$ 2,551</u>	<u>\$ 5,966,205</u>

8. Defined Benefit Pension Plans (Continued)

During the year ended December 31, 2017, employer contributions totaling \$667,770; \$1,437,491; \$1,398,888; and \$6,975 were made subsequent to the measurement date for MERS, MPERS, FRS, and LASERS respectively. These contributions are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>	<u>Total</u>
2018	\$ 657,789	\$ 951,347	\$ 453,824	\$ (558)	\$ 2,062,402
2019	652,735	1,447,176	903,108	4,065	3,007,084
2020	259,024	746,852	(92,346)	1,808	915,338
2021	117,145	(649,882)	(1,202,432)	(2,798)	(1,737,967)
2022	-	-	(229,613)	-	(229,613)
2023	-	-	24,426	-	24,426
Total	\$ <u>1,686,693</u>	\$ <u>2,495,493</u>	\$ <u>(143,033)</u>	\$ <u>2,517</u>	\$ <u>4,041,670</u>

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. The components of the net pension liability of MERS, MPERS, FRS, and LASERS employers as of June 30, 2017 are as follows:

	<u>MERS Plan B</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>
Total pension liability	\$ 236,991,237	\$ 2,918,064,612	\$ 2,166,881,556	\$ 18,792,105,561
Plan fiduciary net position	<u>150,467,958</u>	<u>2,045,022,309</u>	<u>1,593,696,648</u>	<u>11,753,275,850</u>
Total net pension liability	\$ <u>86,523,279</u>	\$ <u>873,042,303</u>	\$ <u>573,184,908</u>	\$ <u>7,038,829,711</u>

8. Defined Benefit Pension Plans (Continued)

The City of Bossier City’s allocation is 14.284636% of the Total Net Pension Liability for MERS; 3.172516% of the Total Net Pension Liability for MPERS; 4.550125% of the Total Net Pension Liability for the FRS, and 0.00197% of the Total Net Pension Liability for LASERS.

Actuarial Assumptions

The total pension liabilities for MERS, MPERS, FRS, and LASERS in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	<u>MERS</u>	<u>MPERS</u>								
Actuarial cost	Entry Age Normal	Entry Age Normal Cost								
Expected remaining service lives	4 years for Plan B	4 years								
Investment rate of return	7.40% , net of investment expense	7.325% , net of investment expense								
Inflation rate	2.775%	2.700%								
Projected salary increases	5.00% (2.775% inflation, 2.225% merit)	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Years of Service</th> <th style="text-align: center;">Salary Growth Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1 - 2</td> <td style="text-align: center;">9.75%</td> </tr> <tr> <td style="text-align: center;">2 - 23</td> <td style="text-align: center;">4.75%</td> </tr> <tr> <td style="text-align: center;">24 & over</td> <td style="text-align: center;">4.25%</td> </tr> </tbody> </table>	Years of Service	Salary Growth Rate	1 - 2	9.75%	2 - 23	4.75%	24 & over	4.25%
Years of Service	Salary Growth Rate									
1 - 2	9.75%									
2 - 23	4.75%									
24 & over	4.25%									
Cost of living adjustments	None	Only those previously granted.								
Mortality	RP-2000 Employee Table for active members (set back 2 years for males and females); RP-2000 Healthy Annuitant Table for healthy annuitants (set forward 2 years for males and 1 year for females); RP-2000 Disabled Lives Mortality Tables for disabled annuitants (set back 5 years for males and 3 years for females)	Based on an experience study for the period July 1, 2009 - June 30, 2014 and review of law enforcement mortality. This was compared to standard tables. Results indicated tables used would produce liability approximating generational mortality tables.								

8. Defined Benefit Pension Plans (Continued)

	FRS	LASERS												
Actuarial cost	Entry Age Normal	Entry Age Normal Cost												
Expected remaining service lives	7 years	3 years												
Investment rate of return	7.40%, net of investment expense	7.70%, net of investment expense												
Inflation rate	2.775%	2.75%												
Projected salary increases	Vary from 15.00% in the first two years of service to 4.75% after 25 years; includes inflation and merit increases.	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Member Type</th> <th style="text-align: left;">Lower to Upper Range</th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td>3.0% - 12.8%</td> </tr> <tr> <td>Judges</td> <td>2.8% - 5.3%</td> </tr> <tr> <td>Corrections</td> <td>3.4% - 14.3%</td> </tr> <tr> <td>Hazardous Duty</td> <td>3.4% - 14.3%</td> </tr> <tr> <td>Wildlife</td> <td>3.4% - 14.3%</td> </tr> </tbody> </table>	Member Type	Lower to Upper Range	Regular	3.0% - 12.8%	Judges	2.8% - 5.3%	Corrections	3.4% - 14.3%	Hazardous Duty	3.4% - 14.3%	Wildlife	3.4% - 14.3%
Member Type	Lower to Upper Range													
Regular	3.0% - 12.8%													
Judges	2.8% - 5.3%													
Corrections	3.4% - 14.3%													
Hazardous Duty	3.4% - 14.3%													
Wildlife	3.4% - 14.3%													
Cost of living adjustments	Only those previously granted	Only those previously granted												
Mortality	Based on an experience study for the period July 1, 2009 - June 30, 2014 and review of current levels of mortality. This was compared to standard tables. Results indicated tables used would produce liability approximating generational mortality tables	RP-2000 Combined Healthy Mortality Table for non-disable members. RP-2000 Disabled Retiree Mortality Table for disabled members.												

The MERS actuarial assumptions used were based on the results of an experience study for the period July 1, 2009 through June 30, 2014. The MPERS actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2009 and June 30, 2014. The FRS mortality rate assumptions used were based on the results of an experience study for the period July 1, 2009 through June 30, 2014. The LASERS actuarial assumptions were based on the results of an experience study for the period July 1, 2008 through June 30, 2013.

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return for MERS is 7.2%, MPERS is 8.3%, FRS is 8.3%, and LASERS is 8.7% for the year ended June 30, 2017.

8. Defined Benefit Pension Plans (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for MERS and MPERS as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocations		Long-Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Equity	50%	53%	2.3%	3.7%
Fixed income	35%	21%	1.6%	0.5%
Alternatives	15%	20%	0.7%	1.1%
Other	0%	6%	0.0%	0.2%
Subtotal	100%	100%	4.6%	5.5%
Inflation Adjustment			2.6%	2.8%
Total			7.2%	8.3%

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for FRS and LASERS as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocations		Long-Term Expected Real Rate of Return	
	FRS	LASERS	FRS	LASERS
Equity	57%	57%	6.8%	9.4%
Fixed income	23%	14%	2.0%	4.2%
Alternatives	10%	22%	6.7%	7.4%
Other	10%	7%	4.6%	2.8%
Subtotal	100%	100%	5.5%	5.4%
Inflation Adjustment			2.8%	3.3%
Total			8.3%	8.7%

Discount Rates

The discount rate used to measure the total pension liability was 7.40% for MERS, 7.325% for MPERS, 7.40% for FRS, and 7.70% for LASERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the actuary. Based on those assumptions, the net position of MERS, MPERS, FRS, and LASERS were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

8. Defined Benefit Pension Plans (Continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rates

The following table presents the City of Bossier City's proportionate share of the net pension liability using the discount rates of 7.40% for MERS, 7.325% for MPERS, 7.40% for FRS, and 7.70% for LASERS as well as what the City of Bossier City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.40% for MERS, 6.325% for MPERS, 6.40% for FRS, and 6.70% for LASERS) or one percentage-point higher (8.40% for MERS, 8.325% for MPERS, 8.40% for FRS, and 8.70% for LASERS) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
MERS	\$ 15,991,851	\$ 12,359,535	\$ 9,259,858
MPERS	38,266,638	27,697,407	18,830,583
FRS	37,476,857	26,080,630	16,500,462
LASERS	174,432	138,947	108,776
Total	<u>\$ 91,909,779</u>	<u>\$ 66,276,519</u>	<u>\$ 44,699,679</u>

Payables to the Pension Plans

At December 31, 2017, payables to MERS, MPERS, FRS, and LASERS were \$-0-, \$-0-, \$-0-, and \$-0- respectively, for December 31, 2017 employee and employer legally-required contributions.

II. Single-Employer Public Employee Retirement Systems

The City administers two single-employer defined benefit pension plans: the Firemen's Pension and Relief Fund (Firemen's Fund) and the Policemen's Pension and Relief Fund (Policemen's Fund).

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.

Concentration of Investments

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

8. Defined Benefit Pension Plans (Continued)

Measurement Date

For both Plans, the measurement date for the December 31, 2017 net pension liability is December 31, 2017. The measurement period for the pension expense was January 1, 2017 to December 31, 2017. The City's reporting period is January 1, 2017 to December 31, 2017. The Fund's Net Pension Liability was measured as of December 31, 2017. The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Separately Issued Report Availability

Each Plan issues publicly available financial reports which may be obtained by writing to the Director of Finance of the City of Bossier City, P.O. Box 5337, Bossier City, LA 71171.

Plan Description

Firemen's Fund

The Plan is the administrator of a single-employer public employee retirement system established and administered by the City to provide pension benefits to all employees of the City Fire Department not covered under the Firefighter's Retirement System of Louisiana (the State Plan). All firemen employed by the City on or after January 1, 1980 must join the State Plan. Since no new employees are allowed to enter the Plan, and all members of the Plan have retired or are in the Deferred Retirement Option Plan (DROP) program, the burden is on the City to provide pension benefits. The Plan is considered part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund. The Plan is governed by a board consisting of five voting members, who are all retired as there are no active members, and the finance director of Bossier City, who is a non-voting member.

Policemen's Fund

The Plan is the administrator of a single-employer public employee retirement system established and administered by the City to provide pension benefits to all employees of the City Police Department not covered under the Municipal Police Employee Retirement System of Louisiana (MPERS). All firemen employed by the City on or after September 9, 1977 must join MPERS. Since no new employees are allowed to enter the Plan, and all members of the Plan have retired or are in the Deferred Retirement Option Plan (DROP) program, the burden is on the City to provide pension benefits. The Plan is considered part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund. The Plan is governed by a board consisting of six voting members, who are all retired as there are no active members, and the comptroller of Bossier City, who is a non-voting member.

Plan Membership

Plan Membership – Firemen's Fund

As of December 31, 2017 the Plan's membership consisted of 80 retirees and beneficiaries currently receiving benefits. There were no active employees in 2017. There were no retirees or beneficiaries entitled to but not receiving benefits in 2017.

8. **Defined Benefit Pension Plans (Continued)**

Plan Membership – Policemen’s Fund

As of December 31, 2017 the Plan’s membership consisted of 38 retirees and beneficiaries currently receiving benefits. There were no active employees in 2017. There were no retirees of beneficiaries entitled to but not receiving benefits in 2017.

Benefits Provided

Benefits Provided –Firemen’s Fund

(a) 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 monthly, and employee and employer contributions are forfeited upon termination of an employee without the required length of service.

(b) Deferred Retirement Option Plan

The 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 begin to be paid to the retiree. The participant may elect to receive a payment in the form of one lump sum or an annuity based upon the account balance. The Plan currently holds \$1,687,695 for DROP payments.

(c) Death and Disability Benefits

All participants are retired. Therefore, if a member should 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 years 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 shall not exceed two-thirds (2/3) of the member’s salary.

If a member becomes disabled by reason of serving the department, he/she 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/she became disabled. The benefits shall continue as long as the disability continues or until he/she becomes eligible for retirement on a service basis, whichever is sooner. If an active member with at least 10 years of service becomes disabled by reason of causes not

8. Defined Benefit Pension Plans (Continued)

arising or developing directly from employment, with certain exceptions, he/she 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/she became disabled, plus an additional 2% of such salary for each year of active service rendered over 5 years. The maximum benefit shall not exceed two-thirds (2/3) of the monthly salary if the active member holding the position corresponding to that held by the beneficiary at the time he/she became disabled.

Benefits Provided – Policemen’s Fund

(a) Pension Benefits

Employees with 20 years of service or employees with 18 consecutive years of service and who 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 and employer contributions are forfeited upon termination of an employee without the required length of service.

The Plan provides for a joint and survivor benefit option. This option gives the recipient the choice of reducing the amount of retirement drawn and increasing 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.

(b) Deferred Retirement Option Plan

The 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 may 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. The Plan currently holds \$433,488 for DROP payments.

(c) Death and Disability Benefits

All participants are retired. 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 shall be paid as follows: dependent mother, \$100 per month; widow, survivor benefits based upon the election of the participant; and each child under 18 years of age or who is attending college, \$150 per month, regardless of the number of children.

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

8. Defined Benefit Pension Plans (Continued)

Contributions

Contributions – Firemen’s Fund

The Plan is funded from the following sources, as established and may be amended by city ordinance:

1. Proceeds from the City’s portion of the State of Louisiana 2% Fire Insurance Tax Account.
2. The sale of condemned property owned and used by the Fire Department.
3. 5% of the salaries of all employees of the Fire Department who are eligible for participation in the Fund (all participants are now retired; therefore, no employee contributions).
4. A matching 5% of employees’ salaries paid by the City of Bossier City General Fund (all participants are now retired; therefore, no current matching).
5. Reimbursements by the City of Bossier City General Fund for the operating deficit, if any.
6. Amounts from the sales tax levy sufficient to liquidate the unfunded liability over a period not to exceed 30 years.
7. Income from investments owned by the Fund.

Contributions – Policemen’s Fund

The Plan is funded from the following sources, as established and may be amended by city ordinance:

1. 20% of all amounts collected for City court fines.
2. 10% of all funds collected by the City for taxes, licenses, or permits for the sale of alcoholic beverages.
3. 6% of the salaries of all employees of the Police Department who are eligible for participation in the Fund (all participants are not retired; therefore, no employee contributions).
4. Income from investments owned by the Fund.
5. Reimbursement by the City of Bossier City General Fund for the operating deficit of the prior year, if any.
6. Amounts from the 1982 sales tax levy sufficient to liquidate the unfunded liability over a period not to exceed 30 years.

8. Defined Benefit Pension Plans (Continued)

Actuarial Assumptions

Actuarial Assumptions – Firemen’s Fund

The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Inflation	2.00%
Projected salary increases	N/A
Cost of living adjustments	2.75%
Investment rate of return	3.00%
Mortality	RP 2014 Blue Collar Tables with generational projection using Scale MP-2017

Discount Rate

The discount rate used to measure the total pension liability was 3.0%. The projection of cash flows used to determine the discount rate assumed that the City contribution would equal the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed 2.0%). Best estimates of arithmetic real rates for each major asset class included in the pension plan’s target asset allocations as of December 31, 2017 are 1.0% for fixed income and 0.0% for cash.

Actuarial Assumptions – Policemen’s Fund

The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Inflation	2.00%
Projected salary increases	N/A
Cost of living adjustments	2.75%
Investment rate of return	3.00%
Mortality	RP 2014 Blue Collar Tables with generational projection using Scale MP-2017

8. Defined Benefit Pension Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.0%. The projection of cash flows used to determine the discount rate assumed that the City contribution would equal the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed 2.0%). Best estimates of arithmetic real rates for each major asset class included in the pension plan's target asset allocations as of December 31, 2017 are 1.0% for fixed income and 0.0% for cash.

Changes in Net Pension Liability

Changes in Net Pension Liability – Firemen's Fund

	<u>Total Pension Liability (TPL)</u>	<u>Plan Fiduciary Net Position</u>	Increase (Decrease) <u>Net Pension Liability</u>
Balance at 12/31/16	74,730,916	73,292,276	1,438,640
Change for the year:			
Interest	2,899,886	-	2,899,886
Experience	(1,917,736)	-	(1,917,736)
Employer contribution	-	4,359,838	(4,359,838)
Net investment income	-	3,269,317	(3,269,317)
Benefit payments	(4,467,515)	(4,467,515)	-
Administrative expense	-	(56,686)	56,686
Assumption changes	4,957,888	-	4,957,888
Net changes	<u>1,472,523</u>	<u>3,104,954</u>	<u>(1,632,431)</u>
Balance at 12/31/17	<u>76,203,439</u>	<u>76,397,230</u>	<u>(193,791)</u>

Sensitivity of the Net Pension Liability to changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 3.00% as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.00%) or 1-percentage point higher (4.00%) than the current rate:

8. Defined Benefit Pension Plans (Continued)

	<u>1% Decrease 2.00%</u>	<u>Current Discount Rate of 3.00%</u>	<u>1% Increase 4.00%</u>
Firefighters' Fund Net Pension Liability	\$ 9,250,673	\$ (193,791)	\$ (8,006,727)

Changes in Net Pension Liability

Change in Net Pension Liability – Policemen's Fund

	<u>Total Pension Liability (TPL)</u>	<u>Plan Fiduciary Net Position</u>	<u>Increase (Decrease) Net Pension Liability</u>
Balance at 12/31/16	28,052,943	26,325,974	1,726,969
Change for the year:			
Interest	1,088,155	-	1,088,155
Experience	183,985	-	183,985
Employer contribution	-	5,132,512	(5,132,512)
Net investment income	-	316,705	(316,705)
Benefit payments	(1,698,148)	(1,698,148)	-
Administrative expense	-	(86,084)	86,084
Assumption changes	<u>1,326,513</u>	<u>-</u>	<u>1,326,513</u>
Net changes	<u>900,505</u>	<u>3,664,985</u>	<u>(2,764,480)</u>
Balance at 12/31/17	<u>28,953,448</u>	<u>29,990,959</u>	<u>(1,037,511)</u>

Sensitivity of the Net Pension Liability to changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 3.00% as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

	<u>1% Decrease 2.00%</u>	<u>Current Discount Rate of 3.00%</u>	<u>1% Increase 4.00%</u>
Policemen's Fund Net Pension Liability	2,226,836	(1,037,511)	(3,790,839)

Pension Expense, Deferred Inflows and Outflows of Resources

Pension Expense, Deferred Inflows and Outflows of Resources – Firemen's Fund

For the year ended December 31, 2017, the City recognized Pension Expense (Income) of \$2,515,831. On December 31, 2017, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

8. Defined Benefit Pension Plans (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual investment earnings	-	(320,571)

Since the Plan's measurement date is the same as the City's year end, there were no deferred outflows resulting from Employer contributions subsequent to the measurement date. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year Ended December 31,

2018	(552,491)
2019	323,292
2020	(23,191)
2021	(68,181)
2022	-
	<u>(320,571)</u>

Pension Expense, Deferred Inflows and Outflows of Resources – Policemen's Fund

For the year ended December 31, 2017, the City recognized Pension Expense (Income) of \$2,152,512. On December 31, 2017, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual investment earnings	1,521,336	-

Since the Plan's measurement date is the same as the City's year end, there were no deferred outflows resulting from Employer contributions subsequent to the measurement date. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year Ended December 31,

2018	587,781
2019	464,199
2020	308,696
2021	160,660
2022	-
	<u>1,521,336</u>

8. Defined Benefit Pension Plans (Continued)

Aggregate Total of Pension Related Accounts for All Defined Benefit Plans

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Income)
MERS	\$ 12,359,535	\$ 3,880,810	\$ 1,526,347	\$ 1,932,671
MPERS	27,697,407	4,892,740	959,756	3,974,693
FRS	26,080,630	4,733,406	3,477,551	4,050,929
LASERS	138,947	12,043	2,551	15,179
Firemen's Fund	(193,791)	-	320,571	2,515,831
Policemen's Fund	(1,037,511)	1,521,336	-	2,152,512
Total	<u>\$ 65,045,217</u>	<u>\$ 15,040,335</u>	<u>\$ 6,286,776</u>	<u>\$ 14,641,815</u>

9. Postemployment Benefits

(a) Plan Description

The City's medical/dental benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

The employees are covered by one of three retirement systems: the Municipal Employees' Retirement System of Louisiana, the Firefighters Retirement System of Louisiana, and the Municipal Police Employees' Retirement System of Louisiana, all of which are cost-sharing multiple-employer plans. The City has assumed retirement eligibility (D.R.O.P. entry) according to the Municipal Employees' Retirement System of Louisiana, as follows: 30 years of service at any age; or, age 60 and 10 years of service.

(b) Contribution Rates

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

(c) Fund Policy

Until 2008, the City recognized the cost of providing postemployment medical benefits (the City of Bossier City's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis. In 2017 and 2016, the City of Bossier City's portion of healthcare funding cost for retired employees totaled \$576,880 and \$534,148, respectively.

Effective January 1, 2008, the City implemented Governmental Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pension* (GASB Codification Section P50). The City's portion of healthcare funding is applied toward the Net OPEB Benefit Obligation (Asset) as shown in the table as (e) below.

9. Postemployment Benefits (Continued)

(d) Annual Required Contribution

The City's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the normal cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level-dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the postemployment benefits. The total ARC for the fiscal year beginning January 1, 2017 is \$2,595,258 as set forth below:

	<u>Medical</u>
Normal cost	902,780
30-year UAL amortization amount	<u>1,692,478</u>
Annual required contribution	<u><u>2,595,258</u></u>

(e) Net Postemployment Benefit Obligation (Asset)

The table below shows the City's net Other Postemployment Benefit (OPEB) obligation for fiscal year ended December 31, 2017:

Net OPEB obligation as of January 1, 2017	12,460,889
Annual required contribution	2,595,258
Interest on net OPEB obligation	498,436
ARC adjustment	<u>(720,614)</u>
OPEB cost	2,373,080
Contribution	-
Current year retiree premium	<u>(576,880)</u>
Net OPEB obligation as of December 31, 2017	<u><u>14,257,089</u></u>

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

<u>Post-Employment Benefit</u>	<u>Fiscal year ended</u>	<u>Annual OPEB cost</u>	<u>Percentage annual cost contributed</u>	<u>Net OPEB obligation (asset)</u>
Medical	December 31, 2017	2,373,080	24.31	14,257,089
Medical	December 31, 2016	2,304,834	23.18	12,460,889

9. Postemployment Benefits (Continued)

(f) Funded Status and Funding Progress

In the fiscal year ended December 31, 2017, the City made no contributions to its postemployment benefit plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of January 1, 2017, the most recent actuarial valuation, the AAL was \$30,437,163 which is defined as the portion, as determined by a particular actuarial cost method (the City uses the Projected Unit Credit Cost Method), of the actuarial present value of postemployment plan benefits and expenses that is not provided by normal cost. Since the plan was not funded in fiscal year 2017, the entire AAL of \$30,437,163 was unfunded. The schedule of funding progress, presented as required supplementary information (RSI) immediately following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time. The plan does not issue stand-alone financial statements.

	<u>Medical</u>
Actuarial accrued liability (AAL)	30,437,163
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>30,437,163</u>
Funded ratio (actuarial valuation of assets/AAL)	- %
Covered payroll (active plan members)	30,989,326
UAAL as a percentage of covered payroll	98.22%

(g) Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for postemployment benefits include 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 expectation and new estimates are made about the future.

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

9. Postemployment Benefits (Continued)

(h) Actuarial Cost Method

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

(i) Actuarial Value of Plan Assets

There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value will be utilized consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

(j) Turnover Rate

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

(k) Postemployment Benefit Plan Eligibility Requirements

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

(l) Investment Return Assumption (Discount Rate)

GASB Codification Section P50 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.

(m) Health Care Cost Trend Rate

The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

9. Postemployment Benefits (Continued)

(n) 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 a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

(o) 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 cost of the coverage for medical/dental benefits, but before Medicare eligibility it is based on blended premiums. Since GASB Codification Section P50 mandates that “unblended” rates applicable to the coverage provided to retirees be used, we have estimated these “unblended” rates before Medicare eligibility to be 130% of the blended active rate and used this estimate to value the implied subsidy. The foregoing estimates have been corroborated by recent actual claims experience.

(p) Inflation Rate

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

10. 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 7 years.

Total rental expense for 2017 for all City operating leases was \$377,035.

11. Other Required Individual Fund Disclosures

(a) Interfund Receivables and Payables

Interfund balances at December 31, 2017 were as follows:

11. Other Required Individual Fund Disclosures (Continued)

<u>Due From</u>	<u>Due to Nonmajor Governmental Funds</u>
General Fund	64,562

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, 2017 were as follows:

<u>Transfers In</u>	<u>Transfers out</u>				<u>Total</u>
	<u>Riverboat Gaming Capital Projects Fund</u>	<u>2015 LCDA Bond Fund</u>	<u>Nonmajor Enterprise Activities</u>	<u>Nonmajor Governmental Activities</u>	
General Fund	\$ -	-	39,287	4,600,447	4,639,734
CenturyLink Center Arena Special Revenue Fund	-	-	-	713,290	713,290
Riverboat Gaming Capital Projects Fund	-	1,797,432	-	-	1,797,432
Water and Sewerage Enterprise Fund	-	-	-	1,000,000	1,000,000
Nonmajor governmental activities	9,168,994	-	-	619,500	9,788,494
	<u>\$ 9,168,994</u>	<u>1,797,432</u>	<u>39,287</u>	<u>6,933,237</u>	<u>17,938,950</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 them, (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.

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 *Title 2 U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

12. Federal and State Financial Assistance (Continued)

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 2017, the state paid supplemental salaries to the following groups of employees; Fire Department employees, \$718,624; EMS employees, \$265,793; Police Department employees, \$956,649; and City Marshal employees (a component unit), \$56,283.

13. Commitments and Contingencies

(a) Construction Projects

There are certain infrastructure and other construction projects in progress at December 31, 2017, including the Wemple Road Reconstruction, Ballpark Drive and Additional Parking, Greenacres Life Station, Big Airline Sewer Lift Station, Sewer Sub-Basis Rehabilitation, and various smaller projects.

There are also several transportation improvement projects under way, all funded from the 2007 and 2015 bonds, including the extension of the Parkway North Project both north and south, and the Shed Road (Benton Road to Airline) widening.

The City has contractual commitments of approximately \$2.2 million in its governmental activities and approximately \$4.2 million in its Water and Sewerage Fund related to these construction projects.

(b) 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.

(c) Insurance Fund

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 Liability Insurance Fund is used to account for self-insured activities involving workmen's compensation coverage and the self-insured retention for automobile, general liability, and property claims.

Payments are made from the operating funds to the Liability Insurance Fund, which is accounted for as an internal service fund. 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 \$400,000 per occurrence related to non-civil service employees and \$750,000 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 \$3,000,000 per occurrence limit with a \$100,000 per occurrence retention for claims

13. Commitments and Contingencies (Continued)

involving third parties. The City maintained property insurance during 2017 on approximately \$339 million in city property, subject to a \$50,000 per occurrence retention for property claims. The maximum cumulative amount of self-insured retentions related to automobile and general liability claims is \$1,000,000.

There was no reduction in insurance coverage from coverage in the prior year. No claims exceeded the City’s insurance coverage for each of the past five fiscal years.

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

	<u>Accrued Claims,</u>	<u>Claims</u>	<u>Accrued Claims</u>	
	<u>January 1</u>	<u>Incurred</u>	<u>Claims Paid</u>	<u>December 31</u>
Liability Insurance Fund:				
2016	\$ 2,105,850	760,799	828,515	2,038,134
2017	2,038,134	873,360	981,050	1,930,444
General liability claims (GWFS):				
2016	\$ 1,170,000	39,500	114,500	1,095,000
2017	1,095,000	202,500	50,000	1,247,500

(d) Postretirement Benefits

As an established practice, the City provides for a portion of the healthcare costs and life insurance costs of all retirees that meet the minimum service requirements of the retirement plan (as described in note 9) in which the employee participates. The City participates in a health management organization (HMO). As a result, the cost of providing benefits to the eligible retirees consists of the portion of the monthly premiums paid for coverage applicable to the retirees. These costs are accounted for on a pay-as-you-go basis. At December 31, 2017, 168 retirees are currently eligible to receive or are receiving benefits under the plan.

(e) 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 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.

13. Commitments and Contingencies (Continued)

(f) 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.

(g) 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.

14. New GASB Standards

In fiscal year 2017, the City adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended.

Statement No. 82 – Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*

The adoption of these standards had no impact on the government wide or the governmental fund financial statements, but provide for guidance, clarification and/or additional disclosures in the notes to the financial statements and required supplementary information related to pensions and/or postemployment benefits others than pensions.

**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, 2012 through December 31, 2017

(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)
Postemployment Medical Benefits:	2017	\$ —	30,437,163	30,437,163	—%	30,989,326	98
	2016	—	29,266,503	29,266,503	—	32,167,778	91
	2015	—	20,526,328	20,526,328	—	32,352,872	63
	2014	—	19,736,854	19,736,854	—	32,009,665	62
	2013	—	20,728,087	20,728,087	—	31,001,403	67
	2012	—	19,930,853	19,930,853	—	32,278,004	62

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

CITY OF BOSSIER CITY, LOUISIANA

Required Supplementary Information

Schedule of Changes in the City's Net Pension Liability and Related Ratios - Policemen's Pension Fund

For the Years Ended December 31, 2015 through December 31, 2017

(Unaudited)

	2015	2016	2017
Total Pension Liability			
Service Cost	\$ -	-	-
Interest	1,348,686	1,205,384	1,088,155
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(120,213)	(1,032,833)	183,985
Change of assumptions	3,659,330	(1,383,109)	1,326,513
Benefit payments, including refunds of member contributions	(1,711,669)	(1,742,191)	(1,698,148)
Net Change in Total Pension Liability	<u>3,176,134</u>	<u>(2,952,749)</u>	<u>900,505</u>
Total Pension Liability - Beginning	<u>27,829,558</u>	<u>31,005,692</u>	<u>28,052,943</u>
Total Pension Liability - Ending (a)	<u><u>31,005,692</u></u>	<u><u>28,052,943</u></u>	<u><u>28,953,448</u></u>
 Plan Fiduciary Net Position			
Contributions-Employer	3,053,902	5,348,419	5,132,512
Contributions-Member	-	-	-
Net investment income	303,794	232,970	316,705
Benefit payments, including refunds of members contributions	(1,711,669)	(1,742,191)	(1,698,148)
Administrative expense	(74,359)	(77,329)	(86,084)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	<u>1,571,668</u>	<u>3,761,869</u>	<u>3,664,985</u>
Plan Fiduciary Net Position - Beginning	<u>20,992,437</u>	<u>22,564,105</u>	<u>26,325,974</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>22,564,105</u></u>	<u><u>26,325,974</u></u>	<u><u>29,990,959</u></u>
City's Net Pension Liability - Ending (a) - (b)	<u>\$ 8,441,587</u>	<u>1,726,969</u>	<u>(1,037,511)</u>
Plan Fiduciary net position as a percentage of the total pension liability	72.8%	93.8%	103.6%
 Covered-member payroll	\$ -	-	-
 Net Pension Liability as a Percentage of Covered Member Payroll	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years which information is available under GASB 68. Information presented in this schedule has been determined as of the City's measurement date (December 31) of the net pension liability in accordance with GASB 68.

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

CITY OF BOSSIER CITY, LOUISIANA

Required Supplementary Information

Schedule of Contributions- Policemen's Pension Fund

For the Years Ended December 31, 2013 through December 31, 2017

(Unaudited)

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Member Payroll</u>	<u>Contributions as a % of Covered Member Payroll</u>
2017	5,132,512	5,132,512	—	—	—
2016	5,348,419	5,348,419	—	—	—
2015	3,053,902	3,053,902	—	—	—
2014	2,899,333	2,899,333	—	—	—
2013	3,023,812	3,023,812	—	—	—

Notes to Schedule:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

Methods and Assumptions Used to Determine Contribution Rates:

Funding method:	Entry Age Normal Actuarial Cost Method
Amortization method:	Level Percentage (Closed Basis)
Remaining Amortization Period	10 years (minimum)
Asset Valuation Method	Fair Value
Inflation	2.0%
Investment Rate of Return	3.00%
Projected Salary Increases	N/A
Cost of living adjustments	2.75%
Mortality Rate	RP-2014 Blue Collar tables with Generational Projection using Scale MP-2017.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years which information is available under GASB 68. Information presented in this schedule has been determined as of the City's measurement date (December 31) of the net pension liability in accordance with GASB 68.

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

CITY OF BOSSIER CITY, LOUISIANA

Required Supplementary Information

Schedule of Changes in the City's Net Pension Liability and Related Ratios - Firemen's Pension Fund

For the Years Ended December 31, 2015 through December 31, 2017

(Unaudited)

	2015	2016	2017
Total Pension Liability			
Service Cost	\$ -	-	-
Interest	2,841,909	3,096,821	2,899,886
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(748,196)	(16,694)	(1,917,736)
Change of assumptions	8,727,662	(3,528,771)	4,957,888
Benefit payments, including refunds of member contributions	(4,415,213)	(4,481,937)	(4,467,515)
Net Change in Total Pension Liability	<u>6,406,162</u>	<u>(4,930,581)</u>	<u>1,472,523</u>
Total Pension Liability - Beginning	<u>73,255,335</u>	<u>79,661,497</u>	<u>74,730,916</u>
Total Pension Liability - Ending (a)	<u><u>79,661,497</u></u>	<u><u>74,730,916</u></u>	<u><u>76,203,439</u></u>
 Plan Fiduciary Net Position			
Contributions-Employer	6,763,516	4,504,809	4,359,838
Contributions-Member	-	-	-
Net investment income	1,010,236	2,603,297	3,269,317
Benefit payments, including refunds of members contributions	(4,415,213)	(4,481,937)	(4,467,515)
Administrative expense	(55,258)	(57,387)	(56,686)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	<u>3,303,281</u>	<u>2,568,782</u>	<u>3,104,954</u>
Plan Fiduciary Net Position - Beginning	<u>67,420,213</u>	<u>70,723,494</u>	<u>73,292,276</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>70,723,494</u></u>	<u><u>73,292,276</u></u>	<u><u>76,397,230</u></u>
City's Net Pension Liability - Ending (a) - (b)	<u>\$ 8,938,003</u>	<u>1,438,640</u>	<u>(193,791)</u>
Plan Fiduciary net position as a percentage of the total pension liability	88.8%	98.1%	100.3%
 Covered-member payroll	\$ -	-	-
 Net Pension Liability as a Percentage of Covered Member Payroll	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years which information is available under GASB 68. Information presented in this schedule has been determined as of the City's measurement date (December 31) of the net pension liability in accordance with GASB 68.

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

CITY OF BOSSIER CITY, LOUISIANA

Required Supplementary Information

Schedule of Contributions- Firemen's Pension Fund

For the Years Ended December 31, 2013 through December 31, 2017

(Unaudited)

Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Member Payroll	Contributions as a % of Covered Member Payroll
2017	4,359,838	4,359,838	—	—	—
2016	4,504,809	4,504,809	—	—	—
2015	6,763,516	6,763,516	—	—	—
2014	6,593,111	6,593,111	—	—	—
2013	6,679,359	6,679,359	—	—	—

Notes to Schedule:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage (Closed Basis)
Remaining Amortization Period	10 years (minimum)
Asset Valuation Method	Fair Value
Inflation	2.50%
Investment Rate of Return	3.00%
Projected Salary Increases	N/A
Cost of living adjustments	2.75%
Mortality Rate	RP-2014 Blue Collar tables with Generational Projection using Scale MP-2017.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years which information is available under GASB 68. Information presented in this schedule has been determined as of the City's measurement date (December 31) of the net pension liability in accordance with GASB 68.

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

CITY OF BOSSIER CITY

Schedule of Employer's Proportionate Share of Net Pension Liability

Fiscal years ended December 31, 2014 through December 31, 2017

(Unaudited)

<u>Fiscal Year</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
<u>MERS:</u>					
2017	14.284636%	12,359,535	10,234,077	120.8%	63.49%
2016	16.423460%	13,613,545	11,452,087	118.9%	63.34%
2015	17.349220%	11,791,347	12,036,495	98.0%	68.71%
2014	17.844015%	8,377,700	12,121,320	69.1%	73.99%
<u>MPERS:</u>					
2017	3.172516%	27,697,407	9,431,008	293.7%	70.08%
2016	3.299419%	30,924,852	9,356,672	330.5%	66.04%
2015	3.275084%	25,656,860	8,907,521	288.0%	70.73%
2014	3.285972%	20,557,310	8,779,728	234.1%	75.10%
<u>FRS:</u>					
2017	4.550125%	26,080,630	10,648,208	244.9%	73.55%
2016	4.599546%	30,085,189	10,515,520	286.1%	68.16%
2015	4.895362%	26,420,819	10,226,900	258.3%	72.45%
2014	5.081394%	22,611,763	10,414,577	217.1%	76.02%
<u>LASERS:</u>					
2017	0.001970%	138,947	34,788	399.4%	62.50%
2016	0.001960%	154,224	34,788	443.3%	57.73%
2015	0.001880%	127,664	34,788	367.0%	62.66%
2014	0.001930%	120,931	34,788	347.6%	65.02%

This schedule will contain ten years of historical information once such information becomes available.

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

CITY OF BOSSIER CITY

Schedule of Employer's Pension Contributions

For the Year Ended December 31, 2017

Fiscal years ended December 31, 2014 through December 31, 2017

(Unaudited)

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
<u>MERS:</u>					
2017	1,239,145	1,239,145	-	10,234,077	12.11%
2016	1,169,084	1,169,084	-	11,452,087	10.21%
2015	1,143,827	1,143,827	-	12,036,495	9.50%
2014	1,105,758	1,105,758	-	12,121,320	9.10%
<u>MPERS:</u>					
2017	2,950,935	2,950,935	-	9,431,008	31.29%
2016	2,866,063	2,866,063	-	9,356,672	30.63%
2015	2,753,461	2,753,461	-	8,907,521	30.90%
2014	2,723,537	2,723,537	-	8,779,728	31.00%
<u>FRS:</u>					
2017	2,754,656	2,754,656	-	10,648,208	25.87%
2016	2,760,388	2,760,388	-	10,515,520	26.25%
2015	2,919,475	2,919,475	-	10,226,900	28.50%
2014	2,994,005	2,994,005	-	10,414,577	28.70%
<u>LASERS:</u>					
2017	13,585	13,585	-	34,788	39.05%
2016	13,237	13,237	-	34,788	38.05%
2015	13,846	13,846	-	34,788	39.80%
2014	13,532	13,532	-	34,788	38.90%

This schedule will contain ten years of historical information once such information becomes available.

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

CITY OF BOSSIER CITY, LOUISIANA

General Fund

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

Year ended December 31, 2017

(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	\$ 16,422,951	16,422,951	16,158,190	(264,761)
Ad valorem	14,649,200	14,649,200	14,514,783	(134,417)
Utility	3,900,000	3,900,000	3,831,468	(68,532)
Telephone	85,000	85,000	56,453	(28,547)
Franchise:				
Cable television	700,000	700,000	612,806	(87,194)
Chain store	95,000	95,000	91,355	(3,645)
Total taxes	<u>35,852,151</u>	<u>35,852,151</u>	<u>35,265,055</u>	<u>(587,096)</u>
Licenses and permits	3,687,000	3,687,000	3,510,989	(176,011)
Intergovernmental:				
Grants	140,000	140,000	141,502	1,502
State and parish revenues:				
Supplemental pay	1,819,740	1,819,740	1,731,557	(88,183)
Beer tax	120,000	120,000	101,251	(18,749)
Special funds from State of Louisiana	170,000	170,000	157,890	(12,110)
Total intergovernmental	<u>2,249,740</u>	<u>2,249,740</u>	<u>2,132,200</u>	<u>(117,540)</u>
Fines and penalties	900,000	900,000	704,029	(195,971)
Racing commission – Louisiana Downs	415,000	415,000	387,142	(27,858)
Video poker	360,000	360,000	314,261	(45,739)
Investment earnings	50,000	50,000	9,196	(40,804)
Miscellaneous:				
Payment in lieu of taxes – Federal Housing Authority	80,000	80,000	76,634	(3,366)
Parks and recreation	250,000	250,000	222,022	(27,978)
Engineering fees	45,000	45,000	65,765	20,765
Enterprise funds and Civic Center Fund pro rata share of general and administrative expenses	508,000	508,000	508,000	—
Police department revenues	225,000	225,000	149,327	(75,673)
Other income	100,000	100,000	154,997	54,997
Total miscellaneous	<u>1,208,000</u>	<u>1,208,000</u>	<u>1,176,745</u>	<u>(31,255)</u>
Total revenues	\$ <u>44,721,891</u>	<u>44,721,891</u>	<u>43,499,617</u>	<u>(1,222,274)</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, 2017

(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	\$ 530,769	530,769	486,557	44,212
Municipal building	1,924,649	1,924,649	1,915,943	8,706
Finance	873,419	898,419	740,253	158,166
City garage	1,014,248	1,014,248	967,040	47,208
Traffic engineering and safety	1,226,071	1,226,071	1,175,238	50,833
Purchasing	197,091	197,091	165,594	31,497
Engineering	1,045,898	1,090,159	1,049,021	41,138
Personnel	435,235	435,235	411,467	23,768
Permits and inspections	719,004	726,204	698,785	27,419
City attorney	416,642	476,642	430,766	45,876
Public works	283,842	283,842	261,042	22,800
City council	271,070	271,070	262,824	8,246
Community development	229,973	229,973	219,413	10,560
Information services	760,651	852,151	735,873	116,278
Payments to other governmental agencies	1,834,300	1,863,800	1,828,379	35,421
Election	60,000	60,000	15,249	44,751
	<u>11,822,862</u>	<u>12,080,323</u>	<u>11,363,444</u>	<u>716,879</u>
Public safety:				
Fire	13,645,057	13,696,062	13,123,899	572,163
Police	18,554,797	18,624,927	17,711,304	913,623
	<u>32,199,854</u>	<u>32,320,989</u>	<u>30,835,203</u>	<u>1,485,786</u>
Highways and streets	456,374	456,374	388,025	68,349
Culture and recreation	2,612,620	2,637,620	2,678,327	(40,707)
City Court and Marshal:				
City Court	874,336	874,336	811,369	62,967
Marshal's office	1,122,920	1,122,920	1,095,900	27,020
	<u>1,997,256</u>	<u>1,997,256</u>	<u>1,907,269</u>	<u>89,987</u>
Total expenditures	<u>49,088,966</u>	<u>49,492,562</u>	<u>47,172,268</u>	<u>2,320,294</u>
Excess of expenditures over revenues	<u>(4,367,075)</u>	<u>(4,770,671)</u>	<u>(3,672,651)</u>	<u>1,098,020</u>
Other financing sources (uses):				
Transfers in	4,621,847	4,621,847	4,639,734	17,887
Transfers out	—	—	—	—
Transfer to component unit	(233,883)	(233,883)	(233,883)	—
	<u>4,387,964</u>	<u>4,387,964</u>	<u>4,405,851</u>	<u>17,887</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	20,889	(382,707)	733,200	1,115,907
Fund balance, beginning of year	<u>10,294,584</u>	<u>10,294,584</u>	<u>10,294,584</u>	<u>—</u>
Fund balance, end of year	\$ <u>10,315,473</u>	<u>9,911,877</u>	<u>11,027,784</u>	<u>1,115,907</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, 2017

(Unaudited)

	Original and final budget	Actual	Variance with final budget positive (negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Direct event income	\$ 369,344	549,755	180,411
Ancillary income	1,134,830	983,561	(151,269)
Advertising	506,200	378,210	(127,990)
Luxury box income	603,500	629,875	26,375
Other income	216,454	168,060	(48,394)
	<u>2,830,328</u>	<u>2,709,461</u>	<u>(120,867)</u>
Total revenues			
Expenditures – current – culture and recreation:			
Executive	261,338	230,331	31,007
Finance	212,285	184,212	28,073
Operations	1,268,432	1,191,717	76,715
Marketing	180,917	165,363	15,554
Box office	140,207	106,924	33,283
Facility overhead	993,624	1,127,205	(133,581)
	<u>3,056,803</u>	<u>3,005,752</u>	<u>51,051</u>
Total expenditures			
Excess of expenditures over revenues	(226,475)	(296,291)	(69,816)
Other financing sources:			
Transfers in	228,818	713,290	484,472
	<u>2,343</u>	<u>416,999</u>	<u>414,656</u>
Net change in fund balance			
Fund balance (deficit), beginning of year	(2,343)	(2,343)	—
Fund balance, end of year	\$ <u>—</u>	<u>414,656</u>	<u>414,656</u>

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

CITY OF BOSSIER CITY, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES

DECEMBER 31, 2017

(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 September 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, 2017, eleven amendments were made to the General Fund.
- (5) Comparison of budgeted and actual amounts, as shown in the accompanying financial statements, includes the General Fund and those special revenue funds, which are included in the annual operating budget (Civic Center, Hotel/Motel Taxes, Fire Improvements and Operations, Jail and Municipal Buildings, Streets and Drainage, and Arena). Annual operating budgets are not prepared for the State and Federal grant, Court Witness Fee, Public Safety Pension Reserve, and Riverboat Gaming Special Revenue Fund, but rather these funds are budgeted on a project basis. The capital budget ordinances, which encompass the capital projects funds, present cumulative as opposed to annual budget amounts, and thus, budget and actual comparisons are not reported in the accompanying financial statements for these funds. Budgetary control for the debt service funds is achieved through general bond indenture provisions.
- (6) All budgets are adopted on a basis substantially consistent with U.S. generally accepted accounting principles (GAAP), except that payments to the Firemen's and Policemen's Pension and Relief Funds are not budgeted in the General Fund and administrative expenditures allocated to the State and Federal Grant Special Revenue Fund are budgeted in the General Fund. Appropriations, which are not expended lapse at year-end, except appropriations for capital improvements, which do not lapse until the purpose of the appropriation, has been accomplished or abandoned.
- (7) The City is legally required to prepare annual operating budgets for the Department of Water and Sewerage, Sanitation, Emergency Medical Services, and Alternative Fuel operations. The City is not, however, required to present an actual-to-budget comparison for the enterprise funds. Budgets are not prepared for the internal services funds.

Reconciliation of the Budgetary Basis and the GAAP Basis

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

	<u>General Fund</u>
Budgetary basis expenditures	\$ 47,172,268
Administrative costs of State and Federal Grant Special Revenue Fund	(141,502)
Sales taxes dedicated to Firemen's and Policemen's Pension and Relief Funds	9,046,150
Payments to component units	<u>233,883</u>
GAAP basis expenditures	<u>\$ 56,310,799</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:

<u>Fund</u>	<u>Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Negative Variance</u>
General Fund:			
Culture and recreation	2,637,620	2,678,327	(40,707)
Arena Special Revenue Fund:			
Culture and Recreation:			
Facility overhead	993,624	1,127,205	(133,581)
Civic Center Special Revenue Fund:			
Culture and Recreation:			
Contract services	1,300	1,409	(109)
Hotel/Motel Taxes Special Revenue Fund:			
Capital outlay	520,000	629,820	(109,820)
Streets and Drainage Special Revenue Fund:			
Capital outlay	2,080,000	2,109,088	(29,088)

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 operations and maintenance of the Civic Center and multipurpose arena.

Disaster Relief – This fund accounts for the revenues reserved for and expenses incurred in the event of a disaster.

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

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

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

Debt Service Funds

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

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

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

2017 LCDA Bond Issue Sinking and Reserve Fund – Used to accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of the 2017 bond series.

Capital Projects Funds

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

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

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

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

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

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

Coleman Development Fund – This fund is used to account for expenditures associated with capital projects as presented and approved by City Council ordinance and is funded by the Riverboat Gaming Capital Projects Fund.

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.

2014 Bond Issue Capital Projects Fund – This fund accounts for the proceeds and expenditures of the 2014 bonds that were issued for the purpose of the redevelopment of downtown Bossier City and various projects related thereto.

2016 Bond Issue Capital Projects Fund – This fund accounts for the proceeds and expenditures of the 2016 bonds that were issued for the purpose of the redevelopment of downtown Bossier City and various projects related thereto.

2017 LCDA Bond Issue Capital Projects Fund – This fund accounts for the proceeds and expenditures of the 2017 bonds that were issued for the purpose of financing the costs of additions, repairs and/or expansions needed for restoration of the CenturyLink Center.

2017 Sales Tax Bond Issue Capital Projects Fund – This fund accounts for the proceeds and expenditures of the 2017 bonds that were issued for the purpose of funding capital improvements for the City.



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CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Governmental Funds

Combining Balance Sheet – By Fund Type

December 31, 2017

Assets	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Assets:				
Cash and cash equivalents	\$ 2,084,437	1,737,823	19,423,373	23,245,633
Investments	7,446,112	2,302,895	32,932,253	42,681,260
Receivables, net:				
Taxes and other	1,153,786	603,881	1,136,562	2,894,229
Accrued interest	61,198	18,927	207,994	288,119
Due from other funds	—	—	—	—
Total assets	<u>\$ 10,745,533</u>	<u>4,663,526</u>	<u>53,700,182</u>	<u>69,109,241</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 480,381	—	545,623	1,026,004
Accrued liabilities	—	—	—	—
Due to other funds	64,562	—	—	64,562
Unearned revenue	29,186	—	—	29,186
Total liabilities	<u>574,129</u>	<u>—</u>	<u>545,623</u>	<u>1,119,752</u>
Fund balances:				
Restricted for:				
Debt service	—	4,663,526	—	4,663,526
Grants	27,201	—	—	27,201
Economic development and facility operations	2,852,184	—	—	2,852,184
Capital projects	—	—	53,154,559	53,154,559
Committed for:				
Civic Center operations	1,000,046	—	—	1,000,046
Facility maintenance	5,922,372	—	—	5,922,372
Assigned for:				
Disasters	369,601	—	—	369,601
Total fund balances	<u>10,171,404</u>	<u>4,663,526</u>	<u>53,154,559</u>	<u>67,989,489</u>
Total liabilities and fund balances	<u>\$ 10,745,533</u>	<u>4,663,526</u>	<u>53,700,182</u>	<u>69,109,241</u>

See accompanying independent auditors' report.

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, 2017

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Taxes	\$ 6,558,236	6,553,112	8,163,314	21,274,662
Intergovernmental	3,688,654	—	1,982,931	5,671,585
Fees and rentals	405,494	70,317	—	475,811
Fines and penalties	20,327	—	—	20,327
Investment earnings (losses)	72,164	62,593	336,387	471,144
Miscellaneous	1,538	—	2,094,594	2,096,132
Total revenues	<u>10,746,413</u>	<u>6,686,022</u>	<u>12,577,226</u>	<u>30,009,661</u>
Expenditures:				
Current:				
General government	610,151	—	—	610,151
Culture and recreation	682,759	—	—	682,759
City Court and City Marshal	13,650	—	—	13,650
Capital outlay	3,331,775	—	17,039,854	20,371,629
Debt service:				
Principal retirement	—	8,200,000	—	8,200,000
Bond issue cost	—	—	581,939	581,939
Interest and fiscal charges	—	7,878,617	—	7,878,617
Total expenditures	<u>4,638,335</u>	<u>16,078,617</u>	<u>17,621,793</u>	<u>38,338,745</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,108,078</u>	<u>(9,392,595)</u>	<u>(5,044,567)</u>	<u>(8,329,084)</u>
Other financing sources (uses):				
Proceeds from bond issuance	—	—	24,580,239	24,580,239
Payment to refund bonds	—	—	—	—
Premium on refunding bond	—	—	—	—
Transfers in	519,500	9,268,994	—	9,788,494
Transfers out	(6,833,237)	(100,000)	—	(6,933,237)
Total other financing sources (uses)	<u>(6,313,737)</u>	<u>9,168,994</u>	<u>24,580,239</u>	<u>27,435,496</u>
Net change in fund balances	(205,659)	(223,601)	19,535,672	19,106,412
Fund balances, beginning of year	<u>10,377,063</u>	<u>4,887,127</u>	<u>33,618,887</u>	<u>48,883,077</u>
Fund balances, end of year	<u>\$ 10,171,404</u>	<u>4,663,526</u>	<u>53,154,559</u>	<u>67,989,489</u>

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Special Revenue Funds

Combining Balance Sheet

December 31, 2017

Assets	State and Federal Grant	Court Witness Fee	Civic Center	Hotel/Motel Taxes	Disaster Relief	Fire Improvements and Operations	Jail and Municipal Buildings	Streets and Drainage	Total
Cash and cash equivalents	\$ —	19,611	226,652	668,395	—	—	1,039,414	130,365	2,084,437
Investments	—	70,065	809,018	2,387,897	—	—	3,713,392	465,740	7,446,112
Tax and other receivables	86,070	1,200	—	—	369,601	278,995	173,284	244,636	1,153,786
Due from other funds	—	—	—	—	—	—	—	—	—
Interest receivable	—	576	6,649	19,626	—	—	30,519	3,828	61,198
Total assets	\$ 86,070	91,452	1,042,319	3,075,918	369,601	278,995	4,956,609	844,569	10,745,533
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ 16,605	—	13,087	223,734	—	—	75,388	151,567	480,381
Accrued liabilities	—	—	—	—	—	—	—	—	—
Due to other funds	42,264	—	—	—	—	22,298	—	—	64,562
Unearned revenue	—	—	29,186	—	—	—	—	—	29,186
Total liabilities	58,869	—	42,273	223,734	—	22,298	75,388	151,567	574,129
Fund balances:									
Restricted for:									
Grants	27,201	—	—	—	—	—	—	—	27,201
Economic development and facility operations	—	—	—	2,852,184	—	—	—	—	2,852,184
Committed for:									
Civic Center operations	—	—	1,000,046	—	—	—	—	—	1,000,046
Facility maintenance	—	91,452	—	—	—	256,697	4,881,221	693,002	5,922,372
Assigned for:									
Disasters	—	—	—	—	369,601	—	—	—	369,601
Total fund balances	27,201	91,452	1,000,046	2,852,184	369,601	256,697	4,881,221	693,002	10,171,404
Total liabilities and fund balances	\$ 86,070	91,452	1,042,319	3,075,918	369,601	278,995	4,956,609	844,569	10,745,533

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Special Revenue Funds

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

Year ended December 31, 2017

	<u>State and Federal Grant</u>	<u>Court Witness Fee</u>	<u>Civic Center</u>	<u>Hotel/Motel Taxes</u>	<u>Disaster Relief</u>	<u>Fire Improvements and Operations</u>	<u>Jail and Municipal Buildings</u>	<u>Streets and Drainage</u>	<u>Total</u>
Revenues:									
Sales tax, net	\$ —	—	—	—	—	2,625,447	1,630,668	2,302,121	6,558,236
Fees and rentals	—	—	318,494	—	—	—	87,000	—	405,494
Intergovernmental:									
U.S. government grants and entitlements	529,920	—	—	—	369,601	—	—	—	899,521
State and parish-shared revenues	—	—	—	2,789,133	—	—	—	—	2,789,133
Total intergovernmental	529,920	—	—	2,789,133	369,601	—	—	—	3,688,654
Fines and penalties	—	20,327	—	—	—	—	—	—	20,327
Investment earnings (losses)	—	738	4,463	19,757	—	21	42,373	4,812	72,164
Miscellaneous	25	—	1,513	—	—	—	—	—	1,538
Total revenues	<u>529,945</u>	<u>21,065</u>	<u>324,470</u>	<u>2,808,890</u>	<u>369,601</u>	<u>2,625,468</u>	<u>1,760,041</u>	<u>2,306,933</u>	<u>10,746,413</u>
Expenditures:									
Current:									
General government	526,818	—	—	83,333	—	—	—	—	610,151
Culture and recreation	—	—	682,759	—	—	—	—	—	682,759
City Court and Marshal	—	13,650	—	—	—	—	—	—	13,650
Capital outlay	—	—	61,434	629,820	—	—	531,433	2,109,088	3,331,775
Total expenditures	<u>526,818</u>	<u>13,650</u>	<u>744,193</u>	<u>713,153</u>	<u>—</u>	<u>—</u>	<u>531,433</u>	<u>2,109,088</u>	<u>4,638,335</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,127</u>	<u>7,415</u>	<u>(419,723)</u>	<u>2,095,737</u>	<u>369,601</u>	<u>2,625,468</u>	<u>1,228,608</u>	<u>197,845</u>	<u>6,108,078</u>
Other financing sources (uses):									
Transfers in	—	—	512,000	7,500	—	—	—	—	519,500
Transfers out	—	—	—	(2,232,790)	—	(2,625,447)	(1,375,000)	(600,000)	(6,833,237)
	<u>—</u>	<u>—</u>	<u>512,000</u>	<u>(2,225,290)</u>	<u>—</u>	<u>(2,625,447)</u>	<u>(1,375,000)</u>	<u>(600,000)</u>	<u>(6,313,737)</u>
Net change in fund balances	3,127	7,415	92,277	(129,553)	369,601	21	(146,392)	(402,155)	(205,659)
Fund balances, beginning of year	24,074	84,037	907,769	2,981,737	—	256,676	5,027,613	1,095,157	10,377,063
Fund balances, end of year	<u>\$ 27,201</u>	<u>91,452</u>	<u>1,000,046</u>	<u>2,852,184</u>	<u>369,601</u>	<u>256,697</u>	<u>4,881,221</u>	<u>693,002</u>	<u>10,171,404</u>

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Debt Service Funds

Combining Balance Sheet

December 31, 2017

Assets	Sales Tax Bond Sinking and Reserve Fund	Parkway Sales Tax Bond Sinking and Reserve Fund	2007 Capital Projects Bond Issue Sinking and Reserve Fund	2017 LCDA Bond Sinking and Reserve Fund	Total
Cash and cash equivalents	\$ 571,013	186,498	921,746	58,566	1,737,823
Investments	2,039,991	203,070	—	59,834	2,302,895
Accounts receivable – taxes	528,714	75,167	—	—	603,881
Accrued interest	16,766	1,669	—	492	18,927
Total assets	<u>\$ 3,156,484</u>	<u>466,404</u>	<u>921,746</u>	<u>118,892</u>	<u>4,663,526</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	—	—	—	—	—
Total liabilities	—	—	—	—	—
Fund balances:					
Restricted for:					
Debt service	3,156,484	466,404	921,746	118,892	4,663,526
Total fund balances	<u>3,156,484</u>	<u>466,404</u>	<u>921,746</u>	<u>118,892</u>	<u>4,663,526</u>
Total liabilities and fund balances	<u>\$ 3,156,484</u>	<u>466,404</u>	<u>921,746</u>	<u>118,892</u>	<u>4,663,526</u>

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Debt Service Funds

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

Year ended December 31, 2017

	Sales Tax Bond Sinking and Reserve Fund	Parkway Sales Tax Bond Sinking and Reserve Fund	2007 Capital Projects Bond Issue Sinking and Reserve Fund	2017 LCDA Bond Sinking and Reserve Fund	Total
Revenues:					
Sales taxes, net	\$ 5,651,112	902,000	—	—	6,553,112
Fees and rentals	—	—	—	70,317	70,317
Investment earnings (losses)	60,412	2,225	—	(44)	62,593
Total revenues	<u>5,711,524</u>	<u>904,225</u>	<u>—</u>	<u>70,273</u>	<u>6,686,022</u>
Expenditures – debt service:					
Principal retirement	4,525,000	380,000	3,295,000	—	8,200,000
Bond Issue Cost	—	—	—	—	—
Interest and fiscal charges	1,482,963	520,632	5,823,641	51,381	7,878,617
Total expenditures	<u>6,007,963</u>	<u>900,632</u>	<u>9,118,641</u>	<u>51,381</u>	<u>16,078,617</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(296,439)</u>	<u>3,593</u>	<u>(9,118,641)</u>	<u>18,892</u>	<u>(9,392,595)</u>
Other financing sources:					
Refunding bond issued	—	—	—	—	—
Payment to refund bonds	—	—	—	—	—
Premium on refunding bond	—	—	—	—	—
Transfers in	—	—	9,168,994	100,000	9,268,994
Transfers out	(100,000)	—	—	—	(100,000)
Total other financing sources	<u>(100,000)</u>	<u>—</u>	<u>9,168,994</u>	<u>100,000</u>	<u>9,168,994</u>
Net change in fund balances	<u>(396,439)</u>	<u>3,593</u>	<u>50,353</u>	<u>118,892</u>	<u>(223,601)</u>
Fund balances, beginning of year	3,552,923	462,811	871,393	—	4,887,127
Fund balances, end of year	<u>\$ 3,156,484</u>	<u>466,404</u>	<u>921,746</u>	<u>118,892</u>	<u>4,663,526</u>

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Capital Projects Funds

Combining Balance Sheet

December 31, 2017

	Sales Tax Capital Improvement Fund	Parkway Capital Projects Fund	Oil and Gas Royalties Capital Projects Fund	2006 Sales Tax Bond Fund	Equipment Replacement Fund	Land Acquisition Fund	Coleman Development Fund	2007 Bond Issue Capital Projects Fund	2014 Bond Issue Capital Projects Fund	2016 Bond Issue Capital Projects Fund	2017 LCDA Bond Issue Capital Projects Fund	2017 Sales Tax Bond Issue Capital Projects Fund	Total
Assets													
Cash and cash equivalents	\$ 714,860	768,763	43,721	43,402	243,440	1,282,417	2,383,103	142,009	—	1,920,939	7,061,679	4,819,040	19,423,373
Investments	2,553,896	2,746,472	156,192	155,060	869,709	4,581,538	8,513,828	507,339	—	2,086,922	—	10,761,297	32,932,253
Taxes and other receivable	465,744	585,958	—	—	—	—	—	84,860	—	—	—	—	1,136,562
Accrued interest	20,990	22,572	1,284	1,275	7,148	37,654	69,973	4,170	—	6,180	5,455	31,293	207,994
Total assets	\$ 3,755,490	4,123,765	201,197	199,737	1,120,297	5,901,609	10,966,904	738,378	—	4,014,041	7,067,134	15,611,630	53,700,182
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	\$ 113,856	226,480	—	—	—	—	—	—	—	384	56,675	148,228	545,623
Due to other funds	—	—	—	—	—	—	—	—	—	—	—	—	—
Unearned revenue	—	—	—	—	—	—	—	—	—	—	—	—	—
Total liabilities	113,856	226,480	—	—	—	—	—	—	—	384	56,675	148,228	545,623
Fund balances:													
Restricted for:													
Capital projects	3,641,634	3,897,285	201,197	199,737	1,120,297	5,901,609	10,966,904	738,378	—	4,013,657	7,010,459	15,463,402	53,154,559
Total fund balances	3,641,634	3,897,285	201,197	199,737	1,120,297	5,901,609	10,966,904	738,378	—	4,013,657	7,010,459	15,463,402	53,154,559
Total liabilities and fund balances	\$ 3,755,490	4,123,765	201,197	199,737	1,120,297	5,901,609	10,966,904	738,378	—	4,014,041	7,067,134	15,611,630	53,700,182

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA
 Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year ended December 31, 2017

	Sales Tax Capital Improvement Fund	Parkway Capital Projects Fund	Oil and Gas Royalties Capital Projects Fund	2006 Sales Tax Bond Fund	Equipment Replacement Fund	Land Acquisition Fund	Coleman Development Fund	2007 Bond Issue Capital Projects Fund	2014 Bond Issue Capital Projects Fund	2016 Bond Issue Capital Projects Fund	2017 LCDA Bond Issue Capital Projects Fund	2017 Sales Tax Bond Issue Capital Projects Fund	Total
Revenues:													
Sales taxes, net	\$ 3,707,101	4,456,213	—	—	—	—	—	—	—	—	—	—	8,163,314
Intergovernmental	—	—	—	—	—	—	—	1,982,931	—	—	—	—	1,982,931
Investment earnings (losses)	34,958	14,964	1,673	1,673	9,118	34,072	91,851	9,150	13,567	23,074	11,452	90,835	336,387
Other income	—	—	3,579	—	94,099	1,996,896	—	20	—	—	—	—	2,094,594
Total revenues	3,742,059	4,471,177	5,252	1,673	103,217	2,030,968	91,851	1,992,101	13,567	23,074	11,452	90,835	12,577,226
Expenditures:													
Bond issuance costs	—	—	—	—	—	—	—	—	—	—	216,558	365,381	581,939
Capital outlay – project expenditures and engineering fees	5,037,797	3,076,391	—	—	—	—	—	2,815,534	4,213,698	269,708	116,966	1,509,760	17,039,854
Total expenditures	5,037,797	3,076,391	—	—	—	—	—	2,815,534	4,213,698	269,708	333,524	1,875,141	17,621,793
Excess (deficiency) of revenues over (under) expenditures	(1,295,738)	1,394,786	5,252	1,673	103,217	2,030,968	91,851	(823,433)	(4,200,131)	(246,634)	(322,072)	(1,784,306)	(5,044,567)
Other financing sources (uses):													
Proceeds from long-term debt	—	—	—	—	—	—	—	—	—	—	7,332,531	17,247,708	24,580,239
Transfers in (out)	—	—	—	—	—	—	—	—	—	—	—	—	—
Total other financing sources and uses	—	—	—	—	—	—	—	—	—	—	7,332,531	17,247,708	24,580,239
Net change in fund balances	(1,295,738)	1,394,786	5,252	1,673	103,217	2,030,968	91,851	(823,433)	(4,200,131)	(246,634)	7,010,459	15,463,402	19,535,672
Fund balances, beginning of year	4,937,372	2,502,499	195,945	198,064	1,017,080	3,870,641	10,875,053	1,561,811	4,200,131	4,260,291	—	—	33,618,887
Fund balances, end of year	\$ 3,641,634	3,897,285	201,197	199,737	1,120,297	5,901,609	10,966,904	738,378	—	4,013,657	7,010,459	15,463,402	53,154,559

See accompanying independent auditors' report.

**NONMAJOR
ENTERPRISE
FUNDS**

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

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

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

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CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Enterprise Funds

Combining Statement of Net Position

December 31, 2017

Assets	EMS Fund	Public Service and Sanitation Fund	Alternative Fuel Station Fund	Total
Current assets:				
Cash and cash equivalents	\$ 410,255	1,272,079	74,030	1,756,364
Investments	1,465,670	4,543,891	264,480	6,274,041
Receivables	1,445,995	1,179,061	183,077	2,808,133
Inventories	—	—	24,229	24,229
Total current assets	<u>3,321,920</u>	<u>6,995,031</u>	<u>545,816</u>	<u>10,862,767</u>
Total assets	<u>3,321,920</u>	<u>6,995,031</u>	<u>545,816</u>	<u>10,862,767</u>
Deferred Outflows of Resources				
Deferred outflows of resources related to pensions	<u>1,278,020</u>	<u>271,657</u>	<u>—</u>	<u>1,549,677</u>
Liabilities				
Current liabilities (payable from current assets):				
Accounts payable	\$ 31,701	337,181	55,755	424,637
Accrued liabilities	100,509	23,971	—	124,480
Unearned revenue	—	—	—	—
Compensated absences	202,747	36,504	—	239,251
Total current liabilities	<u>334,957</u>	<u>397,656</u>	<u>55,755</u>	<u>788,368</u>
Noncurrent liabilities:				
Net pension liability	7,041,770	865,168	—	7,906,938
Compensated absences	68,469	6,301	—	74,770
Total noncurrent liabilities	<u>7,110,239</u>	<u>871,469</u>	<u>—</u>	<u>7,981,708</u>
Total liabilities	<u>7,445,196</u>	<u>1,269,125</u>	<u>55,755</u>	<u>8,770,076</u>
Deferred Inflows of Resources				
Deferred inflows of resources related to pensions	<u>938,939</u>	<u>106,844</u>	<u>—</u>	<u>1,045,783</u>
Net Position				
Net position – unrestricted	<u>\$ (3,784,195)</u>	<u>5,890,719</u>	<u>490,061</u>	<u>2,596,585</u>

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Enterprise Funds

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

Year ended December 31, 2017

	<u>EMS Fund</u>	<u>Public Service and Sanitation Fund</u>	<u>Alternative Fuel Station Fund</u>	<u>Total</u>
Operating revenues:				
Charges for services (net of bad debt of \$561,397, \$91,939, and \$0, respectively)	\$ 5,810,714	6,354,583	823,154	12,988,451
Miscellaneous revenue	<u>1,698,424</u>	<u>41,261</u>	<u>152,634</u>	<u>1,892,319</u>
Total operating revenues	<u>7,509,138</u>	<u>6,395,844</u>	<u>975,788</u>	<u>14,880,770</u>
Operating expenses:				
Personal services	4,883,355	1,230,970	—	6,114,325
Supplies	247,564	204,855	625,422	1,077,841
Administrative	51,200	30,000	22,000	103,200
Utilities	113,345	43,138	50,403	206,886
Repairs and maintenance	65,334	257,521	108,397	431,252
Travel and training	29,913	3,794	—	33,707
Professional services	2,520	8,672	—	11,192
Insurance	175,000	78,000	44,000	297,000
Contractual expenses	14,281	3,905,749	—	3,920,030
Miscellaneous	<u>534,302</u>	<u>4,009</u>	<u>—</u>	<u>538,311</u>
Total operating expenses	<u>6,116,814</u>	<u>5,766,708</u>	<u>850,222</u>	<u>12,733,744</u>
Operating income	1,392,324	629,136	125,566	2,147,026
Nonoperating revenues:				
Investment earnings	12,773	46,885	2,825	62,483
Transfers in	1,432,632	—	—	1,432,632
Transfers out	<u>(1,450,519)</u>	<u>—</u>	<u>(21,400)</u>	<u>(1,471,919)</u>
Total non-operating income (expenses)	<u>(5,114)</u>	<u>46,885</u>	<u>(18,575)</u>	<u>23,196</u>
Change in net position	1,387,210	676,021	106,991	2,170,222
Net position, beginning of year	<u>(5,171,405)</u>	<u>5,214,698</u>	<u>383,070</u>	<u>426,363</u>
Net position, end of year	<u>\$ (3,784,195)</u>	<u>5,890,719</u>	<u>490,061</u>	<u>2,596,585</u>

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

Year ended December 31, 2017

	<u>EMS Fund</u>	<u>Public Service and Sanitation Fund</u>	<u>Alternative Fuel Station Fund</u>	<u>Total</u>
Cash flows from operating activities:				
Receipts from operations	\$ 5,482,124	6,310,178	853,122	12,645,424
Payments to suppliers	(1,613,036)	(4,510,270)	(837,152)	(6,960,458)
Payments to employees	(4,853,199)	(1,212,624)	—	(6,065,823)
Other receipts	1,698,424	41,261	(5)	1,739,680
Net cash provided by operating activities	<u>714,313</u>	<u>628,545</u>	<u>15,965</u>	<u>1,358,823</u>
Cash flows from noncapital financing activities:				
Transfers out	<u>(17,887)</u>	—	<u>(21,400)</u>	<u>(39,287)</u>
Net cash (used in) noncapital financing activities	<u>(17,887)</u>	—	<u>(21,400)</u>	<u>(39,287)</u>
Cash flows from investing activities:				
(Purchase) Sale of investments	<u>(757,303)</u>	<u>(1,404,299)</u>	<u>(55,770)</u>	<u>(2,217,372)</u>
Interest received	23,389	80,950	4,839	109,178
Net cash provided by (used in) investment activities	<u>(733,914)</u>	<u>(1,323,349)</u>	<u>(50,931)</u>	<u>(2,108,194)</u>
Net increase (decrease) in cash and cash equivalents	<u>(37,488)</u>	<u>(694,804)</u>	<u>(56,366)</u>	<u>(788,658)</u>
Cash and cash equivalents, beginning of year	<u>447,743</u>	<u>1,966,883</u>	<u>130,396</u>	<u>2,545,022</u>
Cash and cash equivalents, end of year	<u>\$ 410,255</u>	<u>1,272,079</u>	<u>74,030</u>	<u>1,756,364</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 1,392,324	629,136	125,566	2,147,026
Adjustments to reconcile operating income to net cash provided by operating activities:				
Provision for (recovery of) bad debts	63,880	54,387	—	118,267
Increase (decrease) in assets:				
Accounts receivables	(392,470)	(64,937)	(122,671)	(580,078)
Inventories	—	—	1,926	1,926
(Increase) decrease in deferred outflows	1,102,443	58,879	—	1,161,322
Increase (decrease) in liabilities:				
Accounts payable	(379,577)	25,468	11,144	(342,965)
Accrued liabilities	(254)	(2,957)	—	(3,211)
Compensated absences	(8,633)	(2,375)	—	(11,008)
Deferred revenues	—	(33,855)	—	(33,855)
Net Pension Liability	(1,081,231)	(87,780)	—	(1,169,011)
Increase in deferred inflows	17,831	52,579	—	70,410
Net cash provided by operating activities	<u>\$ 714,313</u>	<u>628,545</u>	<u>15,965</u>	<u>1,358,823</u>
Noncash item:				
Change in fair value of investments	\$ (19,687)	(58,341)	(3,321)	(81,349)

See accompanying independent auditors' report.

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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 Fiduciary Net Position

December 31, 2017

Assets	Firemen's Pension and Relief Fund	Policemen's Pension and Relief Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents	\$ 4,829,161	540,456	5,369,617
Investments, at fair value:			
U.S. Treasury bonds and U.S. government and agency obligations and municipal bonds	68,607,423	29,130,472	97,737,895
Certificates of deposit	2,413,954	—	2,413,954
	<u>75,850,538</u>	<u>29,670,928</u>	<u>105,521,466</u>
Accrued interest receivable	513,603	170,164	683,767
Overpayments receivable	—	—	—
Other assets	96,491	149,867	246,358
Total assets	<u>\$ 76,460,632</u>	<u>29,990,959</u>	<u>106,451,591</u>
Liabilities and Net Position			
Liabilities – due to other governments	\$ 63,402	—	63,402
Net position restricted for employees' retirement system	76,397,230	29,990,959	106,388,189
Total liabilities and net position	<u>\$ 76,460,632</u>	<u>29,990,959</u>	<u>106,451,591</u>

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

Year ended December 31, 2017

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	\$ 4,070,813	4,975,337	9,046,150
Fire insurance premiums	289,025	—	289,025
City court fines	—	149,969	149,969
City liquor licenses	—	7,206	7,206
	<u> </u>	<u> </u>	<u> </u>
Total contributions	4,359,838	5,132,512	9,492,350
Investment earnings	<u>3,269,317</u>	<u>316,705</u>	<u>3,586,022</u>
Total additions	<u>7,629,155</u>	<u>5,449,217</u>	<u>13,078,372</u>
Deductions			
Pensions and benefits	4,467,515	1,698,148	6,165,663
Administrative expenses	56,686	86,084	142,770
	<u> </u>	<u> </u>	<u> </u>
Total deductions	4,524,201	1,784,232	6,308,433
Change in net position	3,104,954	3,664,985	6,769,939
Net position, beginning of year	<u>73,292,276</u>	<u>26,325,974</u>	<u>99,618,250</u>
Net position, ending of year	<u>\$ 76,397,230</u>	<u>29,990,959</u>	<u>106,388,189</u>

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Fiduciary Funds

Combining Statement of Changes in Assets and Liabilities – Agency Funds

Year ended December 31, 2017

	<u>Balance, January 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, December 31, 2017</u>
Consolidated Sales Tax Fund				
Assets				
Cash and cash equivalents	\$ —	125,062,675	125,062,675	—
Investments	—	588	—	588
Other receivable	504,106	251,246	508,032	247,320
Accrued interest receivable	—	5	—	5
Total assets	<u>\$ 504,106</u>	<u>125,314,514</u>	<u>125,570,707</u>	<u>247,913</u>
Liabilities				
Accounts payable	\$ 35,988	86,335,894	86,370,750	1,132
Accrued liabilities	13,121	12,122	13,121	12,122
Taxes paid under protest	42,330	—	—	42,330
Refundable deposits	135,270	4,000	1,200	138,070
Due to other governmental units	277,397	—	223,138	54,259
Total liabilities	<u>\$ 504,106</u>	<u>86,352,016</u>	<u>86,608,209</u>	<u>247,913</u>
Riverboat Gaming				
Assets				
Cash and cash equivalents	\$ —	5,580,335	5,580,335	—
Liabilities				
Due to other governmental units	\$ —	5,580,335	5,580,335	—
Payroll Clearing				
Assets				
Cash and cash equivalents	\$ —	26,564,625	26,564,625	—
Other assets	29,667	703,853	702,956	30,564
Total assets	<u>\$ 29,667</u>	<u>27,268,478</u>	<u>27,267,581</u>	<u>30,564</u>
Liabilities				
Accounts payable	\$ 19,016	19,851,610	19,855,228	15,398
Accrued liabilities	10,651	8,592,889	8,588,374	15,166
Due to other funds	—	673,289	673,289	—
Total liabilities	<u>\$ 29,667</u>	<u>29,117,788</u>	<u>29,116,891</u>	<u>30,564</u>
Total all Agency Funds				
Assets				
Cash and cash equivalents	\$ —	157,207,635	157,207,635	—
Investments	—	588	—	588
Other receivable	504,106	251,246	508,032	247,320
Other assets	29,667	703,853	702,956	30,564
Accrued interest receivable	—	5	—	5
Total assets	<u>\$ 533,773</u>	<u>158,163,327</u>	<u>158,418,623</u>	<u>278,477</u>
Liabilities				
Accounts payable	\$ 55,004	106,187,504	106,225,978	16,530
Accrued liabilities	23,772	8,605,011	8,601,495	27,288
Taxes paid under protest	42,330	—	—	42,330
Refundable deposits	135,270	4,000	1,200	138,070
Due to other funds	—	673,289	673,289	—
Due to other governmental units	277,397	—	223,138	54,259
Total liabilities	<u>\$ 533,773</u>	<u>115,469,804</u>	<u>115,725,100</u>	<u>278,477</u>

See accompanying independent auditors' report.

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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 one internal service fund.

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

Statement of Net Position

December 31, 2017

Assets	Liability Insurance Fund
Cash and cash equivalents	\$ 831,979
Investments	2,972,315
Prepaid items	591,428
Accrued interest receivable	24,429
Receivable – expense reimbursement	418,825
Total assets	<u>\$ 4,838,976</u>
Liabilities and Net Position	
Accounts payable	\$ 133,769
Due to other funds	—
Accrued claims	1,930,444
Total liabilities	<u>2,064,213</u>
Net position – unrestricted	<u>2,774,763</u>
Total liabilities and net position	<u><u>\$ 4,838,976</u></u>

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Internal Service Funds

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

Year ended December 31, 2017

	Liability Insurance Fund
	<u> </u>
Revenues:	
Employers' contributions/premiums	\$ 2,458,343
Employees' contributions	—
Refunds and reimbursements	<u>93,000</u>
Total revenues	<u>2,551,343</u>
Expenses:	
Claims	873,360
Employee insurance premiums	1,747,037
Other	<u>341,647</u>
Total expenses	<u>2,962,044</u>
Operating income (loss)	(410,701)
Nonoperating revenues—investment earnings (losses)	<u>36,821</u>
Income (loss) before transfers	(373,880)
Transfer in (out)	—
Change in net position	(373,880)
Net position, beginning of year	<u>3,148,643</u>
Net position, end of year	\$ <u><u>2,774,763</u></u>

See accompanying independent auditors' report.

CITY OF BOSSIER CITY, LOUISIANA

Internal Service Funds

Statement of Cash Flows

Year ended December 31, 2017

	Liability Insurance Fund
	<u> </u>
Cash flows from operating activities:	
Receipts from operations	\$ 2,133,168
Payments to suppliers	(2,073,296)
Claims paid	(981,050)
Other receipts	93,000
	<u> </u>
Net cash provided by (used in) operating activities	<u> </u> (828,178)
Cash flows from noncapital financing activity:	
Advances (to)/from other funds	<u> </u> —
	<u> </u> —
Net cash provided by noncapital financing activities	<u> </u> —
Cash flows from investing activities:	
Sale (purchase) of investments	(154,763)
Interest received	60,037
	<u> </u>
Net cash (used in) investing activities	<u> </u> (94,726)
Net (decrease) in cash	(922,904)
Cash and cash equivalents, beginning of year	<u> </u> 1,754,883
Cash and cash equivalents, end of year	\$ <u> </u> <u> </u> 831,979
Reconciliation of operating loss to net cash (used in) operating activities:	
Operating income (loss)	\$ (410,701)
Decrease (increase) in assets:	
Receivables	(325,175)
Prepaid items	(5,837)
Increase (decrease) in liabilities:	
Accounts payable	21,225
Accrued claims	(107,690)
	<u> </u>
Net cash (used in) operating activities	\$ <u> </u> <u> </u> (828,178)
Noncash item:	
Change in fair value of investments	\$ <u> </u> <u> </u> (35,983)

See accompanying independent auditors' report.

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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 Actual

December 31, 2017

(Unaudited)

	Original and final budget	Actual	Variance with final budget positive (negative)
Revenues:			
Rental fees	\$ 347,200	318,494	(28,706)
Investment earnings (losses)	6,000	4,463	(1,537)
Miscellaneous	200	1,513	1,313
Total revenues	<u>353,400</u>	<u>324,470</u>	<u>(28,930)</u>
Expenditures:			
Culture and recreation:			
Salaries, fringe benefits, and payroll taxes	402,234	363,206	39,028
Insurance	28,000	28,000	—
Professional services	2,000	2,000	—
Contract services	1,300	1,409	(109)
Utilities	218,500	183,301	35,199
Office and operating supplies	44,150	27,360	16,790
Administrative expenses	32,400	32,400	—
Travel and training	4,500	3,665	835
Maintenance	32,000	21,057	10,943
Other	25,600	20,361	5,239
Capital outlay	69,400	61,434	7,966
Total expenditures	<u>860,084</u>	<u>744,193</u>	<u>115,891</u>
Excess of revenues over expenditures	(506,684)	(419,723)	86,961
Other financing sources:			
Transfer in	512,000	512,000	—
Net change in fund balance	5,316	92,277	86,961
Fund balance, beginning of year	907,769	907,769	—
Fund balance, end of year	<u>\$ 913,085</u>	<u>1,000,046</u>	<u>86,961</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 Actual

December 31, 2017

(Unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Intergovernmental – state and parish-shared revenues	\$ 2,654,015	2,654,015	2,789,133	135,118
Investment earnings (losses)	15,000	15,000	19,757	4,757
Total revenues	<u>2,669,015</u>	<u>2,669,015</u>	<u>2,808,890</u>	<u>139,875</u>
Expenditures:				
Capital outlay	—	520,000	629,820	(109,820)
Other expenses	83,333	83,333	83,333	—
Total expenditures	<u>83,333</u>	<u>603,333</u>	<u>713,153</u>	<u>(109,820)</u>
Excess of revenues over expenditures	<u>2,585,682</u>	<u>2,065,682</u>	<u>2,095,737</u>	<u>249,695</u>
Other financing sources (uses):				
Transfer in	—	—	7,500	7,500
Transfer out	(1,772,000)	(2,222,000)	(2,232,790)	(10,790)
Total other financing uses	<u>(1,772,000)</u>	<u>(2,222,000)</u>	<u>(2,225,290)</u>	<u>(3,290)</u>
Net change in fund balance	813,682	(156,318)	(129,553)	246,405
Fund balance, beginning of year	<u>2,981,737</u>	<u>2,981,737</u>	<u>2,981,737</u>	<u>—</u>
Fund balance, end of year	<u>\$ 3,795,419</u>	<u>2,825,419</u>	<u>2,852,184</u>	<u>246,405</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, 2017
(Unaudited)

	Original and final budget	Actual	Variance with final budget positive (negative)
Revenues:			
Sales tax, net	\$ 2,682,619	2,625,447	(57,172)
Investment earnings	—	21	21
Total revenues	<u>2,682,619</u>	<u>2,625,468</u>	<u>(57,151)</u>
Expenditures:			
Capital outlay	—	—	—
Excess of revenues over expenditures	2,682,619	2,625,468	(57,151)
Other financing uses:			
Transfer out	<u>(2,682,619)</u>	<u>(2,625,447)</u>	<u>57,172</u>
Net change in fund balance	—	21	21
Fund balance, beginning of year	<u>256,676</u>	<u>256,676</u>	<u>—</u>
Fund balance, end of year	<u><u>\$ 256,676</u></u>	<u><u>256,697</u></u>	<u><u>21</u></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, 2017
(Unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Sales tax, net	\$ 1,666,178	1,666,178	1,630,668	(35,510)
Fees and rentals	—	—	87,000	87,000
Investment earnings (losses)	65,000	65,000	42,373	(22,627)
Total revenues	<u>1,731,178</u>	<u>1,731,178</u>	<u>1,760,041</u>	<u>28,863</u>
Expenditures:				
Capital outlay	<u>350,000</u>	<u>1,500,000</u>	<u>531,433</u>	<u>968,567</u>
Excess of revenues over expenditures	1,381,178	231,178	1,228,608	997,430
Other financing uses:				
Transfer out	<u>(1,375,000)</u>	<u>(1,375,000)</u>	<u>(1,375,000)</u>	<u>—</u>
Net change in fund balance	6,178	(1,143,822)	(146,392)	997,430
Fund balance, beginning of year	<u>5,027,613</u>	<u>5,027,613</u>	<u>5,027,613</u>	<u>—</u>
Fund balance, end of year	<u>\$ 5,033,791</u>	<u>3,883,791</u>	<u>4,881,221</u>	<u>997,430</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 Actual

December 31, 2017

(Unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget positive (negative)
Revenues:				
Sales tax, net	\$ 2,352,252	2,352,252	2,302,121	(50,131)
Other revenue	—	—	—	—
Investment earnings	15,000	15,000	4,812	(10,188)
Total revenues	<u>2,367,252</u>	<u>2,367,252</u>	<u>2,306,933</u>	<u>(60,319)</u>
Expenditures:				
Capital outlay	<u>2,000,000</u>	<u>2,080,000</u>	<u>2,109,088</u>	<u>(29,088)</u>
Excess (deficiency) of revenues over (under) expenditures	367,252	287,252	197,845	(89,407)
Other financing uses:				
Transfer out	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>—</u>
Net change in fund balance	(232,748)	(312,748)	(402,155)	(89,407)
Fund balance, beginning of year	<u>1,095,157</u>	<u>1,095,157</u>	<u>1,095,157</u>	<u>—</u>
Fund balance, end of year	<u>\$ 862,409</u>	<u>782,409</u>	<u>693,002</u>	<u>(89,407)</u>

See accompanying independent auditors' report.

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**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO ELECTED OFFICIALS**

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CITY OF BOSSIER CITY, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments to Elected Officials
Year ended December 31, 2017
(Unaudited)

Purpose	Amount									
	Lorenz Walker	Jeffery Darby	Jeffrey Free	Thomas Harvey	Scott Irwin	Timothy Larkin	David Montgomery	Don Williams	Jim Whitman	Thomas Wilson
Salary	\$ 94,000	11,363	10,800	10,800	10,800	10,800	11,437	10,800	83,800	34,788
Benefits – Insurance	14,072	9,815	9,813	467	9,454	9,813	9,815	467	13,490	9,893
Benefits – Retirement	11,397	—	—	—	—	—	—	—	10,888	13,585
Vehicle	756	—	—	—	—	—	—	—	—	—
Reimbursements	—	—	—	—	—	—	—	—	—	—
Travel and training	730	200	—	—	200	—	829	—	—	—
Totals	\$ 120,955	21,378	20,613	11,267	20,454	20,613	22,081	11,267	108,178	58,266

See accompanying independent auditors' report.

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**STATISTICAL
SECTION**

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CITY OF BOSSIER CITY, LOUISIANA

Statistical Section

Contents

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report (CAFR) for the relevant year.

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These schedules contain trend information to help the reader understand how the City's financial performance and well being has changed over time.		
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CITY OF BOSSIER CITY, LOUISIANA

Statistical Section

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<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</p>		
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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 Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
Net investment in capital assets	\$ 321,337,643	323,787,804	313,088,209	292,928,901	279,905,796	269,635,492	286,876,352	265,878,613	239,215,616	126,330,795
Restricted	58,577,170	50,584,083	49,708,200	61,186,401	53,345,210	57,364,144	37,974,592	27,739,942	29,535,031	29,296,109
Unrestricted	(4,994,747)	(10,226,617)	(18,441,022)	48,255,465	56,314,617	53,627,073	55,939,110	77,455,038	73,739,154	156,954,129
Total governmental activities net position	<u>374,920,066</u>	<u>364,145,270</u>	<u>344,355,387</u>	<u>402,370,767</u>	<u>389,565,623</u>	<u>380,626,709</u>	<u>380,790,054</u>	<u>371,073,593</u>	<u>342,489,801</u>	<u>312,581,033</u>
Business-type activities:										
Net investment in capital assets	81,511,557	75,008,258	68,600,419	64,226,380	52,194,068	44,033,603	45,842,696	45,322,279	44,012,271	54,173,137
Restricted	3,155,976	3,024,141	3,021,017	2,539,468	12,498,588	12,517,003	12,491,968	11,478,661	14,424,421	13,804,234
Unrestricted	25,185,206	21,576,210	22,295,629	32,344,787	26,746,278	27,358,556	24,222,198	18,066,041	12,569,106	15,823,822
Total business-type activities net position	<u>109,852,739</u>	<u>99,608,609</u>	<u>93,917,065</u>	<u>99,110,635</u>	<u>91,438,934</u>	<u>83,909,162</u>	<u>82,556,862</u>	<u>74,866,981</u>	<u>71,005,798</u>	<u>83,801,193</u>
Primary government:										
Net investment in capital assets	402,849,200	398,796,062	381,688,628	357,155,281	332,099,864	313,669,095	332,719,048	311,200,892	283,227,887	180,503,932
Restricted	61,733,146	53,608,224	52,729,217	63,725,869	65,843,798	69,881,147	50,466,560	39,218,603	43,959,452	43,100,343
Unrestricted	20,190,459	11,349,593	3,854,607	80,600,252	83,060,895	80,985,629	80,161,308	95,521,079	86,308,260	172,777,951
Total primary government net position	<u>\$ 484,772,805</u>	<u>463,753,879</u>	<u>438,272,452</u>	<u>501,481,402</u>	<u>481,004,557</u>	<u>464,535,871</u>	<u>463,346,916</u>	<u>445,940,574</u>	<u>413,495,599</u>	<u>396,382,226</u>

Source: Audited Comprehensive Annual Financial Reports

Unaudited – See accompanying independent auditors' report.

Table 2

CITY OF BOSSIER CITY, LOUISIANA

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental activities:										
General government	\$ 26,299,574	24,955,178	23,162,936	20,108,325	16,298,203	22,941,579	18,156,178	17,170,564	21,007,788	17,767,245
Public safety	39,103,994	29,029,308	44,129,006	42,231,092	39,847,851	39,417,625	39,687,586	39,271,725	38,244,353	37,344,859
Highways and streets	2,992,379	3,064,194	3,218,262	2,767,281	3,336,742	3,615,304	3,316,533	2,648,297	3,945,076	106,506
Cultural and recreation	7,244,148	7,251,613	6,995,206	7,953,588	7,966,034	7,862,340	7,695,741	7,415,268	7,812,740	7,945,002
City court and City marshal	2,092,753	2,113,383	1,957,938	1,941,231	1,939,860	2,004,221	2,010,443	2,019,156	2,154,362	1,987,939
Interest on long-term debt	8,311,000	7,864,449	8,581,637	6,224,296	6,189,638	6,438,047	7,007,140	7,720,642	7,737,372	7,629,482
Total governmental activities expenses	86,043,848	74,278,125	88,044,985	81,225,813	75,578,328	82,279,116	77,873,621	76,245,652	80,901,691	72,781,033
Business-type activities:										
Water and sewerage	26,907,300	28,477,425	27,411,990	26,686,521	24,537,826	24,395,096	25,681,851	22,773,218	22,208,437	14,658,211
Sanitation	5,766,708	5,715,614	5,816,507	5,289,741	4,055,322	3,923,232	3,822,573	5,497,689	4,718,672	4,167,053
Emergency medical services	6,116,814	6,684,218	5,451,649	5,613,313	5,673,711	5,591,629	5,373,016	3,827,973	4,319,725	4,464,185
Alternative fuel station	850,222	743,246	1,028,186	1,226,008	1,314,956	1,887,359	2,064,585	168,412	—	—
Total business-type activities expense	39,641,044	41,620,503	39,708,332	38,815,583	35,581,815	35,797,316	36,942,025	32,267,292	31,246,834	23,289,449
Total primary government expenses	125,684,892	115,898,628	127,753,317	120,041,396	111,160,143	118,076,432	114,815,646	108,512,944	112,148,525	96,070,482
Program revenues:										
Governmental activities:										
Charges for services:										
General government	3,510,989	3,414,787	3,543,408	3,573,418	3,611,362	4,160,796	3,423,460	3,304,311	3,488,725	3,400,648
Public safety	724,356	795,962	899,476	919,782	957,073	958,637	1,390,782	1,524,510	2,031,369	2,238,270
Highways and streets	—	14,200	127,128	127,128	127,128	127,128	127,128	127,128	127,128	127,128
Culture and recreation	3,253,940	2,813,458	2,975,181	2,780,359	2,319,612	2,666,852	2,689,464	2,663,808	3,050,022	3,413,212
Operating grants and contributions	5,420,211	5,710,502	4,873,906	4,801,348	4,427,499	4,931,325	5,057,716	5,997,747	5,689,136	4,595,741
Capital grants and contributions	1,982,931	—	—	707,357	1,019,057	99,533	1,113,863	16,712,265	10,247,430	321,000
Total governmental activities program revenues	14,892,427	12,748,909	12,419,099	12,909,392	12,461,731	12,944,271	13,802,413	30,329,769	24,633,810	14,095,999

Table 2

CITY OF BOSSIER CITY, LOUISIANA

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Business-type activities:										
Charges for services:										
Water and sewerage	\$ 31,390,167	31,088,261	31,344,364	30,734,810	25,773,737	25,827,356	27,460,816	24,448,986	21,273,196	20,638,433
Sanitation	5,810,714	5,312,397	5,356,743	6,281,083	4,507,710	4,223,182	4,157,102	4,212,731	4,079,758	3,851,255
Emergency medical services	6,354,583	6,239,035	6,304,238	5,372,616	5,106,313	4,995,438	4,744,778	4,886,758	4,037,040	4,811,893
Alternative fuel station	823,154	647,713	799,883	1,189,740	1,424,728	2,129,036	2,015,935	189,174	—	—
Operating grants and contributions	—	—	—	—	—	104,530	—	—	—	—
Total business-type activities program revenues	44,378,618	43,287,406	43,805,228	43,578,249	36,812,488	37,279,542	38,378,631	33,737,649	29,389,994	29,301,581
Total primary government program revenues	59,271,045	56,036,315	56,224,327	56,487,641	49,274,219	50,223,813	52,181,044	64,067,418	54,023,804	43,397,580
Net expense:										
Governmental activities	(71,151,421)	(61,529,216)	(75,625,886)	(68,316,421)	(63,116,597)	(69,334,845)	(64,071,208)	(45,915,883)	(56,267,881)	(58,685,034)
Business-type activities	4,737,574	1,666,903	4,096,896	4,762,666	1,230,673	1,482,226	1,436,606	1,470,357	(1,856,840)	6,012,132
Total primary government net expense	(66,413,847)	(59,862,313)	(71,528,990)	(63,553,755)	(61,885,924)	(67,852,619)	(62,634,602)	(44,445,526)	(58,124,721)	(52,672,902)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property	14,617,605	13,955,230	13,549,966	12,889,110	12,567,062	11,867,497	11,856,831	11,209,485	10,569,446	10,692,762
Sales	46,479,002	45,617,810	46,547,849	45,758,779	44,339,854	44,229,455	44,610,974	43,939,781	43,953,832	40,259,787
Franchise	4,592,082	4,498,073	4,652,364	4,654,391	4,634,829	4,355,235	4,491,011	4,163,108	2,253,353	2,405,471
Gaming	13,143,507	13,076,936	13,862,949	13,503,178	12,666,576	11,428,348	11,747,922	12,373,348	12,635,907	14,476,406
Grants and contributions not restricted to specific purposes	335,775	403,568	378,327	358,979	260,989	339,774	414,154	282,261	371,407	266,813
Investment earnings	1,276,870	905,016	1,247,609	1,901,907	(348,015)	723,727	1,483,070	1,184,513	2,293,144	6,961,169
Miscellaneous	2,442,089	3,841,059	5,974,654	1,863,707	1,922,816	1,865,519	2,672,307	2,122,831	1,775,448	1,516,458
Transfers	(960,713)	(978,600)	2,089,129	191,514	(3,988,600)	(3,357,500)	(3,488,600)	(775,652)	12,324,112	(1,739,720)
Total governmental activities general revenues	81,926,217	81,319,092	88,302,847	81,121,565	72,055,511	71,452,055	73,787,669	74,499,675	86,176,649	74,839,146

Table 2

CITY OF BOSSIER CITY, LOUISIANA

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Business-type activities:										
Intergovernmental	\$ —	—	—	—	—	—	—	—	—	—
Investment earnings (losses)	423,784	482,457	599,599	924,936	(24,641)	437,531	766,582	553,267	642,752	1,383,336
Miscellaneous	4,122,059	2,563,584	2,122,126	2,175,613	2,335,140	1,821,037	1,998,093	1,061,907	742,805	745,913
Transfers	960,713	978,600	(2,089,129)	(191,514)	3,988,600	3,357,500	3,488,600	775,652	(12,324,112)	1,739,720
Total business-type activities										
general revenues	5,506,556	4,024,641	632,596	2,909,035	6,299,099	5,616,068	6,253,275	2,390,826	(10,938,555)	3,868,969
Total primary government										
general revenues	87,432,773	85,343,733	88,935,443	84,030,600	78,354,610	77,068,123	80,040,944	76,890,501	75,238,094	78,708,115
Changes in net position:										
Governmental activities	10,774,796	19,789,876	12,676,961	12,805,144	8,938,914	2,117,210	9,716,461	28,583,792	29,908,768	16,154,112
Business-type activities	10,244,130	5,691,544	4,729,492	7,671,701	7,529,772	7,098,294	7,689,881	3,861,183	(12,795,395)	9,881,101
Total primary government,										
net revenue	\$ 21,018,926	25,481,420	17,406,453	20,476,845	16,468,686	9,215,504	17,406,342	32,444,975	17,113,373	26,035,213

Source: Audited Comprehensive Annual Financial Reports

Unaudited – See accompanying independent auditors' report.

Table 3

CITY OF BOSSIER CITY, LOUISIANA

Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund:										
Reserved	\$ —	—	—	—	—	—	—	467,162	434,883	412,744
Unreserved	—	—	—	—	—	—	—	8,305,285	6,565,398	9,881,520
Nonspendable:										
Prepays	689,138	692,124	675,987	—	—	—	—	—	—	—
Inventories	229,752	202,339	198,649	201,284	316,735	340,287	330,858	—	—	—
Permanent fund principal	—	—	—	—	—	—	—	—	—	—
Restricted for:										
Debt service	—	—	—	—	—	—	—	—	—	—
Capital projects	—	—	—	—	—	—	—	—	—	—
Federal grants	—	—	—	—	—	—	—	—	—	—
Public health and safety	—	—	—	—	—	—	—	—	—	—
Committed for:										
Civic Center operations	—	—	—	—	—	—	—	—	—	—
Capital projects	—	—	—	—	—	—	—	—	—	—
Assigned	149,373	225,982	141,993	214,027	194,385	140,349	171,623	—	—	—
Unassigned	9,959,521	9,174,139	9,336,493	8,521,946	7,758,187	8,046,647	10,176,842	—	—	—
Total General Fund	<u>11,027,784</u>	<u>10,294,584</u>	<u>10,353,122</u>	<u>8,937,257</u>	<u>8,269,307</u>	<u>8,527,283</u>	<u>10,679,323</u>	<u>8,772,447</u>	<u>7,000,281</u>	<u>10,294,264</u>
All other governmental funds (1) (2):										
Reserved	—	—	—	—	—	—	—	41,358,383	40,942,401	34,195,755
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	40,645,412	47,583,410	46,306,263
Capital projects funds	—	—	—	—	—	—	—	72,041,121	70,734,250	94,112,554
Permanent fund	—	—	—	—	—	—	—	327,607	297,122	—
Nonspendable:										
Prepaid	18,463	20,483	25,108	42,500	47,106	8,046	21,688	—	—	—
Inventories	—	—	—	—	—	—	—	—	—	—
Permanent fund principal	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	—	—	—
Restricted for:										
Debt service	4,663,526	4,887,127	5,400,626	6,283,694	6,890,391	6,975,962	9,729,984	—	—	—
Capital projects	95,641,847	85,560,625	91,541,905	44,268,672	31,196,359	45,046,469	55,976,212	—	—	—
Federal grants	27,201	24,074	36,280	33,419	29,084	26,661	14,144	—	—	—
Public health and safety	935,099	704,537	547,336	306,184	9,416	61,943	1,844,400	—	—	—
Economic Development and facility operations	2,852,184	2,981,737	2,623,540	1,985,707	519,147	778,358	—	—	—	—
Committed for:										
Civic Center operations	1,000,046	907,769	905,328	903,870	833,547	1,014,086	988,261	—	—	—
Capital projects	7,203,591	2,533,184	6,725,698	7,580,662	7,063,214	34,955,980	46,782,284	—	—	—
Facility Maintenance	5,922,372	6,463,483	6,557,551	8,506,903	10,207,350	10,436,922	—	—	—	—
Economic Development	31,592,328	31,326,922	31,056,492	30,657,979	30,170,676	—	—	—	—	—
Assigned	369,601	—	—	—	—	—	—	—	—	—
Unassigned	396,193	(22,826)	(74,947)	(115,289)	(252,757)	(140,678)	(27,664)	—	—	—
Total all other governmental funds	<u>\$ 168,622,451</u>	<u>153,387,115</u>	<u>163,344,917</u>	<u>118,454,301</u>	<u>104,713,533</u>	<u>117,163,749</u>	<u>133,329,309</u>	<u>154,372,523</u>	<u>159,557,183</u>	<u>174,614,572</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.
- (2) Fund balance classifications were modified in fiscal year 2011 to comply with the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Taxes	\$ 65,585,867	64,103,172	65,089,771	63,200,523	61,499,461	60,450,145	60,874,543	59,368,807	56,909,103	53,436,902
Licenses and permits	3,510,989	3,414,787	3,543,408	3,573,418	3,611,362	4,160,796	3,423,460	3,304,311	3,488,725	3,400,648
Intergovernmental	7,738,917	6,114,070	5,252,234	5,867,684	5,707,545	5,370,632	6,488,198	31,331,156	20,960,553	5,183,554
Video poker	314,261	329,295	354,874	360,486	338,717	340,509	376,538	395,068	396,763	444,492
Fees and rentals	4,354,051	4,079,452	4,328,109	4,019,393	3,703,076	4,156,941	4,097,207	2,794,836	3,180,457	3,543,340
Fines and penalties	724,356	795,962	899,476	919,782	957,073	958,637	1,390,782	1,524,510	2,031,369	2,238,270
Racing commission – Louisiana Downs	387,142	373,598	413,846	531,454	588,482	665,643	667,969	695,631	716,076	843,268
Gaming	12,442,104	12,374,043	13,094,228	12,611,238	11,739,377	10,422,196	10,703,415	11,282,649	11,523,068	13,188,646
Investment earnings	1,276,870	905,016	1,247,610	1,901,907	(348,015)	723,727	1,483,070	1,184,513	2,293,144	6,961,169
Miscellaneous	2,196,132	330,664	906,803	751,801	666,480	502,558	2,373,727	2,118,933	1,772,141	1,513,458
Total revenues	98,530,689	92,820,059	95,130,359	93,737,686	88,463,558	87,751,784	91,878,909	114,000,414	103,271,399	90,753,747
Expenditures:										
Current:										
General government	11,876,443	11,587,451	11,625,280	11,578,013	11,998,779	11,783,565	11,991,291	11,917,751	13,570,968	13,170,891
Public safety	39,881,353	40,140,788	39,623,561	38,878,659	38,491,684	38,095,023	37,096,447	36,620,144	39,032,409	37,524,546
Highways and streets	388,025	377,868	336,557	431,334	462,949	422,376	457,797	479,968	795,480	668,129
Culture and recreation	6,366,838	6,376,781	6,307,921	5,968,951	6,061,792	5,972,506	5,868,399	5,791,101	6,279,240	6,236,045
City Court and City Marshal	1,920,919	1,934,069	1,917,400	1,900,319	1,892,476	1,943,758	1,936,326	1,932,775	2,063,419	1,910,343
Debt service:										
Principal	8,200,000	7,815,000	6,985,770	6,630,000	6,480,000	8,850,000	7,055,000	7,511,083	6,700,000	6,485,000
Interest and other charges	7,878,617	8,401,877	7,767,259	5,997,463	6,261,800	6,606,999	6,953,000	7,154,032	7,694,159	7,954,903
Bond Issuance Costs	581,939	485,976	2,489,147	316,254	—	—	—	—	—	—
Advance refunding escrow	—	—	—	—	—	—	—	1,565,301	301,333	—
Capital outlay	28,853,662	29,373,275	28,157,379	22,294,615	25,381,085	19,622,871	35,981,247	43,351,170	57,338,228	34,657,110
Metropolitan planning – payments to component units	233,883	222,283	198,940	185,000	152,585	214,786	187,140	313,932	172,960	161,204
Total expenditures	106,181,679	106,715,368	105,409,214	94,180,608	97,183,150	93,511,884	107,526,647	116,637,257	133,948,196	108,768,171
Excess (deficiency) of revenues over (under) expenditures	(7,650,990)	(13,895,309)	(10,278,855)	(442,922)	(8,719,592)	(5,760,100)	(15,647,738)	(2,636,843)	(30,676,797)	(18,014,424)

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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Other financing sources (uses):										
Transfers in	\$ 16,938,950	18,472,444	16,218,701	14,795,950	12,072,074	39,495,837	12,554,736	19,690,994	26,900,942	28,848,262
Transfers out	(17,899,663)	(19,451,044)	(14,129,571)	(14,604,436)	(16,060,674)	(52,053,337)	(16,043,336)	(20,466,646)	(14,576,830)	(30,587,982)
Debt issuance	24,580,239	4,300,000	50,000,000	14,065,000	—	—	—	—	—	—
Premium on debt issuance	—	96,275	9,860,567	595,126	—	—	—	—	—	—
Premium on refunded bonds	—	—	—	—	—	—	—	—	—	—
Refunding bonds issued	—	13,429,178	87,515,227	—	—	—	—	21,180,000	4,250,000	—
Premium (discount) on refunding bonds	—	—	—	—	—	—	—	1,568,771	(12,647)	—
Payment to refunded bond escrow agent	—	(12,967,892)	(92,879,588)	—	—	—	—	(22,171,120)	(4,117,614)	—
Total other financing sources (uses)	23,619,526	3,878,961	56,585,336	14,851,640	(3,988,600)	(12,557,500)	(3,488,600)	(198,001)	12,443,851	(1,739,720)
Net change in fund balances	\$ 15,968,536	(10,016,348)	46,306,481	14,408,718	(12,708,192)	(18,317,600)	(19,136,338)	(2,834,844)	(18,232,946)	(19,754,144)
Debt services as a percentage of noncapital expenditures (1)	20%	20%	19%	18%	18%	21%	20%	21%	19%	20%

Source: Audited Comprehensive Annual Financial Reports

Notes:

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

Unaudited – See accompanying independent auditors' report.

Table 5

CITY OF BOSSIER CITY, LOUISIANA
Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years
(accrual basis of accounting)

	Property taxes	Sales taxes	Franchise taxes	Total
2017	\$ 14,617,605	46,479,002	4,592,082	65,688,689
2016	13,955,230	45,617,810	4,498,073	64,071,113
2015	13,549,966	46,547,849	4,652,364	64,750,179
2014	12,889,110	45,758,779	4,654,391	63,302,280
2013	12,567,062	44,339,854	4,634,829	61,541,745
2012	11,867,497	44,229,455	4,355,235	60,452,187
2011	11,856,831	44,610,974	4,491,011	60,958,816
2010	11,209,485	43,939,781	4,163,108	59,312,374
2009	10,569,446	43,953,832	2,253,353	56,776,631
2008	10,692,762	40,259,788	2,405,471	53,358,021

Source: Audited Comprehensive Annual Financial Reports

Unaudited – See accompanying independent auditors’ report.

Table 6

CITY OF BOSSIER CITY, LOUISIANA

Tax Revenues by Source – Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Property taxes	Sales taxes	Utility taxes	Telephone taxes	Franchise taxes	Total
2017	\$ 14,514,783	46,479,002	3,831,468	56,453	704,161	65,585,867
2016	13,987,289	45,617,810	3,712,500	68,827	716,746	64,103,172
2015	13,889,560	46,547,849	3,848,970	76,936	726,458	65,089,773
2014	12,787,353	45,758,779	3,790,517	86,450	777,424	63,200,523
2013	12,524,778	44,339,854	3,749,590	97,015	788,224	61,499,461
2012	11,865,455	44,229,455	3,457,602	102,786	794,847	60,450,145
2011	11,772,558	44,610,974	3,608,595	113,055	769,361	60,874,543
2010	11,265,918	43,939,781	3,293,748	130,312	739,048	59,368,807
2009	10,569,446	43,953,832	1,407,646	148,191	697,516	56,776,631
2008	10,771,643	40,259,788	1,594,551	169,829	641,091	53,436,902

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				
2017	\$ 428,552,542	15,157,543	150,176,019	1,070,679	3,161,672	2,501,080	600,619,535	23.36	5,407,334,989	11.11%
2016	424,255,701	14,555,780	162,648,747	1,055,242	3,161,672	2,634,080	608,311,222	22.92	5,445,815,343	11.17
2015	415,559,110	14,424,130	165,664,720	1,208,630	3,882,380	2,646,700	603,385,670	22.75	5,387,357,673	11.20
2014	410,048,590	13,544,680	163,737,320	1,164,420	3,882,380	2,468,810	594,846,200	22.75	5,313,819,966	11.19
2013	389,946,880	12,789,470	153,838,490	1,167,320	3,882,370	2,742,140	564,366,670	22.75	5,044,390,086	11.19
2012	379,117,190	11,708,590	150,994,930	1,216,210	3,882,370	2,910,310	549,829,600	22.75	4,858,293,093	11.32
2011	369,483,830	11,103,460	142,728,730	1,233,160	3,652,650	3,341,520	531,543,350	22.83	4,763,002,307	11.16
2010	361,299,790	15,133,510	137,415,220	1,193,710	3,652,650	3,654,040	522,348,920	21.69	4,663,708,074	11.20
2009	351,639,110	15,785,670	127,836,740	1,175,020	3,652,650	3,820,750	503,909,940	21.69	4,505,967,747	11.18
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, 2016.

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
2017	\$ 5.76	17.60	23.36	65.36	40.38	1.56	130.66	14,030,496	62,936,853	38,882,958	1,118,904	116,969,211
2016	5.65	17.27	22.92	64.01	40.07	1.56	128.56	13,942,590	62,615,045	39,196,764	1,116,316	116,870,715
2015	5.57	17.18	22.75	57.65	39.30	1.54	121.24	13,725,786	56,400,309	38,448,086	1,082,190	109,656,371
2014	5.57	17.18	22.75	54.90	39.30	1.40	118.35	13,532,877	53,700,618	38,441,426	968,276	106,643,197
2013	5.57	17.18	22.75	52.73	39.30	1.40	116.18	12,839,461	50,129,756	37,362,021	914,832	101,246,070
2012	5.57	17.18	22.75	52.73	39.30	1.40	116.18	12,518,443	48,010,842	35,782,782	882,590	97,194,657
2011	5.59	17.24	22.83	52.26	38.22	1.41	114.72	12,138,871	46,120,634	33,730,016	844,059	92,833,580
2010	5.59	16.10	21.69	52.26	38.22	1.41	113.58	11,333,813	44,913,739	32,847,361	819,323	89,914,236
2009	5.59	16.10	21.69	52.26	36.88	1.41	112.24	10,951,497	41,934,137	29,593,016	785,108	83,263,758
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 Nine Years Ago

Taxpayer	2017			2008		
	Assessed valuation	Rank	Percentage of total assessed valuation	Assessed valuation	Rank	Percentage of total assessed valuation
Aethon Energy Operating, LLC	\$ 31,960,943	1	5.32%	\$ —		—
Southwestern Electric Power Company	20,402,480	2	3.40	9,112,790	3	1.86
Horseshoe Entertainment	19,501,968	3	3.25	29,577,470	1	6.04
Bossier Casino Venture	16,209,531	4	2.70	—		—
BHP Billiton Petroleum	11,977,788	5	1.99	—		—
Midcontinent Express Pipeline, LLC	11,116,180	6	1.85	—		—
Gulf Crossing Pipeline Co., LLC	9,497,700	7	1.58	—		—
Louisiana Riverboat Gaming	8,164,730	8	1.36	11,609,610	2	2.37
Enable Midstream Partners, LP	7,850,717	9	1.31	—		—
City of Shreveport	7,776,340	10	1.29	—		—
Harrah's Louisiana Downs	—		—	8,402,540	4	1.72
Halliburton Energy Services	—		—	5,572,450	5	1.14
Louisiana R W, LLC	—		—	5,307,150	6	1.08
Bellsouth Telecommunications	—		—	4,606,090	7	0.94
Louisiana Machinery Co, LLC	—		—	4,110,040	8	0.84
Wal-Mart	—		—	3,404,460	9	0.69
Diamond Jack's Casino	—		—	3,099,170	10	0.63
Total amount for ten principal taxpayers	144,458,377		24.05	84,801,770		17.31
Total for remaining taxpayers	456,161,158		75.95	405,049,000		82.69
Total amount for all taxpayers	\$ 600,619,535		100.00%	\$ 489,850,770		100.00%

Source: Bossier Parish Tax Assessor's Office

Unaudited – See accompanying independent auditors' report.

Table 10

CITY OF BOSSIER CITY, LOUISIANA

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal year	Total tax levy (1)	Collected within the fiscal year of levy		Collections in subsequent years	Total taxes collected	Percentage of total tax collections to tax levy
		Amount	Percentage of levy collected			
2017	\$ 14,030,496	11,361,242	80.98%	\$ —	11,361,242	80.98%
2016	13,942,590	10,302,335	73.89	3,586,123	13,888,458	99.61
2015	13,725,786	11,665,415	84.99	1,959,222	13,624,637	99.26
2014	13,532,877	10,807,099	79.86	2,658,033	13,465,132	99.50
2013	12,839,461	9,544,154	74.33	3,007,974	12,552,128	97.76
2012	12,518,443	9,284,039	74.16	2,928,159	12,212,198	97.55
2011	12,138,871	9,846,831	81.12	2,249,120	12,095,951	99.65
2010	11,333,813	8,520,130	75.17	2,760,366	11,280,496	99.53
2009	10,936,845	8,996,966	82.26	1,898,468	10,895,434	99.62
2008	10,600,825	7,908,427	74.60	2,669,184	10,577,611	99.78

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
2017	\$ 16,158,190	9,046,150	6,553,112	14,721,550	46,479,002
2016	15,766,112	9,419,920	6,436,839	13,994,939	45,617,810
2015	16,089,769	9,325,914	6,382,631	14,749,535	46,547,849
2014	15,923,473	9,044,791	5,588,487	15,202,028	45,758,779
2013	15,429,083	8,900,838	6,268,646	13,741,287	44,339,854
2012	15,397,185	8,889,346	6,244,976	13,697,948	44,229,455
2011	15,515,545	8,903,858	7,457,616	12,733,955	44,610,974
2010	15,347,513	8,753,694	7,626,376	12,212,198	43,939,781
2009	15,314,632	8,817,027	7,669,942	12,152,231	43,953,832
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 Six Fiscal Years

Category	Fiscal years					
	2017	2016	2015	2014	2013	2012
Agriculture, Forestry, Fishing, and Hunting	\$ 888,236	877,523	765,418	884,431	899,140	758,955
Mining; Oil and Gas	32,579,023	24,939,531	42,551,938	57,617,282	70,422,604	67,819,670
Utilities	5,640,980	5,348,870	15,578,290	4,659,634	1,136,970	2,034,948
Construction	10,247,687	10,613,782	12,448,743	13,925,223	14,235,612	13,648,172
Manufacturing	66,778,612	58,305,092	56,853,846	53,621,662	60,806,634	61,959,873
Wholesale Trade	116,972,008	107,814,105	119,658,511	138,318,602	115,352,526	129,286,964
Retail Trade	1,101,295,036	1,109,942,604	1,101,486,057	1,033,959,340	1,033,984,998	1,047,437,856
Transportation and Warehousing	2,785,682	1,981,617	2,747,787	1,821,229	2,269,417	2,449,946
Publishing, Broadcasting, and Telecommunications	39,962,625	38,924,288	38,679,869	35,131,075	27,487,011	31,641,150
Finance, Insurance, and Real Estate	54,579,274	47,994,324	51,804,269	55,399,760	46,756,847	43,729,102
Professional, Administrative, and Healthcare	49,449,986	49,828,892	52,577,048	41,193,618	40,777,126	40,901,726
Arts, Amusements, and Accommodations	328,982,186	319,045,992	320,935,723	325,173,856	317,106,898	297,087,239
Other Services; Public Administration	48,582,548	48,717,486	49,521,561	47,754,315	61,430,098	52,537,713
Total	\$ 1,858,743,883	1,824,334,106	1,865,609,060	1,809,460,027	1,792,665,881	1,791,293,314
City direct sales tax rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

Source: Bossier City Tax Division

Unaudited – See accompanying independent auditors’ report.

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
2017	\$ 207,900,421	232,715,572	440,615,993	8.15%	—%	6,332
2016	192,373,048	232,492,237	424,865,285	7.80	7.96	6,158
2015	196,523,414	235,003,892	431,527,306	8.01	8.10	6,396
2014	142,530,616	239,150,901	381,681,517	7.18	7.58	5,754
2013	134,849,728	204,546,432	339,396,160	6.68	7.20	5,249
2012	139,126,103	200,338,639	339,464,742	6.99	7.27	5,410
2011	148,111,499	199,949,251	348,060,750	7.31	7.92	5,677
2010	155,246,000	202,921,437	358,167,437	7.68	8.80	5,841
2009	163,472,440	145,401,367	308,873,807	6.80	7.96	4,697
2008	168,695,000	148,127,792	316,822,792	7.24	8.56	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.
Information for 2017 is not available.

Unaudited – See accompanying independent auditors' report.

Table 14

CITY OF BOSSIER CITY, LOUISIANA

Direct and Overlapping Governmental Activities Debt

December 31, 2017

Jurisdiction	Debt outstanding ⁽²⁾	Estimated percentage applicable ⁽¹⁾	Estimated share of overlapping debt
Bossier Parish ⁽³⁾	\$ 53,954,930	51.43%	\$ 27,749,020
Bossier Parish School Board	169,025,000	51.43%	86,929,558
Subtotal overlapping debt			114,678,578
City direct debt			207,900,421
Total direct and overlapping debt			<u>\$ 322,578,999</u>

Source:

- (1) Bossier Parish Tax Assessor
- (2) Financial statements of applicable jurisdictions
- (3) Bossier Parish debt outstanding represents the 2016 fiscal year balance as 2017 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 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	
2017	\$ 33,981,208	9,732,968	24,248,240	6,888,647	9,440,472	1.48	\$ 46,479,002	910,979	45,568,023	8,200,000	7,878,617	2.83
2016	32,913,415	11,435,703	21,477,712	6,552,533	9,522,734	1.34	45,617,810	815,248	44,802,562	7,815,000	8,401,877	2.76
2015	33,218,813	11,786,914	21,431,899	6,197,079	9,601,650	1.36	46,547,849	863,613	45,684,236	6,985,770	7,767,259	3.10
2014	32,986,972	11,261,242	21,725,730	4,224,274	9,925,412	1.54	45,758,779	805,935	44,952,844	6,630,000	5,991,163	3.56
2013	27,139,197	10,898,581	16,240,616	4,742,903	9,996,212	1.10	44,339,854	889,246	43,450,608	6,480,000	6,256,000	3.41
2012	27,795,156	10,550,508	17,244,648	3,838,878	10,171,412	1.23	44,229,455	810,231	43,419,224	8,850,000	6,599,699	2.81
2011	29,743,844	11,066,281	18,677,563	2,545,000	10,363,335	1.45	44,610,974	845,294	43,765,680	7,055,000	6,945,200	3.13
2010	25,604,114	10,357,707	15,246,407	2,435,000	7,540,224	1.53	43,939,781	858,675	43,081,106	7,140,000	7,468,995	2.95
2009	22,287,649	10,593,372	11,694,277	1,640,000	6,219,900	1.49	43,953,832	791,845	43,161,987	6,810,000	7,851,759	2.94
2008	21,056,549	9,970,380	11,086,169	1,435,000	1,084,573	4.40	40,988,397	728,610	40,259,787	6,485,000	7,949,803	2.79

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

Note:

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

⁽²⁾ Operating expenditures of the sales tax department.

Unaudited – See accompanying independent auditors' report.

Table 17

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

Fiscal year	Population	Estimated actual value of taxable property (1)	Personal income (4)	Per capita estimated actual value of taxable property	Median age (3)	School enrollment (2)	Unemployment rate (3)
2017	69,584 (6)	5,407,334,989	—	77,709	33.2	22,759	4.7%
2016	68,996 (6)	5,445,815,343	5,339,764,000	78,929	33.2	22,452	6.0
2015	67,472 (6)	5,387,357,673	5,329,258,000	79,846	33.2	22,222	5.8
2014	66,333 (6)	5,313,819,966	5,038,405,000	80,108	32.6	22,201	6.8
2013	64,655 (6)	5,044,390,086	4,714,551,000	78,020	32.6	22,038	6.8
2012	62,745 (6)	4,858,293,093	4,671,039,000	77,429	33.0	21,655	6.5
2011	61,315 (6)	4,763,002,307	4,393,849,000	77,681	32.1	20,302	6.4
2010	61,315 (6)	4,663,708,074	4,071,063,000	76,061	32.1	20,792	5.7
2009	65,776 (5)	4,505,967,747	3,879,640,000	68,505	32.1	20,369	6.0
2008	64,773 (5)	4,375,789,387	3,702,521,000	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 Tech University
- (4) Personal income data for Bossier Parish. Obtained from the Bureau of Economic Analysis at www.bea.gov. Personal income not available for 2016
- (5) State of Louisiana Treasurer
- (6) 2010 U.S. Census figures

Unaudited – See accompanying independent auditors’ report.

Table 18

CITY OF BOSSIER CITY, LOUISIANA

Principal Employers

Current Year and Nine Years Ago

Employer	2017 (1)			2008 (4)		
	Number of employees	Rank	Percentage of total Workforce (2)	Number of employees	Rank	Percentage of total Workforce (2)
Barksdale Air Force Base	8,924	1	20.5%	9,018	1	20.7%
Bossier Parish School Board	3,566	2	8.2%	2,807	2	6.4%
Harrah's Horseshoe Casino and Hotel/ Harrah's Louisiana Downs	3,000	3	6.9%	2,000	3	4.6%
State of Louisiana Dept. of Civil Service	1,223	4	2.8%	1,593	4	3.7%
Boomtown Bossier City Casino and Hotel	1,100	5	2.5%	780	8	1.8%
Margaritaville Resort Casino	1,042	6	2.4%	—	—	—
Willis Knighton Health System	900	7	2.1%	909	6	2.1%
City of Bossier City	695	8	1.6%	836	7	1.9%
Diamond Jack's Casino Resort (3)	600	9	1.4%	963	5	2.2%
Wal-Mart	600	10	1.4%	—	—	—
Bossier Parish Community College	—	—	—	553	9	1.3%
Halliburton Energy Services	—	—	—	530	10	1.2%

Notes:

- (1) Source: Greater Bossier Economic Development Foundation
- (2) Percentage of workforce is based on Parish totals – Information not available for City due to its size.
- (3) Previously Isle of Capri Casino and Hotel
- (4) Source: LSUS Center for Business and Economic Research

Unaudited – See accompanying independent auditors' report.

Table 19

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

Function	Full-time equivalent employees as of December 31									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	\$ 101	106	101	98	99	95	92	90	84	83
Public safety:										
Police	241	235	211	202	197	203	195	199	199	197
Fire	220	204	191	184	189	193	193	193	191	193
Highways and streets	38	35	30	30	29	33	30	36	39	25
Engineering	22	18	17	17	16	15	14	16	16	19
Permits/inspections	14	14	14	14	13	13	14	13	12	9
Culture and recreation	30	26	25	25	25	24	27	24	26	26
City Court and City Marshal	31	31	29	27	25	25	28	28	28	27
Water and sewerage	61	57	55	50	53	60	59	68	43	52
Sanitation	62	59	53	57	64	61	62	49	32	31
Total	\$ 820	785	726	704	710	722	714	716	670	662

Source: Personnel Department of the City

Unaudited – See accompanying independent auditors' report.

Table 20

CITY OF BOSSIER CITY, LOUISIANA

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police:										
Physical arrests	\$ 9,360	9,829	8,529	7,742	7,410	5,646	4,222	4,810	4,777	3,291
Traffic violations	19,832	19,499	11,236	8,820	6,454	6,368	6,300	5,494	5,346	4,813
Fire:										
Number of calls answered	2,248	2,024	2,059	2,050	1,838	1,026	1,319	2,083	2,193	2,256
Inspections	2,761	2,766	2,798	3,396	3,349	4,060	4,724	3,663	1,506	1,647
Highways and streets:										
Street resurfacing (miles)	1.31	1.70	1.44	1.13	0.77	1.60	0.98	1.72	0.97	2.25
Culture and recreation:										
Athletic field permits issued	23	23	24	14	13	15	13	13	43	68
Civic center events	192	168	152	159	152	159	162	170	151	158
Civic center use days	341	296	254	290	290	322	269	283	252	253
Water and sewerage:										
New connections	4,673	3,761	4,863	4,912	5,239	5,351	5,568	5,730	5,811	5,874
Water main breaks	121	70	165	313	113	128	133	85	78	48
Average daily consumption (millions of gallons)	11.94	11.30	12.07	13.84	12.93	11.79	10.70	11.20	12.00	12.60
Average daily sewage treatment (millions of gallons)	8.84	10.76	8.52	8.07	8.21	8.08	8.58	10.92	10.31	8.16
EMS:										
Number of emergency responses	7,089	7,169	7,150	7,183	7,895	8,294	9,023	8,987	9,087	9,249
Number of patient transports (1)	5,467	5,599	6,896	5,511	6,068	6,042	6,779	6,945	7,118	7,154
Sanitation:										
Refuse collected (tons/day)	85.92	87.80	92.65	92.82	94.80	83.05	82.69	91.53	91.06	89.87
Recyclables collected (tons/day)	1.15	5.67	9.70	9.86	8.55	6.57	4.20	1.72	1.65	1.62

Source: Various City departments

Unaudited – See accompanying independent auditors' report.

Table 21

CITY OF BOSSIER CITY, LOUISIANA

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety:										
Police:										
Stations (includes training facility)	3	3	4	4	4	4	4	4	4	4
Patrol units (2)	154	154	202	203	196	224	218	182	229	196
Fire stations (includes training facility)	10	10	10	10	10	10	10	10	10	10
Sanitation:										
Collection trucks (1)	—	—	—	—	—	—	—	—	—	—
Highways and streets:										
Streets (miles) (2)	335.86	335.94	337.38	338.51	339.28	340.88	340.88	342.60	237.94	236.32
Streetlights (2)	9,683	9,685	9,704	9,721	7,650	7,650	7,650	7,650	7,650	7,650
Traffic signals (2)	71	71	71	78	78	78	78	78	77	79
Culture and recreation:										
Parks acreage	328.99	328.99	328.99	328.99	328.99	328.99	328.99	328.99	341.99	341.99
Parks	18	18	18	18	18	18	18	18	19	19
Swimming pools	3	3	3	3	3	3	3	3	3	2
Tennis courts	24	24	26	26	26	26	26	26	30	30
Civic centers	1	1	1	1	1	1	1	1	1	1
Community centers	3	3	3	3	3	3	3	3	3	3
Water and sewerage:										
Water mains (miles)	356.21	360.37	362.10	363.24	376.14	379.02	383.49	387.23	393.60	416.00
Fire hydrants	2,712	2,756	2,779	2,958	3,010	3,052	3,191	3,221	3,231	3,309
Maximum daily capacity (millions of gallons)	25	25	25	25	25	25	25	25	45	45
Sanitary sewers (miles)	320.88	322.11	323.90	323.04	343.46	345.11	335.95	419.88	343.10	359.85
Storm sewers (miles)	65.71	66.20	67.60	68.17	119.34	131.45	134.72	137.76	127.90	131.49
Maximum daily treatment capacity (millions of gallons)	14	14	14	14	14	14	18	18	18	18

Source: Various City departments

Note:

(1) The City contracts out sanitation to Republic Services, Inc. and does not own any capital assets related to sanitation.

Unaudited – See accompanying independent auditors' report.