

**West Baton Rouge Parish Council  
Port Allen, Louisiana  
December 31, 2018**

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## **Independent Auditor's Report**

West Baton Rouge Parish Council  
Port Allen, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, fiduciary fund, and the aggregate remaining fund information of West Baton Rouge Parish Council ("the Parish Council"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Parish Council'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 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 for our unmodified and adverse audit opinions.

### ***Basis for Adverse Opinion on Aggregate Discretely Presented Component Units***

The financial statements referred to above do not include financial data for the Parish Council's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the Parish Council's primary government unless the Parish Council also issues financial statements for the financial reporting entity that include the financial data for its component units. The Parish Council has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the aggregate discretely presented component units has not been determined.

### ***Adverse Opinion on Aggregate Discretely Presented Component Units***

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Parish Council as of December 31, 2018, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, fiduciary fund, and the aggregate remaining fund information of West Baton Rouge Parish Council as of December 31, 2018, and the respective changes in financial position 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 changes in the net OPEB liability and related ratios, schedule of proportionate share of net pension liability (asset), schedule of contributions, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Baton Rouge Parish Council's basic financial statements. The combining and individual nonmajor fund financial statements, accompanying budgetary schedules, capital assets used in the operations of governmental funds, and schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, accompanying budgetary schedules, capital assets used in the operations of governmental funds, schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards, 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, the combining and individual nonmajor fund financial statements, accompanying budgetary schedules, capital assets used in the operations of governmental funds, schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2019, on our consideration of West Baton Rouge Parish Council'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 West Baton Rouge Parish Council's 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 West Baton Rouge Parish Council's internal control over financial reporting and compliance.

*Hawthorn, Waymouth & Carroll, L.L.P.*

June 27, 2019

**West Baton Rouge Parish Council  
Management's Discussion and Analysis  
December 31, 2018**

## **INTRODUCTION**

Management's Discussion and Analysis provides a narrative discussion of the West Baton Rouge Parish Council's (referred to herein as "the Parish Council" or the "the Parish") financial activity as a whole for the year ended December 31, 2018 with comparisons to prior years, where appropriate. The information complements the data presented in the basic financial statements. We encourage readers to consider the information presented here in conjunction with information in the financial statements and notes to the financial statements.

## **FINANCIAL HIGHLIGHTS**

- West Baton Rouge Parish Council's assets exceeded its liabilities at December 31, 2018 by \$88,488,434 (net position). Of this amount, \$21,163,769 (unrestricted net position) may be used to meet the Parish Council's ongoing obligations to its citizens and creditors.
- The Parish's capital assets include \$70,157,634 for infrastructure, roads, construction in progress, land, equipment & buildings (net of depreciation).
- The Parish's total net position decreased \$1,073,247 from the previous year's net position, as restated.
- At December 31, 2018, West Baton Rouge Parish Council's governmental statements reported combined ending fund balances of \$37,392,666, an increase in total fund balance of \$2,097,819 from the previous year.
- The General Fund, the Parish's primary operating fund, reported an unassigned fund balance of \$14,918,732, which is a decrease of \$319,092 from the unassigned fund balance of the previous year.

## **OVERVIEW**

This discussion and analysis is intended to serve as an introduction to the Parish Council's financial statements. The Parish Council's basic financial statements are comprised of 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 Parish's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the Parish'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 Parish is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. Changes in net position are reported when 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., accrued interest expenses, uncollected taxes).

**West Baton Rouge Parish Council  
Management's Discussion and Analysis  
December 31, 2018**

**OVERVIEW (Continued)**

**Government-wide financial statements** (Continued). Both of these government-wide financial statements distinguish functions of the Parish Council that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Parish Council include legislative, judicial, elections, general government, public safety, roads, drainage, engineering, parks and recreation, health and welfare, and economic development.

**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 Parish Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*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 available at the end of the calendar year. Such information may be useful in evaluating a government's near-term financing requirements.

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

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support West Baton Rouge Parish Council's programs, fiduciary (agency) funds are not reflected in the government-wide financial statements.

The Parish Council maintains 48 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss changing financial position of the Parish Council as a whole.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Parish, assets exceeded liabilities by \$88,488,434 at the close of the calendar year.

**West Baton Rouge Parish Council  
Management's Discussion and Analysis  
December 31, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The following table reflects the condensed statement of net position for 2018, with comparative figures from 2017:

**West Baton Rouge Parish Council  
Condensed Statements of Net Position  
December 31, 2018 and 2017**

|  | <b>Governmental Activities</b> |             |                           |             |
|--|--------------------------------|-------------|---------------------------|-------------|
|  | <b>2018</b>                    |             | <b>2017 (as restated)</b> |             |
| <b>Assets:</b>                             |                                |             |                           |             |
| Current assets                             | \$ 48,440,594                  | 40%         | \$ 46,151,959             | 39%         |
| Net pension asset                          | 737,210                        | 1%          | -                         | -           |
| Capital assets                             | <u>70,157,634</u>              | <u>59%</u>  | <u>72,841,004</u>         | <u>61%</u>  |
| <b>Total assets</b>                        | <u>119,335,438</u>             | <u>100%</u> | <u>118,992,963</u>        | <u>100%</u> |
| <b>Deferred Outflows of Resources</b>      |                                |             |                           |             |
| Resources related to pensions              | <u>1,614,264</u>               | <u>100%</u> | <u>2,827,924</u>          | <u>100%</u> |
| <b>Liabilities:</b>                        |                                |             |                           |             |
| Current liabilities                        | 1,051,398                      | 5%          | 1,447,715                 | 6%          |
| Noncurrent liabilities                     | 18,902,867                     | 93%         | 18,667,927                | 83%         |
| Net pension liability                      | <u>273,671</u>                 | <u>2%</u>   | <u>2,301,099</u>          | <u>11%</u>  |
| <b>Total liabilities</b>                   | <u>20,227,936</u>              | <u>100%</u> | <u>22,416,741</u>         | <u>100%</u> |
| <b>Deferred Inflows of Resources:</b>      |                                |             |                           |             |
| Resources related to pensions              | 2,236,802                      | 18%         | 433,069                   | 4%          |
| Grant advances                             | 354,139                        | 3%          | 361,789                   | 4%          |
| Unavailable revenue-property taxes         | <u>9,642,391</u>               | <u>79%</u>  | <u>9,047,607</u>          | <u>92%</u>  |
| <b>Total deferred inflows of resources</b> | <u>12,233,332</u>              | <u>100%</u> | <u>9,842,465</u>          | <u>100%</u> |
| <b>Net Position:</b>                       |                                |             |                           |             |
| Net investment in capital assets           | 66,804,634                     | 76%         | 69,527,004                | 78%         |
| Restricted for:                            |                                |             |                           |             |
| Debt service                               | 404,250                        | -           | 370,007                   | -           |
| Poydras endowment                          | 115,781                        | -           | 115,694                   | -           |
| Unrestricted                               | <u>21,163,769</u>              | <u>24%</u>  | <u>19,548,976</u>         | <u>22%</u>  |
| <b>Total net position</b>                  | <u>\$ 88,488,434</u>           | <u>100%</u> | <u>\$ 89,561,681</u>      | <u>100%</u> |

The largest portion of the Parish's net position represents its investment in capital assets net of depreciation (i.e., land, buildings, infrastructure, and equipment) less any outstanding debt used to acquire those assets. The Parish uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Parish's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to extinguish these liabilities.

An additional portion of the Parish's net position (less than 1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$21,163,769, may be used to meet the government's ongoing obligations to citizens and creditors.

**West Baton Rouge Parish Council  
Management's Discussion and Analysis  
December 31, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

External restrictions may be imposed by creditors (such as through debt covenants), grantors, contributors, or statutory laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Enabling legislation may include ordinances passed by the Parish, which require that revenues collected be spent for particular purposes. Some examples of these restrictions include revenues from sales taxes, correctional sales taxes, and ad valorem taxes collected for the health unit, community centers, drainage, and juvenile detention.

The following table reflects the condensed statement of activities for 2018, with comparative figures from 2017:

**West Baton Rouge Parish Council  
Condensed Statements of Activities  
Years Ended December 31, 2018 and 2017**

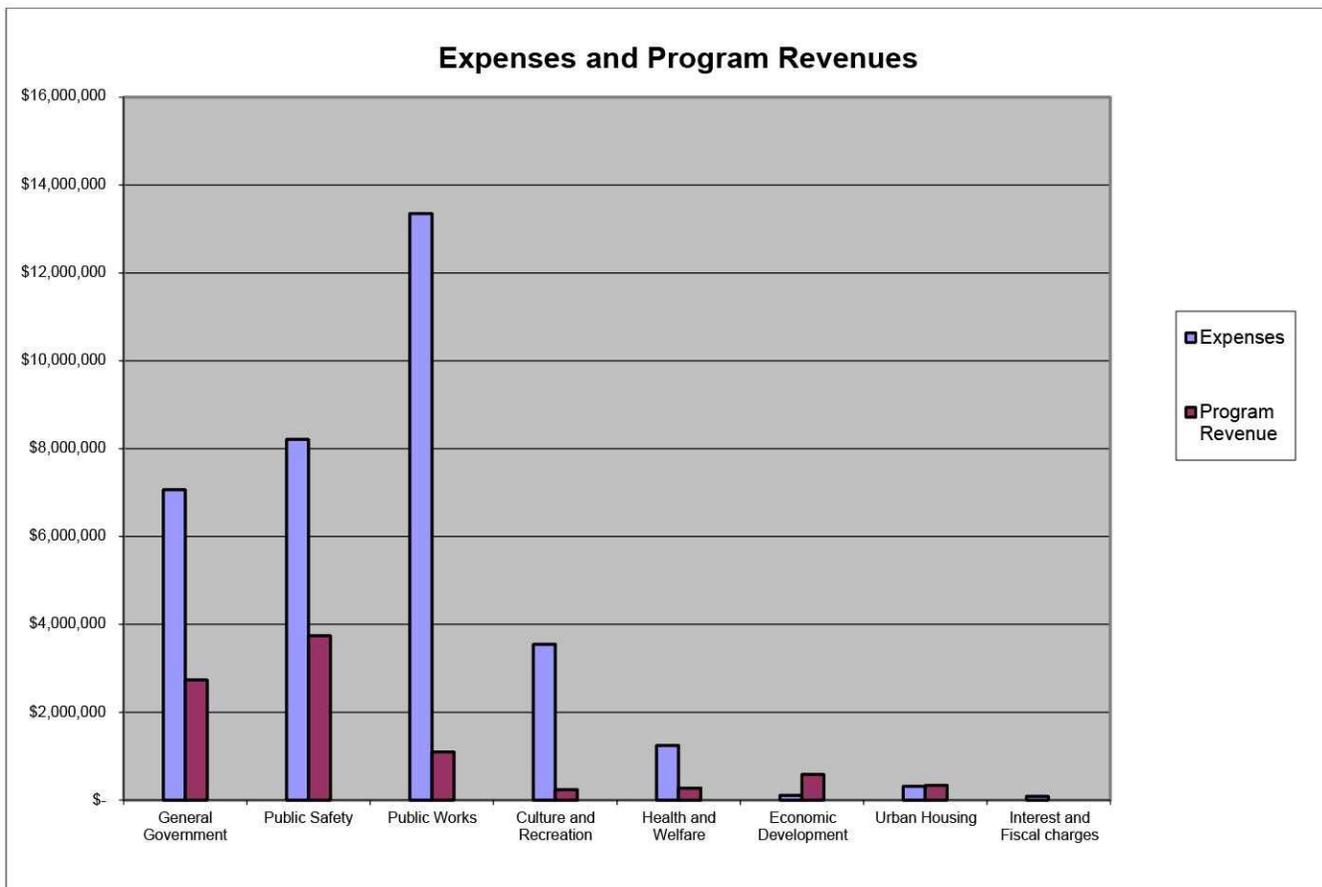
|   | <b>Governmental Activities</b> |                           |
|---|--------------------------------|---------------------------|
|   | <b>2018</b>                    | <b>2017 (as restated)</b> |
| <b>Revenue:</b>                                     |                                |                           |
| Program Revenue:                                    |                                |                           |
| Charges for service                                 | \$ 2,873,208                   | \$ 3,021,776              |
| Operating grants and contributions                  | 6,143,569                      | 7,066,864                 |
| Total program revenue                               | <u>9,016,777</u>               | <u>10,088,640</u>         |
| General Revenue:                                    |                                |                           |
| Ad valorem taxes                                    | 9,119,599                      | 8,835,822                 |
| Sales and use taxes                                 | 11,928,534                     | 12,378,300                |
| Video poker taxes                                   | 921,948                        | 1,091,679                 |
| Other taxes   | 16,003                         | 26,887                    |
| Licenses and permits                                | 960,010                        | 940,008                   |
| Interest  | 624,806                        | 453,407                   |
| Rent  | 16,600                         | 16,600                    |
| Miscellaneous                                       | 244,420                        | 327,357                   |
| Total general revenue                               | <u>23,831,920</u>              | <u>24,070,060</u>         |
| <b>Total revenue:</b>                               | <u>32,848,697</u>              | <u>34,158,700</u>         |
| <b>General Expenses:</b>                            |                                |                           |
| General government                                  | 7,063,640                      | 7,242,275                 |
| Public safety                                       | 8,209,544                      | 7,540,290                 |
| Public works  | 13,351,926                     | 8,520,469                 |
| Culture and recreation                              | 3,544,164                      | 3,667,527                 |
| Health and welfare                                  | 1,243,077                      | 1,131,159                 |
| Economic development                                | 107,920                        | 107,173                   |
| Urban housing                                       | 318,606                        | 291,822                   |
| Interest and fiscal charges on long term debt       | 83,067                         | 89,911                    |
| <b>Total general expenses:</b>                      | <u>33,921,944</u>              | <u>28,590,626</u>         |
| <b>Change in Net Position</b>                       | (1,073,247)                    | 5,568,074                 |
| <b>Net Position, Beginning of Year</b>              | 89,561,681                     | 92,485,476                |
| <b>Prior Period Adjustment</b>                      | <u>—</u>                       | <u>(8,491,869)</u>        |
| <b>Net Position, Beginning of Year, as Restated</b> | <u>89,561,681</u>              | <u>83,993,607</u>         |
| <b>Net Position, End of Year</b>                    | <u>\$88,488,434</u>            | <u>\$89,561,681</u>       |

**West Baton Rouge Parish Council  
Management's Discussion and Analysis  
December 31, 2018**

**Governmental Activities**

Governmental activities account for 100% of the Parish's net position. One of the major components of the total revenue collected by governmental activities is taxes. In 2018, taxes accounted for 92% of total general revenue. Of the total taxes, sales and use taxes accounted for 54%. The sales and use taxes are centrally collected and disbursed based on population. The Parish also has a ½% correctional sales tax which is included in the total taxes above. Ad valorem is the second largest tax revenue and accounted for 41% of total taxes. In 2018, property taxes were assessed at 23.47 mills for all governmental activities. The remainder of the general revenue is derived from licenses, interest, rent and miscellaneous revenue.

The following graph is a comparison of program revenues and program expenses for all governmental activities. This chart is intended to give the reader an idea of the degree to which governmental activities are self-supporting.



**Financial Analysis of the Parish's Funds**

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

**West Baton Rouge Parish Council  
Management's Discussion and Analysis  
December 31, 2018**

**Governmental Funds.** The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Parish's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the calendar year.

The combined ending fund balance for all governmental funds at December 31, 2018 was \$37,392,666. Of this amount, \$14,918,732 was included in unassigned fund balance with \$9,572,460 in restricted fund balance, \$115,781 in non-spendable fund balance, \$12,051,536 in committed fund balance, and \$734,157 in assigned fund balance. The combined ending fund balance at the end of 2018 was a net increase of \$2,097,819.

### **General Fund Budgetary Highlights**

Differences between the final budgeted revenues and the actual revenues were \$4,109 (increase in revenues) and can be briefly summarized as follows:

- Total taxes were \$59,865 under budget
- Total licenses and permits were \$2,028 over budget
- Total inter-governmental revenue was \$32,004 over budget
- Total charges for services were \$23,846 over budget
- All other revenues were \$6,096 over budget

Differences between the final budgeted expenses and the actual expenses were \$1,706,801 (decrease in expenses).

### **Capital Assets and Debt Administration**

**Capital assets:** The Parish's investment in capital assets for its governmental activities as of December 31, 2018 amounts to \$70,157,634 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, infrastructure, and roads.

Major capital asset events during calendar year 2018:

- Road overlays and road reconstruction (\$1,533,934)
- Upgrades at all parks (\$253,000)
- Completed the Lobdell Sewer System (\$1,279,000) funded with LRA grant and General Fund funding
- Completed the Diversion Canal connecting the Parish Canal and the Intercoastal (\$539,416) funded with LRA grant and General Fund funding
- Installed new warm-up arena at the Multipurpose Facility (\$149,000)
- Started the second phase of the levee top trail from Brusly - Addis (\$838,050) funded with a grant from DOTD with 20% local match
- Upgraded all Parish Community Centers (\$190,150)
- Replaced the Oak Street bridge (\$809,000) funded through state bridge program
- Installed culverts throughout the parish (\$523,000)

**West Baton Rouge Parish Council  
Management's Discussion and Analysis  
December 31, 2018**

**Capital Assets and Debt Administration (Continued)**

**West Baton Rouge Parish Capital Assets  
Net of Depreciation**

|  | <u>2018</u>         | <u>2017</u>         |
|--|---------------------|---------------------|
| Land                                     | \$ 1,760,826        | \$ 1,760,826        |
| Construction in Progress                 | 2,038,527           | 2,551,469           |
| Construction in Progress - Sewer project | -                   | 4,126,750           |
| Buildings                                | 25,816,373          | 25,341,847          |
| Equipment                                | 3,699,138           | 3,815,127           |
| Infrastructure                           | <u>36,842,770</u>   | <u>35,244,985</u>   |
| Total                                    | <u>\$70,157,634</u> | <u>\$72,841,004</u> |

**Long-Term Debt:** At the end of 2018, the Parish had total debt outstanding of \$3,053,000 compared to \$3,314,000 in the prior year. Of the total debt, there are five separate issuances. Three are secured by excess revenue, one is secured by fund balance, and one is secured by sales tax revenue.

Additional information explaining financial statement amounts is presented in the notes to the financial statements.

**Economic Factors and Next Year's Budget and Rates**

- Parochial retirement will increase for 2020 and will be at 12.25%, compared to 11.5% in 2018.
- The current Consumer Price Index has stabilized and shows a slight 2.0% increase over last year at this time.
- Sales taxes are currently exceeding budgeted projections.
- Ad valorem taxes have started a slight upward trend due to new construction.
- The Parish will continue to try to find ways to reduce operating expenditures without a reduction in service.

**Request for Information**

Questions concerning any of the information provided in this report or requests for information should be addressed to the Department of Finance, P.O. Box 757, Port Allen, Louisiana, 70767.

**West Baton Rouge Parish Council  
Statement of Net Position  
December 31, 2018**

|                                       | <b>Primary Government</b>          |
|---------------------------------------|------------------------------------|
|                                       | <b>Governmental<br/>Activities</b> |
| <b>Assets</b>                         |                                    |
| Cash and cash equivalents             | \$ 10,681,316                      |
| Investments                           | 26,152,340                         |
| Investments - restricted              | 108,000                            |
| Taxes receivable                      | 8,982,781                          |
| Restricted cash and cash equivalents  | 247,305                            |
| Due from other governments            | 2,268,069                          |
| Other assets                          | 783                                |
| Net pension asset                     | 737,210                            |
| Capital assets                        |                                    |
| Non-depreciable                       | 3,799,353                          |
| Depreciable, net                      | 66,358,281                         |
| Total assets                          | 119,335,438                        |
| <b>Deferred Outflows of Resources</b> |                                    |
| Resources related to pensions         | 1,614,264                          |
| <b>Liabilities</b>                    |                                    |
| Accounts payable                      | 636,961                            |
| Accrued liabilities                   | 414,437                            |
| Non-current liabilities               |                                    |
| Due in one year                       | 572,000                            |
| Due in more than one year             | 18,330,867                         |
| Net pension liability                 | 273,671                            |
| Total liabilities                     | 20,227,936                         |
| <b>Deferred Inflows of Resources</b>  |                                    |
| Resources related to pensions         | 2,236,802                          |
| Grant advances                        | 354,139                            |
| Unavailable revenue - property taxes  | 9,642,391                          |
| Total deferred inflows of resources   | 12,233,332                         |
| <b>Net Position</b>                   |                                    |
| Net investment in capital assets      | 66,804,634                         |
| Restricted for:                       |                                    |
| Debt service                          | 404,250                            |
| Poydras endowment                     | 115,781                            |
| Unrestricted                          | 21,163,769                         |
| Total net position                    | \$ 88,488,434                      |

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

**West Baton Rouge Parish Council  
Statement of Activities  
Year Ended December 31, 2018**

| Function/Program                                 | Program Revenue      |                        |  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|--|----------------------|------------------------|--|--|
|  | Expenses             | Charges for<br>Service | Operating<br>Grants and<br>Contributions |  |
| Primary Government                               |                      |                        |  |  |
| Governmental activities                          |                      |                        |  |  |
| General government                               | \$ 7,063,640         | \$ 2,662,415           | \$ 73,165                                | \$ (4,328,060)   |
| Public safety                                    | 8,209,544            | -                      | 3,743,772                                | (4,465,772)  |
| Public works                                     | 13,351,926           | -                      | 1,096,611                                | (12,255,315)   |
| Culture and recreation                           | 3,544,164            | 210,793                | 27,357                                   | (3,306,014)  |
| Health and welfare                               | 1,243,077            | -                      | 271,914                                  | (971,163)  |
| Economic development                             | 107,920              | -                      | 587,138                                  | 479,218  |
| Urban housing                                    | 318,606              | -                      | 343,612                                  | 25,006   |
| Interest and fiscal charges on<br>long-term debt | 83,067               | -                      | -  | (83,067)   |
| Total primary government                         | <u>\$ 33,921,944</u> | <u>\$ 2,873,208</u>    | <u>\$ 6,143,569</u>                      | <u>(24,905,167)</u>  |
| General Revenue                                  |                      |                        |  |  |
| Taxes  |                      |                        |  |  |
| Ad valorem                                       |                      |                        |  | 9,119,599  |
| Sales and use                                    |                      |                        |  | 11,928,534   |
| Video poker                                      |                      |                        |  | 921,948  |
| Other  |                      |                        |  | 16,003   |
| Licenses and permits                             |                      |                        |  | 960,010  |
| Interest   |                      |                        |  | 624,806  |
| Rent   |                      |                        |  | 16,600   |
| Miscellaneous                                    |                      |                        |  | 244,420  |
| Total general revenue                            |                      |                        |  | <u>23,831,920</u>  |
| Change in net position                           |                      |                        |  | (1,073,247)  |
| Net Position                                     |                      |                        |  |  |
| Beginning of year, as restated                   |                      |                        |  | <u>89,561,681</u>  |
| End of year                                      |                      |                        |  | <u>\$ 88,488,434</u>                                       |

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

**West Baton Rouge Parish Council  
Balance Sheet  
Governmental Funds  
December 31, 2018**

|  | <b>General<br/>Fund</b> | <b>Drainage</b>     | <b>Community<br/>Centers</b> | <b>Central<br/>Communi-<br/>cations</b> |
|--|-------------------------|---------------------|------------------------------|---|
| <b>Assets</b>  |                         |                     |                              |   |
| Cash and cash equivalents  | \$ 3,880,283            | \$ 884,589          | \$ 328,058                   | \$ 639,237                              |
| Restricted cash and cash equivalents                                       | 7,781                   | -                   | -                            | -                                       |
| Investments  | 10,781,360              | 1,250,000           | 1,550,000                    | 1,300,000                               |
| Investments - restricted   | 108,000                 | -                   | -                            | -                                       |
| Taxes receivable   | 1,347,226               | 2,755,689           | 1,148,204                    | 1,148,204                               |
| Due from other governments   | 910,688                 | 3,410               | 2,514                        | 2,208                                   |
| Other assets   | 783                     | -                   | -                            | -                                       |
| <b>Total assets</b>  | <b>\$ 17,036,121</b>    | <b>\$ 4,893,688</b> | <b>\$ 3,028,776</b>          | <b>\$ 3,089,649</b>                     |
| <b>Liabilities</b>   |                         |                     |                              |   |
| Accounts payable   | \$ 342,969              | \$ 17,628           | \$ 65,969                    | \$ 19,364                               |
| Accrued liabilities  | 212,486                 | 42,887              | 24,330                       | -                                       |
| <b>Total liabilities</b>   | <b>555,455</b>          | <b>60,515</b>       | <b>90,299</b>                | <b>19,364</b>                           |
| <b>Deferred Inflows of Resources</b>                                       |                         |                     |                              |   |
| Grant advances   | -                       | -                   | -                            | -                                       |
| Unavailable revenue - property taxes                                       | 1,446,153               | 2,958,041           | 1,232,517                    | 1,232,517                               |
| <b>Total deferred inflows of resources</b>                                 | <b>1,446,153</b>        | <b>2,958,041</b>    | <b>1,232,517</b>             | <b>1,232,517</b>                        |
| <b>Fund Balances</b>   |                         |                     |                              |   |
| Nonspendable   | 115,781                 | -                   | -                            | -                                       |
| Restricted   | -                       | 1,875,132           | 1,705,960                    | 1,837,768                               |
| Committed  | -                       | -                   | -                            | -                                       |
| Assigned   | -                       | -                   | -                            | -                                       |
| Unassigned   | 14,918,732              | -                   | -                            | -                                       |
| <b>Total fund balances</b>   | <b>15,034,513</b>       | <b>1,875,132</b>    | <b>1,705,960</b>             | <b>1,837,768</b>                        |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 17,036,121</b>    | <b>\$ 4,893,688</b> | <b>\$ 3,028,776</b>          | <b>\$ 3,089,649</b>                     |

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

**West Baton Rouge Parish Council**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**

|  | <b>Correctional<br/>Facility</b> | <b>Recreation</b>   | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total</b>         |
|--|----------------------------------|---------------------|---|----------------------|
| <b>Assets</b>  |                                  |                     |   |                      |
| Cash and cash equivalents  | \$ 1,956,967                     | \$ 410,506          | \$ 2,581,676                            | \$ 10,681,316        |
| Restricted cash and cash equivalents                                       | -                                | -                   | 239,524                                 | 247,305              |
| Investments  | 2,300,100                        | 450,000             | 8,520,880                               | 26,152,340           |
| Investments - restricted   | -                                | -                   | -                                       | 108,000              |
| Taxes receivable   | -                                | 1,913,673           | 669,785                                 | 8,982,781            |
| Due from other governments   | 771,268                          | 646                 | 577,335                                 | 2,268,069            |
| Other assets   | -                                | -                   | -                                       | 783                  |
| <b>Total assets</b>  | <b>\$ 5,028,335</b>              | <b>\$ 2,774,825</b> | <b>\$ 12,589,200</b>                    | <b>\$ 48,440,594</b> |
| <b>Liabilities</b>   |                                  |                     |   |                      |
| Accounts payable   | \$ 58,553                        | \$ 58,636           | \$ 73,842                               | \$ 636,961           |
| Accrued liabilities  | 3,369                            | 36,921              | 94,444                                  | 414,437              |
| <b>Total liabilities</b>   | <b>61,922</b>                    | <b>95,557</b>       | <b>168,286</b>                          | <b>1,051,398</b>     |
| <b>Deferred Inflows of Resources</b>                                       |                                  |                     |   |                      |
| Grant advances   | -                                | -                   | 354,139                                 | 354,139              |
| Unavailable revenue - property taxes                                       | -                                | 2,054,195           | 718,968                                 | 9,642,391            |
| <b>Total deferred inflows of resources</b>                                 | <b>-</b>                         | <b>2,054,195</b>    | <b>1,073,107</b>                        | <b>9,996,530</b>     |
| <b>Fund Balances</b>   |                                  |                     |   |                      |
| Nonspendable   | -                                | -                   | -                                       | 115,781              |
| Restricted   | -                                | 625,073             | 3,528,527                               | 9,572,460            |
| Committed  | 4,966,413                        | -                   | 7,085,123                               | 12,051,536           |
| Assigned   | -                                | -                   | 734,157                                 | 734,157              |
| Unassigned   | -                                | -                   | -                                       | 14,918,732           |
| <b>Total fund balances</b>   | <b>4,966,413</b>                 | <b>625,073</b>      | <b>11,347,807</b>                       | <b>37,392,666</b>    |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 5,028,335</b>              | <b>\$ 2,774,825</b> | <b>\$ 12,589,200</b>                    | <b>\$ 48,440,594</b> |

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

**West Baton Rouge Parish Council  
Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
December 31, 2018**

Total fund balances - governmental funds \$ 37,392,666

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

|                               |                |            |
|-------------------------------|----------------|------------|
| Governmental capital assets   | \$ 114,594,753 |            |
| Less accumulated depreciation | (44,437,119)   | 70,157,634 |
|                               |                |            |

Certain long-term assets are not available resources and, therefore, are not reported in the governmental funds:

|   |           |           |
|---|-----------|-----------|
| Net pension asset   | 737,210   |           |
| Deferred outflows of resources related to net pension liability | 1,614,264 | 2,351,474 |
|   |           |           |

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

|   |              |              |
|---|--------------|--------------|
| Bonds payable   | (1,540,000)  |              |
| Obligations payable   | (1,513,000)  |              |
| Compensated absences payable                                    | (367,288)    |              |
| Net other post-employment benefit obligation                    | (15,482,579) | (15,482,579) |
| Net pension liability   | (273,671)    |              |
| Deferred outflows of resources related to net pension liability | (2,236,802)  | (21,413,340) |
|   |              |              |

Net position - governmental activities \$ 88,488,434

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

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2018**

|  | <b>General<br/>Fund</b> | <b>Drainage</b> | <b>Community<br/>Centers</b> | <b>Central<br/>Communi-<br/>cations</b> |
|--|-------------------------|-----------------|------------------------------|---|
| <b>Revenue</b>                                     |                         |                 |                              |   |
| Taxes  | \$ 9,396,086            | \$ 2,797,662    | \$ 1,165,692                 | \$ 1,165,692                            |
| Licenses and permits                               | 960,010                 | -               | -                            | -                                       |
| Intergovernmental                                  | 73,165                  | 30,868          | 27,357                       | -                                       |
| Charges for services                               | 2,194,835               | 61,617          | 106,040                      | -                                       |
| Fines and forfeits                                 | -                       | -               | -                            | -                                       |
| Interest   | 258,634                 | 38,789          | 33,776                       | 34,016                                  |
| Rent   | 16,600                  | -               | -                            | -                                       |
| Miscellaneous                                      | 147,986                 | 38,417          | -                            | -                                       |
|  | <hr/>                   | <hr/>           | <hr/>                        | <hr/>                                   |
| Total revenue                                      | 13,047,316              | 2,967,353       | 1,332,865                    | 1,199,708                               |
| <b>Expenditures</b>                                |                         |                 |                              |   |
| Current  |                         |                 |                              |   |
| General government                                 |                         |                 |                              |   |
| Council  | 348,693                 | -               | -                            | -                                       |
| Finance and administration                         | 1,925,465               | -               | -                            | -                                       |
| Judicial   | 1,054,362               | -               | -                            | -                                       |
| Elections  | 141,685                 | -               | -                            | -                                       |
| Government buildings                               | 1,396,194               | -               | -                            | -                                       |
| Planning and zoning                                | 445,616                 | -               | -                            | -                                       |
| Public safety                                      | 322,853                 | -               | -                            | 976,510                                 |
| Public works                                       | 2,011,118               | 1,893,458       | -                            | -                                       |
| Culture and recreation                             | -                       | -               | 1,002,364                    | -                                       |
| Health and welfare                                 | 432,948                 | -               | -                            | -                                       |
| Economic development                               | 107,920                 | -               | -                            | -                                       |
| Urban housing                                      | -                       | -               | -                            | -                                       |
| Capital outlay                                     | 191,976                 | 1,092,209       | 230,612                      | 157,811                                 |
| Debt service                                       | -                       | -               | -                            | -                                       |
|  | <hr/>                   | <hr/>           | <hr/>                        | <hr/>                                   |
| Total expenditures                                 | 8,378,830               | 2,985,667       | 1,232,976                    | 1,134,321                               |
| <b>Excess (Deficiency) of Revenue over (under)</b> |                         |                 |                              |   |
| <b>Expenditures</b>                                | 4,668,486               | (18,314)        | 99,889                       | 65,387                                  |
| <b>Other Financing Sources (Uses)</b>              |                         |                 |                              |   |
| Operating transfers in                             | -                       | -               | -                            | -                                       |
| Operating transfers out                            | (4,987,492)             | -               | -                            | -                                       |
|  | <hr/>                   | <hr/>           | <hr/>                        | <hr/>                                   |
| Total other financing sources (uses)               | (4,987,492)             | -               | -                            | -                                       |
| <b>Net Changes in Fund Balances</b>                |                         |                 |                              |   |
|  | (319,006)               | (18,314)        | 99,889                       | 65,387                                  |
| <b>Fund Balances</b>                               |                         |                 |                              |   |
| Beginning of year                                  | 15,353,519              | 1,893,446       | 1,606,071                    | 1,772,381                               |
|  | <hr/>                   | <hr/>           | <hr/>                        | <hr/>                                   |
| End of year  | \$ 15,034,513           | \$ 1,875,132    | \$ 1,705,960                 | \$ 1,837,768                            |
|  | <hr/> <hr/>             | <hr/> <hr/>     | <hr/> <hr/>                  | <hr/> <hr/>                             |

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

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2018**

|   | <b>Correctional<br/>Facility</b> | <b>Recreation</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total</b>  |
|---|----------------------------------|-------------------|---|---------------|
| <b>Revenue</b>  |                                  |                   |   |               |
| Taxes   | \$ 3,916,197                     | \$ 1,942,820      | \$ 1,601,935                            | \$ 21,986,084 |
| Licenses and permits  | -                                | -                 | -                                       | 960,010       |
| Intergovernmental   | 3,327,494                        | -                 | 2,684,685                               | 6,143,569     |
| Charges for services  | -                                | 104,753           | 93,521                                  | 2,560,766     |
| Fines and forfeits  | -                                | -                 | 312,442                                 | 312,442       |
| Interest  | 52,624                           | 16,483            | 190,484                                 | 624,806       |
| Rent  | -                                | -                 | -                                       | 16,600        |
| Miscellaneous   | 6,353                            | 5,560             | 46,104                                  | 244,420       |
|   | <hr/>                            | <hr/>             | <hr/>                                   | <hr/>         |
| Total revenue   | 7,302,668                        | 2,069,616         | 4,929,171                               | 32,848,697    |
| <b>Expenditures</b>   |                                  |                   |   |               |
| Current   |                                  |                   |   |               |
| General government  |                                  |                   |   |               |
| Council   | -                                | -                 | -                                       | 348,693       |
| Finance and administration  | -                                | -                 | -                                       | 1,925,465     |
| Judicial  | -                                | -                 | 132,487                                 | 1,186,849     |
| Elections   | -                                | -                 | -                                       | 141,685       |
| Government buildings  | -                                | -                 | -                                       | 1,396,194     |
| Planning and zoning   | -                                | -                 | -                                       | 445,616       |
| Public safety   | 6,123,058                        | -                 | 401,922                                 | 7,824,343     |
| Public works  | -                                | -                 | 1,926,999                               | 5,831,575     |
| Culture and recreation  | -                                | 1,844,170         | 526,568                                 | 3,373,102     |
| Health and welfare  | -                                | -                 | 778,921                                 | 1,211,869     |
| Economic development  | -                                | -                 | -                                       | 107,920       |
| Urban housing   | -                                | -                 | 318,606                                 | 318,606       |
| Capital outlay  | 89,900                           | 99,213            | 4,433,173                               | 6,294,894     |
| Debt service  | -                                | -                 | 344,067                                 | 344,067       |
|   | <hr/>                            | <hr/>             | <hr/>                                   | <hr/>         |
| Total expenditures  | 6,212,958                        | 1,943,383         | 8,862,743                               | 30,750,878    |
| <b>Excess (Deficiency) of Revenue over (under)<br/>Expenditures</b> | <hr/>                            | <hr/>             | <hr/>                                   | <hr/>         |
|   | 1,089,710                        | 126,233           | (3,933,572)                             | 2,097,819     |
| <b>Other Financing Sources (Uses)</b>                               |                                  |                   |   |               |
| Operating transfers in  | -                                | -                 | 5,814,299                               | 5,814,299     |
| Operating transfers out   | -                                | -                 | (826,807)                               | (5,814,299)   |
|   | <hr/>                            | <hr/>             | <hr/>                                   | <hr/>         |
| Total other financing sources (uses)                                | -                                | -                 | 4,987,492                               | -             |
| <b>Net Changes in Fund Balances</b>                                 | <hr/>                            | <hr/>             | <hr/>                                   | <hr/>         |
|   | 1,089,710                        | 126,233           | 1,053,920                               | 2,097,819     |
| <b>Fund Balances</b>  |                                  |                   |   |               |
| Beginning of year   | 3,876,703                        | 498,840           | 10,293,887                              | 35,294,847    |
|   | <hr/>                            | <hr/>             | <hr/>                                   | <hr/>         |
| End of year   | \$ 4,966,413                     | \$ 625,073        | \$ 11,347,807                           | \$ 37,392,666 |
|   | <hr/> <hr/>                      | <hr/> <hr/>       | <hr/> <hr/>                             | <hr/> <hr/>   |

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

**West Baton Rouge Parish Council**  
**Reconciliation of the Statement of Revenue, Expenditures, and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended December 31, 2018**

|   |           |             |
|---|-----------|-------------|
| Net changes in fund balances - governmental funds   | \$        | 2,097,819   |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p>   |           |             |
| <p>Governmental funds report capital outlay 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:</p>   |           |             |
| Capital outlay  | \$        | 6,294,894   |
| Depreciation expense  |           | (3,597,257) |
|   |           | 2,697,637   |
| The net effect of various transactions involving capital assets, such as sales and donations  |           | (5,381,006) |
| <p>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:</p>  |           |             |
| Compensated absences  |           | 50,628      |
| Change in net position liability and deferred inflows/outflows of resources   |           | (252,756)   |
| <p>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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized on the statement of activities:</p> |           |             |
| Other post-employment benefit obligation  | (546,569) |             |
| Principal payments  | 261,000   | (285,569)   |
|   |           | (1,073,247) |
| Change in net position - governmental activities  | \$        | (1,073,247) |

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

**West Baton Rouge Parish Council  
Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2018**

|                                  | <u>Agency<br/>Fund</u> |
|----------------------------------|------------------------|
| <b>Assets</b>                    |                        |
| Cash and cash equivalents        | \$ 3,278,463           |
| Total assets                     | <u>\$ 3,278,463</u>    |
| <b>Liabilities</b>               |                        |
| Unsettled deposits due to others | \$ 3,278,463           |
| Total liabilities                | <u>\$ 3,278,463</u>    |

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

**West Baton Rouge Parish Council  
Schedule of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year Ended December 31, 2018**

|   | <b>Agency<br/>Fund</b> |
|---|------------------------|
| <b>Unsettled Balances - Beginning of Year</b> | <b>\$ 3,580,865</b>    |
| <b>Additions:</b>                             |                        |
| Deposits                                      |                        |
| Sales taxes                                   | 38,896,907             |
| Occupational licenses                         | 751,138                |
| Hotel/Motel                                   | 603,593                |
| Interest                                      | 17,757                 |
| Collection fees                               | 20,653                 |
| <b>Total additions</b>                        | <b>40,290,048</b>      |
| <b>Deductions:</b>                            |                        |
| Deposits settled to-                          |                        |
| School Board                                  | 7,871,651              |
| West Baton Rouge Parish                       |                        |
| WBR Parish Council                            | 8,942,589              |
| City of Port Allen                            | 3,224,644              |
| Town of Addis                                 | 2,774,946              |
| Town of Brusly                                | 1,688,849              |
| WBR Parish Fire District No. 1                | 3,195,676              |
| Correctional Facilities                       | 3,935,825              |
| Education Facilities District                 | 7,722,581              |
| Riverview EDD                                 | 1,773                  |
| Tourist Commission                            | 604,466                |
| Operating expenses                            | 629,450                |
| <b>Total deductions</b>                       | <b>40,592,450</b>      |
| <b>Unsettled Balances - End of Year</b>       | <b>\$ 3,278,463</b>    |

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

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Introduction**

The West Baton Rouge Parish Council ("Parish Council") is the governing authority for West Baton Rouge Parish and is a political subdivision of the State of Louisiana. The Parish Council is governed by nine (9) council members representing the various districts within the parish. The council members serve four-year terms.

Louisiana Revised Statute 33:1236 gives the Parish Council various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of these are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales and use taxes, video poker, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

West Baton Rouge Parish covers 215 square miles and has a population of approximately 26,500. The West Baton Rouge Parish Council maintains 135 miles of roads and has approximately 190 employees.

**Note 1-Summary of Significant Accounting Policies**

A. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Parish Council is the financial reporting entity for West Baton Rouge Parish. The financial reporting entity consists of (a) the primary government (Parish Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, establishes criteria for determining which component units should be considered part of the West Baton Rouge Parish Council for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit.
2. Financial accountability:
  - a. The primary government appoints a voting majority of potential component unit's governing body (and) the primary government is able to impose its will on the potential component unit (or)
  - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.
3. Financial benefit/burden relationship between the Parish Council and the potential component unit.
4. Misleading to exclude: Paragraph 111 of Section 2100 covers other potential component units for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 1-Summary of Significant Accounting Policies (Continued)**

A. Reporting Entity (Continued)

Based on the previous criteria, the Parish Council has determined that the following component units are part of the reporting entity:

West Baton Rouge Parish Library  
West Baton Rouge Parish Council on Aging  
West Baton Rouge Convention and Visitors Bureau  
West Baton Rouge Parish Waterworks Districts No. 1, No. 2, and No. 4  
West Baton Rouge Parish Public Utilities  
West Baton Rouge Parish Museum  
West Baton Rouge Parish Fire Protection District No. 1

All component units have a fiscal year ending December 31, except for the Council on Aging and Waterworks District No. 2 and No. 4, which have a June 30 year end. The criterion used for all component units is that the Parish Council appoints a majority of their board members. All component units are considered discrete.

The Parish Council has chosen to issue financial statements of the primary government (Parish Council) **only**; therefore, none of the previously listed component units are included in the accompanying financial statements. Separately issued component unit financial statements may be obtained by contacting the West Baton Rouge Parish Council office, Port Allen, Louisiana.

The *Codification of Governmental Accounting and Financial Reporting Standards* provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Parish Council) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements, which are not intended to and do not report on the reporting entity, are intended to reflect only the financial statements of the primary government (Parish Council).

Considered in the determination of component units of the reporting entity were the West Baton Rouge Parish School Board and the various municipalities in the parish. These governmental entities are not component units of the West Baton Rouge Parish Council reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the West Baton Rouge Parish Council.

B. Basis of Presentation

The Parish Council's basic financial statements consist of the government-wide statements on all of the **non-fiduciary** activities of the primary government and the fund financial statements (individual major funds and combined **nonmajor** funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board.

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements consist of the statement of net position and the statement of activities to report information on all of the non-fiduciary activities of the primary government. The effects of **interfund activity** have been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 1-Summary of Significant Accounting Policies (Continued)**

B. Basis of Presentation (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS: (Continued)

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. 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. This includes internally dedicated resources such as restricted property taxes.

FUND FINANCIAL STATEMENTS:

Emphasis of fund financial reporting is on the major fund level. Non-major funds (by category) or fund type are summarized into a single column in the basic financial statements.

The daily accounts and operations of the Parish Council are organized on the basis of individual funds, each of which is considered a separate accounting entity. The operations of each fund, both major and non-major, are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds for the primary government are grouped into generic fund types.

Governmental Activities Presented as Governmental Funds in the Fund Financial Statements:

*General Fund* - The General Fund is the general operating fund of the parish. The General Fund accounts for all financial resources except those required to be accounted for in other funds. The General Fund is always a major fund.

*Special Revenue Funds* - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The five special revenue funds reported as major funds in the Fund Financial Statements are as follows:

1. The Drainage Fund accounts for the operation and maintenance of all off-road drainage projects. Financing is provided by ad valorem taxes, severance taxes and state revenue sharing funds;
2. The Community Centers Fund accounts for property taxes used to fund operations for the community centers;
3. The Central Communications Fund provides centralized 911 dispatching for the parish;
4. The Correctional Facility Fund accounts for operations of the Parish Correctional Facility; and
5. The Recreation Fund accounts for the operation, maintenance, and construction of the recreational parks in the parish.

All other Special Revenue Funds are not considered major funds and are included in the column, "Other Governmental Funds."

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 1-Summary of Significant Accounting Policies (Continued)**

B. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS: (Continued)

*Debt Service Funds* - 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. There are no major debt service funds. Debt Service Funds are included in the column, "Other Governmental Funds."

*Capital Projects Fund* - The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities. There are no major capital projects funds. Capital Projects Funds are included in the column, "Other Governmental Funds."

*Fiduciary Fund* - The only fund accounted for in this category is the tax collector fund. The tax collector fund accounts for assets held by the Parish Council as an agent for various taxing bodies (tax collections). These funds, which are custodial in nature (assets equal liabilities), do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 revenue in the year for which they are budgeted. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All governmental funds are accounted for using a current financial resources measurement focus. Generally, with this measurement focus, only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net position. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings, are recorded as earned since they are measurable and available. The Parish Council defines "available" as expected to be received within sixty days of the end of the fiscal year.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 1-Summary of Significant Accounting Policies (Continued)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Non-exchange transactions, in which the Parish Council receives value without directly giving value in return, include sales tax, property tax, special assessments, grants, entitlements, and donations. Sales taxes and gross receipts business taxes are considered "measurable" when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special assessments are recognized as revenue only to the extent that individual installments are considered current assets in the governmental fund types. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

If measurable, expenditures are recognized in the accounting period in which the related fund liability is incurred except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgments, group health claims, arbitrage payable, net pension obligation and compensated absences are recorded as expenditures in the governmental fund type when paid with expendable, available financial resources. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

D. Cash and Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, and interest-bearing demand deposits. It is the Parish Council's policy to include as cash equivalents amounts in time deposits and those investments with original maturities of 90 days or less.

Under state law, the Parish Council may invest in United States bonds, treasury notes, or certificates and mortgage backed securities. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. U.S. Government Agency Notes are stated at fair market value. Certificates of deposit are stated at cost.

E. Restricted Cash and Cash Equivalents

Certain debt service and reserve funds are legally restricted as to purpose. These assets have been classified as restricted cash and cash equivalents on the Statement of Net Position since the use of these funds is limited by applicable bond resolutions.

F. Capital Assets

Capital assets, which include land and land improvements, buildings, equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems) are reported in the applicable governmental activities columns in the government-wide financial statements. Capitalization thresholds are defined as capital assets with a cost of \$5,000 or more per unit.

All assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized upon completion of construction projects, at which point the project costs are moved from construction in progress to the respective capital asset account.

**West Baton Rouge Parish Council  
Notes to Financial Statements  
December 31, 2018**

**Note 1-Summary of Significant Accounting Policies (Continued)**

F. Capital Assets (Continued)

Depreciation on all capital assets, excluding land and improvements and construction in progress, is calculated using the straight-line method over the following estimated useful lives:

| <u>Type of Capital Assets</u>       | <u>Number of Years</u> |
|-------------------------------------|------------------------|
| Buildings and building improvements | 40 years               |
| Furniture                           | 5 years                |
| Machinery and equipment             | 5 - 6 years            |
| Automobiles                         | 5 years                |
| Infrastructure                      | 40 years               |

G. Revenue Susceptible to Accrual

Under the modified accrual basis of accounting, major revenues susceptible to accrual are sales taxes, property taxes, gross receipts business taxes, and certain state shared revenue such as tobacco tax, beer tax, and parish transportation funds. Since property tax levied in 2018 is recorded in the 2019 year, no allowance for doubtful accounts is recorded. Any adjustments will be made in the year collected.

H. Long-Term Debt

In the government-wide statement of net position, long-term debt and other long-term obligations are reported as non-current liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as expense in the year of the debt issuance. Bond premiums, discounts, and gains (losses) on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount, if the amounts are deemed material. Gains (losses) on refundings are reported as deferred outflows/inflows of resources.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial period. The face amount of the debt issue is reported as "Other Financing Sources." Premiums received on debt issuances are reported as "Other Financing Sources," and discounts on debt are reported as "Other Financing Uses."

Excess revenue contracts, loans, and notes are obligations of the general government, and payment of these debts is normally provided by transfers from the General Fund to the various Debt Service Funds.

Sales tax revenue bonds are secured by sales tax revenues. Payment of the debt is provided by sales tax revenue recognized in the appropriate debt service fund.

**West Baton Rouge Parish Council  
Notes to Financial Statements  
December 31, 2018**

**Note 1-Summary of Significant Accounting Policies (Continued)**

I. Compensated Absences

Employees hired before December 31, 2012 earn vacation in varying amounts according to years of service as follows:

| <u>Years of Service</u> | <u>Vacation Earned</u> |
|-------------------------|------------------------|
| 0 - 4                   | 10 days/year           |
| 5 - 14                  | 15 days/year           |
| 15 - 19                 | 20 days/year           |
| Over 20                 | 25 days/year           |

Employees hired after January 1, 2013 earn vacation in varying amounts according to years of service as follows:

| <u>Years of Service</u> | <u>Vacation Earned</u> |
|-------------------------|------------------------|
| 0 - 4                   | 10 days/year           |
| 5 - 14                  | 15 days/year           |
| Over 15                 | 20 days/year           |

Employees accrue 8 hours of sick leave for each month of service. There is no maximum on accumulated sick leave.

Employees may accumulate vacation and sick leave time without limitations; however only vacation leave is payable upon resignation, discharge, death, retirement or removal due to reduction in force. Payment for vacation leave is limited to 320 hours under all circumstances. If an employee works to retirement eligibility, the accumulated unused sick leave is combined with vacation leave to apply toward retirement years.

In the government-wide financial statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, no compensated absences liability is recorded in the governmental fund-type fund financial statements.

J. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet and are not eliminated for financial statement purposes. Since all of the funds are governmental activities, these balances are eliminated in the government-wide financial statements.

K. Net Position

Net position represents the difference between assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use by external parties such as creditors, grantors, laws or regulations of other governments.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 1-Summary of Significant Accounting Policies (Continued)**

K. Net Position (Continued)

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

Designated portions of fund balance indicate tentative future spending plans, which may be changed, and are subject to subsequent authorization before expenditures can be made.

L. Fund Balance

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Non-spendable fund balance* - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- *Restricted fund balance* - amounts constricted to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation;
- *Committed fund balance* - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- *Assigned fund balance* - amounts intended by a government to be used for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- *Unassigned fund balance* - amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Parish Council considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Parish Council has provided otherwise in its commitment or assignment action.

The Parish Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is done through adoption and amendments of the budget. A fund balance commitment is further documented in the budget document as a designation or commitment of the fund (such as special incentives). Assigned fund balance is established by the Parish Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

M. Deferred Outflows/Inflows of Resources

The statement of net position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. *Deferred outflows* of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. *Deferred inflows* of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

**West Baton Rouge Parish Council  
Notes to Financial Statements  
December 31, 2018**

**Note 1-Summary of Significant Accounting Policies (Continued)**

M. Deferred Outflows/Inflows of Resources (Continued)

The Parish Council's deferred outflows of resources are related to its pension liability. The Parish Council's deferred inflows of resources are related to unavailable revenues from property taxes, grant advances, and its pension liability.

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. The estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenue and expenses in the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

O. New Accounting Pronouncements

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented for the year ended December 31, 2018. GASB 75 required changes in the presentation of the financial statements, notes to the financial statements, and required supplementary information with regards to the total other postemployment benefits (OPEB) liability. The net effect to the entity-wide Statement of Net Position for the prior year that resulted from the adoption of GASB 75 is \$8,491,869, as follows:

| <u>Statement of Net Position</u>                              | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| Total Net Position, December 31, 2017, as previously reported | \$ 98,053,550                      |
| Effects of GASB 75 implementation:                            |                                    |
| Change in OPEB Liability at December 31, 2017                 | (8,491,869)                        |
| Net effects of GASB 75 implementation                         | <u>(8,491,869)</u>                 |
| Total Net Position, December 31, 2017, restated               | <u>\$ 89,561,681</u>               |

GASB Statement No. 84, *Fiduciary Activities*, was implemented for the year ended December 31, 2018.

**Note 2-Cash and Cash Equivalents and Investments**

A. Deposits with Financial Institutions

Deposits are stated at cost, which approximates market. 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At year end, the carrying amount of the Parish Councils' deposits (including demand deposits and certificates of deposit) was \$37,757,977 and the bank balance was \$38,858,242.

**West Baton Rouge Parish Council  
Notes to Financial Statements  
December 31, 2018**

**Note 2-Cash and Cash Equivalents and Investments (Continued)**

**A. Deposits with Financial Institutions (Continued)**

For deposits, custodial credit risk is the risk that, in the event of the failure of the counter-party, the Parish Council will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. As of December 31, 2018, the Parish Council's bank balances were fully insured and collateralized with securities held in the name of the Parish Council by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

**B. Investments**

The Parish Council is authorized by LRS 39:1211-1245 and 33:2955 to invest temporarily idle monies in the following:

1. United States Treasury Bonds;
2. United States Treasury Notes;
3. United States Treasury Bills;
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of Federal Farm Credit bonds;
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations;
6. Direct security repurchase agreements;
7. Fully collateralized interest-bearing checking accounts;
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies;
9. Any other investment allowed by state statute for local governments; and
10. Louisiana Asset Management Pool (LAMP).

At December 31, 2018 the Parish Council held investments as follows:

|   |                         |
|---|-------------------------|
| Investment in Money Market                              | \$ 5                    |
| U.S. Government Agency Notes                            | 1,952,335               |
| Certificates of Deposit                                 | <u>24,308,000</u>       |
|   | 26,260,340              |
| Less: restricted investments in certificates of deposit | <u>(108,000)</u>        |
| <br>Total investments                                   | <br><u>\$26,152,340</u> |

Interest rate risk is the risk applicable to debt instruments with fair values that are sensitive to changes in interest rate. One indicator of the measure of interest rate risk is the dispersion of maturity dates of debt instruments. The following table shows the Parish Council's domestic fixed-income investments and maturities in actively managed accounts at December 31, 2018.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 2-Cash and Cash Equivalents and Investments (Continued)**

B. Investments (Continued)

At December 31, 2018, the Parish Council had the following investments and maturities:

| <u>Type</u>                  | <u>Maturities in Years</u> |                    |                     |               |                     |
|------------------------------|----------------------------|--------------------|---------------------|---------------|---------------------|
|                              | <u>Fair Value</u>          | <u>Less Than 1</u> | <u>1 - 5</u>        | <u>6 - 10</u> | <u>More Than 10</u> |
| U.S. Government Agency Notes | <u>\$ 1,952,335</u>        | <u>\$ -</u>        | <u>\$ 1,952,335</u> | <u>\$ -</u>   | <u>\$ -</u>         |
|                              | <u>\$ 1,952,335</u>        | <u>\$ -</u>        | <u>\$ 1,952,335</u> | <u>\$ -</u>   | <u>\$ -</u>         |

Credit risk is defined as the risk that an issuer or other counter-party to an investment will not fulfill its obligation. The Parish Council's investment policy requires the application of the prudent-person rule. The policy states, "All investments made shall be with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The Parish Council's policy limits investments to the United States Treasury obligations by federal agencies, security repurchase agreements, certificates of deposit, and mutual or trust fund institutions.

The following table is provided for use in determining the Parish Council's level of exposure to credit risk as of December 31, 2018:

| <u>S&amp;P Rating</u> | <u>Fair Value at 12/31/18</u> |
|-----------------------|-------------------------------|
| AA+                   | <u>\$ 1,952,335</u>           |

C. Fair Value Measurements

The Parish Council categorizes fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurements and Application*. The valuation technique uses a three level hierarchy of inputs to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These qualifications are summarized as follows:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that a reporting entity can access at the measurement date.

Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 Inputs: Unobservable inputs for an asset or liability.

In the event that inputs used to measure the fair value of an asset or liability fall into different levels in the fair value hierarchy, the overall level of the fair value hierarchy in its entirety is determined based on the lowest level of input that is significant to the entire valuation. These levels are not necessarily an indication of risk, but are based upon the pricing transparency of the investment. In determining the appropriate levels, the Parish Council performed a detailed analysis of the assets and liabilities that are subject to GASB Statement No. 72.

**West Baton Rouge Parish Council  
Notes to Financial Statements  
December 31, 2018**

**Note 2-Cash and Cash Equivalents and Investments (Continued)**

**C. Fair Value Measurements (Continued)**

Fair value of certain investments that do not have a readily determinable fair value is established using net asset value (or its equivalent) as a practical expedient. These investments are not categorized according to the fair value hierarchy.

The following table sets forth by level, the investments reported at fair value as of December 31, 2018:

| Investments by Fair Value Level       | Total              | Fair Value Measurements |                    |             |
|---------------------------------------|--------------------|-------------------------|--------------------|-------------|
|                                       |                    | Level 1                 | Level 2            | Level 3     |
| Money Market Funds                    | \$ 5               | \$ -                    | \$ 5               | \$ -        |
| U.S. government agency notes          | <u>1,952,335</u>   | <u>-</u>                | <u>1,952,335</u>   | <u>-</u>    |
| Total investments by fair value level | <u>\$1,952,340</u> | <u>\$ -</u>             | <u>\$1,952,340</u> | <u>\$ -</u> |

**Note 3-Property Taxes**

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish assessor, except for public utility property, which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands, and certain historic buildings be assessed at 10% of "use" value; and all other property be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The assessor is required to reappraise all property every four years.

The Sheriff of West Baton Rouge Parish, as provided by state law, is the official tax collector of property taxes levied by the parish and parish special districts. December tax collections remitted to the Parish Council by the Sheriff in January are reported as "Due from Other Governments."

The 2018 property tax calendar was as follows:

|                             |                    |
|-----------------------------|--------------------|
| Millage rates adopted       | June 28, 2018      |
| Board of Review             | September 27, 2018 |
| Tax bills mailed            | October 15, 2018   |
| Due date and collections    | December 31, 2018  |
| Certified delinquent notice | March 8, 2019      |

Property taxes are recognized in the calendar year for which they are budgeted. Ad valorem taxes are levied on real property each year to finance the budget for the following year. The tax is due and becomes an enforceable lien on the property after being filed with the Louisiana Tax Commission by the West Baton Rouge Parish Assessor's office. The tax becomes delinquent on December 31<sup>st</sup>. Taxes are billed and collected by the West Baton Rouge Parish Sheriff's office.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 3-Property Taxes (Continued)**

Therefore, 2017 property tax that was levied to finance the budget for 2018 is recorded as revenue for the 2018 fiscal year. The property taxes that are measurable, but not available, are recorded net of estimated uncollectible amounts. The 2018 tax levy, which was levied to finance the budget for 2019, is recorded net of adjustments, as deferred inflows of resources in the fund statements and government-wide statements.

Property taxes are levied each June 13<sup>th</sup> on the assessed value listed as of the prior January 1<sup>st</sup> for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the West Baton Rouge Parish Assessor's office and the Louisiana Tax Commission at percentages of actual value, as specified by the Louisiana law. An assessment of all property is required to be completed no less than every four years.

The following is a summary of parish-wide authorized and levied ad valorem taxes for the year:

|                                       | <u>Authorized</u><br><u>Millage</u> | <u>Levied</u><br><u>Millage</u> | <u>Expiration</u> |
|---------------------------------------|-------------------------------------|---------------------------------|-------------------|
| Primary Government, Parish-wide       |                                     |                                 |                   |
| General Fund                          | 3.52                                | 3.52                            | None              |
| Special Revenue Funds                 |                                     |                                 |                   |
| Health Unit                           | 1.75                                | 1.75                            | 2026              |
| Community Center                      | 3.00                                | 3.00                            | 2020              |
| Central Communications                | 3.00                                | 3.00                            | None              |
| Recreation                            | 5.00                                | 5.00                            | 2025              |
| Primary Government, District Drainage | 7.20                                | 7.20                            | 2025              |

**Note 4-Sales Taxes**

West Baton Rouge Revenue Department collects taxes on behalf of other taxing authorities. Total collections for each jurisdiction may be different due to varying tax bases. Collections for 2018 were as follows:

|      |                         | <u>Annual Totals - 2018 Tax Periods</u> |                                  |                                     |
|------|-------------------------|---|----------------------------------|-------------------------------------|
|      |                         | <u>Total</u><br><u>Collections</u>      | <u>Collection</u><br><u>Cost</u> | <u>Final</u><br><u>Distribution</u> |
| 1.0% | School Board            | <u>\$ 7,989,673</u>                     | <u>\$ 118,022</u>                | <u>\$ 7,871,651</u>                 |
| 1.0% | West Baton Rouge Parish |   |                                  |                                     |
|      | WBR Parish Council      | 52.24% 4,173,518                        | 61,651                           | 4,111,867                           |
|      | City of Port Allen      | 21.78% 1,739,807                        | 25,700                           | 1,714,107                           |
|      | Town of Addis           | 15.10% 1,206,784                        | 17,826                           | 1,188,958                           |
|      | Town of Brusly          | 10.88% 869,564                          | 12,845                           | 856,719                             |
|      |                         | <u>7,989,673</u>                        | <u>118,022</u>                   | <u>7,871,651</u>                    |
| 1.0% | Sales Tax District      |   |                                  |                                     |
|      | WBR Parish Council      | 50.09% 4,002,101                        | 59,104                           | 3,942,996                           |
|      | City of Port Allen      | 19.19% 1,533,169                        | 22,633                           | 1,510,537                           |
|      | Town of Addis           | 20.15% 1,609,802                        | 23,814                           | 1,585,988                           |
|      | Town of Brusly          | 10.57% 844,601                          | 12,471                           | 832,130                             |
|      |                         | <u>7,989,673</u>                        | <u>118,022</u>                   | <u>7,871,651</u>                    |

(Continued)

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 4-Sales Taxes (Continued)**

(Continued)

|      |                               | <b>Annual Totals - 2018 Tax Periods</b> |                          |                            |
|------|-------------------------------|---|--------------------------|----------------------------|
|      |                               | <b><u>Total</u></b>                     | <b><u>Collection</u></b> | <b><u>Final</u></b>        |
|      |                               | <b><u>Collections</u></b>               | <b><u>Cost</u></b>       | <b><u>Distribution</u></b> |
| 0.5% | Fire Protection District      | \$ 3,254,688                            | \$ 59,012                | \$ 3,195,676               |
| 0.5% | Correctional Facilities       | 3,994,837                               | 59,012                   | 3,935,825                  |
| 1.0% | Education Facilities District | 7,840,603                               | 118,022                  | 7,722,581                  |
| 0.5% | Riverview EDD                 | 1,828                                   | 55                       | 1,773                      |
|      | Totals                        | <u>\$ 39,060,975</u>                    | <u>\$ 590,167</u>        | <u>\$ 38,470,808</u>       |

**Note 5-Changes in Capital Assets**

A. A summary of changes in general capital assets follows:

|   | <b><u>Balance</u></b>  |                         | <b><u>Adjust-</u></b>   | <b><u>Balance</u></b>  |
|---|------------------------|-------------------------|-------------------------|------------------------|
|   | <b><u>December</u></b> | <b><u>Additions</u></b> | <b><u>ments and</u></b> | <b><u>December</u></b> |
|   | <b><u>31, 2017</u></b> |                         | <b><u>Deletions</u></b> | <b><u>31, 2018</u></b> |
| Capital assets not being depreciated:       |                        |                         |                         |                        |
| Land  | \$ 1,760,826           | \$ -                    | \$ -                    | \$ 1,760,826           |
| Construction in progress                    | 6,678,219              | 1,454,149               | (6,093,841)             | 2,038,527              |
| Total capital assets not being depreciated  | <u>8,439,045</u>       | <u>1,454,149</u>        | <u>(6,093,841)</u>      | <u>3,799,353</u>       |
| Capital assets being depreciated:           |                        |                         |                         |                        |
| Buildings                                   | 42,058,502             | 1,492,402               | 18,890                  | 43,569,794             |
| Equipment                                   | 15,110,474             | 1,176,310               | (220,866)               | 16,065,918             |
| Infrastructure                              | 48,447,310             | 2,172,033               | 540,345                 | 51,159,688             |
| Total capital assets being depreciated      | <u>105,616,286</u>     | <u>4,840,745</u>        | <u>338,369</u>          | <u>110,795,400</u>     |
| Less accumulated depreciation for:          |                        |                         |                         |                        |
| Buildings                                   | (16,716,655)           | (1,036,766)             | -                       | (17,753,421)           |
| Equipment                                   | (11,295,347)           | (1,292,299)             | 220,866                 | (12,366,780)           |
| Infrastructure                              | (13,202,326)           | (1,268,192)             | 153,600                 | (14,316,918)           |
| Total accumulated depreciation              | <u>(41,214,328)</u>    | <u>(3,597,257)</u>      | <u>374,466</u>          | <u>(44,437,119)</u>    |
| Total capital assets being depreciated, net | <u>64,401,958</u>      | <u>1,243,488</u>        | <u>712,835</u>          | <u>66,358,281</u>      |
| Total capital assets                        | <u>\$ 72,841,003</u>   | <u>\$ 2,697,637</u>     | <u>\$ (5,381,006)</u>   | <u>\$ 70,157,634</u>   |

Adjustments and deletions include infrastructure and assets either donated, traded or scrapped.

**West Baton Rouge Parish Council  
Notes to Financial Statements  
December 31, 2018**

**Note 5-Changes in Capital Assets (Continued)**

B. Depreciation expense was charged to functions of the primary government as follows:

|  |                    |
|--|--------------------|
| Public Works   | \$ 2,139,345       |
| General Government                                   | 870,441            |
| Public Safety  | 385,201            |
| Health and Welfare                                   | 31,208             |
| Culture and Recreation                               | <u>171,062</u>     |
| Total depreciation expense - governmental activities | <u>\$3,597,257</u> |

C. Commitments

The Parish Council entered into various contracts in 2018 for a variety of improvements around the parish. There was one major contract in progress at December 31, 2018 with approximately \$626,000 remaining to be expended.

D. Donations

Assets in construction in progress for Lobdell Sewer, Lukeville Sewer, and Diversion Canal with an approximate value of \$5.38 million were completed and transferred to West Baton Rouge Public Utilities during 2018.

**Note 6-Pension Plans**

The Parish Council's employees are provided with benefits through the following multiple-employer cost-sharing plans:

- Parochial Employees' Retirement System of Louisiana (PERS) provides retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish.
- The District Attorneys' Retirement System (DARS) provides allowances and other benefits for district attorneys and their assistants in each parish.
- The Registrar of Voters Employees' Retirement System of Louisiana (ROVERS) provides retirement allowances and other benefits for registrars of voters, their deputies and their permanent employees in each parish of the State of Louisiana.

Plan Descriptions

*PAROCHIAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA*

Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statutes (LRS).

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6-Pension Plans (Continued)**

Plan Descriptions (Continued)

*PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (Continued)*

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System. West Baton Rouge Parish Council participates in Plan A of Parochial Employees' Retirement System of Louisiana.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

A. Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

B. Retirement Benefits:

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with 30 or more years of creditable service.
2. Age 55 with 25 years of creditable service.
3. Age 60 with a minimum of 10 years of creditable service.
4. Age 65 with a minimum of 7 years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

C. Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6-Pension Plans (Continued)**

Plan Descriptions (Continued)

*PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA* (Continued)

C. Survivor Benefits: (Continued)

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

D. Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. 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 and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

E. Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6-Pension Plans (Continued)**

Plan Descriptions (Continued)

*PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA* (Continued)

F. Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977 (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

G. Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2017, the actuarially determined contribution rate was 9.35% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2017 was 12.5% for Plan A. The Parish Council's contributions to the System under Plan A for the year ended December 31, 2018, were \$156,013, which was equal to the required contributions for the year.

According to state statute, the System also receives 1/4 of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

*DISTRICT ATTORNEYS' RETIREMENT SYSTEM*

The District Attorneys' Retirement System, State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established on August 1, 1956 and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys. The projection 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 the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6-Pension Plans (Continued)**

Plan Descriptions (Continued)

*DISTRICT ATTORNEYS' RETIREMENT SYSTEM* (Continued)

The following is a 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.

Members who joined the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with less than 23 years of service credit receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

Members who joined the System after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to 3% (3.5% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than 15 years) or projected continued service to age 60.

Upon the death of a member with less than 5 years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with 5 or more years of service or any member with 23 years of service who has not retired, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the System.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6-Pension Plans (Continued)**

Plan Descriptions (Continued)

*DISTRICT ATTORNEYS' RETIREMENT SYSTEM* (Continued)

The Board of Trustees is authorized to grant retired members and surviving beneficiaries of members who have retired an annual cost of living increase of 3% of their original benefit (not to exceed sixty dollars per month), and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases, the board may grant an increase to retirees in the form of "X(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

In lieu of receiving an actual service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit.

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of 36 months or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to a reduced monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest bearing account.

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to 36 months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of one percent. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the Board of Trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

A. Employer Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 0%. The Parish Council's contribution to the System for the year ended December 31, 2018, was \$0, which was equal to the required contributions for the year.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6-Pension Plans (Continued)**

Plan Description (Continued)

*DISTRICT ATTORNEYS' RETIREMENT SYSTEM* (Continued)

B. Non-employer Contributions:

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2018 and excluded from pension expense.

*REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM*

The System was established on January 1, 1955 for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies and their permanent employees in each parish. The projection 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 the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The following is a 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 member hired prior to January 1, 2013 is eligible for normal retirement after he has 20 years of creditable service and is age 55 or has 10 years of creditable service and is age 60. Any member with 30 years of creditable service regardless of age may retire. Regular retirement benefits for members hired prior to January 1, 2013 are calculated at 3.33% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member hired on or after January 1, 2013 is eligible for normal retirement after he has attained 30 years of creditable service and is age 55; has attained 20 years of creditable service and is age 60; or has attained 10 years of creditable service and is age 62. Regular retirement benefits for members hired on or after January 1, 2013 are calculated at 3.00% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation. Retirement benefits for members hired on or after January 1, 2013 that have attained 30 years of creditable service with at least 20 years of creditable service in the System are calculated at 3.33% of the average annual compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member whose withdrawal from service occurs prior to attaining the age of sixty years, who shall have completed ten or more years of creditable service and shall not have received a refund of his accumulated contributions, shall become eligible for a deferred allowance beginning upon his attaining the age of sixty years.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6-Pension Plans (Continued)**

Plan Description (Continued)

*REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM* (Continued)

Disability benefits are provided to active contributing members with at least 10 years of service established in the System and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of sixty years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age sixty shall be entitled to a disability benefit equal to the lesser of three percent of his average final compensation multiplied by the number of creditable years of service (not to be less than fifteen years) or three and one third percent of average final compensation multiplied by the years of service assuming continued service to age sixty. Disability benefits may not exceed two-thirds of earnable compensation.

If a member who has less than five years of credited service dies due to any cause other than injuries sustained in the performance of his official duties, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, and is not eligible to retire, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option 2 factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse and the member has five or more years of creditable service, the surviving minor children under 18 or disabled children shall be paid 80% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with 10 or more years of service, automatic option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

In lieu of terminating employment and accepting a service retirement allowance, any member with ten or more years of service at age sixty, twenty or more years of service at age fifty-five, or thirty or more years of service at any age may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the System terminates. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the Deferred Retirement Option Plan fund will begin to be paid to the retiree. If the participant dies during participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the System.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6-Pension Plans (Continued)**

Plan Description (Continued)

*REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM* (Continued)

Cost of living provisions for the System allows the board of trustees to provide an annual cost of living increase of 2.0% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

A. Employer Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2018, the actual employer contribution rate was 17.00%. The Parish Council's contributions to the System for the year ended December 31, 2018, were \$4,273, which was equal to the required contributions for the year.

In accordance with state statute, the System also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2018.

Pension Liabilities (Assets), Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

As of December 31, 2018, the Parish Council reported a total of \$(463,539) for its proportionate share of the net pension liability (asset) of the plans, as follows:

|  |                     |
|--|---------------------|
| Parochial Employees' Retirement System of Louisiana (PERS) | \$ (737,210)        |
| District Attorneys' Retirement System (DARS)               | 78,003              |
| Registrar of Voters Employees' Retirement System (ROVERS)  | <u>195,668</u>      |
|  | <u>\$ (463,539)</u> |

The net pension liability for the District Attorneys' Retirement System and the Registrar of Voters Employees' Retirement System was measured as of June 30, 2018, and the net pension asset for the Parochial Employees' Retirement System of Louisiana was measured as of December 31, 2017, and the total pension asset and liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of that date. The Parish Council's proportion of the net pension asset and liability was based on projections of the Parish Council's share of employer contributions to the plans relative to the employer contributions of all participating employers, actuarially determined.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6-Pension Plans (Continued)**

Pension Liabilities (Assets), Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources  
(Continued)

The Parish Council's proportion of the net pension liability and asset of each plan was as follows:

|  | <b>Year Ended December 31,</b> |                    |
|--|--------------------------------|--------------------|
|  | <b><u>2018</u></b>             | <b><u>2017</u></b> |
| Parochial Employees' Retirement System of Louisiana (PERS) | .993%                          | 1.000%             |
| District Attorneys' Retirement System (DARS)               | .242%                          | .240%              |
| Registrar of Voters Employees' Retirement System (ROVERS)  | .829%                          | .808%              |

For the year ended December 31, 2018, the Parish Council recognized pension expense as follows:

|  |                          |
|--|--------------------------|
| Parochial Employees' Retirement System of Louisiana (PERS) | \$ 238,684               |
| District Attorneys' Retirement System (DARS)               | 5,609                    |
| Registrar of Voters Employees' Retirement System (ROVERS)  | <u>8,454</u>             |
|  | <b><u>\$ 258,371</u></b> |

In addition, the Parish Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b><u>PERS</u></b>         | <b><u>DARS</u></b>      | <b><u>ROVERS</u></b>    | <b><u>Totals</u></b>       |
|--|----------------------------|-------------------------|-------------------------|----------------------------|
| <b>Deferred Outflows of Resources</b>  |                            |                         |                         |                            |
| Net difference between projected and actual earnings on pension plan investments | \$ -                       | \$ 6,531                | \$ 11,754               | \$ 18,285                  |
| Changes in proportion  | 26                         | 5,758                   | 10,577                  | 16,361                     |
| Difference between expected and actual experience                                | -                          | 419                     | -                       | 419                        |
| Changes in assumptions   | 930,468                    | 47,314                  | 32,051                  | 1,009,833                  |
| Parish Council's contributions subsequent to the measurement date                | <u>563,792</u>             | <u>-</u>                | <u>5,574</u>            | <u>569,366</u>             |
| Total deferred outflows of resources   | <b><u>\$ 1,494,286</u></b> | <b><u>\$ 60,022</u></b> | <b><u>\$ 59,956</u></b> | <b><u>\$ 1,614,264</u></b> |
| <b>Deferred Inflows of Resources</b>   |                            |                         |                         |                            |
| Changes in proportion  | \$ 2,674                   | \$ 4,349                | \$ 126                  | \$ 7,149                   |
| Difference between expected and actual experience                                | 477,213                    | 11,332                  | 29,856                  | 518,401                    |
| Changes in assumptions   | -                          | 5,143                   | 2,941                   | 8,084                      |
| Net difference between projected and actual earnings on pension plan investments | <u>1,703,168</u>           | <u>-</u>                | <u>-</u>                | <u>1,703,168</u>           |
| Total deferred inflows of resources  | <b><u>\$ 2,183,055</u></b> | <b><u>\$ 20,824</u></b> | <b><u>\$ 32,923</u></b> | <b><u>\$ 2,236,802</u></b> |

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6-Pension Plans (Continued)**

Pension Liabilities (Assets), Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (Continued)

The deferred outflows of resources related to pensions resulting from the Parish Council's contributions subsequent to the measurement date totaling \$569,366 will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and all amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

**Year Ending December 31,**

|       |                             |
|-------|-----------------------------|
| 2019  | \$ 25,253                   |
| 2020  | (556,887)                   |
| 2021  | (675,624)                   |
| 2022  | 7,294                       |
| 2023  | <u>8,060</u>                |
| Total | <u><u>\$(1,191,904)</u></u> |

Actuarial Methods and Assumptions

The total pension liabilities in the December 31, 2018 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

|                                  | <u>PERS</u>  | <u>DARS</u>   | <u>ROVERS</u>  |
|----------------------------------|--|---|--|
| Valuation Date                   | 12/31/17   | 6/30/18   | 6/30/18  |
| Actuarial Cost Method            | Entry Age Normal                                       | Entry Age Normal  | Entry Age Normal                                       |
| Investment Rate of Return        | 6.75% (net of investment expense, including inflation) | 6.50% (net of investment expense, including inflation)                    | 6.50% (net of investment expense, including inflation) |
| Expected Remaining Service Lives | 4 years, closed period                                 | 6 years, closed period  | 5 years, closed period                                 |
| Projected Salary Increases       | 5.25%<br>(2.75% Merit/2.50% Inflation)                 | 5.50%<br>(3.00% Merit/2.50% Inflation)                                    | 6.0%<br>(3.50% Merit/2.50% Inflation)                  |
| Mortality                        |  |   |  |
| Employed-                        | RP-2000 Employee Sex Distinct Table                    | RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables | RP-2000 Combined Healthy Mortality Table               |
| Annuitant/Beneficiaries-         | RP-2000 Healthy Annuitant Sex Distinct Table           | RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables | RP-2000 Combined Healthy Mortality Table               |
| Disabled Annuitants-             | RP-2000 Disabled Lives Mortality Table                 | RP-2000 Disabled Lives Mortality Table                                    | RP-2000 Disabled Lives Mortality Table                 |

**West Baton Rouge Parish Council  
Notes to Financial Statements  
December 31, 2018**

**Note 6-Pension Plans (Continued)**

Actuarial Methods and Assumptions (Continued)

|                            | <u>PERS</u>   | <u>DARS</u>                    | <u>ROVERS</u>   |
|----------------------------|---|--------------------------------|---|
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees. | Only those previously granted. | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic. |

The following schedule lists the methods used by each of the retirement systems in determining the long-term rate of return on pension plan investments:

| <u>PERS</u>   | <u>DARS</u>   | <u>ROVERS</u>   |
|---|---|---|
| The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates 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 of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017. | The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate 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 long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The resulting long-term rate of return is 9.45% for the year ended June 30, 2018. | The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate 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 long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The resulting long-term rate of return is 8.83% for the year ended June 30, 2018. |

The discount rate used to measure the total pension asset for PERS was 6.75% for Plan A, and the discount rate used to measure the total pension liability for DARS was 6.50%, and ROVERS was 6.50%. 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 the contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System'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 plan investments was applied to all periods of projected benefit payments to determine the total pension asset and liability.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6-Pension Plans (Continued)**

Actuarial Methods and Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

| <u>Asset Class</u>                 | <u>Target Asset Allocation</u> |                |                | <u>Long-term Expected Portfolio<br/>Real Rate of Return</u> |              |               |
|------------------------------------|--------------------------------|----------------|----------------|---|--------------|---------------|
|                                    | <u>PERS</u>                    | <u>DARS</u>    | <u>ROVERS</u>  | <u>PERS</u>   | <u>DARS</u>  | <u>ROVERS</u> |
| Cash and cash equivalents          | 0.00%                          | 0.48%          | 0.00%          | 0.00%   | 0.03%        | 0.00%         |
| Equities                           | 52.00%                         | 61.72%         | 60.00%         | 3.57%   | 4.29%        | 4.70%         |
| Fixed income                       | 35.00%                         | 28.95%         | 22.50%         | 1.24%   | 2.01%        | 0.66%         |
| Alternative investments            | 11.00%                         | 8.85%          | 10.00%         | 0.69%   | 0.62%        | 0.63%         |
| Real estate                        | <u>2.00%</u>                   | <u>0.00%</u>   | <u>7.50%</u>   | <u>0.12%</u>  | <u>0.00%</u> | <u>0.34%</u>  |
| Totals                             | <u>100.00%</u>                 | <u>100.00%</u> | <u>100.00%</u> | <u>5.62%</u>  | <u>6.95%</u> | <u>6.33%</u>  |
| Inflation                          |                                |                |                | <u>2.00%</u>  | <u>2.50%</u> | <u>2.50%</u>  |
| Expected arithmetic nominal return |                                |                |                | <u>7.62%</u>  | <u>9.45%</u> | <u>8.83%</u>  |

Sensitivity of the Parish Council's Proportionate Shares of the Net Pension Liabilities (Assets) to Changes in the Discount Rate:

The following presents the Parish Council's proportionate shares of the net pension liabilities (assets) of the plans, calculated using the current discount rates, as well as what the Parish Council's proportionate shares of the net pension liabilities (assets) would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

|                             | <u>1%<br/>Decrease</u> | <u>Current<br/>Discount<br/>Rate</u> | <u>1%<br/>Increase</u> |
|-----------------------------|------------------------|--------------------------------------|------------------------|
| PERS (current rate 6.75%)   | \$ 3,634,711           | \$ (737,210)                         | \$(4,630,116)          |
| DARS (current rate 6.50%)   | 210,019                | 78,003                               | (34,307)               |
| ROVERS (current rate 6.50%) | 300,095                | 195,668                              | 106,091                |
| Totals                      | <u>\$ 4,144,825</u>    | <u>\$ (463,539)</u>                  | <u>\$(4,558,332)</u>   |

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial statements of the plans.

**West Baton Rouge Parish Council  
Notes to Financial Statements  
December 31, 2018**

**Note 7-Other Post-Employment Benefits (OPEB)**

Plan Description

The Parish Council's OPEB plan is a single-employer defined benefit plan. The OPEB plan does not issue a stand-alone financial report. All classified and unclassified employees of the West Baton Rouge Parish Council and certain employees of the Eighteenth Judicial District-Eighteenth Judicial Court, at their option, participate in the employee's group life and health insurance programs. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75 to pay related benefits.

Benefits Provided

The Parish currently offers a HDHP and a PPO plan to all full-time employees, as well as to retired and retirement eligible employees. All retirees age 65 and older that have Part A and Part B of Medicare must go on the Humana 65 Plan.

Additionally, a Health Savings Account (HSA) is also offered to all participants in the HDHP. The Parish pays 100% of the premiums for all full-time employees, retirees, and retirement eligible employees that participate in the high deductible plan. The parish pays 82% of the premium for the PPO plan. The Parish also contributes to the participants that utilize the HSA as follows:

|           |                |
|-----------|----------------|
| Family    | \$800 annually |
| Two-party | \$800 annually |
| Single    | \$400 annually |

The Parish also pays 50% of the premium for life insurance policies for all full-time and retired employees who choose to participate. Eligible retirees are provided a basic life insurance benefit with a policy amount of \$25,000. The amount decreases to \$5,000 at age 65, then to \$1,000 at age 70.

Employees Covered by Benefit Term

At December 31, 2018, the following employees were covered by the benefit terms:

|  |     |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefit payments | 57  |
| Inactive employees entitled to but not yet receiving benefit payments    | 6   |
| Active employees   | 140 |
|  | 203 |

Funding Policy

Currently, the employees and retirees do not contribute to the premiums for health insurance. This is established after the yearly quotes have been awarded and addressed in the annual operating budget and may be amended in subsequent years. For 2018, the Parish Council paid 100% of the health insurance premiums and 50% of the life insurance premiums. Additionally, the Parish contributes to the HSA of all HDHP participants based on the schedule shown above.

The employer contribution to the OPEB plan for 2018 totaled \$525,125, or approximately 7% of gross payroll, as approved by the Parish Council in the 2018 operating budget. The only contributions required by the retirees were their 50% match on the life insurance.

Total OPEB Liability

The Parish Council's total OPEB liability of \$15,482,579 was measured and determined by an actuarial valuation as of December 31, 2018.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 7-Other Post-Employment Benefits (OPEB) (Continued)**

Changes in the Total OPEB Liability

The following table shows the Parish Council's changes in total OPEB obligations for the year ended December 31, 2018:

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| Total OPEB liability, beginning of year, restated | <u>\$ 14,936,010</u>               |
| Adjustments to the OPEB liability:                |                                    |
| Service cost                                      | 451,568                            |
| Interest cost                                     | 620,126                            |
| Total OPEB expense                                | <u>1,071,694</u>                   |
| Benefit payments                                  | <u>(525,125)</u>                   |
| Total OPEB liability, end of year                 | <u>\$ 15,482,579</u>               |

The January 1, 2018 total OPEB liability was developed from the total OPEB liability as of December 31, 2018. Roll back methodology is used reflecting the service cost and benefit payments for 2018 and the discount rate used for this valuation. All other assumptions used are included in the summary of the actuarial methods and assumptions.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

A summary of the actuarial methods and assumptions used in determining the total OPEB liability as of December 31, 2018 is as follows:

|                        |   |
|------------------------|---|
| Valuation Date         | December 31, 2018   |
| Actuarial Method       | Individual Entry age normal cost – Level Percentage of Projected Salary |
| Actuarial Assumptions: |   |
| Inflation Rate         | 3.00%   |
| Salary Increase Rate   | 3.50%   |
| Discount Rate          | 4.10% based on the recently published Bond Buyer GO-20 bond index       |
| Health Care Cost Trend | Level 5.00%   |
| Mortality              | RPH-2014 Total Table with Projection MP-2018                            |

The Plan assumes that 100% of all employees and their dependents who are eligible for retiree benefits participate in the postemployment benefit plan.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 7-Other Post-Employment Benefits (OPEB) (Continued)**

Sensitivity Analysis of the Healthcare Cost Trend and Discount Rates

The following presents the Parish Council's proportionate share of the total OPEB liability using the healthcare cost trend rate of 5.00%, as well as what the employer's proportionate share of the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

|   | Changes in Healthcare Cost Trend Rate |   |                                  |
|---|---------------------------------------|---|----------------------------------|
|   | 1%<br>Decrease<br><u>(4.00%)</u>      | Current<br>Healthcare<br>Cost Trend<br>Rate<br><u>(5.00%)</u> | 1%<br>Increase<br><u>(6.00%)</u> |
| Parish Council's proportionate<br>share of total OPEB liability | <u>\$ 13,047,666</u>                  | <u>\$15,482,579</u>   | <u>\$ 18,685,674</u>             |

The following presents the Parish Council's proportionate share of the total OPEB liability using the discount rate of 4.10%, as well as what the employer's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|   | Changes in Discount Rate         |   |                                  |
|---|----------------------------------|---|----------------------------------|
|   | 1%<br>Decrease<br><u>(3.10%)</u> | Current<br>Discount<br>Rate<br><u>(4.10%)</u> | 1%<br>Increase<br><u>(5.10%)</u> |
| Parish Council's proportionate<br>share of total OPEB liability | <u>\$18,261,816</u>              | <u>\$15,482,579</u>                           | <u>\$13,285,777</u>              |

**Note 8-Parish Council Member's Compensation**

The Parish Council has elected the monthly payment method of compensation for its council members. The **monthly** compensation is \$1,300 for the Council President and \$1,200 for the other council members.

Compensation for the year ended December 31, 2018 was as follows:

|                            |                   |
|----------------------------|-------------------|
| Gary Spillman, Chairperson | \$ 15,600         |
| Kirk Allain                | 14,400            |
| Charlene Gordon            | 14,400            |
| Ricky Loupe                | 14,400            |
| Naomi Fair                 | 14,400            |
| Edward Robertson           | 14,400            |
| Chris Kershaw              | 14,400            |
| Phil Porto                 | 14,400            |
| Barry Huggins              | 14,400            |
|                            | <u>\$ 130,800</u> |

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 9-Long-Term Debt**

A. Changes in General Long-Term Debt Obligations

|  | <u>Bonds Payable</u> | <u>Obligations Payable</u> | <u>Com-pensated Absences</u> | <u>Net Other Post-employment Benefit Obligation</u> | <u>Total</u>         |
|--|----------------------|----------------------------|------------------------------|---|----------------------|
| Long-term obligations payable at December 31, 2017 | \$ 1,680,000         | \$ 1,634,000               | \$ 417,916                   | \$ 14,936,010                                       | \$18,667,926         |
| Additions  | -                    | -                          | 273,435                      | 1,071,694   | 1,345,129            |
| Adjustments and deductions                         | (140,000)            | (121,000)                  | (324,063)                    | (525,125)   | (1,110,188)          |
| Long-term obligations payable at December 31, 2018 | <u>\$ 1,540,000</u>  | <u>\$ 1,513,000</u>        | <u>\$ 367,288</u>            | <u>\$ 15,482,579</u>                                | <u>\$ 18,902,867</u> |
| Due within one year                                | <u>\$ 150,000</u>    | <u>\$ 122,000</u>          | <u>\$ 300,000</u>            | <u>\$ -</u>   | <u>\$ 572,000</u>    |

B. Bonds and Obligations Payable

Bonds and obligations payable at December 31, 2018, are comprised of the following:

|   |                     |
|---|---------------------|
| \$250,000 Certificate of Indebtedness (Series 2014), due in annual installments of \$22,000 to \$28,000 through December, 2024. Interest is payable semiannually at 3.06%. The certificate of indebtedness is secured and payable by funds from excess revenue. | \$ 159,000          |
| \$1,090,000 Louisiana Revenue Refunding Bonds (Series 2015), due in annual installments of \$95,000 to \$115,000 through August, 2025. Interest is payable semiannually at 2.15%. The bonds are secured and payable from excess revenue.                        | 770,000             |
| \$750,000 Sales Tax Revenue Bonds (Series 2008A), due in annual installments of \$15,000 to \$50,000 through April, 2038. Interest is payable semiannually at 5.70%. The bonds are secured and payable from excess tax revenue.                                 | 620,000             |
| \$350,000 Sales Tax Revenue Bonds (Series 2008B), due in annual installments of \$25,000 to \$35,000 through April, 2023. Interest is payable semiannually at 5.70%. The bonds are secured and payable from excess tax revenue.                                 | 150,000             |
| \$2,000,000 Clean Water State Revolving Loan Fund due in annual installments of \$95,000 to \$122,000 through October, 2031. Interest rate is .45%. Loan is secured by sales tax.   | <u>1,354,000</u>    |
| Total bonds and obligations payable   | <u>\$ 3,053,000</u> |

**West Baton Rouge Parish Council  
Notes to Financial Statements  
December 31, 2018**

**Note 9-Long-Term Debt (Continued)**

**B. Bonds and Obligations Payable**

The following is a summary of principal and interest requirements:

| <b>Year Ended<br/>December 31</b> | <b>Bonds Payable</b> |                   |                    | <b>Obligations Payable</b> |                  |                    |
|-----------------------------------|----------------------|-------------------|--------------------|----------------------------|------------------|--------------------|
|                                   | <b>Principal</b>     | <b>Interest</b>   | <b>Total</b>       | <b>Principal</b>           | <b>Interest</b>  | <b>Total</b>       |
| 2019                              | \$ 150,000           | \$ 60,445         | \$ 210,445         | \$ 122,000                 | \$ 10,645        | \$ 132,645         |
| 2020                              | 155,000              | 55,623            | 210,623            | 123,000                    | 9,441            | 132,441            |
| 2021                              | 160,000              | 50,515            | 210,515            | 125,000                    | 8,233            | 133,233            |
| 2022 - 2026                       | 630,000              | 177,448           | 807,448            | 593,000                    | 22,790           | 615,790            |
| 2027 - 2031                       | 150,000              | 110,865           | 260,865            | 550,000                    | 5,911            | 555,911            |
| 2032 - 2036                       | 200,000              | 62,415            | 262,415            | -                          | -                | -                  |
| 2037 - 2038                       | 95,000               | 8,265             | 103,265            | -                          | -                | -                  |
|                                   | <u>\$1,540,000</u>   | <u>\$ 525,576</u> | <u>\$2,065,576</u> | <u>\$1,513,000</u>         | <u>\$ 57,020</u> | <u>\$1,570,020</u> |

**C. Bonds of Other Governmental Units**

Bonds of the West Baton Rouge Parish School Board, West Baton Rouge Parish Library, West Baton Rouge Parish Tourist Commission, West Baton Rouge Parish Council on Aging, West Baton Rouge Parish Public Utilities, and West Baton Rouge Parish Water Works Districts Number 1, 2 and 4, Town of Brusly, Town of Addis, City of Port Allen and Atchafalaya Levee Districts are obligations of other governmental units located within the limits of the Parish of West Baton Rouge. These bonds are not included in this statement because they are not obligations of this primary government.

**D. Port Authority Bonds**

West Baton Rouge and other surrounding parishes are situated within the limits of the Greater Baton Rouge Port Commission. Outstanding obligations of the port are secured by a pledge of the full faith and credit of West Baton Rouge and other parishes in the district. However, the Supreme Court of the State of Louisiana has held that the pledge of the full faith and credit of the State comes before the pledges of the credit of the various parishes. Therefore, West Baton Rouge Parish does not foresee any potential liability with respect to the bonds of the port.

**E. Industrial Development Revenue Bonds**

The Parish and Special Districts have issued industrial development revenue bonds and industrial pollution control revenue bonds. These bonds are limited obligations of the Parish or District payable from revenue of the projects. The bonds are not a charge upon other income of the Parish or District, nor are they a charge against the credit or taxing power of the District or the Parish of West Baton Rouge.

**West Baton Rouge Parish Council**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 9-Long-Term Debt (Continued)**

F. Bond Restrictions

1. Westport Sewer 2008-A; Westport Roads 2008-B:
  - a. The Debt Service Fund requires monthly transfers equal to one-twelfth of the principal and interest.
  - b. The Reserve Fund is required to have an amount equal to the highest combined principal and interest falling due in a year. This fund is restricted to payment of principal and interest in case of default.

The Parish Council was in compliance with all bond covenants in 2018.

**Note 10-Interfund Transfers**

Operating transfers by fund are as follows:

|  | <u>In</u>    | <u>Out</u>   |
|--|--------------|--------------|
| General Fund                               | \$ -         | \$ 4,987,492 |
| Special Revenue Funds                      |              |              |
| Parish Roads                               | 1,549,976    | -            |
| Federal Grants                             | 376,978      | -            |
|  | 1,926,954    | -            |
| Debt Service Funds                         |              |              |
| 2015 Revenue Refunding Bonds               | 118,705      | -            |
| 2000 and 2002 Tourist Center Bonds         | 29,600       | 29,600       |
| 2008 Westport Sewer Bonds                  | 51,341       | 289          |
| 2008 Westport Road Bonds                   | 34,846       | 458          |
| 2010 Clean Water State Receiving Loan Fund | 110,324      | -            |
|  | 344,816      | 30,347       |
| Capital Project Funds                      |              |              |
| Parish Road Trust                          | 2,880,593    | -            |
| Recreation Special Project                 | 409,453      | -            |
| Video Poker Capital Trust                  | -            | 796,460      |
| Land, Building and Sewer Improvements      | 252,483      | -            |
|  | 3,542,529    | 796,460      |
|  | \$ 5,814,299 | \$ 5,814,299 |

Transfers are used (1) to move unrestricted revenues to finance various programs in accordance with budgetary authorizations, and (2) to move receipts restricted to debt service from funds collecting the receipts to the debt service funds.

**West Baton Rouge Parish Council  
Notes to Financial Statements  
December 31, 2018**

**Note 11-Contingent Liabilities**

The Parish Council is a defendant in several pending lawsuits. The government's policy is to pay judgments against the Parish Council on a current basis from available financial resources.

**Note 12-Tax Abatements**

West Baton Rouge Parish Council is subject to tax abatements granted by the State through the Louisiana Industrial Ad Valorem Tax Exemption Program. This program was set up by Article 7 Section 21 of the Louisiana Constitution. The program abates, up to ten years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site.

| <b>Tax Abatement Program</b>                                | <b>Amount of<br/>Taxes Abated<br/>during the<br/>Year</b> |
|---|---|
| State of Louisiana:   |   |
| Louisiana Industrial Ad<br>Valorem Tax Exemption<br>Program | <u>\$9,612,641</u>  |

**Note 13-Current Accounting Standards Scheduled to be Implemented**

Following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the Parish Council's financial report:

GASB Statement 83, *Certain Asset Retirement Obligations* (ARO). This standard established criteria for determining the timing and pattern of recognition of an ARO liability and a corresponding deferred outflow of resources. An ARO is a legally enforceable liability associated with the sale, recycling, retirement, abandonment or disposal in some other manner of a tangible capital asset permanently removed from service. The standard is effective for annual reporting periods beginning after June 15, 2018. The Council will include the requirements of this standard, as applicable, in its December 31, 2019 financial statements. The effect of this standard or its applicability to the Parish Council are unknown at this time.

GASB Statement 87, *Leases*. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after December 15, 2019. The Parish Council will include the requirements of this standard, as applicable, in its December 31, 2020 financial statements. The effect of this standard or its applicability to the Parish Council are unknown at this time.

**Note 14-Subsequent Events**

The Parish Council evaluated all subsequent events through June 27, 2019, the date the financial statements were available to be issued. As a result, the Parish Council noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

**Required Supplementary Information**

**West Baton Rouge Parish Council**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**Year Ended December 31, 2018\***

| <b>Total OPEB Liability</b>                                      | <b>2018</b>          |
|--|----------------------|
| Service cost   | \$ 451,568           |
| Interest   | 620,126              |
| Changes of benefit terms   | -                    |
| Difference between expected and actual experience                | -                    |
| Change of assumptions  | -                    |
| Benefit payments   | (525,125)            |
|  | <hr/>                |
| Net Change in Total OPEB Liability                               | 546,569              |
| <b>Total OPEB Liability - Beginning, restated</b>                | <b>14,936,010</b>    |
|  | <hr/>                |
| <b>Total OPEB Liability - Ending</b>                             | <b>\$ 15,482,579</b> |
|  | <hr/> <hr/>          |
| Covered-employee payroll   | \$ 6,154,558         |
| Total OPEB liability as a percentage of covered-employee payroll | 251.56%              |

\*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**West Baton Rouge Parish Council**  
**Schedule of Proportionate Share of Net Pension Liability (Asset)**  
**As of and for the Year Ended December 31, 2018\***

|                      | Proportion of<br>net pension<br>liability<br>(asset) | Proportionate<br>share of net<br>pension liability<br>(asset) | Covered<br>payroll | Proportionate<br>share of the net<br>pension liability<br>as a percentage<br>of covered<br>payroll | Plan<br>fiduciary<br>net position<br>as a<br>percentage<br>of total<br>pension<br>liability |
|----------------------|--|---|--------------------|--|---|
| <b><u>PERS</u></b>   |  |   |                    |  |   |
| 2018                 | 0.993%   | \$ (737,210)  | \$ 5,932,830       | (12.42%)   | 101.98%   |
| 2017                 | 1.000%   | 2,059,044   | 5,758,429          | 35.76%   | 94.15%  |
| 2016                 | 1.020%   | 2,684,449   | 5,929,200          | 45.28%   | 92.23%  |
| 2015                 | 1.239%   | 338,717   | 5,847,220          | 5.79%  | 99.15%  |
| <b><u>DARS</u></b>   |  |   |                    |  |   |
| 2018                 | 0.242%   | 78,003  | 142,106            | 54.89%   | 92.92%  |
| 2017                 | 0.240%   | 64,790  | 139,641            | 46.40%   | 93.57%  |
| 2016                 | 0.258%   | 49,470  | 78,208             | 63.25%   | 95.09%  |
| 2015                 | 0.264%   | 14,195  | 78,485             | 18.09%   | 98.56%  |
| <b><u>ROVERS</u></b> |  |   |                    |  |   |
| 2018                 | 0.829%   | 195,688   | 79,622             | 245.75%  | 80.57%  |
| 2017                 | 0.808%   | 177,265   | 112,594            | 157.44%  | 80.51%  |
| 2016                 | 0.761%   | 215,817   | 97,363             | 221.66%  | 73.98%  |
| 2015                 | 0.762%   | 186,584   | 104,105            | 179.23%  | 76.86%  |

\*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**West Baton Rouge Parish Council  
Schedule of Contributions  
As of and for the Year Ended December 31, 2018\***

|                      | <b>Contractually<br/>required<br/>contribution</b> | <b>Contributions<br/>in relation to<br/>contractually<br/>required<br/>contribution</b> | <b>Contribution<br/>deficiency<br/>(excess)</b> | <b>Covered<br/>employees'<br/>payroll</b> | <b>Contribution<br/>as a<br/>percentage of<br/>covered<br/>employees'<br/>payroll</b> |
|----------------------|--|---|---|---|---|
| <b><u>PERS</u></b>   |  |   |   |   |   |
| 2018                 | \$ 563,792   | \$ 563,792  | \$ -  | \$ 5,932,830                              | 9.50%   |
| 2017                 | 719,805  | 719,805   | -   | 5,758,429                                 | 12.50%  |
| 2016                 | 770,796  | 770,796   | -   | 5,929,200                                 | 13.00%  |
| 2015                 | 847,847  | 847,847   | -   | 5,847,220                                 | 14.50%  |
| <b><u>DARS</u></b>   |  |   |   |   |   |
| 2018                 | -  | -   | -   | 142,106                                   | 0.00%   |
| 2017                 | -  | -   | -   | 139,641                                   | 0.00%   |
| 2016                 | 2,737  | 2,737   | -   | 78,208                                    | 3.50%   |
| 2015                 | 5,494  | 5,494   | -   | 78,485                                    | 7.00%   |
| <b><u>ROVERS</u></b> |  |   |   |   |   |
| 2018                 | 5,574  | 5,574   | -   | 79,622                                    | 7.00%   |
| 2017                 | 20,930   | 20,930  | -   | 112,594                                   | 18.59%  |
| 2016                 | 22,544   | 22,544  | -   | 97,363                                    | 23.15%  |
| 2015                 | 24,312   | 24,312  | -   | 104,105                                   | 23.35%  |

\*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis) -**  
**General Fund**  
**Year Ended December 31, 2018**

|                                  | <u>Budgeted Amounts</u> |                   | <u>Actual</u>            | <u>Final</u>                            |
|----------------------------------|-------------------------|-------------------|--------------------------|---|
|                                  | <u>Original</u>         | <u>Final</u>      | <u>(Budgetary Basis)</u> | <u>Variance Favorable (Unfavorable)</u> |
| <b>Revenue</b>                   |                         |                   |                          |   |
| Taxes                            |                         |                   |                          |   |
| Ad valorem                       | \$ 1,339,360            | \$ 1,339,360      | \$ 1,262,332             | \$ (77,028)                             |
| Sales and use                    | 6,998,992               | 8,053,992         | 8,054,863                | 871                                     |
| Other Taxes                      | 28,000                  | 28,000            | 26,843                   | (1,157)                                 |
|                                  | <u>8,366,352</u>        | <u>9,421,352</u>  | <u>9,344,038</u>         | <u>(77,314)</u>                         |
| Licenses and permits             |                         |                   |                          |   |
| Occupational licenses            | 694,425                 | 754,425           | 755,999                  | 1,574                                   |
| Motor vehicle                    | 46,000                  | 46,000            | 41,528                   | (4,472)                                 |
| Building permits                 | 137,000                 | 137,000           | 163,744                  | 26,744                                  |
|                                  | <u>877,425</u>          | <u>937,425</u>    | <u>961,271</u>           | <u>23,846</u>                           |
| Charges for services             |                         |                   |                          |   |
| Garbage collection               | 1,990,000               | 1,990,000         | 2,001,220                | 11,220                                  |
| Court costs and other fees       | 154,200                 | 174,200           | 180,429                  | 6,229                                   |
|                                  | <u>2,144,200</u>        | <u>2,164,200</u>  | <u>2,181,649</u>         | <u>17,449</u>                           |
| Intergovernmental                | 466,225                 | 66,225            | 68,253                   | 2,028                                   |
| Interest                         | 150,000                 | 230,000           | 262,004                  | 32,004                                  |
| Rent                             | 16,600                  | 16,600            | 16,600                   | -                                       |
| Miscellaneous                    | 150,000                 | 215,000           | 221,096                  | 6,096                                   |
|                                  | <u>782,825</u>          | <u>527,825</u>    | <u>567,953</u>           | <u>40,128</u>                           |
| Total revenue                    | <u>12,170,802</u>       | <u>13,050,802</u> | <u>13,054,911</u>        | <u>4,109</u>                            |
| <b>Expenditures</b>              |                         |                   |                          |   |
| General government               |                         |                   |                          |   |
| Legislative                      | 344,786                 | 359,786           | 351,602                  | 8,184                                   |
| General financial administration |                         |                   |                          |   |
| Salaries and benefits            | 914,712                 | 914,712           | 886,630                  | 28,082                                  |
| Insurance                        | 5,350                   | 5,350             | 4,856                    | 494                                     |
| Fees, dues and services          | 411,000                 | 411,000           | 294,428                  | 116,572                                 |
| Office supplies and services     | 138,500                 | 138,500           | 100,869                  | 37,631                                  |
| Other                            | 158,556                 | 158,556           | 138,991                  | 19,565                                  |
|                                  | <u>1,628,118</u>        | <u>1,628,118</u>  | <u>1,425,774</u>         | <u>202,344</u>                          |
| Judicial                         |                         |                   |                          |   |
| District court                   | 307,194                 | 307,194           | 185,588                  | 121,606                                 |
| District attorney                | 455,262                 | 460,262           | 445,136                  | 15,126                                  |
| Clerk of Court                   | 29,500                  | 29,500            | 16,654                   | 12,846                                  |
| Coroner                          | 308,516                 | 318,516           | 316,920                  | 1,596                                   |
| City Court                       | 96,163                  | 96,163            | 91,014                   | 5,149                                   |
|                                  | <u>1,196,635</u>        | <u>1,211,635</u>  | <u>1,055,312</u>         | <u>156,323</u>                          |

(Continued)

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis) -**  
**General Fund**  
**Year Ended December 31, 2018**

|  | <u>Budgeted Amounts</u> |                      | <u>Actual</u>        | <u>Final</u>         |
|--|-------------------------|----------------------|----------------------|----------------------|
|  | <u>Original</u>         | <u>Final</u>         | <u>(Budgetary</u>    | <u>Variance</u>      |
|  |                         |                      | <u>Basis)</u>        | <u>Favorable</u>     |
|  |                         |                      |                      | <u>(Unfavorable)</u> |
| Expenditures (Continued)                   |                         |                      |                      |                      |
| General government                         |                         |                      |                      |                      |
| Elections                                  |                         |                      |                      |                      |
| Registrar of voters                        | \$ 228,378              | \$ 230,378           | \$ 192,068           | \$ 38,310            |
| Elections                                  | 28,500                  | 28,500               | 2,385                | 26,115               |
|  | <u>256,878</u>          | <u>258,878</u>       | <u>194,453</u>       | <u>64,425</u>        |
| Other                                      |                         |                      |                      |                      |
| Planning and zoning                        | 472,010                 | 480,710              | 436,755              | 43,955               |
| Government buildings                       | 1,621,907               | 1,642,407            | 1,400,188            | 242,219              |
| IT department                              | 443,508                 | 443,508              | 251,966              | 191,542              |
|  | <u>2,537,425</u>        | <u>2,566,625</u>     | <u>2,088,909</u>     | <u>477,716</u>       |
| Total general government                   | <u>5,963,842</u>        | <u>6,025,042</u>     | <u>5,116,050</u>     | <u>908,992</u>       |
| Public safety                              |                         |                      |                      |                      |
| Sheriff                                    | 12,000                  | 12,000               | 6,936                | 5,064                |
| Civil defense                              | 128,679                 | 130,779              | 150,504              | (19,725)             |
| Engineering                                | 773,661                 | 773,661              | 137,491              | 636,170              |
| Ambulance service                          | 3,600                   | 3,600                | 3,600                | -                    |
| Animal impound                             | 235,084                 | 235,084              | 178,745              | 56,339               |
|  | <u>1,153,024</u>        | <u>1,155,124</u>     | <u>477,276</u>       | <u>677,848</u>       |
| Public works                               |                         |                      |                      |                      |
| Sanitation                                 | 1,990,000               | 2,168,000            | 2,168,456            | (456)                |
|  | <u>1,990,000</u>        | <u>2,168,000</u>     | <u>2,168,456</u>     | <u>(456)</u>         |
| Health and welfare                         | 747,514                 | 758,314              | 678,739              | 79,575               |
| Economic development                       | 108,600                 | 108,600              | 107,874              | 726                  |
|  | <u>856,114</u>          | <u>866,914</u>       | <u>786,613</u>       | <u>80,301</u>        |
| Capital Outlay-General Fund                | 227,983                 | 227,983              | 191,976              | 36,007               |
| Total expenditures                         | <u>10,190,963</u>       | <u>10,443,063</u>    | <u>8,740,371</u>     | <u>1,702,692</u>     |
| <b>Excess of Revenue over Expenditures</b> | <u>1,979,839</u>        | <u>2,607,739</u>     | <u>4,314,540</u>     | <u>1,706,801</u>     |
| <b>Other Financing Sources (Uses)</b>      |                         |                      |                      |                      |
| Operating transfers in                     | -                       | -                    | -                    | -                    |
| Operating transfers out                    | (8,650,522)             | (7,591,522)          | (4,987,492)          | 2,604,030            |
| Total other financing uses                 | <u>(8,650,522)</u>      | <u>(7,591,522)</u>   | <u>(4,987,492)</u>   | <u>2,604,030</u>     |
| <b>Net Change in Fund Balance</b>          | <u>(6,670,683)</u>      | <u>(4,983,783)</u>   | <u>(672,952)</u>     | <u>4,310,831</u>     |
| <b>Fund Balance</b>                        |                         |                      |                      |                      |
| Beginning of year                          | 15,053,119              | 15,053,119           | 15,053,119           | -                    |
| End of year                                | <u>\$ 8,382,436</u>     | <u>\$ 10,069,336</u> | <u>\$ 14,380,167</u> | <u>\$ 4,310,831</u>  |

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - Drainage Maintenance**  
**Year Ended December 31, 2018**

|   | <u>Budgeted Amounts</u> |              | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Final<br/>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|--------------|---|---|
|   | <u>Original</u>         | <u>Final</u> |   |   |
| <b>Revenue</b>  |                         |              |   |   |
| Property tax  | \$ 2,739,600            | \$ 2,739,600 | \$ 2,582,044                            | \$ (157,556)  |
| Intergovernmental   | 30,272                  | 30,272       | 30,868                                  | 596   |
| Interest  | 16,000                  | 16,000       | 37,704                                  | 21,704  |
| Miscellaneous   | -                       | -            | 38,417                                  | 38,417  |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| Total revenue   | 2,785,872               | 2,785,872    | 2,689,033                               | (96,839)  |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| <b>Expenditures</b>   |                         |              |   |   |
| Current   |                         |              |   |   |
| Public works  |                         |              |   |   |
| Operations  | 2,463,190               | 2,113,190    | 1,923,263                               | 189,927   |
| Capital outlay  | 1,067,741               | 992,741      | 1,029,023                               | (36,282)  |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| Total expenditures  | 3,530,931               | 3,105,931    | 2,952,286                               | 153,645   |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| <b>Excess (Deficiency) of Revenue over<br/>(under) Expenditures</b> | (745,059)               | (320,059)    | (263,253)                               | 56,806  |
| <b>Fund Balance</b>   |                         |              |   |   |
| Beginning of year   | 2,397,800               | 2,397,800    | 2,397,800                               | -   |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| End of year   | \$ 1,652,741            | \$ 2,077,741 | \$ 2,134,547                            | \$ 56,806   |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - Community Centers**  
**Year Ended December 31, 2018**

|   | <u>Budgeted Amounts</u> |              | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Final<br/>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|--------------|---|---|
|   | <u>Original</u>         | <u>Final</u> |   |   |
| <b>Revenue</b>  |                         |              |   |   |
| Property tax  | \$ 1,141,500            | \$ 1,141,500 | \$ 1,075,851                            | \$ (65,649)   |
| Intergovernmental   | 26,500                  | 26,500       | 27,357                                  | 857   |
| Charges for services  | 106,425                 | 106,425      | 114,440                                 | 8,015   |
| Interest  | 21,000                  | 21,000       | 33,349                                  | 12,349  |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| Total revenue   | 1,295,425               | 1,295,425    | 1,250,997                               | (44,428)  |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| <b>Expenditures</b>   |                         |              |   |   |
| Current   |                         |              |   |   |
| Culture and recreation  |                         |              |   |   |
| Operations  | 1,076,734               | 1,011,134    | 962,219                                 | 48,915  |
| Capital outlay  | 475,800                 | 250,300      | 230,612                                 | 19,688  |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| Total expenditures  | 1,552,534               | 1,261,434    | 1,192,831                               | 68,603  |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| <b>Excess (Deficiency) of Revenue<br/>over (under) Expenditures</b> | (257,109)               | 33,991       | 58,166                                  | 24,175  |
| <b>Fund Balance</b>   |                         |              |   |   |
| Beginning of year   | 1,818,016               | 1,818,016    | 1,818,016                               | -   |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| End of year   | \$ 1,560,907            | \$ 1,852,007 | \$ 1,876,182                            | \$ 24,175   |
|   | <hr/> <hr/>             | <hr/> <hr/>  | <hr/> <hr/>                             | <hr/> <hr/>   |

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - Central Communications**  
**Year Ended December 31, 2018**

|   | <u>Budgeted Amounts</u> |              | <b>Actual<br/>(Budgetary<br/>Basis)</b> | <b>Final<br/>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|---|-------------------------|--------------|---|---|
|   | <u>Original</u>         | <u>Final</u> |   |   |
| <b>Revenue</b>  |                         |              |   |   |
| Property tax  | \$ 1,141,500            | \$ 1,141,500 | \$ 1,075,851                            | \$ (65,649)   |
| Interest  | 19,000                  | 19,000       | 33,456                                  | 14,456  |
| Miscellaneous   | -                       | -            | 28,775                                  | 28,775  |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| Total revenue   | 1,160,500               | 1,160,500    | 1,138,082                               | (22,418)  |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| <b>Expenditures</b>   |                         |              |   |   |
| Current   |                         |              |   |   |
| Public safety   |                         |              |   |   |
| Operations  | 1,066,130               | 1,066,130    | 975,439                                 | 90,691  |
| Capital outlay  | 220,000                 | 220,000      | 157,811                                 | 62,189  |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| Total expenditures  | 1,286,130               | 1,286,130    | 1,133,250                               | 152,880   |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| <b>Excess (Deficiency) of Revenue<br/>over (under) Expenditures</b> | (125,630)               | (125,630)    | 4,832                                   | 130,462   |
| <b>Fund Balance</b>   |                         |              |   |   |
| Beginning of year   | 1,938,777               | 1,938,777    | 1,938,777                               | -   |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| End of year   | \$ 1,813,147            | \$ 1,813,147 | \$ 1,943,609                            | \$ 130,462  |
|   | <hr/> <hr/>             | <hr/> <hr/>  | <hr/> <hr/>                             | <hr/> <hr/>   |

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - Correctional Facility**  
**Year Ended December 31, 2018**

|  | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Final<br/>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|-------------------------|---------------------|---|---|
|  | <u>Original</u>         | <u>Final</u>        |   |   |
| <b>Revenue</b>                                 |                         |                     |   |   |
| Sales tax                                      | \$ 3,409,429            | \$ 3,909,429        | \$ 3,935,825                            | \$ 26,396   |
| Intergovernmental                              | 2,718,000               | 3,148,000           | 3,119,708                               | (28,292)  |
| Interest                                       | 20,000                  | 52,000              | 52,624                                  | 624   |
| Miscellaneous                                  | -                       | -                   | 6,353                                   | 6,353   |
| Total revenue                                  | <u>6,147,429</u>        | <u>7,109,429</u>    | <u>7,114,510</u>                        | <u>5,081</u>  |
| <b>Expenditures</b>                            |                         |                     |   |   |
| Current  |                         |                     |   |   |
| Public safety                                  |                         |                     |   |   |
| Operations                                     | 5,966,153               | 6,203,153           | 6,147,477                               | 55,676  |
| Capital outlay                                 | 148,492                 | 148,492             | 92,558                                  | 55,934  |
| Total expenditures                             | <u>6,114,645</u>        | <u>6,351,645</u>    | <u>6,240,035</u>                        | <u>111,610</u>  |
| <b>Excess of Revenue over<br/>Expenditures</b> | 32,784                  | 757,784             | 874,475                                 | 116,691   |
| <b>Fund Balance</b>                            |                         |                     |   |   |
| Beginning of year                              | <u>3,382,592</u>        | <u>3,382,592</u>    | <u>3,382,592</u>                        | <u>-</u>  |
| End of year                                    | <u>\$ 3,415,376</u>     | <u>\$ 4,140,376</u> | <u>\$ 4,257,067</u>                     | <u>\$ 116,691</u>   |

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - Recreation**  
**Year Ended December 31, 2018**

|   | <u>Budgeted Amounts</u> |                     | <b>Actual<br/>(Budgetary<br/>Basis)</b> | <b>Final<br/>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|---|-------------------------|---------------------|---|---|
|   | <u>Original</u>         | <u>Final</u>        |   |   |
| <b>Revenue</b>  |                         |                     |   |   |
| Property tax  | \$ 1,902,500            | \$ 1,822,500        | \$ 1,793,085                            | \$ (29,415)   |
| Charges for services  | 99,276                  | 99,276              | 105,182                                 | 5,906   |
| Interest  | 8,103                   | 8,103               | 16,412                                  | 8,309   |
| Miscellaneous   | 23,595                  | 23,595              | 5,560                                   | (18,035)  |
| Total revenue   | <u>2,033,474</u>        | <u>1,953,474</u>    | <u>1,920,239</u>                        | <u>(33,235)</u>   |
| <b>Expenditures</b>   |                         |                     |   |   |
| Current   |                         |                     |   |   |
| Culture and recreation  |                         |                     |   |   |
| Operations  | 871,955                 | 871,955             | 785,431                                 | 86,524  |
| Capital outlay  | 95,015                  | 95,015              | 99,213                                  | (4,198)   |
| Total expenditures  | <u>966,970</u>          | <u>966,970</u>      | <u>884,644</u>                          | <u>82,326</u>   |
| <b>Excess (Deficiency) of Revenue<br/>over (under) Expenditures</b> | 1,066,504               | 986,504             | 1,035,595                               | 49,091  |
| <b>Fund Balance</b>   |                         |                     |   |   |
| Beginning of year   | 843,115                 | 843,115             | 843,115                                 | -   |
| End of year   | <u>\$ 1,909,619</u>     | <u>\$ 1,829,619</u> | <u>\$ 1,878,710</u>                     | <u>\$ 49,091</u>  |

**West Baton Rouge Parish Council**  
**Notes to Required Supplementary Information**  
**December 31, 2018**

*Notes to the schedule of changes in net OPEB liability and related ratios:*

**Note 1-Changes of Benefit Terms**

There were no changes of benefit terms for the year ended December 31, 2018.

**Note 2-Changes of Assumptions**

The discount rate decreased from 4.50% as of December 31, 2017 to 4.10% as of December 31, 2018.

*Notes to the schedules of proportionate share of net pension liability and contributions:*

**Note 3-Changes of Benefit Terms**

Act 285 of the 2017 Regular Session of the Louisiana Legislature provides a framework to correct enrollment errors for all employees in positions covered by state and statewide retirement systems. The act requires the member to be enrolled in the correct system with a transfer of contributions and interest from the erroneous system. As a part of the correction of the enrollment error, the member will be credited with the correct service credit, accrual rate, and employee contribution balance in the correct system. If the correction occurs within three years of the enrollment error, the correct system shall complete the correction upon receipt of the employee contributions and employer contributions that would have been paid had the member been properly enrolled with interest at the system's board-approved actuarial valuation interest rate. If the correction occurs more than three years after the enrollment error, the correct system shall receive the greater of 1) Employee contributions and employer contributions plus interest, and 2) the actuarial cost to the correct system of the service credit transferred. The employer must pay the difference between the amount transferred from the incorrect system to the correct system and the cost of the correction.

Act 366 of the 2017 Regular Session of the Louisiana Legislature made individuals appointed or elected on or after July 1, 2017 ineligible to serve as trustee on the Board for any state or statewide retirement system if found in violation of the Code of Governmental Ethics for actions involving the misuse of public funds. In addition, the act clarified that legislative staff is authorized to attend executive sessions and that they enjoy lawyer-client privilege for information related to the executive session.

**Note 4-Changes of Assumptions**

The investment rate of return for all three pension plans decreased by 0.25% from the previous valuation. The investment rates of return per the most recent valuations are as follows: PERS (6.75%), DARS (6.50%), and ROVERS (6.50%).

*Notes to the budgetary comparison schedule:*

**Note 5-Budget and Budgetary Accounting**

The Parish Council follows these procedures in establishing the budgetary data reflected in the financial statements.

- Prior to November 1, the Parish President submits to the Parish 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.

**West Baton Rouge Parish Council**  
**Notes to Required Supplementary Information**  
**December 31, 2018**

*Notes to the budgetary comparison schedule: (Continued)*

**Note 5-Budget and Budgetary Accounting (Continued)**

- A public hearing is conducted to obtain taxpayer comments.
- Prior to January 1, the budget is legally enacted by an ordinance.
- The Parish President is authorized to transfer budgeted amounts between departments within any **fund**; however, any revisions that alter the total expenditures of any fund must be approved by the **Parish Council**.
- Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Capital Projects Fund. Formal budgetary integration is **not** employed for Debt Service Funds because effective budgetary control is achieved through **general** obligation bond indenture **provisions**.
- The appropriated budget for the General Fund and Special Revenue Funds is adopted on the cash basis. Budgetary comparisons presented in this report compare the adopted budget with actual data on the budgetary (cash) **basis**.
- All budgetary appropriations lapse at the end of each fiscal **year**.
- Encumbrances are not recorded by the Parish Council; accordingly, no encumbrances are **outstanding**.
- Budgeted amounts shown are as originally adopted or amended by the Parish Council. Each year the budgetary information for comparisons includes the amended **budget**.

**Note 6-Budgetary-GAAP Reporting Reconciliation**

Budgetary comparisons presented in this report are on the budgetary basis. Certain adjustments are necessary to compare actual data on a GAAP versus budget basis. Adjustments reconciling the excess (deficit) of revenues and other financing sources over (under) expenditures and other uses at year end on the GAAP basis to the budgetary basis are as follows:

|                                    | <u>General</u>      |                  | <u>Com-</u>      | <u>Central</u>   | <u>Correc-</u>     |                   | <u>Other Special</u> |
|------------------------------------|---------------------|------------------|------------------|------------------|--------------------|-------------------|----------------------|
|                                    | <u>Fund</u>         | <u>Drainage</u>  | <u>munity</u>    | <u>Commun-</u>   | <u>tional</u>      | <u>Recrea-</u>    | <u>Revenue</u>       |
|                                    |                     |                  | <u>Centers</u>   | <u>ications</u>  | <u>Facility</u>    | <u>tion</u>       | <u>Funds</u>         |
| Net change in fund balance         |                     |                  |                  |                  |                    |                   |                      |
| (Budgetary Basis)                  | \$ (672,952)        | \$ (263,253)     | \$ 58,166        | \$ 4,832         | \$ 874,475         | \$ 1,035,595      | \$ 848,455           |
| Adjustments-to adjust for accruals | <u>353,946</u>      | <u>281,567</u>   | <u>41,723</u>    | <u>60,555</u>    | <u>215,235</u>     | <u>(909,362)</u>  | <u>6,335</u>         |
| Net change in fund balance         |                     |                  |                  |                  |                    |                   |                      |
| (GAAP basis)                       | <u>\$ (319,006)</u> | <u>\$ 18,314</u> | <u>\$ 99,889</u> | <u>\$ 65,387</u> | <u>\$1,089,710</u> | <u>\$ 126,233</u> | <u>\$ 854,790</u>    |

**Combining and Individual  
Fund Statements and Schedules**

**West Baton Rouge Parish Council  
Non-Major Governmental Funds  
December 31, 2018**

**Special Revenue Funds**

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Parish Roads:

To account for the construction of new roads and bridges and the maintenance of existing roads and roadside areas. Financing is provided by the State of Louisiana Parish Transportation Fund, the Parish Royalty Fund, and amounts transferred from the general fund.

Health Unit:

To account for the operation of the Parish Health Unit. Financing is provided by ad valorem taxes.

Community Alert Network:

To account for a program which alerts the community in case of an emergency. Funds are provided by various industries in the Parish.

911:

To provide the citizens of West Baton Rouge with a one number service for all emergencies. Funds are provided by a monthly charge of \$0.85 per month for residents and \$1.75 per month for businesses on all telephone bills.

Criminal Court:

This fund was established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provides that fines and forfeitures imposed by district courts and district attorneys' conviction fees, in criminal cases, be transferred to the parish treasurer and deposited into a special "Criminal Court Fund" account to be used for expenses of the Criminal Court of the Parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judges. The statutes also require that one-half of the fund balance remaining in the Criminal Court Fund at December 31st of each year be transferred to the Parish's General Fund.

Juvenile Detention:

To account for the receipts and subsequent expenditure of funds received from the oil field settlement of Port Hudson field for special projects. Funds are currently dedicated for the cost of juvenile detention in the Parish.

Parish Lighting:

To account for future lighting districts around the Parish. Funds are provided by a 25% allocation of video poker funds.

Federal Grants:

To account for the receipt and subsequent expenditure of funds received from the Department of Housing and Urban Development to aid low income families in obtaining decent, safe and sanitary housing and also from the Department of Social Services for low income energy assistance. The Community Development Block Grant covers various projects for the Parish. The total budget originally passed was set to cover all of these projects.

Miscellaneous:

To account for miscellaneous funds which are in the process of being dissolved because their purpose is no longer necessary.

**West Baton Rouge Parish Council  
Non-Major Governmental Funds  
December 31, 2018**

**Capital Projects Fund**

The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

**Debt Service Funds**

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt **principal** and **interest**.

2015 Revenue Refunding Bonds:

To record monies for payment of the 2015 Revenue Refunding Bonds.

2000 and 2002 Tourist Center Bonds:

To record monies for payment of the Tourist Center Bonds. Financing is from the State Treasurer and **increased** sales and other tax revenues to the Parish from economic development services and facilities provided by the West Baton Rouge Parish Tourist **Commission**.

2008 Westport Sewer Bonds:

To record monies for payments of the 2008, \$750,000 Sales Tax Revenue **Bonds**.

2008 Westport Road Bonds:

To record monies for payments of the 2008, \$350,000 Sales Tax Revenue **Bonds**.

2010 Clean Water State Revolving Loan Fund:

To record monies for payments of the Westport Sewer **Loan**.

**Fiduciary Funds**

Agency Fund

To account for the collection of taxes and fees and the resulting distribution to the appropriate taxing bodies.

**West Baton Rouge Parish Council  
Non-Major Governmental Funds  
Combining Balance Sheet  
December 31, 2018**

**Special Revenue Funds**

|   | <b>Parish<br/>Roads</b> | <b>Health<br/>Unit</b> | <b>Comm-<br/>unity<br/>Alert<br/>Network</b> | <b>911</b>        | <b>Criminal<br/>Court</b> | <b>Juvenile<br/>Detention</b> | <b>Parish<br/>Lighting</b> | <b>Federal<br/>Grants</b> | <b>Miscel-<br/>laneous</b> | <b>Special<br/>Revenue<br/>Total</b> |
|---|-------------------------|------------------------|--|-------------------|---------------------------|-------------------------------|----------------------------|---------------------------|----------------------------|--------------------------------------|
| <b>Assets</b>   |                         |                        |  |                   |                           |                               |                            |                           |                            |                                      |
| Cash and cash equivalents   | \$ 2,903                | \$ 518,931             | \$ 6,509                                     | \$ 217,567        | \$ 717,951                | \$ (20,656)                   | \$ 382,452                 | \$ 495,308                | \$ 98,699                  | \$ 2,419,664                         |
| Restricted cash and cash equivalents                                      | -                       | -                      | -  | -                 | -                         | -                             | -                          | -                         | -                          | -                                    |
| Taxes receivable  | -                       | 669,785                | -  | -                 | -                         | -                             | -                          | -                         | -                          | 669,785                              |
| Investments   | -                       | 950,000                | -  | 350,000           | -                         | 1,500,000                     | 1,700,000                  | -                         | -                          | 4,500,000                            |
| Due from other governments  | 116,878                 | 1,648                  | -  | 11,701            | 18,744                    | 2,782                         | 54,180                     | 34,437                    | -                          | 240,370                              |
| <b>Total assets</b>   | <b>\$ 119,781</b>       | <b>\$ 2,140,364</b>    | <b>\$ 6,509</b>                              | <b>\$ 579,268</b> | <b>\$ 736,695</b>         | <b>\$ 1,482,126</b>           | <b>\$ 2,136,632</b>        | <b>\$ 529,745</b>         | <b>\$ 98,699</b>           | <b>\$ 7,829,819</b>                  |
| <b>Liabilities</b>  |                         |                        |  |                   |                           |                               |                            |                           |                            |                                      |
| Accounts payable  | \$ 22,923               | \$ 4,411               | \$ -   | \$ 5,836          | \$ 2,538                  | \$ -                          | \$ 305                     | \$ 133                    | \$ -                       | \$ 36,146                            |
| Accrued liabilities   | 39,118                  | 12,889                 | -  | 40,770            | -                         | -                             | -                          | 1,667                     | -                          | 94,444                               |
| <b>Total liabilities</b>  | <b>62,041</b>           | <b>17,300</b>          | <b>-</b>                                     | <b>46,606</b>     | <b>2,538</b>              | <b>-</b>                      | <b>305</b>                 | <b>1,800</b>              | <b>-</b>                   | <b>130,590</b>                       |
| <b>Deferred Inflows of Resources</b>                                      |                         |                        |  |                   |                           |                               |                            |                           |                            |                                      |
| Grant advances  | -                       | -                      | -  | -                 | -                         | -                             | -                          | 354,139                   | -                          | 354,139                              |
| Unavailable revenue - property taxes                                      | -                       | 718,968                | -  | -                 | -                         | -                             | -                          | -                         | -                          | 718,968                              |
| <b>Total deferred inflows of resources</b>                                | <b>-</b>                | <b>718,968</b>         | <b>-</b>                                     | <b>-</b>          | <b>-</b>                  | <b>-</b>                      | <b>-</b>                   | <b>354,139</b>            | <b>-</b>                   | <b>1,073,107</b>                     |
| <b>Fund Balances</b>  |                         |                        |  |                   |                           |                               |                            |                           |                            |                                      |
| Restricted  | 57,740                  | 1,404,096              | 6,509  | -                 | -                         | 1,482,126                     | -                          | 173,806                   | -                          | 3,124,277                            |
| Committed   | -                       | -                      | -  | 532,662           | -                         | -                             | 2,136,327                  | -                         | 98,699                     | 2,767,688                            |
| Assigned  | -                       | -                      | -  | -                 | 734,157                   | -                             | -                          | -                         | -                          | 734,157                              |
| <b>Total fund balances</b>  | <b>57,740</b>           | <b>1,404,096</b>       | <b>6,509</b>                                 | <b>532,662</b>    | <b>734,157</b>            | <b>1,482,126</b>              | <b>2,136,327</b>           | <b>173,806</b>            | <b>98,699</b>              | <b>6,626,122</b>                     |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 119,781</b>       | <b>\$ 2,140,364</b>    | <b>\$ 6,509</b>                              | <b>\$ 579,268</b> | <b>\$ 736,695</b>         | <b>\$ 1,482,126</b>           | <b>\$ 2,136,632</b>        | <b>\$ 529,745</b>         | <b>\$ 98,699</b>           | <b>\$ 7,829,819</b>                  |

**West Baton Rouge Parish Council  
Non-Major Governmental Funds  
Combining Balance Sheet  
December 31, 2018**

**Debt Service Funds**

|   | <b>Capital<br/>Projects<br/>Fund</b> | <b>2015<br/>Revenue<br/>Refund-<br/>ing<br/>Bonds</b> | <b>2000 and<br/>2002<br/>Tourist<br/>Center<br/>Bonds</b> | <b>2008<br/>Westport<br/>Sewer<br/>Bond</b> | <b>2008<br/>Westport<br/>Road<br/>Bonds</b> | <b>2010<br/>Clean<br/>Water<br/>State<br/>Revolving<br/>Loan Fund</b> | <b>Debt<br/>Service<br/>Total</b> | <b>Total Non-<br/>Major<br/>Governmental<br/>Funds</b> |
|---|--------------------------------------|---|---|---|---|---|-----------------------------------|--|
| <b>Assets</b>   |                                      |   |   |   |   |   |                                   |  |
| Cash and cash equivalents   | \$ 162,012                           | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -                              | \$ 2,581,676   |
| Restricted cash and cash equivalents                                      | -                                    | -   | 30,691  | 56,474                                      | 35,633                                      | 116,726   | 239,524                           | 239,524  |
| Taxes receivable  | -                                    | -   | -   | -   | -   | -   | -                                 | 669,785  |
| Investments   | 4,020,880                            | -   | -   | -   | -   | -   | -                                 | 8,520,880  |
| Due from other governments  | 172,239                              | -   | 164,726   | -   | -   | -   | 164,726                           | 577,335  |
| <b>Total assets</b>   | <b>\$ 4,355,131</b>                  | <b>\$ -</b>   | <b>\$ 195,417</b>   | <b>\$ 56,474</b>                            | <b>\$ 35,633</b>                            | <b>\$ 116,726</b>   | <b>\$ 404,250</b>                 | <b>\$ 12,589,200</b>                                   |
| <b>Liabilities</b>  |                                      |   |   |   |   |   |                                   |  |
| Accounts payable  | \$ 37,696                            | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -                              | \$ 73,842  |
| Accrued liabilities   | -                                    | -   | -   | -   | -   | -   | -                                 | 94,444   |
| <b>Total liabilities</b>  | <b>37,696</b>                        | <b>-</b>  | <b>-</b>  | <b>-</b>                                    | <b>-</b>                                    | <b>-</b>  | <b>-</b>                          | <b>168,286</b>   |
| <b>Deferred Inflows of Resources</b>                                      |                                      |   |   |   |   |   |                                   |  |
| Grant advances  | -                                    | -   | -   | -   | -   | -   | -                                 | 354,139  |
| Unavailable revenue - property taxes                                      | -                                    | -   | -   | -   | -   | -   | -                                 | 718,968  |
| <b>Total deferred inflows of resources</b>                                | <b>-</b>                             | <b>-</b>  | <b>-</b>  | <b>-</b>                                    | <b>-</b>                                    | <b>-</b>  | <b>-</b>                          | <b>1,073,107</b>                                       |
| <b>Fund Balances</b>  |                                      |   |   |   |   |   |                                   |  |
| Restricted  | -                                    | -   | 195,417   | 56,474                                      | 35,633                                      | 116,726   | 404,250                           | 3,528,527  |
| Committed   | 4,317,435                            | -   | -   | -   | -   | -   | -                                 | 7,085,123  |
| Assigned  | -                                    | -   | -   | -   | -   | -   | -                                 | 734,157  |
| <b>Total fund balances</b>  | <b>4,317,435</b>                     | <b>-</b>  | <b>195,417</b>  | <b>56,474</b>                               | <b>35,633</b>                               | <b>116,726</b>  | <b>404,250</b>                    | <b>11,347,807</b>                                      |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 4,355,131</b>                  | <b>\$ -</b>   | <b>\$ 195,417</b>   | <b>\$ 56,474</b>                            | <b>\$ 35,633</b>                            | <b>\$ 116,726</b>   | <b>\$ 404,250</b>                 | <b>\$ 12,589,200</b>                                   |

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**West Baton Rouge Parish Council  
Non-Major Governmental Funds  
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2018**

**Special Revenue Funds**

|   | <b>Parish<br/>Roads</b> | <b>Health<br/>Unit</b> | <b>Comm-<br/>unity<br/>Alert<br/>Network</b> | <b>911</b>     | <b>Criminal<br/>Court</b> | <b>Juvenile<br/>Detention</b> | <b>Parish<br/>Lighting</b> | <b>Federal<br/>Grants</b> | <b>Miscel-<br/>laneous</b> | <b>Special<br/>Revenue<br/>Total</b> |
|---|-------------------------|------------------------|--|----------------|---------------------------|-------------------------------|----------------------------|---------------------------|----------------------------|--------------------------------------|
| <b>Revenue</b>  |                         |                        |  |                |                           |                               |                            |                           |                            |                                      |
| Taxes   | \$ -                    | \$ 679,987             | \$ -   | \$ -           | \$ -                      | \$ -                          | \$ 267,041                 | \$ -                      | \$ -                       | \$ 947,028                           |
| Intergovernmental   | 578,573                 | 21,184                 | 9,250  | 300,765        | -                         | -                             | 10,079                     | 861,511                   | -                          | 1,781,362                            |
| Charges for services  | 93,521                  | -                      | -  | -              | -                         | -                             | -                          | -                         | -                          | 93,521                               |
| Fines and forfeits  | -                       | -                      | -  | -              | 312,442                   | -                             | -                          | -                         | -                          | 312,442                              |
| Interest  | 741                     | 23,821                 | 87   | 8,539          | 7,743                     | 27,129                        | 35,387                     | 5,865                     | 884                        | 110,196                              |
| Miscellaneous   | 259                     | -                      | -  | 10             | -                         | -                             | -                          | 5,835                     | 40,000                     | 46,104                               |
| <b>Total revenue</b>  | <b>673,094</b>          | <b>724,992</b>         | <b>9,337</b>                                 | <b>309,314</b> | <b>320,185</b>            | <b>27,129</b>                 | <b>312,507</b>             | <b>873,211</b>            | <b>40,884</b>              | <b>3,290,653</b>                     |
| <b>Expenditures</b>   |                         |                        |  |                |                           |                               |                            |                           |                            |                                      |
| Judicial  | -                       | -                      | -  | -              | 132,487                   | -                             | -                          | -                         | -                          | 132,487                              |
| Public safety   | -                       | -                      | 12,200                                       | 281,244        | -                         | 50,123                        | -                          | 33,052                    | 25,303                     | 401,922                              |
| Public works  | 1,783,203               | -                      | -  | -              | -                         | -                             | 143,796                    | -                         | -                          | 1,926,999                            |
| Culture and recreation  | -                       | -                      | -  | -              | -                         | -                             | -                          | -                         | -                          | -                                    |
| Health and welfare  | -                       | 519,020                | -  | -              | -                         | -                             | -                          | 259,901                   | -                          | 778,921                              |
| Urban housing   | -                       | -                      | -  | -              | -                         | -                             | -                          | 318,606                   | -                          | 318,606                              |
| Capital outlay  | 562,500                 | -                      | -  | -              | -                         | -                             | -                          | 227,967                   | 13,415                     | 803,882                              |
| Debt service  |                         |                        |  |                |                           |                               |                            |                           |                            |                                      |
| Principal payments  | -                       | -                      | -  | -              | -                         | -                             | -                          | -                         | -                          | -                                    |
| Interest  | -                       | -                      | -  | -              | -                         | -                             | -                          | -                         | -                          | -                                    |
| Fees and refunding costs  | -                       | -                      | -  | -              | -                         | -                             | -                          | -                         | -                          | -                                    |
| <b>Total expenditures</b>   | <b>2,345,703</b>        | <b>519,020</b>         | <b>12,200</b>                                | <b>281,244</b> | <b>132,487</b>            | <b>50,123</b>                 | <b>143,796</b>             | <b>839,526</b>            | <b>38,718</b>              | <b>4,362,817</b>                     |
| <b>Excess (Deficiency) of Revenue over<br/>(under) Expenditures</b> | <b>(1,672,609)</b>      | <b>205,972</b>         | <b>(2,863)</b>                               | <b>28,070</b>  | <b>187,698</b>            | <b>(22,994)</b>               | <b>168,711</b>             | <b>33,685</b>             | <b>2,166</b>               | <b>(1,072,164)</b>                   |
| <b>Other Financing Sources (Uses)</b>                               |                         |                        |  |                |                           |                               |                            |                           |                            |                                      |
| Operating transfers in  | 1,549,976               | -                      | -  | -              | -                         | -                             | -                          | 376,978                   | -                          | 1,926,954                            |
| Operating transfers out   | -                       | -                      | -  | -              | -                         | -                             | -                          | -                         | -                          | -                                    |
| <b>Total other financing<br/>sources (uses)</b>                     | <b>1,549,976</b>        | <b>-</b>               | <b>-</b>                                     | <b>-</b>       | <b>-</b>                  | <b>-</b>                      | <b>-</b>                   | <b>376,978</b>            | <b>-</b>                   | <b>1,926,954</b>                     |
| <b>Net Changes in Fund Balances</b>                                 | <b>(122,633)</b>        | <b>205,972</b>         | <b>(2,863)</b>                               | <b>28,070</b>  | <b>187,698</b>            | <b>(22,994)</b>               | <b>168,711</b>             | <b>410,663</b>            | <b>2,166</b>               | <b>854,790</b>                       |
| <b>Fund Balances</b>  |                         |                        |  |                |                           |                               |                            |                           |                            |                                      |
| Beginning of year   | 180,373                 | 1,198,124              | 9,372  | 504,592        | 546,459                   | 1,505,120                     | 1,967,616                  | (236,857)                 | 96,533                     | 5,771,332                            |
| End of year   | \$ 57,740               | \$ 1,404,096           | \$ 6,509                                     | \$ 532,662     | \$ 734,157                | \$ 1,482,126                  | \$ 2,136,327               | \$ 173,806                | \$ 98,699                  | \$ 6,626,122                         |

**West Baton Rouge Parish Council  
Non-Major Governmental Funds  
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2018**

**Debt Service Funds**

|   | <b>Capital<br/>Projects<br/>Fund</b> | <b>2015<br/>Revenue<br/>Refund-<br/>ing<br/>Bonds</b> | <b>2000 and<br/>2002<br/>Tourist<br/>Center<br/>Bonds</b> | <b>2008<br/>Westport<br/>Sewer<br/>Bonds</b> | <b>2008<br/>Westport<br/>Road<br/>Bonds</b> | <b>2010 Clean<br/>Water<br/>State<br/>Revolving<br/>Loan Fund</b> | <b>Debt<br/>Service<br/>Total</b> | <b>Total Non-<br/>Major<br/>Governmental<br/>Funds</b> |
|---|--------------------------------------|---|---|--|---|---|-----------------------------------|--|
| <b>Revenue</b>  |                                      |   |   |  |   |   |                                   |  |
| Taxes   | \$ 654,907                           | \$ -  | \$ -  | \$ -   | \$ -  | \$ -  | \$ -                              | \$ 1,601,935   |
| Intergovernmental   | 316,185                              | -   | 587,138   | -  | -   | -   | 587,138                           | 2,684,685  |
| Charges for services  | -                                    | -   | -   | -  | -   | -   | -                                 | 93,521   |
| Fines and forfeits  | -                                    | -   | -   | -  | -   | -   | -                                 | 312,442  |
| Interest  | 77,016                               | -   | 578   | 773  | 491   | 1,430   | 3,272                             | 190,484  |
| Miscellaneous   | -                                    | -   | -   | -  | -   | -   | -                                 | 46,104   |
| Total revenue   | <u>1,048,108</u>                     | <u>-</u>  | <u>587,716</u>  | <u>773</u>                                   | <u>491</u>                                  | <u>1,430</u>  | <u>590,410</u>                    | <u>4,929,171</u>                                       |
| <b>Expenditures</b>   |                                      |   |   |  |   |   |                                   |  |
| Judicial  | -                                    | -   | -   | -  | -   | -   | -                                 | 132,487  |
| Public safety   | -                                    | -   | -   | -  | -   | -   | -                                 | 401,922  |
| Public works  | -                                    | -   | -   | -  | -   | -   | -                                 | 1,926,999  |
| Culture and recreation  | -                                    | -   | 526,568   | -  | -   | -   | 526,568                           | 526,568  |
| Health and welfare  | -                                    | -   | -   | -  | -   | -   | -                                 | 778,921  |
| Urban housing   | -                                    | -   | -   | -  | -   | -   | -                                 | 318,606  |
| Capital outlay  | 3,629,291                            | -   | -   | -  | -   | -   | -                                 | 4,433,173  |
| Debt service  |                                      |   |   |  |   |   |                                   |  |
| Principal payments  | -                                    | 100,000   | 24,000  | 15,000                                       | 25,000                                      | 97,000  | 261,000                           | 261,000  |
| Interest  | -                                    | 18,705  | 5,600   | 35,282                                       | 8,956                                       | 3,265   | 71,808                            | 71,808   |
| Fees and refunding costs  | -                                    | -   | -   | 600  | 600   | 10,059  | 11,259                            | 11,259   |
| Total expenditures  | <u>3,629,291</u>                     | <u>118,705</u>  | <u>556,168</u>  | <u>50,882</u>                                | <u>34,556</u>                               | <u>110,324</u>  | <u>870,635</u>                    | <u>8,862,743</u>                                       |
| <b>Excess (Deficiency) of Revenue over<br/>(under) Expenditures</b> | <u>(2,581,183)</u>                   | <u>(118,705)</u>                                      | <u>31,548</u>   | <u>(50,109)</u>                              | <u>(34,065)</u>                             | <u>(108,894)</u>  | <u>(280,225)</u>                  | <u>(3,933,572)</u>                                     |
| <b>Other Financing Sources (Uses)</b>                               |                                      |   |   |  |   |   |                                   |  |
| Operating transfers in  | 3,542,529                            | 118,705   | 29,600  | 51,341                                       | 34,846                                      | 110,324   | 344,816                           | 5,814,299  |
| Operating transfers out   | (796,460)                            | -   | (29,600)  | (458)  | (289)                                       | -   | (30,347)                          | (826,807)  |
| Total other financing<br>sources (uses)                             | <u>2,746,069</u>                     | <u>118,705</u>  | <u>-</u>  | <u>50,883</u>                                | <u>34,557</u>                               | <u>110,324</u>  | <u>314,469</u>                    | <u>4,987,492</u>                                       |
| <b>Net Changes in Fund Balances</b>                                 | <u>164,886</u>                       | <u>-</u>  | <u>31,548</u>   | <u>774</u>                                   | <u>492</u>                                  | <u>1,430</u>  | <u>34,244</u>                     | <u>1,053,920</u>                                       |
| <b>Fund Balances</b>  |                                      |   |   |  |   |   |                                   |  |
| Beginning of year   | 4,152,549                            | -   | 163,869   | 55,700                                       | 35,141                                      | 115,296   | 370,006                           | 10,293,887   |
| End of year   | <u>\$ 4,317,435</u>                  | <u>\$ -</u>   | <u>\$ 195,417</u>   | <u>\$ 56,474</u>                             | <u>\$ 35,633</u>                            | <u>\$ 116,726</u>   | <u>\$ 404,250</u>                 | <u>\$ 11,347,807</u>                                   |

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - Parish Roads**  
**Year Ended December 31, 2018**

|   | <u>Budgeted Amounts</u> |              | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Final<br/>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|--------------|---|---|
|   | <u>Original</u>         | <u>Final</u> |   |   |
| <b>Revenue</b>                                  |                         |              |   |   |
| Intergovernmental                               | \$ 375,000              | \$ 375,000   | \$ 649,857                              | \$ 274,857  |
| Interest  | -                       | -            | 741                                     | 741   |
| Miscellaneous                                   | -                       | -            | 259                                     | 259   |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| Total revenue                                   | 375,000                 | 375,000      | 650,857                                 | 275,857   |
| <b>Expenditures</b>                             |                         |              |   |   |
| Current   |                         |              |   |   |
| Public works                                    |                         |              |   |   |
| Operations                                      | 2,065,465               | 1,930,465    | 1,780,999                               | 149,466   |
| Capital outlay                                  | 453,000                 | 453,000      | 462,274                                 | (9,274)   |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| Total expenditures                              | 2,518,465               | 2,383,465    | 2,243,273                               | 140,192   |
| <b>Deficiency of Revenue under Expenditures</b> | (2,143,465)             | (2,008,465)  | (1,592,416)                             | 416,049   |
| <b>Other Financing Sources</b>                  |                         |              |   |   |
| Operating transfers in                          | 2,143,464               | 1,552,464    | 1,549,976                               | (2,488)   |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| <b>Net Change in Fund Balance</b>               | (1)                     | (456,001)    | (42,440)                                | 413,561   |
| <b>Fund Balance</b>                             |                         |              |   |   |
| Beginning of year                               | 45,301                  | 45,301       | 45,301                                  | -   |
|   | <hr/>                   | <hr/>        | <hr/>                                   | <hr/>   |
| End of year                                     | \$ 45,302               | \$ 501,302   | \$ 87,741                               | \$ 413,561  |
|   | <hr/> <hr/>             | <hr/> <hr/>  | <hr/> <hr/>                             | <hr/> <hr/>   |

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - Health Unit**  
**Year Ended December 31, 2018**

|  | <u>Budgeted Amounts</u> |              | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Final<br/>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|-------------------------|--------------|---|---|
|  | <u>Original</u>         | <u>Final</u> |   |   |
| <b>Revenue</b>                             |                         |              |   |   |
| Property tax                               | \$ 665,875              | \$ 665,875   | \$ 627,580                              | \$ (38,295)   |
| Intergovernmental                          | 18,600                  | 18,600       | 21,184                                  | 2,584   |
| Interest                                   | 12,200                  | 12,200       | 23,404                                  | 11,204  |
| Total revenue                              | 696,675                 | 696,675      | 672,168                                 | (24,507)  |
| <b>Expenditures</b>                        |                         |              |   |   |
| Current                                    |                         |              |   |   |
| Health and welfare                         |                         |              |   |   |
| Operations                                 | 570,696                 | 570,696      | 513,890                                 | 56,806  |
| Capital outlay                             | 20,000                  | 20,000       | 1,537                                   | 18,463  |
| Total expenditures                         | 590,696                 | 590,696      | 515,427                                 | 75,269  |
| <b>Excess of Revenue over Expenditures</b> | 105,979                 | 105,979      | 156,741                                 | 50,762  |
| <b>Fund Balance</b>                        |                         |              |   |   |
| Beginning of year                          | 1,312,189               | 1,312,189    | 1,312,189                               | -   |
| End of year                                | \$ 1,206,210            | \$ 1,206,210 | \$ 1,155,448                            | \$ 50,762   |

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - Community Alert Network**  
**Year Ended December 31, 2018**

|   | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Final<br/>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|------------------|---|---|
|   | <u>Original</u>         | <u>Final</u>     |   |   |
| <b>Revenue</b>                                  |                         |                  |   |   |
| Intergovernmental                               | \$ 13,500               | \$ 9,250         | \$ 9,250                                | \$ -  |
| Interest  | -                       | -                | 87                                      | 87  |
| Total revenue                                   | <u>13,500</u>           | <u>9,250</u>     | <u>9,337</u>                            | <u>87</u>   |
| <b>Expenditures</b>                             |                         |                  |   |   |
| Current   |                         |                  |   |   |
| Public safety                                   |                         |                  |   |   |
| Operations                                      | 13,500                  | 12,200           | 12,200                                  | -   |
| Total expenditures                              | <u>13,500</u>           | <u>12,200</u>    | <u>12,200</u>                           | <u>-</u>  |
| <b>Deficiency of Revenue under Expenditures</b> | -                       | (2,950)          | (2,863)                                 | 87  |
| <b>Fund Balance</b>                             |                         |                  |   |   |
| Beginning of the year                           | 9,372                   | 9,372            | 9,372                                   | -   |
| End of year                                     | <u>\$ 9,372</u>         | <u>\$ 12,322</u> | <u>\$ 12,235</u>                        | <u>\$ 87</u>  |

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - 911**  
**Year Ended December 31, 2018**

|   | <u>Budgeted Amounts</u> |              | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Final<br/>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|--------------|---|---|
|   | <u>Original</u>         | <u>Final</u> |   |   |
| <b>Revenue</b>  |                         |              |   |   |
| Intergovernmental   | \$ 335,000              | \$ 354,500   | \$ 350,176                              | \$ (4,324)  |
| Interest  | 4,000                   | 4,000        | 8,124                                   | 4,124   |
| Miscellaneous   | -                       | -            | 10                                      | 10  |
| Total revenue   | 339,000                 | 358,500      | 358,310                                 | (190)   |
| <b>Expenditures</b>   |                         |              |   |   |
| Current   |                         |              |   |   |
| Public safety   |                         |              |   |   |
| Operations  | 355,058                 | 355,058      | 270,253                                 | 84,805  |
| Capital outlay  | 25,000                  | 25,000       | -                                       | 25,000  |
| Total expenditures  | 380,058                 | 380,058      | 270,253                                 | 109,805   |
| <b>Excess (Deficiency) of Revenue over<br/>(under) Expenditures</b> | (41,058)                | (21,558)     | 88,057                                  | 109,615   |
| <b>Fund Balance</b>   |                         |              |   |   |
| Beginning of year   | 479,510                 | 479,510      | 479,510                                 | -   |
| End of year   | \$ 520,568              | \$ 501,068   | \$ 391,453                              | \$ 109,615  |

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - Criminal Court**  
**Year Ended December 31, 2018**

|  | <u>Budgeted Amounts</u> |              | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Final<br/>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|-------------------------|--------------|---|---|
|  | <u>Original</u>         | <u>Final</u> |   |   |
| <b>Revenue</b>                             |                         |              |   |   |
| Court costs                                | \$ 350,000              | \$ 303,000   | \$ 296,227                              | \$ (6,773)  |
| Interest                                   | 1,000                   | 1,000        | 7,743                                   | 6,743   |
| Total revenue                              | 351,000                 | 304,000      | 303,970                                 | (30)  |
| <b>Expenditures</b>                        |                         |              |   |   |
| Current                                    |                         |              |   |   |
| Judicial                                   |                         |              |   |   |
| Operations                                 | 192,141                 | 131,141      | 130,053                                 | 1,088   |
| Total expenditures                         | 192,141                 | 131,141      | 130,053                                 | 1,088   |
| <b>Excess of Revenue over Expenditures</b> | 158,859                 | 172,859      | 173,917                                 | 1,058   |
| <b>Fund Balance</b>                        |                         |              |   |   |
| Beginning of year                          | 544,034                 | 544,034      | 544,034                                 | -   |
| End of year                                | \$ 544,034              | \$ 544,034   | \$ 544,034                              | \$ -  |

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - Juvenile Detention**  
**Year Ended December 31, 2018**

|   | <u>Budgeted Amounts</u> |                     | <b>Actual<br/>(Budgetary<br/>Basis)</b> | <b>Final<br/>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|---|-------------------------|---------------------|---|---|
|   | <b>Original</b>         | <b>Final</b>        |   |   |
| <b>Revenue</b>                                  |                         |                     |   |   |
| Interest  | \$ 21,000               | \$ 26,000           | \$ 26,307                               | \$ 307  |
| Total revenue                                   | 21,000                  | 26,000              | 26,307                                  | 307   |
| <b>Expenditures</b>                             |                         |                     |   |   |
| Current   |                         |                     |   |   |
| Public safety                                   |                         |                     |   |   |
| Operations                                      | 175,000                 | 51,000              | 50,123                                  | 877   |
| Total expenditures                              | 175,000                 | 51,000              | 50,123                                  | 877   |
| <b>Deficiency of Revenue under Expenditures</b> | (154,000)               | (25,000)            | (23,816)                                | 1,184   |
| <b>Fund Balance</b>                             |                         |                     |   |   |
| Beginning of year                               | 1,503,160               | 1,503,160           | 1,503,160                               | -   |
| End of year                                     | <u>\$ 1,657,160</u>     | <u>\$ 1,528,160</u> | <u>\$ 1,526,976</u>                     | <u>\$ 1,184</u>   |

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - Parish Lighting**  
**Year Ended December 31, 2018**

|  | <u>Budgeted Amounts</u> |                     | Actual<br>(Budgetary<br>Basis) | Final<br>Variance<br>Favorable<br>(Unfavorable) |
|--|-------------------------|---------------------|--------------------------------|---|
|  | Original                | Final               |                                |   |
| <b>Revenue</b>                             |                         |                     |                                |   |
| Taxes                                      | \$ 280,000              | \$ 280,000          | \$ 263,328                     | \$ (16,672)                                     |
| Intergovernmental                          | 10,079                  | 10,079              | 10,079                         | -   |
| Interest                                   | 22,000                  | 22,000              | 34,907                         | 12,907  |
| Total revenue                              | <u>312,079</u>          | <u>312,079</u>      | <u>308,314</u>                 | <u>(3,765)</u>                                  |
| <b>Expenditures</b>                        |                         |                     |                                |   |
| Current                                    |                         |                     |                                |   |
| Public safety                              |                         |                     |                                |   |
| Operations                                 | 275,000                 | 144,000             | 143,491                        | 509   |
| Total expenditures                         | <u>275,000</u>          | <u>144,000</u>      | <u>143,491</u>                 | <u>509</u>                                      |
| <b>Excess of Revenue over Expenditures</b> | 37,079                  | 168,079             | 164,823                        | (3,256)   |
| <b>Fund Balance</b>                        |                         |                     |                                |   |
| Beginning of year                          | 1,917,629               | 1,917,629           | 1,917,629                      | -   |
| End of year                                | <u>\$ 1,880,550</u>     | <u>\$ 1,749,550</u> | <u>\$ 1,752,806</u>            | <u>\$ (3,256)</u>                               |

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - Federal Grants**  
**Year Ended December 31, 2018**

**Community Development Block Grant\***

|   | <b>Total Budget</b>   | <b>Expended in<br/>Prior Years</b> | <b>Expended in<br/>Current<br/>Year</b> | <b>Remaining<br/>Budget for<br/>Future Years</b> |
|---|-----------------------|------------------------------------|---|--|
| <b>Revenue</b>  |                       |                                    |   |  |
| Intergovernmental   | \$ 8,174,525          | \$ 7,830,762                       | \$ 343,612                              | \$ -   |
| Miscellaneous   | -                     | 3                                  | 1,002                                   | -  |
| <b>Total revenue</b>  | <b>8,174,525</b>      | <b>7,830,765</b>                   | <b>344,614</b>                          | <b>-</b>   |
| <b>Expenditures</b>   |                       |                                    |   |  |
| <b>Current</b>  |                       |                                    |   |  |
| General government  |                       |                                    |   |  |
| Operations  | -                     | -                                  | -                                       | -  |
| Public safety   |                       |                                    |   |  |
| Operations  | -                     | -                                  | -                                       | -  |
| Health and welfare  |                       |                                    |   |  |
| Operations  | -                     | -                                  | -                                       | -  |
| Urban housing   |                       |                                    |   |  |
| Operations  | -                     | -                                  | -                                       | -  |
| Capital outlay  |                       |                                    |   |  |
| Federal operations  | 8,174,525             | 8,162,502                          | 12,023                                  | -  |
| Parish operations   | 2,184,239             | 1,228,444                          | 531,458                                 | 424,337  |
| <b>Total expenditures</b>   | <b>10,358,764</b>     | <b>9,390,946</b>                   | <b>543,481</b>                          | <b>424,337</b>                                   |
| <b>Excess (Deficiency) of Revenue<br/>over (under) Expenditures</b> | <b>(2,184,239)</b>    | <b>(1,560,181)</b>                 | <b>(198,867)</b>                        | <b>424,337</b>                                   |
| <b>Other Financing Sources</b>                                      |                       |                                    |   |  |
| Operating transfers in  | -                     | -                                  | -                                       | -  |
| <b>Net Change in Fund Balance</b>                                   | <b>2,184,239</b>      | <b>1,560,181</b>                   | <b>198,867</b>                          | <b>424,337</b>                                   |
| <b>Fund Balance</b>   |                       |                                    |   |  |
| Beginning of year   | (16,531)              | (16,531)                           | (16,531)                                | -  |
| End of year   | <b>\$ (2,200,770)</b> | <b>\$ (1,576,712)</b>              | <b>\$ (215,398)</b>                     | <b>\$ 424,337</b>                                |

\*For a detailed explanation of the Community Development Block Grant, see page 71.

**West Baton Rouge Parish Council**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund - Federal Grants**  
**Year Ended December 31, 2018**

|   | <b>Other Federal Grants</b> |              |                      |                 |
|---|-----------------------------|--------------|----------------------|-----------------|
|   | <b>Budgeted Amounts</b>     |              | <b>Actual</b>        | <b>Final</b>    |
|   | <b>Original</b>             | <b>Final</b> | <b>(Budgetary</b>    | <b>Variance</b> |
|   |                             |              | <b>(Unfavorable)</b> |                 |
| <b>Revenue</b>  |                             |              |                      |                 |
| Intergovernmental   | \$ 444,899                  | \$ 490,411   | \$ 508,262           | \$ 17,851       |
| Miscellaneous   | -                           | -            | 1,192                | 1,192           |
|   | 444,899                     | 490,411      | 509,454              | 19,043          |
| <b>Expenditures</b>   |                             |              |                      |                 |
| <b>Current</b>  |                             |              |                      |                 |
| General government  |                             |              |                      |                 |
| Operations  | -                           | -            | 23,247               | (23,247)        |
| Public safety   |                             |              |                      |                 |
| Operations  | 62,530                      | 95,236       | 33,053               | 62,183          |
| Health and welfare  |                             |              |                      |                 |
| Operations  | 61,369                      | 72,169       | 71,530               | 639             |
| Urban housing   |                             |              |                      |                 |
| Operations  | 321,000                     | 321,000      | 318,606              | 2,394           |
| Capital outlay  |                             |              |                      |                 |
| Federal operations  | -                           | -            | -                    | -               |
| Parish operations   | -                           | -            | -                    | -               |
|   | 444,899                     | 488,405      | 446,436              | 41,969          |
| <b>Excess (Deficiency) of Revenue over (under) Expenditures</b> | -                           | 2,006        | 63,018               | 61,012          |
| <b>Other Financing Sources</b>                                  |                             |              |                      |                 |
| Operating transfers in  | -                           | -            | -                    | -               |
| <b>Net Change in Fund Balance</b>                               | -                           | 2,006        | 63,018               | 61,012          |
| <b>Fund Balance</b>   |                             |              |                      |                 |
| Beginning of year   | 334,036                     | 334,036      | 334,036              | -               |
| End of year   | \$ 334,036                  | \$ 336,042   | \$ 397,054           | \$ 61,012       |

\*For a detailed explanation of the Community Development Block Grant, see page 71.

**Capital Assets Used in the Operations  
of Governmental Funds**

**West Baton Rouge Parish Council  
Schedule of General Capital Assets  
December 31, 2018**

|   |                |
|---|----------------|
| <b>General Capital Assets</b>               |                |
| Land  | \$ 1,760,826   |
| Buildings                                   | 43,464,495     |
| Equipment                                   | 16,171,217     |
| Infrastructure                              | 51,159,688     |
| Construction in progress                    | 2,038,527      |
|   | \$ 114,594,753 |
|   | \$ 114,594,753 |
| <b>Investment in General Capital Assets</b> |                |
| General fund                                | \$ 91,616,878  |
| Capital projects fund                       |                |
| Community center                            | 1,801,368      |
| Special revenue funds                       |                |
| Correctional facility                       | 12,175,687     |
| Roads                                       | 3,741,322      |
| Drainage                                    | 5,191,528      |
| Health unit                                 | 67,970         |
|   | \$ 114,594,753 |
|   | \$ 114,594,753 |

**West Baton Rouge Parish Council  
Schedule of General Capital Assets  
By Function and Activity  
Year Ended December 31, 2018**

|                        | <u>Land</u>         | <u>Buildings</u>     | <u>Equipment</u>     | <u>Infra-<br/>structure</u> | <u>Construction<br/>in Progress</u> | <u>Total</u>          |
|------------------------|---------------------|----------------------|----------------------|-----------------------------|-------------------------------------|-----------------------|
| Culture and recreation | \$ 600,614          | \$ 19,227,370        | \$ 2,026,480         | \$ -                        | \$ -                                | \$ 21,854,464         |
| Economic development   | -                   | 2,099,376            | -                    | -                           | -                                   | 2,099,376             |
| General government     |                     |                      |                      |                             |                                     |                       |
| Administrative         | 73,250              | 2,548,336            | 708,331              | -                           | -                                   | 3,329,917             |
| Elections              | 7,200               | 10,140               | 5,849                | -                           | -                                   | 23,189                |
| Judicial               | 210,631             | 4,140,922            | 94,153               | -                           | -                                   | 4,445,706             |
| Legislative            | -                   | -                    | 684,512              | -                           | -                                   | 684,512               |
| Other                  | 11,601              | 305,973              | 29,828               | -                           | -                                   | 347,402               |
| Health and welfare     | -                   | 1,201,459            | 380,246              | -                           | -                                   | 1,581,705             |
| Public safety          |                     |                      |                      |                             |                                     |                       |
| Fire                   | 224,900             | 106,950              | -                    | -                           | -                                   | 331,850               |
| Central communication  | -                   | 739,531              | -                    | -                           | -                                   | 739,531               |
| Correctional facility  | 146,156             | 11,801,342           | 374,345              | -                           | -                                   | 12,321,843            |
| Sheriff                | -                   | -                    | 24,017               | -                           | -                                   | 24,017                |
| 911 service            | 282,445             | -                    | 1,761,484            | -                           | -                                   | 2,043,929             |
| Other                  | 131,863             | 942,956              | 1,175,785            | -                           | -                                   | 2,250,604             |
| Public works           | 72,166              | 340,140              | 8,906,187            | 51,159,688                  | 2,038,527                           | 62,516,708            |
|                        | <u>\$ 1,760,826</u> | <u>\$ 43,464,495</u> | <u>\$ 16,171,217</u> | <u>\$ 51,159,688</u>        | <u>\$ 2,038,527</u>                 | <u>\$ 114,594,753</u> |

**West Baton Rouge Parish Council**  
**Schedule of Changes in General Capital Assets**  
**By Function and Activity**  
**Year Ended December 31, 2018**

|                        | <b>General<br/>Capital Assets<br/>January 1, 2018</b> | <b>Additions</b>    | <b>Adjustments<br/>and<br/>Deletions</b> | <b>General<br/>Capital Assets<br/>December 31, 2018</b> |
|------------------------|---|---------------------|--|---|
| Culture and recreation | \$ 20,336,113   | \$ 1,521,959        | \$ (2,458)                               | \$ 21,854,464   |
| Economic development   | 2,099,376   | -                   | -  | 2,099,376   |
| General government     |   |                     |  |   |
| Administrative         | 3,289,230   | 40,687              | -  | 3,329,917   |
| Elections              | 23,189  | -                   | -  | 23,189  |
| Judicial               | 4,445,706   | -                   | -  | 4,445,706   |
| Legislative            | 684,512   | -                   | -  | 684,512   |
| Other                  | 346,827   | -                   | 575                                      | 347,402   |
| Health and welfare     | 1,537,295   | 44,410              | -  | 1,581,705   |
| Public safety          |   |                     |  |   |
| Fire                   | 331,850   | -                   | -  | 331,850   |
| Central communications | 739,531   | -                   | -  | 739,531   |
| Correctional facility  | 12,200,328  | 76,979              | 44,536                                   | 12,321,843  |
| Sheriff                | 24,017  | -                   | -  | 24,017  |
| 911 service            | 1,936,515   | 107,415             | -  | 2,043,930   |
| Other                  | 2,231,773   | 18,831              | -  | 2,250,604   |
| Public works           | 63,829,070  | 4,484,613           | (5,798,126)                              | 62,516,708  |
|                        | <u>\$ 114,055,332</u>                                 | <u>\$ 6,294,894</u> | <u>\$ (5,755,473)</u>                    | <u>\$ 114,594,753</u>                                   |

**West Baton Rouge Parish Council  
Schedule of Compensation, Benefits, and Other  
Payments to Agency Head or Chief Executive Officer  
Year Ended December 31, 2018**

**Agency Head Name: Riley Berthelot, Parish President**

| <b>Purpose</b>                         | <b>Amount</b> |
|--|---------------|
| Salary                                 | \$ 133,418    |
| Benefits - insurance                   | 16,257        |
| Benefits - retirement                  | 16,677        |
| Car allowance                          | 5,400         |
| Reimbursements                         | -             |
| Vehicle provided by government         | -             |
| Per diem                               | -             |
| Reimbursements                         | -             |
| Travel                                 | 15            |
| Registration fees                      | -             |
| Conference travel                      | 2,345         |
| Continuing professional education fees | -             |
| Housing                                | -             |
| Unvouchered expenses                   | -             |
| Special meals                          | 125           |



**HAWTHORN  
WAYMOUTH  
& CARROLL, L.L.P.**  
Certified Public Accountants

Louis C. McKnight, III, CPA  
Charles R. Pevey, Jr., CPA  
David J. Broussard, CPA  
Neal D. King, CPA  
Brittany B. Thames, CPA  
Kevin M. Rodriguez, CPA  
Blaine M. Crochet, CPA

**Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance  
with *Government Auditing Standards***

West Baton Rouge Parish Council  
Port Allen, Louisiana

Council Members:

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, fiduciary fund, and the aggregate remaining fund information of West Baton Rouge Parish Council, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise West Baton Rouge Parish Council's basic financial statements, and have issued our report thereon dated June 27, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered West Baton Rouge Parish Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Baton Rouge Parish Council's internal control. Accordingly, we do not express an opinion on the effectiveness of West Baton Rouge Parish Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of West Baton Rouge Parish Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hawthorn, Waymouth & Carroll, L.L.P.*

June 27, 2019



**HAWTHORN  
WAYMOUTH  
& CARROLL, L.L.P.**  
Certified Public Accountants

Louis C. McKnight, III, CPA  
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**Independent Auditor's Report on Compliance for Each Major  
Program and on Internal Control over Compliance Required  
by the Uniform Guidance**

West Baton Rouge Parish Council  
Port Allen, Louisiana

Council Members:

**Report on Compliance for Each Major Federal Program**

We have audited West Baton Rouge Parish Council's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on West Baton Rouge Parish Council's major federal program for the year ended December 31, 2018. West Baton Rouge Parish Council's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for West Baton Rouge Parish Council's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about West Baton Rouge Parish Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of West Baton Rouge Parish Council's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, West Baton Rouge Parish Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

### **Report on Internal Control over Compliance**

Management of West Baton Rouge Parish Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered West Baton Rouge Parish Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of West Baton Rouge Parish Council's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Hawthorn, Waymouth & Carroll, L.L.P.*

June 27, 2019

**West Baton Rouge Parish Council  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2018**

| <u>Federal Grantor/Pass Through Grantor/<br/>Program Title or Cluster Title</u>               | <u>CFDA</u> | <u>Pass-<br/>through<br/>Entity<br/>Identifying<br/>Number</u> | <u>Federal<br/>Expenditures</u> |
|---|-------------|--|---------------------------------|
| <b>U.S. Department of Homeland Security</b>   |             |  |                                 |
| Passed through Louisiana Governor's Office of Homeland<br>Security and Emergency Preparedness |             |  |                                 |
| Emergency Management Performance Grants   | 97.042      |  | \$ 26,844                       |
| <b>U.S. Department of Health and Human Services</b>   |             |  |                                 |
| Passed through Louisiana Workforce Commission   |             |  |                                 |
| Community Services Block Grant  | 93.569      |  | 71,530                          |
| Passed through Louisiana Housing Finance  |             |  |                                 |
| Low-Income Home Energy Assistance   | 93.568      |  | 179,958                         |
| Total U.S. Department of Health and Human<br>Services   |             |  | 251,488                         |
| <b>U.S. Department of Transportation</b>  |             |  |                                 |
| Passed through Louisiana Department of Transportation and<br>Development                      |             |  |                                 |
| Recreational Trails Program   | 20.219      |  | 91,791                          |
| <b>U.S. Department of Housing and Urban Development</b>                                       |             |  |                                 |
| Passed through Louisiana Office of Community Development                                      |             |  |                                 |
| Community Development Block Grants/States' Program<br>and Non-Entitlement Grants in Hawaii*   | 14.228      |  | 130,379                         |
| Section 8 Housing Choice Vouchers*  | 14.871      |  | 318,606                         |
| Total U.S. Department of Housing and Urban<br>Development                                     |             |  | 448,985                         |
| Total expenditures of federal awards  |             |  | \$ 819,108                      |

\*Denotes major program

**West Baton Rouge Parish Council**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2018**

**Note 1-Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of West Baton Rouge Parish Council under programs of the federal government for the year ended December 31, 2018. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of West Baton Rouge Parish Council, it is not intended to and does not present the financial position or change in net position of West Baton Rouge Parish Council.

**Note 2-Summary of Significant Accounting Policies**

The Parish Council's Schedule of Expenditures of Federal Awards is prepared on the cash basis of accounting. Differences between amounts reported in the Schedule of Expenditures of Federal Awards and the financial statements may exist due to different accounting bases used for financial reporting. Expenditures of federal awards are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3-Indirect Cost Rate**

West Baton Rouge Parish Council has elected not to use the 10 – percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4-Loans and Loans Guarantee Program**

West Baton Rouge Parish Council has no loans or loan guarantee programs outstanding as of December 31, 2018 for those loans described in 2 CFR 200.502(b).

**Note 5-Subrecipients**

West Baton Rouge Parish Council did not pass through any of its federal awards to a subrecipient during the fiscal year 2018.

**Note 6-Non-cash Assistance**

No federal awards were expended in the form of non-cash assistance during the fiscal year 2018.

**West Baton Rouge Parish Council**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2018**

Part I. Summary of Auditor's Results

- 1) An unmodified opinion has been expressed on the financial statements of West Baton Rouge Parish Council, as of and for the year ended December 31, 2018, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) An unmodified opinion has been expressed on compliance for West Baton Rouge Parish Council's major federal program as of and for the year ended December 31, 2018.
- 5) No deficiencies in internal control over compliance that we consider to be material weaknesses were identified.
- 6) No instances of noncompliance that are required to be reported under *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* were identified.
- 7) The major federal program is the Community Development Block Grants/States' Program and Non-Entitlement Grants in Hawaii.
- 8) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- 9) The auditee did not qualify as a low-risk auditee.
- 10) A management letter was not issued.

Part II. Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No findings were noted.

Part III. Findings and Questioned Costs Related to an Audit Performed in Accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

No findings were noted.

**West Baton Rouge Parish Council**  
**Schedule of Prior Year Findings**  
**Year Ended December 31, 2018**

Part I. Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No findings were noted.

Part II. Findings and Questioned Costs Related to an Audit Performed in Accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

No findings were noted.

Part III. Management Letter

Not applicable

**West Baton Rouge Parish Council**

**Agreed-Upon Procedures Report**

**December 31, 2018**



**Independent Accountant's Report  
on Applying Agreed-upon Procedures**

To the Honorable President and Members of West Baton Rouge Parish Council and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by West Baton Rouge Parish Council (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results thereof are set forth below. The procedures are stated first, followed by the results of the procedures presented in italics.

***Written Policies and Procedures***

---

1. Obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
*No exceptions were found as a result of this procedure.*
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.  
*No exceptions were found as a result of this procedure.*
  - c) ***Disbursements***, including processing, reviewing, and approving.  
*No exceptions were found as a result of this procedure.*
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties,

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*The Entity's written policies and procedures on receipts/collections do not include management's actions to determine the completeness of all collections for each type of revenue.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*No exceptions were found as a result of this procedure.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*The Entity's written policies and procedures on contracting do not specifically address criteria (3) legal review and (5) monitoring process.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.

*No exceptions were found as a result of this procedure.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*The Entity's written policies and procedures on travel and expense reimbursement do not specifically address criterion (4) required approvers.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*The Entity's written policies and procedures on ethics do not specifically address criteria (3) system to monitor possible ethics violations and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Entity's ethics policy.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*The Entity's written policies and procedures on debt service do not specifically address criteria (3) debt reserve requirements and (4) debt service requirements.*

### **Board or Finance Committee**

---

- 2. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*No exceptions were found as a result of this procedure.*

- b) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

*No exceptions were found as a result of this procedure.*

- c) Obtained the prior year audit report and observed the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

*No exceptions were found as a result of this procedure.*

### ***Bank Reconciliations***

---

3. Obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected four additional accounts. Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).

*The bank reconciliation for one of the five accounts selected does not include evidence that it was prepared within two months of the related statement closing date.*

- b) Bank reconciliations include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).

*The bank reconciliations for two of the five accounts selected do not include evidence of review by a member of management or board member who does not handle cash, post ledgers, or issue checks.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*For three of the five accounts selected, there were reconciling items outstanding for more than twelve months from the statement closing date with no documentation reflecting research on the reconciling items.*

## ***Collections***

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4. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. The entity's only deposit site was used for the procedures in this section.

*No exceptions were found as a result of this procedure.*

5. For the entity's only deposit site, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for the entity's only deposit site, obtained and inspected written policies and procedures relating to employee job duties at the selected collection location, and observed that job duties are properly segregated at the selected collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*No exceptions were found as a result of this procedure.*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

*No exceptions were found as a result of this procedure.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*No exceptions were found as a result of this procedure.*

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

*No exceptions were found as a result of this procedure.*

6. Inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*No exceptions were found as a result of this procedure.*

7. Randomly selected two deposit dates for each of the five bank accounts selected for procedure # 3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). Obtained supporting documentation for each of the 10 deposits and:

- a) Observed that receipts are sequentially pre-numbered.

*No exceptions were found as a result of this procedure.*

- b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions were found as a result of this procedure.*

- c) Traced the deposit slip total to the actual deposit per the bank statement.

*No exceptions were found as a result of this procedure.*

- d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100).

*No exceptions were found as a result of this procedure.*

- e) Traced the actual deposit per the bank statement to the general ledger.

*No exceptions were found as a result of this procedure.*

**Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)**

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- 8. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. The entity's only location that processes payments was used for the procedures in this section.

*No exceptions were found as a result of this procedure.*

- 9. For the location that processes payments, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties and observed that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*No exceptions were found as a result of this procedure.*

- b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions were found as a result of this procedure.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*No exceptions were found as a result of this procedure.*

- d) Either the employee/official responsible for signing checks mails the payments or gives the signed checks to an employee to mail who is not responsible for processing payments.

*No exceptions were found as a result of this procedure.*

10. For the location that processes payments, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for the location that processes payments, obtained supporting documentation for each transaction, and:

- a) Observed that the disbursement matched the related original invoice/billing statement.

*No exceptions were found as a result of this procedure.*

- b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under # 9, as applicable.

*No exceptions were found as a result of this procedure.*

### **Payroll and Personnel**

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11. Obtained a listing of employees employed during the fiscal period and management's representation that the listing is complete. Randomly selected five employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

*No exceptions were found as a result of this procedure.*

12. Randomly selected one pay period during the fiscal period. For the five employees selected under # 11 above, obtained attendance records and leave documentation for the pay period, and:

- a) Observed that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

*No exceptions were found as a result of this procedure.*

- b) Observed that supervisors approved the attendance and leave of the selected employees.

*No exceptions were found as a result of this procedure.*

- c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*No exceptions were found as a result of this procedure.*

13. Obtained a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employees' cumulative leave records, and agreed the pay rates to the employees' authorized pay rates in the employees' personnel files.

*No exceptions were found as a result of this procedure.*

14. Obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*No exceptions were found as a result of this procedure.*

### ***Ethics***

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15. Using the 5 randomly selected employees/officials from procedure # 11 under "Payroll and Personnel" above, obtained ethics documentation from management, and:

- a) Observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*No exceptions were found as a result of this procedure.*

- b) Observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*The Entity was not able to provide documentation to demonstrate that each of the selected employees attested through signature verification that he or she has read the Entity's ethics policy during the fiscal period.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Hawthorn, Waymouth & Carroll, LLP.*

June 26, 2019

**WEST BATON ROUGE PARISH GOVERNMENT**  
*Parish Governmental Authority*

RILEY BERTHELOT, JR., PARISH PRESIDENT



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GARY SPILLMAN, DISTRICT VII  
BARRY HUGHGINS, DISTRICT VIII  
EDWARD G. ROBERTSON, DISTRICT IX

June 27, 2019

Hawthorn, Waymouth & Carroll, L.L.P.  
8545 United Plaza Boulevard, Suite 200  
Baton Rouge, Louisiana 70809

We hereby acknowledge our agreement with the exceptions noted in your report on applying agreed-upon procedures to certain control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, for the fiscal period January 1, 2018 through December 31, 2018. We will address the exceptions and take the necessary action to correct them.

Sincerely,

Phillip Bourgoyne, Finance Director  
West Baton Rouge Parish Council