

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For The Year Ended
December 31, 2017**

**The Consolidated Government
of the City of Baton Rouge and
Parish of East Baton Rouge,
Louisiana**

**Prepared by
Finance Department
Marsha J. Hanlon, Director**

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2017**

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Department of Finance

City of Baton Rouge
Parish of East Baton Rouge

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June 26, 2018

The Honorable Mayor-President
and Members of the Metropolitan Council
City of Baton Rouge
Parish of East Baton Rouge
Baton Rouge, Louisiana 70802

Dear Mayor-President and Council Members:

Pursuant to Louisiana State Statutes and The Plan of Government, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the consolidated government of the City of Baton Rouge and Parish of East Baton Rouge (City-Parish) for the fiscal year ended December 31, 2017. The Accounting Division of the City-Parish Finance Department prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City-Parish as measured by the financial activities of its various funds and the entity-wide presentation; and that disclosures necessary to enable readers to gain an understanding of City-Parish financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the local government.

The City-Parish financial statements have been audited by Postlethwaite & Netterville, APAC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, financial statements for the fiscal year ended December 31, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first document of the financial section of this report.

The City-Parish is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget's 2CFR Part 200 (Uniform Guidance). Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the auditors' reports on the internal control structure and compliance with applicable laws and regulations, is presented immediately following the Statistical Section of this publication.

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

Profile of the Government



The Parish of East Baton Rouge was established as a division of government of the *West Florida Republic* in 1810. The Parish later became a local governmental unit of the State of Louisiana and the United States when Louisiana was admitted to the Union in 1812. The City of Baton Rouge was incorporated as a municipality on July 6, 1817. These two government entities operated as separate local government units until January 1, 1949. At an election on August 12, 1947, the voters of both the parish and the city adopted the current Plan of Government (as amended) which consolidated the administration of most local government services for the city and the parish. Baton Rouge was one of the first consolidated forms of local government established in the United States. The elected Mayor-President serves as the leader of the executive branch of City-Parish government. The legislative branch is the elected Metropolitan Council, which is composed of 12 district

representatives.

The City-Parish provides a full range of services to the general public, including police and fire protection, emergency medical services, public works, social services, public transportation, planning and zoning, economic development, an airport, a convention center, construction and maintenance of streets and infrastructure, libraries, courts, general administrative services, sewage collection and treatment, and solid waste collection and disposal.



A determination of the financial reporting entity to be included in this CAFR is made through the application of criteria established by section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. A complete explanation of the financial reporting entity is included in the Summary of Significant Accounting Policies in the Notes to the Financial Statements.

The City-Parish financial reporting entity consists of the following:

- The Primary Government - This is the City-Parish (all funds under the auspices of the Mayor-President and the Metropolitan Council).
- Legally separate component units - These units of government are legally separate from the City-Parish government but have a sufficiently close relationship with the government to warrant inclusion in the consolidated financial report.

The financial statements included in this CAFR are as follows:

<u>Name of Organization</u>	<u>Type of Unit</u>
➤ The City-Parish	Primary Government
➤ City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System	Blended Component Unit
➤ Capitol House Economic Develop District	Blended Component Unit
➤ Lafayette-Main Economic Development District	Blended Component Unit
➤ Dawnadele Economic Development District	Blended Component Unit
➤ District Attorney of the Nineteenth Judicial District	Discrete Component Unit
➤ Nineteenth Judicial District Court	Discrete Component Unit
➤ Nineteenth Judicial District Court Building Commission	Discrete Component Unit
➤ East Baton Rouge Parish Family Court	Discrete Component Unit
➤ East Baton Rouge Parish Juvenile Court	Discrete Component Unit
➤ East Baton Rouge Parish Clerk of Court	Discrete Component Unit
➤ East Baton Parish Redevelopment Authority	Discrete Component Unit
➤ Cyntreniks Group/King Hotel Special Taxing District	Discrete Component Unit
➤ Bluebonnet Convention Hotel Taxing District	Discrete Component Unit
➤ EBRATS Building Special Taxing District	Discrete Component Unit
➤ Old LNB Building Redevelopment Taxing District	Discrete Component Unit
➤ Capital Area Transit System	Discrete Component Unit

An explanation of the accounting policies of the City-Parish is contained in the Notes to the Financial Statements. The basis of accounting, fund structure, and other significant information on financial policies is explained in detail in the Notes to the Financial Statements.

Budgetary control is maintained by the encumbrance of appropriations with purchase orders prior to their release to vendors. Purchase orders that exceed appropriation balances are not released unless additional appropriations are made available. The annual operating budget, or financial plan, is proposed by the Mayor-President and enacted by the Metropolitan Council. Management control for the operating budget is maintained at the fund and department level. Additional details on the budget process are explained in the Notes to the Financial Statements.

Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the General Fund, Library Board of Control Special Revenue Fund, and Grants Special Revenue Fund, this comparison is presented in Exhibits A-7 through A-9. For other governmental funds, the annual budget comparison is presented in the Combining and Individual Fund Statements and Schedules, Exhibits B-3 through B-35.

Under The Plan of Government, the Finance Department is entrusted with maintaining accounting systems for the City, Parish, and districts over which the Metropolitan Council is the governing body, in accordance with the best-recognized practices in governmental accounting. It keeps the records for, and exercises financial and budgetary control over, each City-Parish department, office, and agency.



In developing and evaluating the accounting system of the City-Parish, the Finance Department considers the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the City-Parish government is responsible for ensuring that adequate internal controls are in effect. All internal control evaluations occur within the framework described. The Finance Department believes that the internal controls of the City-Parish adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

The City of Baton Rouge, the state capital, is located on the Mississippi River in the southeast region of the state and is a major center for commerce, industry, tourism, and many diverse cultural activities. The City-Parish is the principal home of two major state universities: Louisiana State University and Southern University. The Baton Rouge MSA has the largest concentration of chemical industry employment in the state and is the home of the nation's fourth largest refinery.

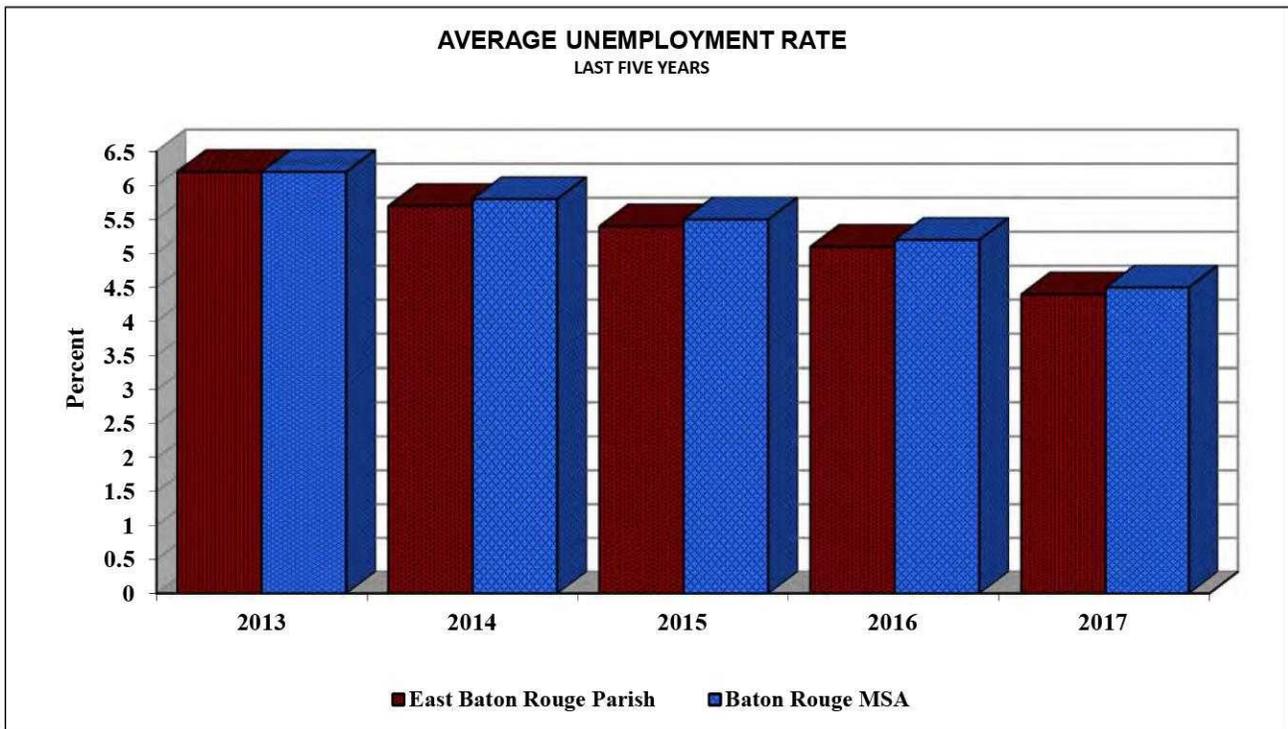


A number of significant companies engaged in oil refining, petrochemical processing, and wood products are found in the industrial corridor along the Mississippi River near Baton Rouge. These industries are major employers of Baton Rouge's labor force. Other important industries include government, construction, banking and financial services, insurance, real estate, and wholesale and retail trade.

According to the United States Department of Labor, Bureau of Labor Statistics, the annual average rate of local unemployment decreased 0.7% in East Baton Rouge Parish and decreased 0.7% in the Baton Rouge MSA in 2017, as reflected in the following chart:

	<u>East Baton Rouge Parish</u>	<u>Baton Rouge MSA ⁽¹⁾</u>
2013	6.2	6.2
2014	5.7	5.8
2015	5.4	5.5
2016	5.1	5.2
2017	4.4	4.5

⁽¹⁾ Metropolitan Statistical Area (includes East Baton Rouge, West Baton Rouge, Livingston, Ascension, Iberville, St. Helena, Pointe Coupee, East Feliciana, and West Feliciana).



Local economists are predicting job growth in 2018 and 2019 for our region. In October 2017, Dr. Loren C. Scott, Professor Emeritus of Economics at Louisiana State University, issued *Louisiana Economic Outlook* (LEO) on Louisiana’s major metropolitan statistical areas. Following are his predictions of economic growth in East Baton Rouge Parish and the Baton Rouge MSA for 2018-2019.

“Construction of several major projects came to an end over the past two years... [however], several significant projects are still underway, generating hundreds of industrial construction jobs. For example:

- *In 2016-III Katoen Natie began construction on the first phase \$36 million and 50 new jobs of a multiphase, \$159 million plastics storage and distribution center. Ultimately, the center will employ 210 people at an annual salary of \$40,000.*
- *Union Pacific Railroad has two projects underway at the Port of Baton Rouge. One is an \$11 million improvement to its interchange tracks (complete in 2018-II), and the other is a \$23 million railcar chambering yard.*

Commercial construction in the Baton Rouge MSA will benefit from significant expansions in the healthcare sector. The largest project is Our Lady of the Lake's new \$230 million Children's Hospital. Construction started in early 2017 on this 350,000 square foot, 130 bed facility and medical office building. Completion should occur in 2018. Provident Protoncare is planning an \$85 million proton radiation therapy center in Baton Rouge that would open in 2019-I and hire 95 people at an average salary of \$105,000.

Oschner is planning a \$100 million investment in Baton Rouge, including a new medical office building and a 10-bed micro-hospital and surgical center near the Mall of Louisiana. Baton Rouge General (BRG) announced two new projects for the region...BRG's second project is a \$40 million expansion at its Bluebonnet site, which would add four floors, a helipad, and operating room space.

... work continues on the Water Campus in downtown Baton Rouge. Two buildings are completed and a third \$25 million building housing the Water Institute of the Gulf (TWIG) is underway and will open in November[2017], adding about 100 new jobs over two years. In 2018-I work should begin on the \$20 million "6A" building, and construction of a \$7 million, 20-unit residential building will start about the same time.

Finally, Baton Rouge's high-tech sector is on track to add even more jobs over the next two years. IBM is on track to reach its goal of 800 jobs by the end of 2018. A new job working with Cleco will boost business at IBM for the next two years. General Informatics has a beautiful new \$20 million building underway at Highland and Bluebonnet. This firm recently acquired Teknarus and will be at 96 jobs.

Baton Rouge continues to experience modest revenue growth. General sales and use tax (2 percent) collections for General Fund operations and debt service dedications of the City and Parish combined were \$197.5 million, net of Tax Increment Financing District adjustments, an increase of \$0.7 million over 2016 revenues, a 0.37 percent increase. Sales tax collections for the ½ percent sewerage tax and the ½ percent road and street improvement tax both increased by 0.76 and 0.75 percent, respectively, during fiscal year 2017. The general sales and use tax plays a significant role in financing the operations of the General Fund.

Major Initiatives in 2017

Construction on the new multifunctional Mosquito Abatement and Rodent Control's complex was completed in 2017. The redesigned facility is approximately 65,000 square feet and incorporates multiple buildings including, office space, conference and training spaces, hangars, special digital data and electrical systems, special security systems, biological/chemical laboratories, truck and equipment storage, vehicle maintenance shop, aircraft apron, and vehicle parking

The riverfront and skyline of downtown Baton Rouge continues to be transformed as more public and private investments are initiated and completed. Several of the planned projects for downtown Baton Rouge focus on the importance of riverfront development to reconnect the downtown area to the Mississippi River, the region's economic, environmental, and cultural anchor.



The renovation of City Hall Plaza was completed in May of 2018. It was renovated to accommodate larger event crowds and provide ADA accessibility to the areas directly west of City Hall and between Town Square, the Raising Cane's River Center, and Repentance Park. Harsh hardscapes were removed and replaced with a large shaded lawn that will partially close the gap between Galvez Stage and City Hall Plaza over the underground parking area. The redesign allows for the Galvez Stage to be used from the north and south sides.

The East Baton Rouge Parish Library system has several ongoing projects. Abatement activities and demolition of the old River Center Branch is complete, and construction of the new building is underway. An increase in appropriations for the major renovation projects at the Baker and Scotlandville Branches was included in the 2018 budget.

Long-Term Financial Planning

Sewer Improvement Program

The City-Parish entered into a consent decree with the United States Environmental Protection Agency (EPA) and the Louisiana Department of Environmental Quality (DEQ) relative to wastewater improvements in East Baton Rouge Parish on March 14, 2002. The consent decree requires the City-Parish to make various wastewater treatment plant and sanitary sewer infrastructure improvements in order to reduce sanitary sewer overflows in the sewer collection system and meet wastewater discharge permit requirements under wet weather conditions. The consent decree deadline for completing the Sewer Capital Improvements Program is December 31, 2018.

On July 10, 2007, EPA and DEQ formally approved the City-Parish's request to revise the original Remedial Measures Action Plan 2 (RMAP2) Sanitary Sewer Overflow Capital Improvements Program from a complex tunnel system with some rehabilitation and pump station upgrades to a program which emphasizes system-wide rehabilitation, conveyance and pumping upgrades and wet weather improvements to the South Wastewater Treatment Plant. This modified program will rely more on the rehabilitation of the sewer collection system, pump station and transmission improvements, the construction of a flow equalization basin at the South Wastewater Treatment Plant, and improvements to the South Wastewater Treatment Plant Facility.



With a customer base over 151,000, the Parish's sanitary sewer system serves a population of approximately 425,000. The system is extremely complex, consisting of 500 pump stations, 10.5 million feet of separate gravity and pressure sewer system pipes and two major treatment plants. Like many other cities, Baton Rouge has encountered many overflow problems with this aging system which has led to the inception of the Sanitary Sewer Overflow (SSO) Improvement Program. The SSO Improvement Plan is progressing at a steady pace. Eighty-three projects have been completed, twenty-five are under construction and seven are under design. The approximate value of these projects, either completed, in the design phase, or under construction at the end of the fourth quarter of 2017 was \$1.6 billion.

A comprehensive financing model has been developed and is being utilized by the Departments of Finance and Environmental Services to manage the finances of the Sanitary Sewer Improvement Program. The first annual 4% sewer user fee increase was implemented on January 1, 2004. Annual 4% sewer user fee increases will continue to be levied throughout the life of this program. As of December 31, 2017, the City-Parish had appropriated over \$2.6 billion for sewer capital improvements, including funding from long-term bonds, impact fees, EPA grants, and pay-as-you-go funding. This \$2.6 billion represents all capital appropriations since the inception of the Comprehensive Sewerage System Enterprise Fund in 1985.

One-Half Percent Road and Street Improvement Program

On October 15, 2005, the citizens of East Baton Rouge Parish approved an extension of the current one-half percent (½%) sales and use tax for road and street improvements. The proposition offered to voters extended the so-called "pot-hole" tax until 2030, and allowed for 70% of the proceeds to be used for the construction of new roads, widening of existing roads, intersection and signalization improvements, as well as other transportation improvements. In this new road construction program, called the "Green Light Plan", the long-term issuance of debt was authorized, which over time will allow for an accelerated road construction schedule and alleviate the effects of inflation on project costs. As of December 31, 2017, nine "Green Light" projects were in an "active" status ranging from corridor survey/design study through construction.

Through a referendum, voters dedicated 27% of the proceeds to the recurring road rehabilitation projects, and 3% of the tax to the beautification and street enhancement projects. The road rehabilitation program functions with projects prioritized on a six-month basis. The beautification allocation includes projects such as new sidewalks, curb construction, repairs and improvements that meet the requirements of the Americans with Disabilities Act and landscaping. It is anticipated that approximately 500 miles of additional City-Parish streets and roads will be rehabilitated over a period of 20 years. Special attention will be given to projects which provide safe pedestrian routes to and from area schools and other public facilities.

It is estimated that over the 25-year period from January 1, 2006, through December 31, 2030, the tax will fund \$620 million in road improvement projects. The remainder of the tax will provide \$313 million for the rehabilitation and beautification components of the program.

AWARDS AND ACKNOWLEDGMENTS



The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Baton Rouge and Parish of East Baton Rouge for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting by GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City-Parish has received this award each year for the 29-year period ending December 31, 2016. I believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

In addition, the City-Parish also received the GFOA's Award for Distinguished Budget Presentation for its annual operating budget prepared for the fiscal year covered by this Comprehensive Annual Financial Report. This was the twenty-sixth consecutive year that the department received this award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device.

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff. I also acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, Postlethwaite & Netterville, APAC. We thank the Mayor-President and the Metropolitan Council for their support of excellence in financial reporting and fiscal integrity.

Respectfully submitted,



Marsha J. Hanlon
Finance Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Baton Rouge - Parish of East
Baton Rouge, Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2017**



Mayor-President
Sharon Weston Broome



District 1
Trae Welch



District 2
Chauna Banks



District 3
Chandler Loupe



District 5
Erika Green



District 6
Donna Collins-Lewis



District 7
LaMont Cole

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2017**



Mayor Pro-Tempore
District 4
Scott Wilson



District 8
Buddy Amoroso



District 9
Dwight Hudson



District 10
Tara Wicker

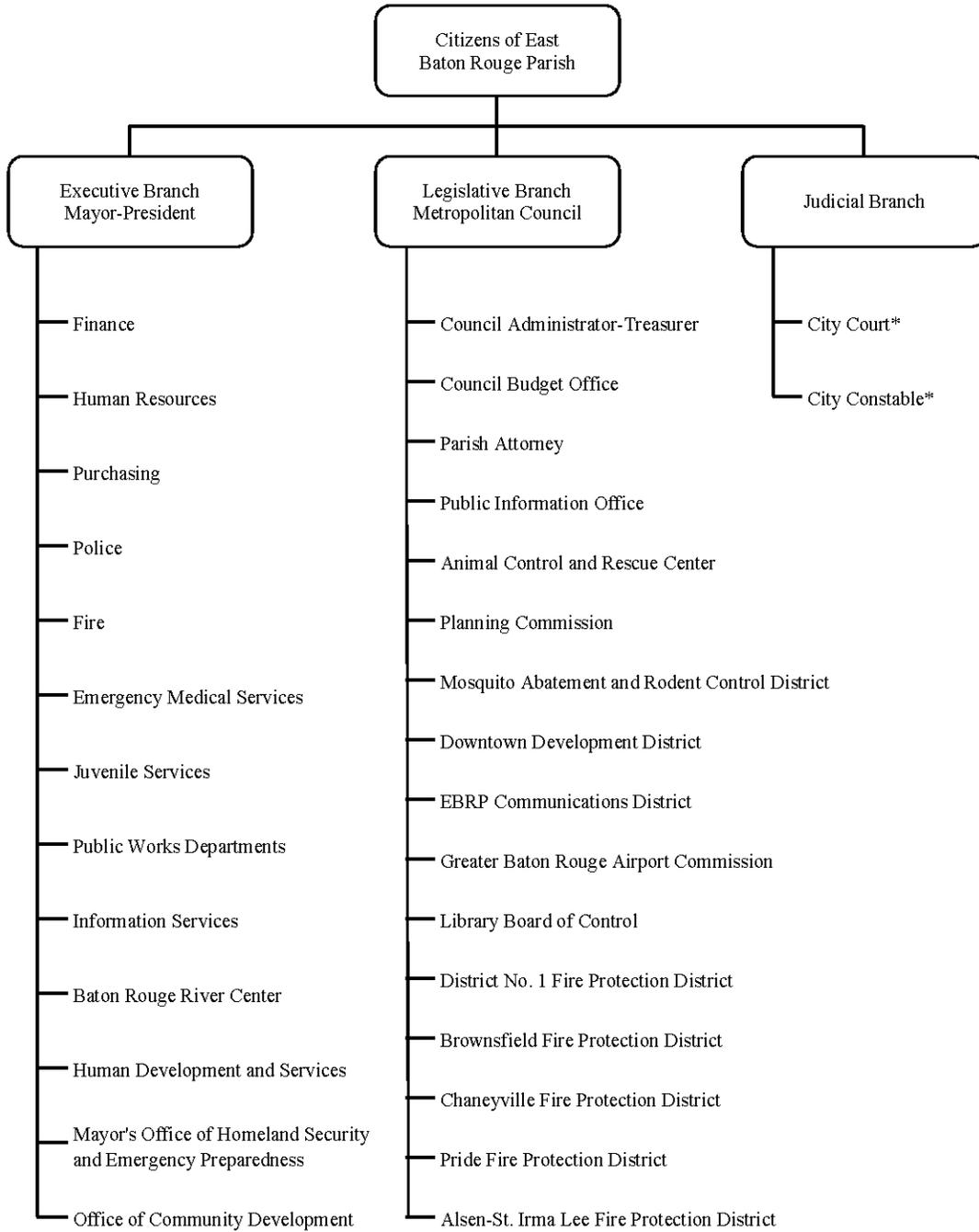


District 11
Matt Watson



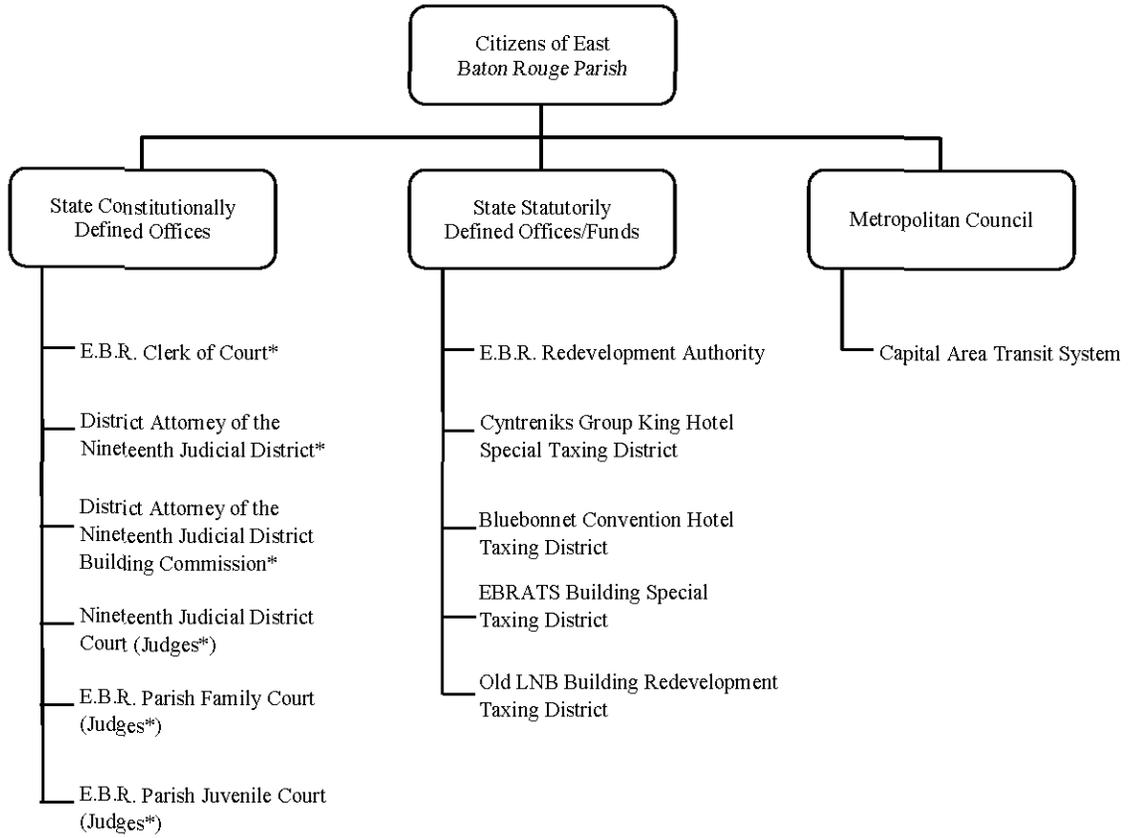
District 12
Barbara Freiberg

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 ORGANIZATIONAL CHART
 PRIMARY GOVERNMENT



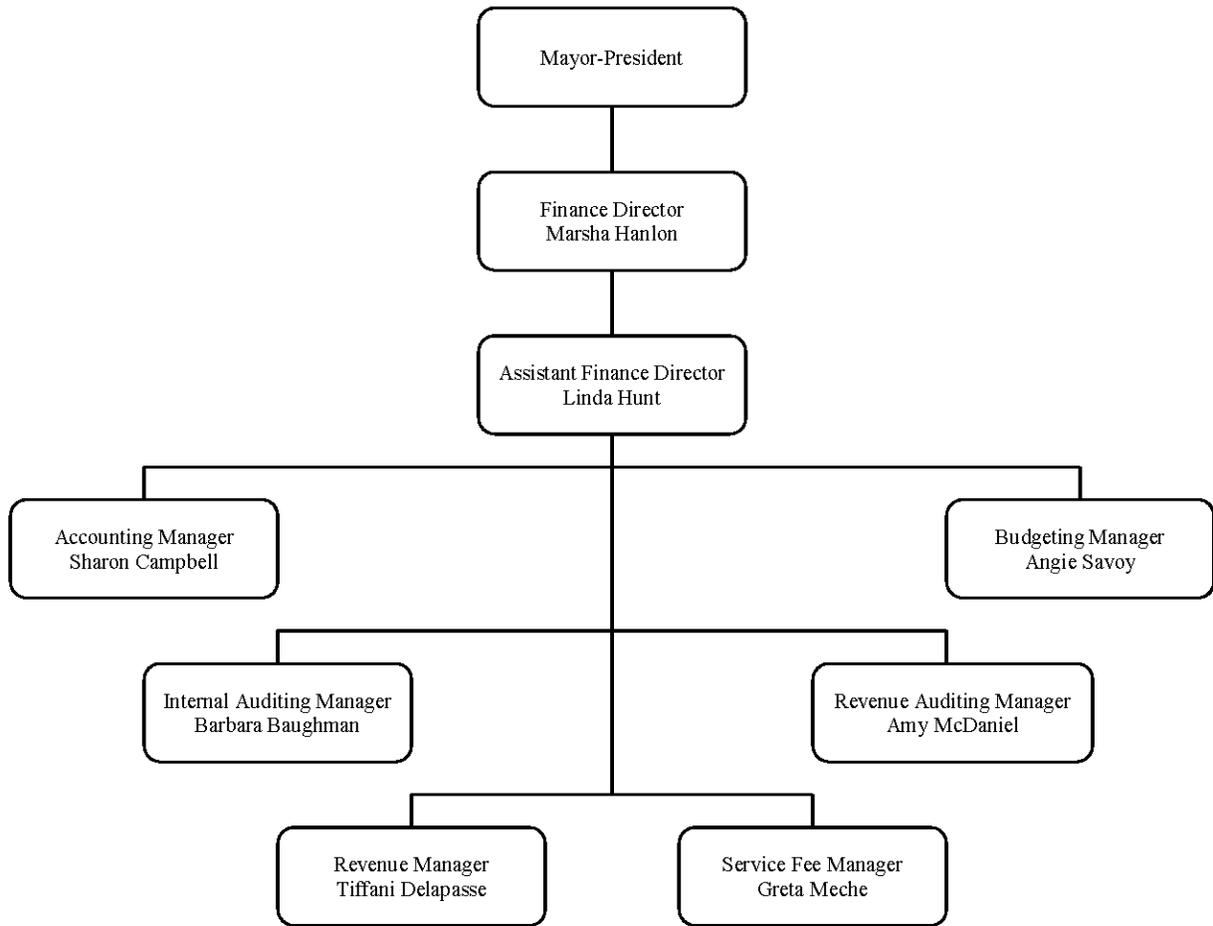
* Designates Elected Officials

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 ORGANIZATIONAL CHART
 COMPONENT UNITS



* Designates Elected Officials

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ORGANIZATIONAL CHART
FINANCE DEPARTMENT



INDEPENDENT AUDITORS' REPORT

Honorable Mayor-President and Members
of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison information for the general and major special revenue funds, and the aggregate remaining fund information of the City of Baton Rouge and Parish of East Baton Rouge, Louisiana (City-Parish) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City-Parish'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain component units discretely presented as described in note 1(a) to the financial statements, which represent 94%, 75% and 79%, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Auditors' Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison information for the general and each major special revenue fund, and the aggregate remaining fund information of the City of Baton Rouge-Parish of East Baton Rouge as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 17, the Schedules of Funding Progress and Employer Contributions of the City-Parish's Postemployment Benefit Plan, exhibit A-18, and the Schedules of Cost-Sharing Plan Proportionate Shares of the Net Pension Liability, Cost-Sharing Plan Contributions, Changes in Net Pension Liability and Related Ratios for the Police Guarantee Trust and Single Employer Plan Contributions for the Police Guarantee Trust, exhibits A-19 through A-22, 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.



Postlethwaite & Netterville

Other Matters (continued)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City-Parish's basic financial statements. The accompanying combining and individual fund financial statements, and the schedules of cash, cash equivalents and investments, and the schedule of compensation, benefits, and other payments to the Mayor-President listed in the Table of Contents as exhibits B-1 through F-2, 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 presented on Schedules A and B, pages 279-287, in the Single Audit Section, is also presented for purposes of additional analysis, as required by Title 2 U.S. Code of Federal Regulations (CFR) 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 fund financial statements, the schedules of cash, cash equivalents and investments, and the schedule of compensation, benefits, and other payments to the Mayor-President 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 accompanying combining and individual fund financial statements, the schedules of cash, cash equivalents and investments, the schedule of compensation, benefits, and other payments to the Mayor-President listed in the Table of Contents as Exhibits B-1 and F-2 and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory section on pages v-xviii and the Statistical Section, exhibits G-1 through G-22 are also presented for purposes of additional analysis and are not a required part of the basic financial statements. That information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on this information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018 on our consideration of the City-Parish'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City-Parish's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 26, 2018



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of the City-Parish government, we offer readers of this financial statement an overview and analysis of the financial activities of the City of Baton Rouge, Parish of East Baton Rouge Consolidated Government. This narrative is designed to assist the reader in focusing on significant financial issues, identify changes in the government's financial position, identify any material deviations from the approved budget documents, and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. It should be read in conjunction with the Letter of Transmittal and the financial statements that begin with Exhibit A-1.

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of resources of the City-Parish primary government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$881.0 million (*net position*). Unrestricted net position for governmental activities is a deficit of \$757.7 million, while unrestricted net position for business-type activities is approximately \$37.0 million. The deficit in governmental unrestricted net position is the result of the recognition of \$437.6 million in other postemployment benefit liabilities and \$609.2 million in net pension liability for governmental activities.
- The primary government's total net position decreased by \$32.0 million during 2017.
- Governmental activities' net position decreased \$8.2 million during 2017 primarily as a result of increases in long-term liabilities such as other postemployment benefits, net pension and compensated absences, offset by increases in revenues from property tax and sales tax as well as contributions for capital assets from capital grants and donated infrastructure.
- Net Position of business type activities decreased \$23.8 million during 2017. In the sewerage fund, increases in collections of user fees were offset by increases in bond interest expense and depreciation expense. The airport district had increases in capital contributions from capital grants.
- As of the close of the current fiscal year, the City-Parish's governmental funds reported combined ending fund balances of \$463.5 million, an increase of \$11.5 million. Approximately 2.1% of the fund balances, \$10.0 million, is *available for spending* at the City-Parish's discretion (*unassigned fund balance*). The remainder of the fund balances are not available for discretionary spending because they are either nonspendable, restricted, committed or assigned for specific purposes.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City-Parish financial statements focus on the government as a whole (government-wide) and the major individual funds. Both perspectives (government-wide and major fund) allow the reader to address relevant questions, broaden a basis for comparison (year to year or government to government) and should enhance the City-Parish's accountability.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Government-Wide Financial Statements

The government-wide financial statements (see Exhibits A-1 and A-2) are designed to be similar to those of private sector businesses in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. The statements combine all governmental funds and internal service funds' current financial resources with capital assets and long-term obligations. Also presented in the government-wide financial statements is a total column for the business-type activities of the primary government. Component units are separate legal governmental entities to which the City-Parish Metropolitan Council may be obligated to provide financial assistance and are presented as a separate column in the government-wide statements and as individual activities within the basic financial statements.

The Statement of Net Position (Exhibit A-1) presents information on all the government's assets and liabilities, and deferred inflows/outflows of resources, with the difference being reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the City-Parish is improving or weakening.

The Statement of Activities (Exhibit A-2) presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods. For example, uncollected taxes and earned but unused vacation leave result in cash flows for future periods. The focus of the Statement of Activities is on both the gross and net cost of various activities which are funded by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of the cost of various governmental services and/or subsidies to various governmental and business-type activities and component units.

The governmental activities reflect the City-Parish's basic services including public safety (fire, law enforcement, emergency medical services, emergency preparedness, communications), general government services (executive, legislative, judicial), health and welfare (mosquito control, animal control), transportation (street and road maintenance), culture and recreation (library), conservation and development (social programs), and interest and fiscal charges on long-term debt. These services are financed primarily with taxes. The business-type activities reflect private sector type operations (sewer utilities, airport, parking facility, convention center, solid waste collection and disposal) where the fee for service typically covers all or most of the costs.

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.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental major fund (see Exhibits A-3 through A-9) presentation is presented on a modified accrual basis. This is the manner in which the budget is typically developed excluding certain timing differences between the budget basis and the generally accepted accounting principle (GAAP) basis. 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 fiscal year. Such information may be useful in evaluating a government's current financing requirements. The City-Parish has presented the General Fund, Library Board of Control Special Revenue Fund, Grants Special Revenue Fund, and the Capital Projects Fund as major funds. All nonmajor governmental funds are presented in one column, titled other governmental funds. Combining financial statements of the nonmajor funds can be found in the combining and individual fund statements and schedules that follow the basic financial statements.

While the business-type activities total column on the proprietary fund financial statements for enterprise funds (see Exhibit A-10 and A-11) is the same as the business-type column at the government-wide financial statement, the governmental major funds total column requires a reconciliation to the government-wide financial statement because of

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

the different measurement focus which is reflected on the page following each statement (see Exhibits A-4 and A-6). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources and will show capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column in the government-wide statements.

Proprietary Funds encompass both enterprise and internal service funds on the fund financial statements. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary major fund (see Exhibits A-10 through A-12) presentation is presented on an accrual basis. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City-Parish's various functions. The government uses internal service funds to account for its equipment rental and replacement program and the Fleet Management maintenance and fuel activities. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities section in the government-wide financial statements. Combining statements of the nonmajor individual enterprise and internal service funds can be found in the combining and individual fund statements following the basic financial statements.

Generally accepted accounting principles also require the City-Parish to present **fiduciary funds**. While these funds represent a trust responsibility, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

Capital Assets

Capital assets include land, improvements to land, noise mitigation costs, easements, buildings, vehicles, machinery and equipment, infrastructure, and all other assets that are used in operations and that have initial useful lives greater than two years and exceed the government's capitalization threshold (see Note 6, Exhibit A-17). The City-Parish has capitalized all purchased capital assets. Donated infrastructure assets accepted into City-Parish maintenance since year 1980 have been capitalized.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-17 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City-Parish's progress in funding its obligation to provide other post-employment benefits to its employees and schedules of net pension liability and pension plan contributions. Required supplementary information can be found on Exhibit A-18 through A-22.

The combining and individual fund statements referred to earlier in connection with the nonmajor governmental and proprietary funds are presented in Exhibits B-1 through E-4.

Certain supplementary financial information can be found in Exhibits F-1 through F-2 of this report. These schedules and the statistical section (Exhibits G-1 through G-22) are included for additional information and analysis and do not constitute a part of the basic financial statements.

Also included in the report is the Office of Management and Budget 2 CFR part 200 (Uniform Guidance) Single Audit auditor reports, findings, and schedules. This information can be found under the Single Audit section.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position for 2017, with comparative figures from 2016:

City of Baton Rouge, Parish of East Baton Rouge Condensed Statement of Net Position December 31, 2017 & 2016 (in millions)						
	Governmental Activities		Business- Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets:						
Current and Other Assets	\$ 542.3	\$ 532.3	\$ 168.0	\$ 170.5	\$ 710.3	\$ 702.8
Restricted Assets	--	--	244.4	332.5	244.4	332.5
Capital Assets	<u>927.0</u>	<u>897.7</u>	<u>1,986.7</u>	<u>1,923.6</u>	<u>2,913.7</u>	<u>2,821.3</u>
Total Assets	<u>1,469.3</u>	<u>1,430.0</u>	<u>2,399.1</u>	<u>2,426.6</u>	<u>3,868.4</u>	<u>3,856.6</u>
Deferred Outflow of Resources	<u>159.6</u>	<u>193.0</u>	<u>127.3</u>	<u>137.1</u>	<u>286.9</u>	<u>330.1</u>
Liabilities:						
Current Liabilities	58.4	60.4	80.8	81.2	139.2	141.6
Non-current Liabilities	<u>1,434.4</u>	<u>1,417.8</u>	<u>1,694.3</u>	<u>1,707.4</u>	<u>3,128.7</u>	<u>3,125.2</u>
Total Liabilities	<u>1,492.8</u>	<u>1,478.2</u>	<u>1,775.1</u>	<u>1,788.6</u>	<u>3,267.9</u>	<u>3,266.8</u>
Deferred Inflow of Resources	<u>5.9</u>	<u>6.4</u>	<u>0.5</u>	<u>0.5</u>	<u>6.4</u>	<u>6.9</u>
Net Position:						
Net Investment in Capital Assets	719.3	681.6	621.3	638.9	1,340.6	1,320.5
Restricted	168.6	163.8	92.5	90.4	261.1	254.2
Unrestricted	<u>(757.7)</u>	<u>(707.0)</u>	<u>37.0</u>	<u>45.3</u>	<u>(720.7)</u>	<u>(661.7)</u>
Total Net Position	<u>\$ 130.2</u>	<u>\$ 138.4</u>	<u>\$ 750.8</u>	<u>\$ 774.6</u>	<u>\$ 881.0</u>	<u>\$ 913.0</u>

For more detailed information see Exhibit A-1, the Statement of Net Position.

As of December 31, 2017, \$1,340.6 million of the City-Parish's net position reflects the government's investment in capital assets (land, buildings, noise mitigation costs, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The City-Parish government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Restricted net position represents those assets subject to external restrictions on how those assets may be used such as a property tax approved by the electorate for a specific purpose. Restricted net position increased by \$4.8 million from the previous year for governmental activities, primarily due to an increase in revenues from a new property tax approved by voters. Restricted net position increased by \$2.1 million for business-type activities, due to an increase in required collateral posted for swap agreements offset by a decrease in amounts restricted for capital projects. Unrestricted net position decreased by \$50.7 million from the previous year for governmental activities. This decrease was primarily due to an increase in long term liabilities for governmental activities. Unrestricted net position decreased by \$8.3 million for business-type activities. This decrease was primarily due to an increase in collateral posted for swap agreements and a corresponding increase to restricted net position and an overall net operating loss.

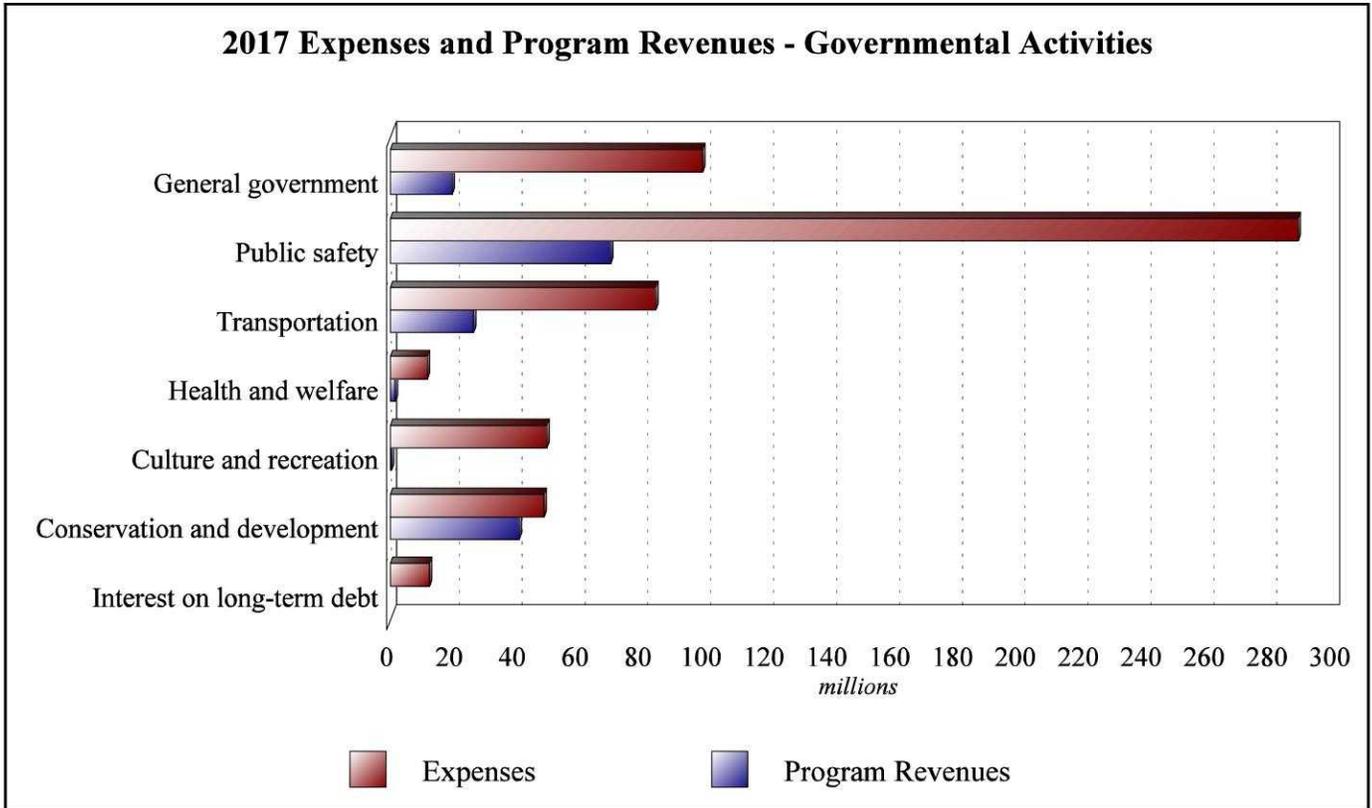
CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The table below provides a summary of the changes in net position for the year ended December 31, 2017, with comparative figures from 2016:

City of Baton Rouge, Parish of East Baton Rouge
Condensed Statement of Changes in Net Position
For the Years Ended December 31, 2017 & 2016
(in millions)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 64.5	\$ 56.8	\$158.1	\$150.0	\$222.6	\$ 206.8
Operating Grants and Contributions	55.3	85.8	8.0	8.2	63.3	94.0
Capital Grants and Contributions	39.3	26.2	24.4	12.2	63.7	38.4
General Revenues:						
Sales Taxes	247.6	246.2	47.9	47.6	295.5	293.8
Other Taxes	172.0	154.1	0.3	0.4	172.3	154.5
Grants and Contributions Not Restricted to Specific Programs	5.9	4.2	--	--	5.9	4.2
Other	<u>4.2</u>	<u>4.1</u>	<u>5.3</u>	<u>3.0</u>	<u>9.5</u>	<u>7.1</u>
Total Revenues	<u>588.8</u>	<u>577.4</u>	<u>244.0</u>	<u>221.4</u>	<u>832.8</u>	<u>798.8</u>
Expenses:						
General Government	99.4	108.2	0.7	0.8	100.1	109.0
Public Safety	288.7	315.0	--	--	288.7	315.0
Transportation	84.4	79.1	29.6	29.9	114.0	109.0
Sanitation	--	--	226.1	209.8	226.1	209.8
Health and Welfare	11.7	10.9	--	--	11.7	10.9
Culture and Recreation	49.8	49.1	13.0	13.8	62.8	62.9
Conservation and Development	48.9	47.5	--	--	48.9	47.5
Interest on Long-Term Debt	<u>12.5</u>	<u>13.2</u>	<u>--</u>	<u>--</u>	<u>12.5</u>	<u>13.2</u>
Total Expenses	<u>595.4</u>	<u>623.0</u>	<u>269.4</u>	<u>254.3</u>	<u>864.8</u>	<u>877.3</u>
Decrease in Net Position Before Transfers and special items	(6.6)	(45.6)	(25.4)	(32.9)	(32.0)	(78.5)
Special Item	--	--	--	(13.5)	--	(13.5)
Transfers	<u>(1.6)</u>	<u>2.8</u>	<u>1.6</u>	<u>(2.8)</u>	<u>--</u>	<u>--</u>
Decrease In Net Position	(8.2)	(42.8)	(23.8)	(49.2)	(32.0)	(92.0)
Net Position, January 1	<u>138.4</u>	<u>181.2</u>	<u>774.6</u>	<u>823.8</u>	<u>913.0</u>	<u>1,005.0</u>
Net Position, December 31	<u>\$130.2</u>	<u>\$138.4</u>	<u>\$750.8</u>	<u>\$774.6</u>	<u>\$881.0</u>	<u>\$ 913.0</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**



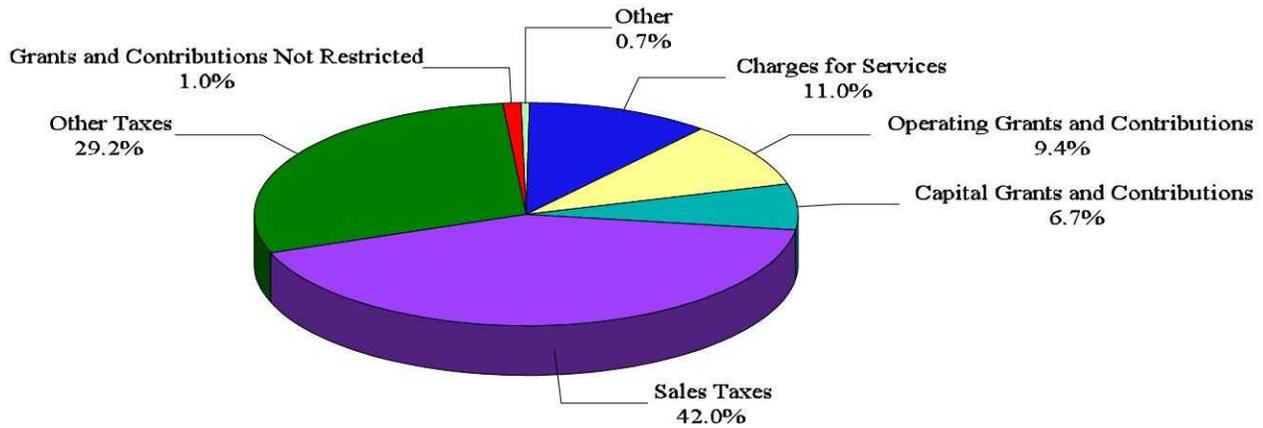
The government's net position decreased by \$32.0 million during the current fiscal year.

Governmental Activities' net position decreased \$8.2 million in 2017. The decrease in net position is a result of expenses exceeding revenues for the year. A further analysis of the decrease in net position is as follows:

- Increases in Long-term liabilities and obligations such as other postemployment benefits, net pension and compensated absences.
- Increases in property tax revenues due to a new property tax approved by the voters, annexations during the year and increases in property values due to increased assessments after the 2016 Flood.
- Capital grants and contributions capitalized during the year from external sources.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**2017 Revenues by Source - Governmental Activities
\$588.8 million**

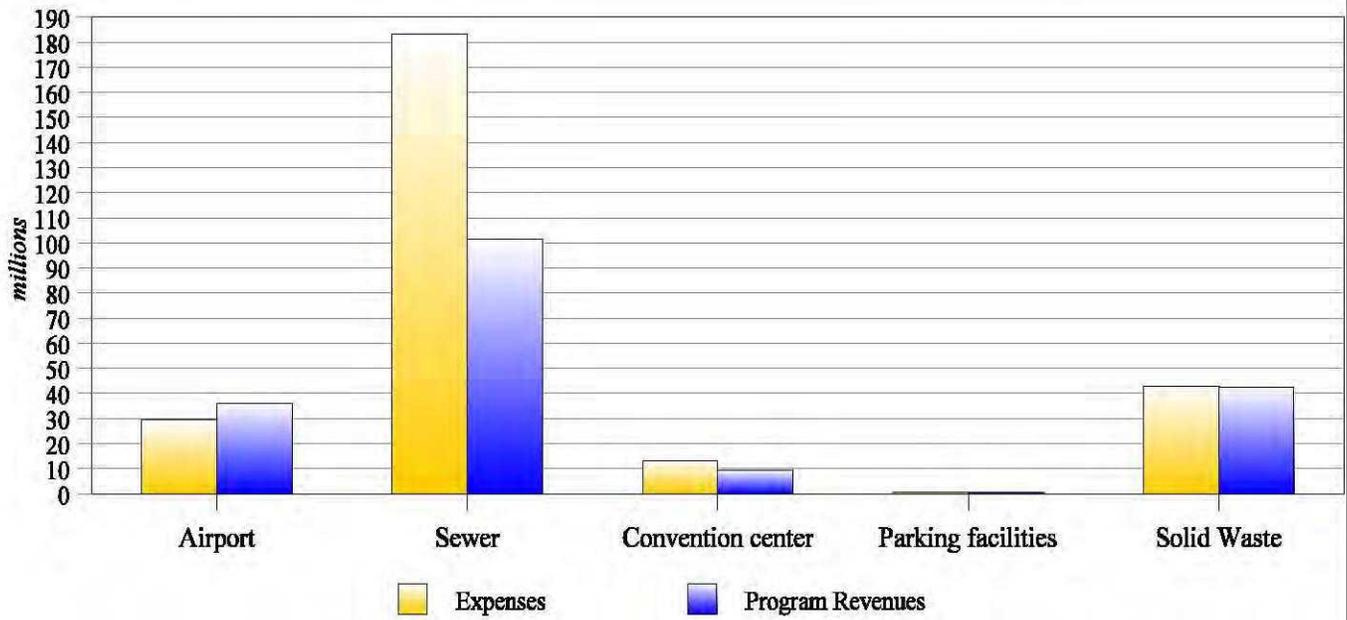


Business-Type Activities' net position decreased by \$23.8 million in 2017. The decrease in net position is a result of expenses exceeding revenues for the year. An analysis of major revenues and expenses is as follows:

- The Greater Baton Rouge Airport District experienced an increase in capital contributions from capital grants.
- The Comprehensive Sewerage System Fund experienced increases in collections of user fees offset by an increase in interest expense.

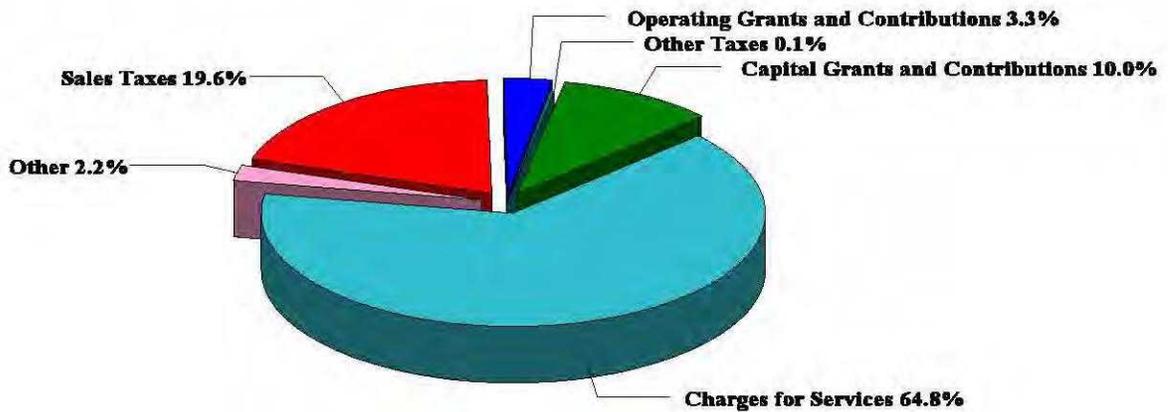
**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

2017 Expenses and Program Revenues - Business-Type Activities



2017 Revenues by Source - Business Type Activities

\$244.0 million



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$463.5 million, an increase of \$11.5 million offset by a prior year adjustment of \$4.1 million in comparison with the prior year. Approximately 2.1% of total governmental funds fund balance (\$10.0 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Of the remaining fund balance, \$0.7 million is *nonspendable* and is not in spendable form, \$320.4 million is *restricted* and has limitations imposed on its use by external parties, \$101.6 million is *committed* for specific purposes imposed by the Metropolitan Council, and \$30.7 million has been assigned for various purposes by the Finance Director. Additional information on governmental fund balance can be found in Note 14 of the Notes to the Financial Statements including information on the specific purpose for amounts restricted, committed and assigned.

The General Fund is the chief operating fund of the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana. At the end of the current fiscal year, unassigned fund balance of the General Fund was approximately \$10.0 million, while total fund balance was \$98.4 million. During 2017, the fund collected revenues that exceeded expenditures by \$18.5 million primarily as a result of increased property tax revenues and a decrease in flood related expenditures after the 2016 flood. After transfers, primarily to the capital projects and debt service funds, the net change in fund balance for the General Fund was a surplus of \$3.0 million for the year.

The Library Board of Control Fund collected revenues that exceeded expenditures by \$6.9 million in 2017. The primary source of revenue for this fund is a 11.1 mill property tax, which provides funding for all operating expenses of the library system and a pay-as-you-go capital improvement program. All revenues remaining after operational expenditures are funded are applied to the library's capital improvement program. Funding for the capital improvement program often accumulates for multiple years before beginning bid and construction on a new library, resulting in large fund balances in the library fund.

At December 31, 2017, the Grants Fund reflected a net decrease in fund balance in the amount of \$5.4 million. During 2017, the City-Parish government incurred \$15.5 million of expenditures related to the 2016 flood, including costs for collection of debris, repairs to buildings and infrastructure and replacement of vehicles and equipment. The government recognized revenues in the Grants Fund in the amount of \$9.7 million from the Governor's Office of Homeland Security and Emergency Preparedness related to these costs.

Fund balance in the Capital Projects Fund decreased \$18.5 million in 2017. Major revenue sources in this fund during 2017, include \$19.0 million from the Louisiana Department of Transportation and Development and almost \$12.1 million transferred from the General Fund and Special Revenue Funds. Outlays during 2017, of \$59.6 million, include almost \$37.5 million for street and intersection improvements, \$16.6 million for building construction and improvements, and \$5.5 million for equipment and other capital outlay. Fund balance in the Capital Projects Fund will fluctuate year-to-year based on the status of projects and the progression of financing to fund those projects.

Proprietary Funds: The City-Parish's proprietary funds provide the same type of information found for business-type activities in the government-wide financial statements, but in more detail.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Unrestricted net position of the Greater Baton Rouge Airport District was a negative \$5.8 million at December 31, 2017. Most of this major fund's assets are capital assets with a net investment in capital assets of \$219.9 million. The fund reported a net loss of \$8.7 million before capital contributions and transfers for the year ended December 31, 2017.

Unrestricted net position of the Comprehensive Sewerage System Fund was \$33.2 million at December 31, 2017. This fund encompasses all assets associated with sewerage operations, maintenance, and capital improvements held by the City, the Parish, the Consolidated Sewerage District, and the East Baton Rouge Parish Sewerage Commission. The net investment in capital assets portion of net position totaled approximately \$349.2 million, reflecting a heavy investment in capital assets. The fund realized a net loss of approximately \$35.2 million before capital contributions and transfers for the year ended December 31, 2017.

Unrestricted net position of the Solid Waste Collection and Disposal Fund was \$5.4 million at December 31, 2017. Most of this major fund's assets are capital assets with a net investment in capital assets of \$11.3 million. The fund realized a net loss before transfers of \$0.2 million for the year ended December 31, 2017.

General Fund Budgetary Highlights

The 2017 General Fund originally budgeted expenditures of \$338.1 million (inclusive of transfers out) were increased by a net \$9.6 million during 2017 to reflect a final amended budget of approximately \$347.7 million. The additional appropriations were funded by excess funds in fund balance - assigned and unassigned. Committed fund balances were generally used as a source for the risk management appropriations, assigned fund balances for community center and certain public safety allocations, and restricted fund balances for specific General Fund operational costs.

Additional appropriations were made in the following areas:

	<u>(in millions)</u>
Public safety costs	\$6.4
Risk management from fund balance committed to self-insurance purposes	0.9
Other General Fund operational costs	1.5
Disaster recovery	0.2
Economic development initiatives	0.3
Constitutional offices operational costs	<u>0.3</u>
Total additional General Fund appropriations	<u>\$9.6</u>

Material differences between actual results and final amended budgeted amounts in the General Fund are as follows:

- Property tax collections were \$0.7 million in excess of budget, gross receipts business tax collections were \$0.5 million less than budget, and sales and use tax collections were \$3.5 million in excess of budget for 2017.
- The risk management budget was underspent by approximately \$5.9 million when self-insured health care claims net of premiums received from other funds were lower than projected in the operating budget.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

- Approximately \$25.5 million of the appropriations for departmental budgets were not spent during 2017. The Plan of Government allows for the carry-forward of funds that are allocated to one-time projects to subsequent years. These appropriations carried forward, in the amount of \$15.0 million, are included in assigned fund balance on the General Fund balance sheet. The majority of these funds are appropriated for needed police vehicles and other public safety equipment, to upgrade computers, provide for replacement of departmental office equipment, and provide funds for public works projects such as drainage, street improvements, and repairs and renovations to City-Parish buildings.

Capital Asset and Debt Administration

Capital Assets: Capital assets for The City of Baton Rouge, Parish of East Baton Rouge Consolidated Government's governmental and business-type activities as of December 31, 2017, amount to \$2,913.8 million (net of accumulated depreciation). These capital assets include land, buildings and system improvements, machinery and equipment, airport facilities, parking facilities, a convention center, a landfill, wastewater treatment facilities, roads, highways, bridges, and drainage systems. The total increase in the City-Parish's capital assets for the current fiscal year was \$92.5 million, a 3.3 percent increase for governmental activities and a 3.3 percent increase for business-type activities.

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

- Planning, design, right-of-way acquisition, and construction on approximately eighteen major street or intersection improvements funded by the one-half percent sales and use tax dedicated for street and road improvements (\$7.0 million).
- Capital improvements to the sewerage system, including upgrades to treatment plants and rehabilitation of major sewer lines (\$126.4 million).
- Renovations and improvements to Airport buildings, runways, and other Airport improvements (\$20.5 million).
- Depreciation expense of \$48.7 million for governmental activities and \$89.0 million for business-type activities offset the above increases.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

City of Baton Rouge, Parish of East Baton Rouge

Capital Assets

(Net of Depreciation)

December 31, 2017 & 2016

(in millions)

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land and right-of-way	\$177.5	\$164.4	\$ 95.7	\$ 95.2	\$ 273.2	\$ 259.6
Buildings	134.3	130.0	103.9	101.9	238.2	231.9
Noise Mitigation Costs	--	--	58.4	58.4	58.4	58.4
Improvements (Other Than Buildings) and Infrastructure	536.2	513.4	1,643.7	1,564.1	2,179.9	2,077.5
Machinery and Equipment	28.2	27.3	1.1	1.3	29.3	28.6
Construction Work-In-Progress	<u>50.8</u>	<u>62.6</u>	<u>84.0</u>	<u>102.7</u>	<u>134.8</u>	<u>165.3</u>
Total	<u>\$927.0</u>	<u>\$897.7</u>	<u>\$1,986.8</u>	<u>\$1,923.6</u>	<u>\$2,913.8</u>	<u>\$2,821.3</u>

Additional information on the City-Parish's capital assets can be found in Note 6, Exhibit A-17 of this report.

Long-Term Debt: At the end of the current fiscal year, the City-Parish had total bonded debt outstanding of \$1,699.0 million. Of this amount, \$102.8 million comprises debt backed by the full faith and credit of the government. The remainder of the debt represents bonds secured solely by specified revenue sources such as sales tax and user fees. There were no general obligation bonds outstanding for the City of Baton Rouge or the Parish of East Baton Rouge at the end of the fiscal year.

City of Baton Rouge, Parish of East Baton Rouge

Summary of Excess Revenue and Revenue Bonds

December 31, 2017 & 2016

(in millions)

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Excess Revenue Contracts, Loans and Notes	\$102.1	\$108.4	\$ 429.3	\$ 431.0	\$ 531.4	\$ 539.4
Revenue Bonds	<u>186.4</u>	<u>197.9</u>	<u>981.2</u>	<u>987.0</u>	<u>1,167.6</u>	<u>1,184.9</u>
Total All Bonds, Contracts, Loans and Notes	<u>\$288.5</u>	<u>\$306.3</u>	<u>\$1,410.5</u>	<u>\$1,418.0</u>	<u>\$1,699.0</u>	<u>\$1,724.3</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

As of December 31, 2017, City-Parish bonds were rated by three major rating services as follows:

	<u>Underlying Ratings</u>		
	<u>Moody's Investors Service</u>	<u>Standard and Poor's</u>	<u>Fitch Investors</u>
City of Baton Rouge (2%) Sales Tax Revenue Bonds	Aa2	AAA	AA+
Parish of East Baton Rouge Road and Street Improvements (½%) Sales Tax Revenue Bonds	A2	A+	AA-
East Baton Rouge Sewerage Commission Revenue Bonds	Aa3	AA-	AA

Additional information on debt administration can be found in Note 10 of the Notes to the Financial Statements including information concerning the computation of legal debt margins for different types of bonds.

Economic Factors and Next Year's Budget and Rates

The City-Parish's General Fund receives over 59 percent of its revenues from the 2 percent general sales and use tax levied by the City of Baton Rouge or the Parish of East Baton Rouge; therefore, economic indicators are very important in forming the General Fund budget estimates. Dr. James A. Richardson and Dr. Loren C. Scott, expert economists, prepare an econometric model for Louisiana and its major metropolitan areas each year. Statistics on personal income growth and employment growth are generated. From these numbers, a range of potential sales and use tax growth is estimated. Based upon the advice of these experts, the 2018 operating budget assumes a minimal growth rate for sales and use tax revenues in 2018 over the 2017 forecasted collections.

The proposed budget for the year 2018 for all funds, exclusive of operating transfers between funds, totals \$918.8 million. This is an increase of approximately \$20.8 million or 2.32 percent over the 2017 budget. The General Fund budget increased by approximately \$2.2 million mainly due to the appropriation of additional funds needed for employee benefit programs. The increase of \$8.0 million in the Special Revenue Funds budgets and \$10.8 million in the Capital Project Funds is due to one-time funding for capital projects budgeted for in 2018. Enterprise Fund Budgets increased \$9.1 million primarily due to sewerage system operations and increases included in the solid waste collection and disposal contracts. The increase in appropriations in Internal Service Funds of \$0.3 million are the result of additions to the equipment replacement program.

Requests For Information

This financial report is designed to provide a general overview of the finances of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Department of Finance, Accounting Division, P.O. Box 1471, Baton Rouge, Louisiana, 70821-1471 or email address: finance@brgov.com.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET POSITION
DECEMBER 31, 2017

EXHIBIT A - 1

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents (Note 3)	\$ 131,289,986	\$ 46,952,884	\$ 178,242,870	\$ 15,663,329
Investments (Note 3)	235,219,583	90,360,269	325,579,852	--
Receivables - net (Note 13)	65,733,086	20,821,531	86,554,617	18,232,244
Due from other governments (Note 11)	104,903,556	9,745,887	114,649,443	1,874,584
Prepaid items	248,899	67,361	316,260	310,550
Loans receivable	4,013,001	--	4,013,001	1,284,857
Inventory	898,076	51,224	949,300	5,164,418
Net pension asset	--	--	--	1,435,415
Other assets	--	--	--	286,336
Restricted assets:				
Cash and cash equivalents (Note 3)	--	81,442,808	81,442,808	14,450,094
Investments (Note 3)	--	162,397,932	162,397,932	--
Receivables - net (Note 13)	--	534,530	534,530	--
Capital assets (Note 6):				
Non-depreciable	228,323,633	238,075,009	466,398,642	--
Depreciable, net	698,697,602	1,748,677,334	2,447,374,936	105,798,200
Total assets	<u>1,469,327,422</u>	<u>2,399,126,769</u>	<u>3,868,454,191</u>	<u>164,500,027</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	11,850,009	37,540,007	49,390,016	4,832,611
Deferred outflows on derivative instruments	9,839,816	77,262,987	87,102,803	--
Deferred outflow for pensions	137,940,633	12,508,163	150,448,796	16,151,985
Total deferred outflows of resources	<u>159,630,458</u>	<u>127,311,157</u>	<u>286,941,615</u>	<u>20,984,596</u>
LIABILITIES				
Accounts payable and other current liabilities	37,991,426	50,641,492	88,632,918	2,777,972
Internal balances (Note 11)	(627,529)	627,529	--	--
Due to other governments	602,409	--	602,409	185,273
Accrued payables	10,328,808	28,128,291	38,457,099	2,122,719
Unearned revenue	254,846	1,369,190	1,624,036	--
Deposits and escrow accounts	9,917,506	--	9,917,506	--
Other liabilities	--	--	--	248,889
Non-current liabilities (Note 10):				
Due within one year	31,045,268	17,414,805	48,460,073	2,955,204
Due in more than one year	1,403,329,293	1,676,940,438	3,080,269,731	179,147,262
Total liabilities	<u>1,492,842,027</u>	<u>1,775,121,745</u>	<u>3,267,963,772</u>	<u>187,437,319</u>
DEFERRED INFLOWS OF RESOURCES				
Resources received before time requirements	263,709	--	263,709	--
Deferred inflow for pensions	5,616,869	558,735	6,175,604	4,848,889
Total deferred inflows of resources	<u>5,880,578</u>	<u>558,735</u>	<u>6,439,313</u>	<u>4,848,889</u>
NET POSITION				
Net investment in capital assets	719,353,654	621,251,906	1,340,605,560	6,069,610
Restricted for (Note 14):				
Capital projects	86,085,228	6,111,091	92,196,319	--
Debt service	5,948,890	15,351,759	21,300,649	14,744,215
Passenger facility charges	--	540,851	540,851	--
External legal constraints	76,562,953	70,500,000	147,062,953	3,380,632
Unrestricted	(757,715,450)	37,001,839	(720,713,611)	(30,996,042)
Total net position	<u>\$ 130,235,275</u>	<u>\$ 750,757,446</u>	<u>\$ 880,992,721</u>	<u>\$ (6,801,585)</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Function/Programs				
Primary government:				
Governmental activities:				
General government	\$ 99,347,980	\$ 19,258,730	\$ 391,958	\$ --
Public safety	288,726,891	39,298,776	23,364,257	7,421,164
Transportation	84,410,275	140,321	740,365	25,596,633
Health and welfare	11,741,029	929,227	638,149	--
Culture and recreation	49,786,202	266,687	90,975	--
Conservation and development	48,900,206	4,641,671	30,038,092	6,275,237
Interest and fiscal charges on long-term debt	12,473,026	--	--	--
Total governmental activities	<u>595,385,609</u>	<u>64,535,412</u>	<u>55,263,796</u>	<u>39,293,034</u>
Business-type activities:				
Airport	29,641,876	19,737,465	1,033,089	16,011,069
Sewer	183,168,585	88,473,812	6,746,560	6,053,760
Solid waste collection and disposal	42,877,818	42,432,582	--	--
Convention center	13,031,398	6,719,435	194,597	2,323,909
Parking facilities	721,425	746,284	--	--
Total business-type activities	<u>269,441,102</u>	<u>158,109,578</u>	<u>7,974,246</u>	<u>24,388,738</u>
Total primary government	<u>\$ 864,826,711</u>	<u>\$ 222,644,990</u>	<u>\$ 63,238,042</u>	<u>\$ 63,681,772</u>
Component units:				
Judicial court services	\$ 55,103,263	\$ 26,525,957	\$ 20,053,154	\$ --
Economic development districts	1,945,513	323,095	456,115	--
Mass transit	29,982,513	2,741,580	--	1,090,107
Total component units	<u>\$ 87,031,289</u>	<u>\$ 29,590,632</u>	<u>\$ 20,509,269</u>	<u>\$ 1,090,107</u>

General revenues:

Taxes:

Property
Gross receipts business
Sales
Occupancy
Occupational
Insurance premium
Gaming admissions
Interest and penalties - delinquent taxes

Miscellaneous

Grants and contributions not restricted to specific programs
Investment earnings
Gain on sale of capital assets

Transfers (to) from other funds

Total general revenues and transfers

Change in net position

Net position - beginning of year, restated (Note 1)

Net position - end of year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (79,697,292)	\$ --	\$ (79,697,292)	\$ --
(218,642,694)	--	(218,642,694)	--
(57,932,956)	--	(57,932,956)	--
(10,173,653)	--	(10,173,653)	--
(49,428,540)	--	(49,428,540)	--
(7,945,206)	--	(7,945,206)	--
(12,473,026)	--	(12,473,026)	--
<u>(436,293,367)</u>	<u>--</u>	<u>(436,293,367)</u>	<u>--</u>
--	7,139,747	7,139,747	--
--	(81,894,453)	(81,894,453)	--
--	(445,236)	(445,236)	--
--	(3,793,457)	(3,793,457)	--
--	24,859	24,859	--
<u>--</u>	<u>(78,968,540)</u>	<u>(78,968,540)</u>	<u>--</u>
<u>(436,293,367)</u>	<u>(78,968,540)</u>	<u>(515,261,907)</u>	<u>--</u>
--	--	--	(8,524,152)
--	--	--	(1,166,303)
<u>--</u>	<u>--</u>	<u>--</u>	<u>(26,150,826)</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>(35,841,281)</u>
119,187,319	--	119,187,319	17,831,120
23,275,513	--	23,275,513	--
247,571,007	47,924,335	295,495,342	520,598
2,217,632	281,474	2,499,106	1,844,786
11,173,100	--	11,173,100	--
4,155,725	--	4,155,725	--
10,365,612	--	10,365,612	--
1,680,364	--	1,680,364	--
19,044	--	19,044	1,778,362
5,894,032	--	5,894,032	8,177,554
3,572,665	5,260,842	8,833,507	421,571
667,664	26,000	693,664	--
(1,611,957)	1,611,957	--	--
<u>428,167,720</u>	<u>55,104,608</u>	<u>483,272,328</u>	<u>30,573,991</u>
(8,125,647)	(23,863,932)	(31,989,579)	(5,267,290)
<u>138,360,922</u>	<u>774,621,378</u>	<u>912,982,300</u>	<u>(1,534,295)</u>
<u>\$ 130,235,275</u>	<u>\$ 750,757,446</u>	<u>\$ 880,992,721</u>	<u>\$ (6,801,585)</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General Fund	Library Board of Control	Grants
ASSETS			
Cash and cash equivalents (Note 3)	\$ 20,566,244	\$ 22,926,952	\$ --
Investments (Note 3)	41,074,070	45,716,617	--
Property taxes receivable - net (Note 4)	7,137,918	11,243,353	--
Gross receipts business taxes receivable	4,342,317	--	--
Sales taxes receivable	17,848,306	--	--
Interest and penalties receivable on taxes	53,162	--	--
Accounts receivable - net (Note 13)	1,825,152	534	--
Accrued interest receivable	281,790	201,163	24,211
Due from other funds (Note 11)	15,018,824	--	--
Due from other governments (Note 11)	20,604,642	33,056,201	17,000,010
Inventory	737,818	--	--
	\$ 129,490,243	\$ 113,144,820	\$ 17,024,221
LIABILITIES			
Accounts and contracts payable	\$ 15,984,752	\$ 3,100,817	\$ 6,074,846
Due to other funds (Note 11)	--	28,722,738	5,215,943
Due to other governments	276,991	--	--
Accrued payables	3,712,013	393,321	243,808
Unearned revenue	--	--	81,267
Deposits and escrow accounts	9,851,686	--	65,820
Total liabilities	29,825,442	32,216,876	11,681,684
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	634,603	805,496	--
Unavailable revenue - revenue sharing	633,370	--	--
Resources received before time requirements	--	--	263,709
Total deferred inflows of resources	1,267,973	805,496	263,709
FUND BALANCES (Note 14):			
Nonspendable	737,818	--	--
Restricted	751,269	80,122,448	5,078,828
Committed	56,226,507	--	--
Assigned	30,716,774	--	--
Unassigned	9,964,460	--	--
Total fund balances	98,396,828	80,122,448	5,078,828
Total liabilities, deferred inflows of resources and fund balances	\$ 129,490,243	\$ 113,144,820	\$ 17,024,221

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 46,734,548	\$ 35,071,802	\$ 125,299,546
93,276,129	43,207,758	223,274,574
--	11,642,993	30,024,264
--	--	4,342,317
2,779,268	1,791,585	22,419,159
--	--	53,162
--	5,676,845	7,502,531
314,125	203,851	1,025,140
29,638,691	--	44,657,515
672,049	32,684,820	104,017,722
--	--	737,818
<u>\$ 173,414,810</u>	<u>\$ 130,279,654</u>	<u>\$ 563,353,748</u>
\$ 6,896,523	\$ 4,603,117	\$ 36,660,055
--	10,091,305	44,029,986
--	325,418	602,409
2,420	640,075	4,991,637
173,579	--	254,846
--	--	9,917,506
<u>7,072,522</u>	<u>15,659,915</u>	<u>96,456,439</u>
--	1,001,975	2,442,074
--	61,339	694,709
--	--	263,709
<u>--</u>	<u>1,063,314</u>	<u>3,400,492</u>
--	--	737,818
137,925,015	96,550,252	320,427,812
28,417,273	17,006,173	101,649,953
--	--	30,716,774
--	--	9,964,460
<u>166,342,288</u>	<u>113,556,425</u>	<u>463,496,817</u>
<u>\$ 173,414,810</u>	<u>\$ 130,279,654</u>	<u>\$ 563,353,748</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017**

EXHIBIT A - 4

Fund balances - total governmental funds		\$ 463,496,817
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	1,684,492,198	
Less accumulated depreciation	<u>(766,304,112)</u>	918,188,086
Assets used in governmental activities that are not financial resources, and, therefore, are not reported in the governmental funds.		
Prepaid items	248,899	
HUD loans receivable	<u>4,013,001</u>	4,261,900
Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures.		
Property tax revenue	2,442,074	
Louisiana revenue sharing	694,709	
Emergency Medical Services transport charges	318,807	
U.S. Health and Human Services	<u>885,834</u>	4,341,424
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable	(5,297,378)	
Bonds payable	(288,460,792)	
Deferred premium and discount	(17,328,713)	
Deferred amount on refunding	11,850,009	
Obligation payable	(4,261,004)	
Compensated absences payable	(30,493,434)	
Claims and judgments payable	(31,866,876)	
Employee benefits payable	(5,121,692)	
Net other post employment benefit obligation	(437,569,313)	
Net pension liability	<u>(609,209,201)</u>	(1,417,758,394)
Deferred inflows and outflows of resources for pension plans are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
		132,323,764
Internal service funds are used by management to charge the costs of fleet management and maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		<u>25,381,678</u>
Net position of governmental activities		<u>\$ 130,235,275</u>



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Library Board of Control	Grants
REVENUES			
Taxes:			
Property	\$ 28,136,243	\$ 46,761,796	\$ --
Gross receipts business taxes	23,275,513	--	--
Sales	194,595,992	--	--
Occupancy	1,296,657	--	--
Occupational	11,173,100	--	--
Insurance premiums	4,155,725	--	--
Gaming admissions	10,365,612	--	--
Interest and penalties - delinquent	1,680,364	--	--
Licenses and permits	4,920,790	--	--
Intergovernmental revenues	14,088,664	--	48,852,143
Charges for services	23,751,948	75,824	--
Fines and forfeits	1,098,224	166,696	--
Investment earnings	863,590	718,177	49,782
Miscellaneous revenues	2,396,046	18,728	4,556,762
Total revenues	321,798,468	47,741,221	53,458,687
EXPENDITURES			
Current:			
General government	66,162,186	--	3,594
Public safety	174,803,315	--	11,208,560
Transportation	34,437,941	--	--
Health and welfare	4,540,981	--	543,847
Culture and recreation	1,613,859	38,820,598	893
Conservation and development	4,188,550	--	35,207,916
Debt service:			
Principal retirement	--	--	--
Interest and fiscal charges	--	--	--
Capital outlay	252,654	2,037,003	13,628,833
Intergovernmental	17,260,735	--	--
Total expenditures	303,260,221	40,857,601	60,593,643
Excess (deficiency) of revenues over (under) expenditures	18,538,247	6,883,620	(7,134,956)
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 12)	90,000	--	1,643,952
Transfers out (Note 12)	(15,790,515)	(1,626,970)	--
Proceeds of capital asset disposition	123,154	580	82,240
Total other financing sources and uses	(15,577,361)	(1,626,390)	1,726,192
Net change in fund balances	2,960,886	5,257,230	(5,408,764)
Fund balances, January 1, restated (Note 1)	95,435,942	74,865,218	10,487,592
Fund balances, December 31	\$ 98,396,828	\$ 80,122,448	\$ 5,078,828

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ --	\$ 45,951,222	\$ 120,849,261
--	--	23,275,513
7,328,090	45,646,925	247,571,007
--	920,975	2,217,632
--	--	11,173,100
--	--	4,155,725
--	--	10,365,612
--	--	1,680,364
--	--	4,920,790
19,628,139	9,856,907	92,425,853
--	26,787,239	50,615,011
--	680,475	1,945,395
1,070,515	719,938	3,422,002
957,559	458,875	8,387,970
28,984,303	131,022,556	583,005,235
1,422,159	1,510,038	69,097,977
--	49,173,207	235,185,082
35,000	11,814,768	46,287,709
--	4,784,521	9,869,349
--	--	40,435,350
--	3,742,383	43,138,849
--	18,146,885	18,146,885
--	14,014,540	14,014,540
58,127,312	2,126,562	76,172,364
--	550,000	17,810,735
59,584,471	105,862,904	570,158,840
(30,600,168)	25,159,652	12,846,395
12,066,633	6,342,899	20,143,484
--	(4,337,956)	(21,755,441)
10,000	56,281	272,255
12,076,633	2,061,224	(1,339,702)
(18,523,535)	27,220,876	11,506,693
184,865,823	86,335,549	451,990,124
\$ 166,342,288	\$ 113,556,425	\$ 463,496,817

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 6

Net change in fund balances - total governmental funds \$ 11,506,693

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	76,172,364	
Depreciation expense	<u>(45,394,586)</u>	30,777,778

The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donations, is to increase net position. (1,069,387)

Because some revenues will not be collected for several months after year-end, they are not considered "available" revenues in the governmental funds.

Property tax revenue	(1,661,942)	
Louisiana revenue sharing	2,504	
Emergency Medical Services transport charges	318,807	
U.S. Health and Human Services	<u>885,834</u>	(454,797)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of bond insurance costs	(65,425)	
Amortization of premium and discount	2,118,310	
Amortization of amount on refunding	(1,452,455)	
Principal payments	18,146,885	
Adjustment for debt recorded in business type activities	<u>(366,250)</u>	18,381,065

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.

Net other post employment benefit obligation	(27,992,137)	
Accrued interest payable	873,484	
Compensated absences payable	(1,108,565)	
Claims and judgments payable	283,536	
Employee benefits payable	372,097	
Net pension liability and deferred inflows and outflows for pensions	(40,282,110)	
HUD loans receivable	<u>(128,032)</u>	(67,981,727)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

714,728

Change in net position of governmental activities \$ (8,125,647)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 7

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 27,414,670	\$ 27,414,670	\$ 28,136,243	\$ 721,573
Gross receipts business taxes	23,769,000	23,813,000	23,275,513	(537,487)
General sales and use taxes	187,643,040	191,127,240	194,595,992	3,468,752
Occupancy taxes	1,303,560	1,303,560	1,296,657	(6,903)
Occupational taxes	11,000,000	11,000,000	11,173,100	173,100
Insurance premiums taxes	4,000,000	4,160,000	4,155,725	(4,275)
Gaming admissions taxes	9,500,000	9,825,623	10,365,612	539,989
Interest and penalties - delinquent taxes	1,527,000	1,527,000	1,680,364	153,364
Total taxes	<u>266,157,270</u>	<u>270,171,093</u>	<u>274,679,206</u>	<u>4,508,113</u>
Licenses and permits:				
Use of streets:				
Public conveyances	55,000	55,000	187,172	132,172
Bicycle registration fees	30,000	30,000	22,945	(7,055)
Occupational and professional:				
Air conditioning and heating	38,000	38,000	35,240	(2,760)
Electrical contractors	45,000	45,000	53,092	8,092
Plumbers	40,000	40,000	43,008	3,008
House moving	500	500	200	(300)
Garbage collectors	43,800	43,800	51,400	7,600
Classified employees	180,000	180,000	147,350	(32,650)
Retail clerks	118,000	118,000	102,920	(15,080)
Entertainers	6,000	6,000	6,285	285
Liquor and beer	590,400	590,400	598,020	7,620
Restaurant	29,900	29,900	35,921	6,021
Gaming	6,000	6,000	5,470	(530)
Chauffeurs	3,900	3,900	2,870	(1,030)
Second hand dealers	1,000	1,000	380	(620)
Construction permits:				
Air conditioning and heating	275,000	275,000	247,570	(27,430)
Electrical	425,000	425,000	365,430	(59,570)
Building	1,800,000	1,800,000	1,896,516	96,516
Plumbing and gas	400,000	400,000	332,344	(67,656)
House moving	1,500	1,500	395	(1,105)
Fence	1,000	1,000	550	(450)
Special events	42,000	42,000	38,160	(3,840)
Alarm user	40,000	40,000	41,225	1,225
Animal control and rescue center licenses	657,000	657,000	663,129	6,129
Other permits	40,800	40,800	43,198	2,398
Total licenses and permits	<u>4,869,800</u>	<u>4,869,800</u>	<u>4,920,790</u>	<u>50,990</u>
Intergovernmental revenues:				
State grants:				
Public safety:				
Traffic signal maintenance	657,580	657,580	661,240	3,660

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 7
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES (continued)				
Intergovernmental revenues (continued):				
State grants (continued):				
Public safety (continued):				
Department of Military Affairs	\$ 78,000	\$ 78,000	\$ 59,535	\$ (18,465)
Juvenile meal reimbursement	55,000	55,000	60,703	5,703
Transportation:				
Street maintenance	536,320	536,320	510,570	(25,750)
State shared revenues:				
Beer taxes	410,000	410,000	380,396	(29,604)
Insurance company taxes	920,000	920,000	994,804	74,804
Louisiana revenue sharing	1,098,710	1,098,710	1,067,903	(30,807)
Mineral royalties	92,000	92,000	18,566	(73,434)
Severance taxes	650,000	650,000	346,036	(303,964)
On-behalf payments for salaries and benefits	9,205,660	9,205,660	9,137,081	(68,579)
Retiree drug subsidy	--	--	851,830	851,830
Payments in lieu of taxes - Federal government	1,500	1,500	--	(1,500)
Total intergovernmental revenues	<u>13,704,770</u>	<u>13,704,770</u>	<u>14,088,664</u>	<u>383,894</u>
Charges for services:				
General government:				
City court civil fees	1,295,000	1,295,000	1,171,252	(123,748)
Judiciary court costs	850,000	850,000	368,576	(481,424)
City court school fees	180,000	180,000	97,225	(82,775)
City court bench warrant fees	1,100,000	1,100,000	631,568	(468,432)
City court miscellaneous fees	495,000	495,000	413,710	(81,290)
City court credit card payment fees	35,000	35,000	11,707	(23,293)
City court expungement	35,000	35,000	21,940	(13,060)
City court home incarceration monitoring	6,000	6,000	1,380	(4,620)
City court mortgage recordation fees	8,000	8,000	11,000	3,000
City court pre-trial administrative fee	65,000	65,000	43,820	(21,180)
City constable civil fees	900,000	900,000	977,260	77,260
City prosecutor bond posting fee	22,000	22,000	13,881	(8,119)
Central services support	8,172,060	8,172,060	8,271,289	99,229
Central services support - inventory	32,800	32,800	62,188	29,388
Central services support - auction facility	40,000	40,000	39,964	(36)
Sales tax collection charges	2,700,000	2,700,000	2,984,577	284,577
Occupancy tax collection charges	38,000	38,000	45,428	7,428
NSF check fees	3,000	3,000	786	(2,214)
Credit card processing fees	60,000	60,000	20,001	(39,999)
Online permitting technology fees	50,000	50,000	43,205	(6,795)
Bench advertising	20,000	20,000	40,034	20,034
Board of adjustment fees	6,000	6,000	5,175	(825)
Sale of construction codes and plans	8,000	8,000	3,387	(4,613)
Adult DWI pretrial fees	70,000	70,000	70,901	901
Pre-trial diversion fees	495,000	495,000	496,036	1,036

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 7
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES (continued)				
Charges for services (continued):				
General government (continued):				
Notice of intent	\$ 50,000	\$ 50,000	\$ 70,890	\$ 20,890
Adjudicated property	200,000	200,000	58,268	(141,732)
Zoning fees	105,000	105,000	174,635	69,635
Planning assistance	96,000	96,000	139,283	43,283
Planning advertising fees	30,000	30,000	47,900	17,900
Miscellaneous	8,000	8,000	12,129	4,129
Public safety:				
Subdivision inspection, testing and plan review	31,000	31,000	35,618	4,618
Flood determination fees	22,000	22,000	18,591	(3,409)
Commercial and residential plan review	435,000	435,000	455,199	20,199
Sale of reports and photos	275,000	275,000	284,797	9,797
Sobriety test	40,000	40,000	27,803	(12,197)
False alarm fees	250,000	250,000	243,360	(6,640)
Reimbursements for overtime	400,000	400,000	691,188	291,188
Traffic safety fees	3,020,000	4,091,487	4,505,625	414,138
Code enforcement fees	30,000	30,000	38,275	8,275
Weed cutting charges	50,000	50,000	16,280	(33,720)
Prison medical charges	55,000	55,000	45,927	(9,073)
Coroners fees	613,570	688,407	688,407	--
Miscellaneous	26,100	26,100	36,946	10,846
Transportation:				
Parking meters	250,000	250,000	140,321	(109,679)
Health and welfare:				
Animal control center enforcement income	45,000	45,000	40,687	(4,313)
Animal control credit card payment fees	5,000	5,000	2,691	(2,309)
Culture and recreation:				
Summer programs:				
Jewel J. Newman Community Center	12,000	5,439	5,439	--
Conservation and development:				
Rent/utilities/donations:				
Leo S. Butler Community Center	16,500	16,500	15,534	(966)
Jewel J. Newman Community Center	28,190	34,620	42,054	7,434
Dr. Martin Luther King, Jr. Community Center	22,400	22,400	24,759	2,359
Chaneyville Community Center	--	--	414	414
Charles R. Kelly Community Center	19,240	19,240	42,638	23,398
Total charges for services	<u>22,820,860</u>	<u>23,967,053</u>	<u>23,751,948</u>	<u>(215,105)</u>
Fines and forfeits:				
City court criminal fines and forfeitures	250,000	250,000	128,777	(121,223)
City court forfeitures	100,000	100,000	79,519	(20,481)
City court traffic fines	1,500,000	1,500,000	801,941	(698,059)
Alcoholic Beverage Control Board fines	58,000	58,000	87,987	29,987
Total fines and forfeits	<u>1,908,000</u>	<u>1,908,000</u>	<u>1,098,224</u>	<u>(809,776)</u>
Investment earnings	<u>140,500</u>	<u>140,500</u>	<u>863,590</u>	<u>723,090</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 7
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES (continued)				
Miscellaneous revenues:				
Rentals	\$ 287,600	\$ 287,600	\$ 327,573	\$ 39,973
Oil, gas and mineral royalties	115,000	115,000	51,524	(63,476)
Airport note	433,850	433,850	433,850	--
Subrogation recovery and restitution	--	32,147	36,246	4,099
Condemnations	90,000	90,000	112,285	22,285
Juvenile detention meals	4,000	4,000	1,729	(2,271)
Confiscated funds - police	120,000	120,000	792,995	672,995
Police - miscellaneous revenues	25,000	25,000	17,742	(7,258)
LACLE-CVR reimbursement	10,000	100,302	100,302	--
Juvenile detention reimbursement	100,000	100,000	122,346	22,346
Donations and contributions	79,500	79,750	61,000	(18,750)
Animal control and rescue center contributions	237,360	237,360	222,720	(14,640)
Other	13,000	10,000	115,734	105,734
Total miscellaneous revenues	<u>1,515,310</u>	<u>1,635,009</u>	<u>2,396,046</u>	<u>761,037</u>
Total revenues	<u>311,116,510</u>	<u>316,396,225</u>	<u>321,798,468</u>	<u>5,402,243</u>
EXPENDITURES				
Current:				
General government:				
Metropolitan council	1,543,167	1,543,167	1,306,361	236,806
Council administrator	2,184,493	2,031,818	1,811,880	219,938
Council budget office	186,629	186,629	156,676	29,953
Parish attorney	8,009,805	8,009,805	7,250,239	759,566
Public information office	416,188	426,788	417,468	9,320
Planning commission	1,531,512	1,531,512	1,456,733	74,779
City court - administration	11,962,099	11,938,499	9,415,856	2,522,643
City constable	3,089,270	2,991,677	2,951,742	39,935
Justice of peace and ward constables	66,510	66,510	63,309	3,201
Sheriff - costs of court	173,000	173,000	128,254	44,746
Registrar of voters	854,708	854,708	778,052	76,656
Mayor - President	2,003,319	2,181,466	1,982,357	199,109
Finance	10,756,825	10,574,250	9,441,276	1,132,974
Collection of funds	3,436,370	3,907,857	3,891,787	16,070
Information services	7,487,594	7,229,183	6,274,368	954,815
Purchasing	1,057,050	1,057,050	912,737	144,313
Human resources	3,383,603	3,293,383	3,044,452	248,931
Risk management	5,202,009	6,104,721	180,340	5,924,381
Municipal fire and police civil service board	81,107	81,107	74,179	6,928
Public works - administration and building maintenance	36,079	36,079	34,060	2,019
Public works - business operations and capital program	3,007,140	2,957,148	2,556,028	401,120
Public works - department of maintenance	955	2,374	1,419	955

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 7
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (continued)				
Current (continued):				
General government (continued):				
Public works - department of buildings and grounds	\$ 14,393,609	\$ 14,637,743	\$ 12,976,911	\$ 1,660,832
Municipal associations	124,390	124,390	122,770	1,620
Total general government	<u>80,987,431</u>	<u>81,940,864</u>	<u>67,229,254</u>	<u>14,711,610</u>
Public safety:				
Fire protection districts	142,910	142,910	142,890	20
Sheriff - correctional institution	9,875,325	10,333,106	9,991,900	341,206
E.B.R. Parish Coroner	2,919,085	3,085,324	3,062,320	23,004
Police	93,649,947	95,212,286	93,457,003	1,755,283
Fire	50,555,578	50,796,722	50,244,620	552,102
Emergency medical services	5,795,384	5,770,312	5,410,462	359,850
Juvenile services	5,960,411	5,633,502	5,220,990	412,512
Emergency preparedness	834,410	834,410	689,140	145,270
Public works - department of development	9,227,214	9,220,160	7,680,356	1,539,804
Capital Region Planning Commission	56,260	56,260	55,973	287
Crimestoppers	14,000	14,000	14,000	--
Total public safety	<u>179,030,524</u>	<u>181,098,992</u>	<u>175,969,654</u>	<u>5,129,338</u>
Transportation:				
Public works - department of transportation and drainage	17,490,496	16,157,019	13,296,528	2,860,491
Public works - department of maintenance	23,641,096	23,639,677	21,799,956	1,839,721
Street maintenance	219,900	219,900	219,900	--
Total transportation	<u>41,351,492</u>	<u>40,016,596</u>	<u>35,316,384</u>	<u>4,700,212</u>
Health and welfare:				
Health unit	516,284	516,284	487,137	29,147
Council on Aging projects	877,440	877,441	877,441	--
Crisis Care Center	253,270	253,270	253,266	4
Baton Rouge Area Alcohol and Drug Center	319,000	321,665	318,532	3,133
Animal control and rescue center	2,694,400	2,694,400	2,611,582	82,818
O'Brien House	17,100	17,100	17,100	--
Total health and welfare	<u>4,677,494</u>	<u>4,680,160</u>	<u>4,565,058</u>	<u>115,102</u>
Culture and recreation:				
Community Centers Summer Programs	12,000	11,938	11,936	2
Louisiana Arts and Science Museum	843,060	843,097	843,097	--
Arts Council of Greater Baton Rouge	334,230	334,243	334,243	--
Baton Rouge Symphony League	95,000	95,000	95,000	--
U.S.S. Kidd	229,560	229,583	229,583	--
United States Bowling Congress	100,000	100,000	100,000	--
Total culture and recreation	<u>1,613,850</u>	<u>1,613,861</u>	<u>1,613,859</u>	<u>2</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 7
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (continued)				
Current (continued):				
Conservation and development:				
Economic development program	\$ 354,519	\$ 801,179	\$ 470,801	\$ 330,378
Baton Rouge Film Commission	181,250	181,250	166,568	14,682
Office of Neighborhood Revitalization	428,050	369,403	313,707	55,696
Community centers	1,482,715	1,520,749	1,332,104	188,645
ASA-lease agreement	34,480	34,480	34,480	--
Human Development and Services	757,567	757,567	700,079	57,488
Baton Rouge Area Chamber	350,000	350,000	350,000	--
Truancy Assessment and Service Center	100,000	100,000	100,000	--
Score Chapter 141 - Baton Rouge	19,000	19,000	19,000	--
Earth Day	21,850	21,850	21,850	--
East Baton Rouge Redevelopment Authority	200,000	200,000	200,000	--
My Brother's Keeper	25,000	25,000	5,103	19,897
Cooperative Extension Service	61,404	61,404	53,873	7,531
Veterans Service Office	48,900	48,900	48,900	--
Big Buddy Program	256,550	256,550	256,550	--
Greater Baton Rouge Food Bank	23,000	23,000	23,000	--
CAFC/Children's Coalition	25,000	25,000	25,000	--
Downtown Merchants Association	38,000	38,000	38,000	--
City Year Louisiana	25,000	25,000	25,000	--
Baton Rouge Community College	100,500	17,500	16,749	751
Total conservation and development	<u>4,532,785</u>	<u>4,875,832</u>	<u>4,200,764</u>	<u>675,068</u>
Capital outlay	<u>--</u>	<u>252,654</u>	<u>252,654</u>	<u>--</u>
Intergovernmental expenditures:				
Equivalent three mills on industrial area assessment	285,860	285,860	276,991	8,869
District Attorney of the Nineteenth Judicial District	6,706,654	6,972,152	6,923,207	48,945
Nineteenth Judicial District Court	7,150,174	7,146,174	7,098,717	47,457
E.B.R. Parish Family Court	1,086,729	1,086,729	1,067,323	19,406
E.B.R. Parish Juvenile Court	1,333,091	1,381,882	1,367,437	14,445
E.B.R. Parish Clerk of Court	487,000	542,000	540,760	1,240
Total intergovernmental expenditures	<u>17,049,508</u>	<u>17,414,797</u>	<u>17,274,435</u>	<u>140,362</u>
Total expenditures	<u>329,243,084</u>	<u>331,893,756</u>	<u>306,422,062</u>	<u>25,471,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,126,574)</u>	<u>(15,497,531)</u>	<u>15,376,406</u>	<u>30,873,937</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 7
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Emergency Medical Services Fund	\$ 90,000	\$ 90,000	\$ 90,000	\$ --
Transfers out:				
Grants Fund	(229,990)	(1,013,220)	(987,216)	26,004
Capital Projects Fund	(542,000)	(7,604,443)	(7,604,443)	--
Downtown Development District	(142,500)	(142,500)	(142,500)	--
City Constable Court Costs Fund	--	(213,400)	(213,400)	--
Brownsfield Fire Protection District	(16,250)	(16,250)	(16,250)	--
Chaneyville Fire Protection District	(35,860)	(35,860)	(35,860)	--
Pride Fire Protection District	(64,000)	(64,000)	(64,000)	--
Alsen-St. Irma Lee Fire Protection District	(24,510)	(24,510)	(24,510)	--
Taxable Refunding Bonds Fund	(4,783,760)	(4,783,760)	(4,783,757)	3
Excess Revenue and Limited Tax Fund	(1,126,150)	(76,120)	(52,622)	23,498
Solid Waste Collection and Disposal Fund	(75,000)	(75,000)	(73,957)	1,043
Baton Rouge River Center	(1,792,000)	(1,792,000)	(1,792,000)	--
Total transfers out	<u>(8,832,020)</u>	<u>(15,841,063)</u>	<u>(15,790,515)</u>	<u>50,548</u>
Proceeds of capital asset disposition	<u>305,000</u>	<u>311,265</u>	<u>123,154</u>	<u>(188,111)</u>
Total other financing sources and uses	<u>(8,437,020)</u>	<u>(15,439,798)</u>	<u>(15,577,361)</u>	<u>(137,563)</u>
Net change in fund balances	(26,563,594)	(30,937,329)	(200,955)	30,736,374
Fund balances, January 1	<u>95,435,942</u>	<u>95,435,942</u>	<u>95,435,942</u>	<u>--</u>
Fund balances, December 31	<u>\$ 68,872,348</u>	<u>\$ 64,498,613</u>	<u>\$ 95,234,987</u>	<u>\$ 30,736,374</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
LIBRARY BOARD OF CONTROL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 8

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 44,548,560	\$ 44,548,560	\$ 46,761,796	\$ 2,213,236
Charges for services:				
Library - copy machine	90,000	90,000	75,824	(14,176)
Fines and forfeits:				
Fines	170,000	170,000	166,696	(3,304)
Investment earnings	50,000	50,000	718,177	668,177
Miscellaneous revenues:				
Donations	500	500	40	(460)
Other income	10,000	10,000	18,688	8,688
Total miscellaneous revenues	<u>10,500</u>	<u>10,500</u>	<u>18,728</u>	<u>8,228</u>
Total revenues	<u>44,869,060</u>	<u>44,869,060</u>	<u>47,741,221</u>	<u>2,872,161</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Operations	44,755,708	44,755,828	39,883,399	4,872,429
Capital outlay	<u>3,734,914</u>	<u>3,734,794</u>	<u>2,590,064</u>	<u>1,144,730</u>
Total expenditures	<u>48,490,622</u>	<u>48,490,622</u>	<u>42,473,463</u>	<u>6,017,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,621,562)</u>	<u>(3,621,562)</u>	<u>5,267,758</u>	<u>8,889,320</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Capital Projects Fund	(1,626,970)	(1,626,970)	(1,626,970)	--
Proceeds of capital asset disposition	--	--	580	580
Total other financing sources and uses	<u>(1,626,970)</u>	<u>(1,626,970)</u>	<u>(1,626,390)</u>	<u>580</u>
Net change in fund balances	(5,248,532)	(5,248,532)	3,641,368	8,889,900
Fund balances, January 1	<u>74,865,218</u>	<u>74,865,218</u>	<u>74,865,218</u>	<u>--</u>
Fund balances, December 31	<u>\$ 69,616,686</u>	<u>\$ 69,616,686</u>	<u>\$ 78,506,586</u>	<u>\$ 8,889,900</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 9

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Intergovernmental revenues:				
Federal grants:				
Federal Emergency Management Agency	\$ 15	\$ 15	\$ 15	\$ --
Department of Justice	2,302,380	1,417,797	1,191,656	(226,141)
Department of Health and Human Services	16,564,563	19,174,695	16,102,557	(3,072,138)
Department of Housing and Urban Development	36,431,310	36,930,530	7,415,811	(29,514,719)
Environmental Protection Agency	326,237	326,237	176,832	(149,405)
Department of Education	780,083	780,083	323,731	(456,352)
State grants:				
Highway Safety Commission	1,620,408	1,563,010	874,293	(688,717)
Commission on Law Enforcement	198,585	160,759	160,759	--
Governor's Office of Homeland Security and Emergency Preparedness	20,727,401	24,628,339	9,326,921	(15,301,418)
Department of Public Safety and Corrections	111,075	111,075	208,429	97,354
Department of Agriculture	5,900	5,900	5,843	(57)
Louisiana State Supreme Court	171,631	171,631	76,469	(95,162)
Louisiana Housing Corporation	908,102	910,160	591,518	(318,642)
Louisiana Recovery Authority	16,849,426	16,849,426	6,262,312	(10,587,114)
Louisiana Workforce Commission	9,266,424	9,185,434	4,598,033	(4,587,401)
Department of Education	2,297,978	2,101,304	1,169,406	(931,898)
Louisiana Division of Administration Office of Community Development Disaster Recovery Unit	119,913	119,913	86,563	(33,350)
Other grants:				
Louisiana Workforce Investment Board Local 21	87,196	--	--	--
Entergy	127,049	137,049	67,192	(69,857)
National Police Athletic League	(20,000)	15,078	15,078	--
East Baton Rouge Parish Sheriff	130,995	125,378	88,166	(37,212)
Pennington Foundation	20,035	20,035	20,035	--
Cities of Service	3,594	3,594	3,594	--
Internet Archives	6,500	6,500	893	(5,607)
Louisiana State University	32,988	1,651	1,651	--
Baton Rouge Area Foundation	25,000	25,000	12,340	(12,660)
Capital Area United Way	69,375	79,375	72,046	(7,329)
Total intergovernmental revenues	<u>109,164,163</u>	<u>114,849,968</u>	<u>48,852,143</u>	<u>(65,997,825)</u>
Investment earnings	<u>358,596</u>	<u>(5,942)</u>	<u>49,782</u>	<u>55,724</u>
Miscellaneous revenues:				
Sobriety Court fees	97,474	77,020	40,490	(36,530)
Police Overtime Reimbursement	172,907	172,907	172,907	--
Program income (Housing and Urban Development)	1,300,720	2,188,096	1,652,427	(535,669)
Headstart - in kind contributions	2,736,453	2,736,453	2,655,641	(80,812)
Other	(376,097)	(340,800)	35,297	376,097
Total miscellaneous revenues	<u>3,931,457</u>	<u>4,833,676</u>	<u>4,556,762</u>	<u>(276,914)</u>
Total revenues	<u>113,454,216</u>	<u>119,677,702</u>	<u>53,458,687</u>	<u>(66,219,015)</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 9
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
General government:				
Cities of Service - Leadership Grant	\$ 6,116	\$ 3,594	\$ 3,594	\$ --
Public safety:				
FEMA - Hurricane Gustav	8,511,142	8,511,142	(26,953)	8,538,095
FEMA - Flood August 2016	11,359,114	14,880,659	9,303,681	5,576,978
Seniors and Teens Education Outreach	30,950	30,950	--	30,950
Reduce Underage Drinking	313,622	247,684	137,023	110,661
Local Government Assistance Program:				
Brownsfield Fire Protection District	8,000	8,000	--	8,000
Central Volunteer Fire Department	6,000	6,000	5,650	350
Chaneyville Fire Protection District	8,000	8,000	--	8,000
Pride Fire Protection District	3,255	3,255	3,255	--
Alsen-St. Irma Lee Fire Protection District	10,000	--	--	--
Community Water Enrichment Fund	67,658	67,658	67,658	--
Volunteer Fire Assistance	11,800	11,800	11,686	114
Domestic Violence Intervention Program	72,200	56,625	56,625	--
Baton Rouge City Court DWI Court	260,625	240,171	124,659	115,512
Pennington Domestic Violence Program	20,035	20,035	20,035	--
Joint Warrant - Violent Crime Task Force	10,793	5,177	5,177	--
National Police Athletic League Mentoring Program	21,054	15,078	15,078	--
Byrne Criminal Justice Innovation	615,221	615,221	402,754	212,467
Baton Rouge Area Violence Elimination	1,687,159	802,575	802,575	--
Drug Abuse Resistance Education	330,174	377,155	283,431	93,724
Targeted Violent Offender Program	30,214	27,528	27,528	--
Police Department Year-Round Overtime Grant:				
Occupant Protection and Speeding	379,391	362,632	178,871	183,761
DWI and Juvenile Underage Drinking Enforcement	771,754	891,414	497,673	393,741
Edward Byrne Memorial Justice Assistance Grant	117,244	66,083	57,534	8,549
Targeting Violent Criminal K9 Program	6,128	6,024	6,024	--
Louisiana Commission of Law Enforcement				
Victims Advocacy and Community Outreach	48,431	22,115	22,115	--
Title IV-E Reimbursements	41,634	153,055	153,055	--
Families in Need of Services	181,411	182,841	125,031	57,810
Families in Need of Services - Technical Assistance	1,429	1,429	676	753
State Homeland Security Program	167,478	167,478	--	167,478
Hazard Mitigation Planning Grant	489,486	390,886	30,886	360,000
Flood Mitigation Assistance Grant	376,764	255,000	--	255,000
Emergency Preparedness Entergy Grant	137,322	137,049	67,192	69,857
Non-grant funds:				
Metropolitan Medical Response System	267,595	267,595	--	267,595
Total public safety	<u>26,363,083</u>	<u>28,838,314</u>	<u>12,378,919</u>	<u>16,459,395</u>
Transportation:				
CRPC Transportation Planning	<u>12,000</u>	<u>12,000</u>	<u>--</u>	<u>12,000</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 9
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (continued)				
Current (continued):				
Health and welfare:				
Resiliency in Communities After Stress and Trauma Grant	\$ 1,000,000	\$ 1,000,000	\$ 13,072	\$ 986,928
Low Income Housing Energy Assistance Program	875,514	774,903	481,184	293,719
Federal Emergency Management Agency Emergency Shelter	53,433	53,433	53,433	--
Non-grant funds:				
Temporary Assistance to Needy Families	61,315	61,315	--	61,315
Total health and welfare	<u>1,990,262</u>	<u>1,889,651</u>	<u>547,689</u>	<u>1,341,962</u>
Culture and recreation:				
Community Webs	<u>6,500</u>	<u>6,500</u>	<u>893</u>	<u>5,607</u>
Conservation and development:				
TeenWorkPrepBR Grant	3,942	14,062	6,733	7,329
Baton Rouge Area Foundation Flood Relief Grant	25,000	25,000	12,340	12,660
Environmental Protection Agency Brownfields Pilot Program	326,237	326,237	322,665	3,572
Choice Neighborhoods Planning Grant	71,251	--	--	--
Louisiana Recovery Act	4,401,179	4,631,179	2,209,062	2,422,117
Performance Partnership Pilot for Disconnected Youth	780,083	780,083	437,827	342,256
Louisiana Environmental Exchange	32,988	1,651	1,651	--
Headstart	11,573,796	11,530,935	10,767,994	762,941
Ryan White HIV/AIDS Treatment Grant	3,958,630	6,474,385	5,669,737	804,648
Headstart Food Program	2,297,978	2,101,304	1,169,406	931,898
Community Services Block Grant	1,862,566	1,916,838	1,425,034	491,804
Capital Area United Way - VITA Grant	12,000	12,000	12,000	--
Strategies to Empower People	275,000	139,738	105,015	34,723
Workforce Investment Act:				
Adult Program	2,148,441	2,142,899	1,166,786	976,113
Youth Program	3,325,411	3,315,011	1,611,145	1,703,866
Dislocated Workers Program	1,676,238	1,670,947	742,341	928,606
Job Driven National Emergency Grant	87,196	--	--	--
Section 8 Voucher Program	256,987	1,555,300	1,621,149	(65,849)
Emergency Solutions Grant	1,054,355	1,017,763	543,544	474,219
Community Development Block Grant	8,218,525	7,988,800	2,655,083	5,333,717
Community Development Block Grant Disaster Recovery Funds	11,066,556	11,065,556	10,571,868	493,688
HOME Investment Partnerships Program	8,068,731	8,829,103	5,181,214	3,647,889
Continuum of Care - Supportive Housing Program	1,315,579	1,062,746	1,062,746	--
Housing Opportunities for Persons with AIDS	7,638,806	7,633,478	4,677,481	2,955,997

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 9
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (continued)				
Current (continued):				
Conservation and development (continued):				
Non-grant funds:				
Headstart programs	\$ 41,089	\$ 42,386	\$ 34,280	\$ 8,106
Rental rehabilitation local funds	41,123	116,703	74,229	42,474
Headstart - in kind services	2,736,453	2,736,453	2,655,641	80,812
Small and Emerging Business Development Program	69,424	69,424	34,723	34,701
Louisiana Job Employment Training	35,363	35,363	--	35,363
Office of Community Development Local Funds	394,820	490,371	325,544	164,827
Total conservation and development	<u>73,795,747</u>	<u>77,725,715</u>	<u>55,097,238</u>	<u>22,628,477</u>
Capital outlay	<u>23,678,190</u>	<u>22,475,977</u>	<u>16,197,628</u>	<u>6,278,349</u>
Total expenditures	<u>125,851,898</u>	<u>130,951,751</u>	<u>84,225,961</u>	<u>46,725,790</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,397,682)</u>	<u>(11,274,049)</u>	<u>(30,767,274)</u>	<u>(19,493,225)</u>
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	559,354	987,216	987,216	--
Parish Beautification Fund	396,836	396,836	396,836	--
Pride Fire Protection District	5,900	5,900	5,900	--
Comprehensive Sewerage System Fund	254,000	254,000	254,000	--
Total transfers in	<u>1,216,090</u>	<u>1,643,952</u>	<u>1,643,952</u>	<u>--</u>
Proceeds of capital asset disposition	<u>15,356</u>	<u>15,356</u>	<u>82,240</u>	<u>66,884</u>
Total other financing sources	<u>1,231,446</u>	<u>1,659,308</u>	<u>1,726,192</u>	<u>66,884</u>
Net change in fund balances	<u>(11,166,236)</u>	<u>(9,614,741)</u>	<u>(29,041,082)</u>	<u>(19,426,341)</u>
Fund balances, January 1	<u>10,487,592</u>	<u>10,487,592</u>	<u>10,487,592</u>	<u>--</u>
Fund balances, December 31	<u>\$ (678,644)</u>	<u>\$ 872,851</u>	<u>\$ (18,553,490)</u>	<u>\$ (19,426,341)</u>

The accompanying notes are an integral part of this statement.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,889,460	\$ 31,153,857	\$ 8,881,792
Investments	7,755,631	62,121,165	17,710,399
Sales taxes receivable	--	4,304,103	--
Accounts receivable - net	509,795	8,802,167	4,668,211
Accrued interest receivable	33,012	1,441,702	69,489
Due from other governments (Note 11)	6,356,033	2,793,871	57
Prepaid items	--	--	--
Inventory	--	--	--
Total current assets	<u>18,543,931</u>	<u>110,616,865</u>	<u>31,329,948</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	1,238,692	77,929,562	--
Investments	2,469,966	155,392,479	--
Accounts receivable - net	237,378	--	--
Accrued interest receivable	7,410	272,275	--
Total restricted assets	<u>3,953,446</u>	<u>233,594,316</u>	<u>--</u>
Capital assets (Note 6):			
Land	33,783,843	50,252,665	9,041,482
Buildings	146,757,092	--	141,449
Noise mitigation costs	58,392,539	--	--
Improvements (other than buildings)	197,689,664	2,262,958,466	28,347,174
Equipment	4,672,637	4,220,897	42,000
Construction work in progress	1,033,807	78,415,495	--
Total capital assets	442,329,582	2,395,847,523	37,572,105
Accumulated depreciation	(162,789,786)	(741,480,817)	(26,222,050)
Net capital assets	<u>279,539,796</u>	<u>1,654,366,706</u>	<u>11,350,055</u>
Total noncurrent assets	<u>283,493,242</u>	<u>1,887,961,022</u>	<u>11,350,055</u>
Total assets	<u>302,037,173</u>	<u>1,998,577,887</u>	<u>42,680,003</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	3,535,222	34,004,785	--
Deferred outflows on derivative instruments	--	77,262,987	--
Deferred outflow for pensions	2,871,965	8,793,175	713,839
Total deferred outflows of resources	<u>6,407,187</u>	<u>120,060,947</u>	<u>713,839</u>

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	
\$ 3,027,775	\$ 46,952,884	\$ 5,990,440
2,773,074	90,360,269	11,945,009
--	4,304,103	--
981,164	14,961,337	1,370
11,888	1,556,091	46,336
595,926	9,745,887	--
67,361	67,361	--
51,224	51,224	160,258
<u>7,508,412</u>	<u>167,999,156</u>	<u>18,143,413</u>
2,274,554	81,442,808	--
4,535,487	162,397,932	--
--	237,378	--
17,467	297,152	--
<u>6,827,508</u>	<u>244,375,270</u>	<u>--</u>
2,654,217	95,732,207	47,568
102,253,963	249,152,504	2,355,428
--	58,392,539	--
14,704,867	2,503,700,171	7,190
1,280,959	10,216,493	39,555,358
4,500,961	83,950,263	--
<u>125,394,967</u>	<u>3,001,144,177</u>	<u>41,965,544</u>
<u>(83,899,181)</u>	<u>(1,014,391,834)</u>	<u>(33,132,395)</u>
<u>41,495,786</u>	<u>1,986,752,343</u>	<u>8,833,149</u>
<u>48,323,294</u>	<u>2,231,127,613</u>	<u>8,833,149</u>
<u>55,831,706</u>	<u>2,399,126,769</u>	<u>26,976,562</u>
--	37,540,007	--
--	77,262,987	--
129,184	12,508,163	--
<u>129,184</u>	<u>127,311,157</u>	<u>--</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	\$ 4,524,619	\$ 41,190,478	\$ 3,417,214
Due to other funds (Note 11)	627,529	--	--
Accrued salaries payable	101,725	270,634	21,121
Accrued interest payable	990,279	26,720,660	--
Unearned revenue	--	--	--
Obligations payable (Note 10)	383,333	--	--
Bonds payable (Note 10)	1,865,000	12,156,000	--
Compensated absences payable	481,821	1,552,674	118,670
Total current liabilities	<u>8,974,306</u>	<u>81,890,446</u>	<u>3,557,005</u>
Noncurrent liabilities:			
Obligations payable (Note 10)	1,075,417	39,104,499	--
Contingent liabilities	--	4,000,000	--
Bonds payable (net of premiums and discounts) (Note 10)	60,577,633	1,381,868,033	--
Derivative instrument liability (Note 10)	--	77,262,987	--
Compensated absences payable	156,883	--	--
Landfill closure and postclosure care liability (Note 17)	--	--	17,130,260
Net other postemployment benefit obligation	8,445,771	28,934,176	2,834,305
Net pension liability	13,564,097	37,729,792	3,001,810
Total noncurrent liabilities	<u>83,819,801</u>	<u>1,568,899,487</u>	<u>22,966,375</u>
Total liabilities	<u>92,794,107</u>	<u>1,650,789,933</u>	<u>26,523,380</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow for pensions	<u>191,212</u>	<u>336,036</u>	<u>26,399</u>
NET POSITION			
Net investment in capital assets	219,917,463	349,244,083	11,350,055
Restricted for capital projects	--	--	--
Restricted for debt service	807,157	14,544,602	--
Restricted Passenger Facility Charges	540,851	--	--
Restricted for external legal constraints	--	70,500,000	--
Unrestricted	<u>(5,806,430)</u>	<u>33,224,180</u>	<u>5,494,008</u>
Total net position	<u>\$ 215,459,041</u>	<u>\$ 467,512,865</u>	<u>\$ 16,844,063</u>

The accompanying notes are an integral part of this statement.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental</u>
<u>Other</u>		<u>Activities</u>
<u>Enterprise</u>		<u>Internal</u>
<u>Total</u>	<u>Total</u>	<u>Service</u>
		<u>Funds</u>
\$ 1,509,181	\$ 50,641,492	\$ 1,331,371
--	627,529	--
23,872	417,352	39,793
--	27,710,939	--
1,369,190	1,369,190	--
--	383,333	--
755,481	14,776,481	--
101,826	2,254,991	223,720
<u>3,759,550</u>	<u>98,181,307</u>	<u>1,594,884</u>
--	40,179,916	--
--	4,000,000	--
--	1,442,445,666	--
--	77,262,987	--
18,555	175,438	--
--	17,130,260	--
728,813	40,943,065	--
507,407	54,803,106	--
<u>1,254,775</u>	<u>1,676,940,438</u>	<u>--</u>
<u>5,014,325</u>	<u>1,775,121,745</u>	<u>1,594,884</u>
<u>5,088</u>	<u>558,735</u>	<u>--</u>
40,740,305	621,251,906	8,833,149
6,111,091	6,111,091	--
--	15,351,759	--
--	540,851	--
--	70,500,000	--
4,090,081	37,001,839	16,548,529
<u>\$ 50,941,477</u>	<u>\$ 750,757,446</u>	<u>\$ 25,381,678</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
OPERATING REVENUES			
Charges for services	\$ 15,332,696	\$ 88,366,611	\$ 42,378,919
Miscellaneous revenues	370,849	107,201	53,663
Total operating revenues	<u>15,703,545</u>	<u>88,473,812</u>	<u>42,432,582</u>
OPERATING EXPENSES			
Personal services	3,846,697	10,969,625	1,003,322
Employee benefits	3,336,958	9,589,054	850,580
Supplies	526,614	2,346,739	822,171
Contractual services	7,173,374	26,895,404	38,224,944
Landfill closure and postclosure care expense	--	--	762,569
Cost of materials	--	--	--
Depreciation	12,356,554	70,427,551	1,214,232
Management fee	--	--	--
Total operating expenses	<u>27,240,197</u>	<u>120,228,373</u>	<u>42,877,818</u>
Operating income (loss)	<u>(11,536,652)</u>	<u>(31,754,561)</u>	<u>(445,236)</u>
NONOPERATING REVENUES (EXPENSES)			
Taxes pledged as securities for revenue bonds	--	47,924,335	--
Occupancy taxes	--	--	--
Operating grants	1,033,089	--	--
Passenger facility charges (Note 16)	1,589,202	--	--
Customer facility charges	2,444,718	--	--
Federal subsidy on debt	--	6,746,560	--
Investment earnings	142,195	4,785,254	225,892
Interest expense	(2,490,038)	(62,648,538)	--
Bond issuance costs	88,359	(384,119)	--
Gain (loss) on disposition of capital assets	26,000	92,445	--
Total nonoperating revenues (expenses)	<u>2,833,525</u>	<u>(3,484,063)</u>	<u>225,892</u>
Income (loss) before contributions and transfers	(8,703,127)	(35,238,624)	(219,344)
Capital contributions	16,011,069	6,053,760	--
Transfers in	--	--	73,957
Transfers out	--	(254,000)	--
Change in net position	7,307,942	(29,438,864)	(145,387)
Total net position - January 1	<u>208,151,099</u>	<u>496,951,729</u>	<u>16,989,450</u>
Total net position - December 31	<u>\$ 215,459,041</u>	<u>\$ 467,512,865</u>	<u>\$ 16,844,063</u>

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	
\$ 6,375,909	\$ 152,454,135	\$ 19,387,719
1,089,810	1,621,523	--
<u>7,465,719</u>	<u>154,075,658</u>	<u>19,387,719</u>
2,735,592	18,555,236	1,795,937
674,605	14,451,197	1,085,372
1,057,819	4,753,343	169,330
3,830,875	76,124,597	4,912,115
--	762,569	--
--	--	8,107,528
4,974,424	88,972,761	3,267,353
449,299	449,299	--
<u>13,722,614</u>	<u>204,069,002</u>	<u>19,337,635</u>
<u>(6,256,895)</u>	<u>(49,993,344)</u>	<u>50,084</u>
--	47,924,335	--
281,474	281,474	--
194,597	1,227,686	--
--	1,589,202	--
--	2,444,718	--
--	6,746,560	--
107,501	5,260,842	150,663
(30,792)	(65,169,368)	--
--	(295,760)	--
583	119,028	513,981
<u>553,363</u>	<u>128,717</u>	<u>664,644</u>
<u>(5,703,532)</u>	<u>(49,864,627)</u>	<u>714,728</u>
2,323,909	24,388,738	--
1,792,000	1,865,957	--
--	(254,000)	--
<u>(1,587,623)</u>	<u>(23,863,932)</u>	<u>714,728</u>
<u>52,529,100</u>	<u>774,621,378</u>	<u>24,666,950</u>
<u>\$ 50,941,477</u>	<u>\$ 750,757,446</u>	<u>\$ 25,381,678</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 15,935,746	\$ 82,831,328	\$ 42,270,509
Payments to suppliers for goods and services	(7,911,051)	(27,751,450)	(39,339,734)
Payments to employees for services and benefits	(5,713,758)	(16,675,833)	(1,549,308)
Other operating receipts	--	106,621	--
Net cash provided by (used for) operating activities	<u>2,310,937</u>	<u>38,510,666</u>	<u>1,381,467</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Receipts from general property taxes	--	586	--
Receipts from general sales and use taxes	--	48,599,759	--
Operating grants received	867,431	--	--
Transfers in from other funds	--	--	73,957
Transfers out to other funds	--	(254,000)	--
Net cash provided by (used for) noncapital financing activities	<u>867,431</u>	<u>48,346,345</u>	<u>73,957</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Receipts from occupancy taxes	--	--	--
Proceeds from capital grants	12,824,861	1,354,927	--
Proceeds from sale of capital assets	26,000	92,445	--
Passenger facility charges	1,460,535	--	--
Customer facility charges	2,546,198	--	--
Acquisition and construction of capital assets	(18,161,110)	(123,712,746)	--
Principal paid on bonds, obligations and capital leases	(2,156,250)	(3,649,538)	--
Interest paid on bonds, obligations and capital leases	(2,519,623)	(68,063,913)	--
Payments made for bond issuance costs	(35,000)	--	--
Federal subsidy on debt	--	6,773,593	--
Repayment of loans from other funds	(124,408)	--	--
Insurance recovery on flood loss	--	3,000,000	--
Capital contributed by other governments	--	--	--
Capital contributed from impact fees	--	3,707,584	--
Net cash provided by (used for) capital and related financing activities	<u>(6,138,797)</u>	<u>(180,497,648)</u>	<u>--</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(10,225,597)	(217,513,644)	(17,710,399)
Proceeds from sales and maturities of investments	11,456,468	283,307,663	15,712,586
Interest received on investments	129,308	4,178,458	196,155
Net cash provided by (used for) investing activities	<u>1,360,179</u>	<u>69,972,477</u>	<u>(1,801,658)</u>
Net increase (decrease) in cash and cash equivalents	(1,600,250)	(23,668,160)	(346,234)
Cash and cash equivalents, January 1	<u>6,728,402</u>	<u>132,751,579</u>	<u>9,228,026</u>
Cash and cash equivalents, December 31	<u>\$ 5,128,152</u>	<u>\$ 109,083,419</u>	<u>\$ 8,881,792</u>

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	
\$ 7,347,966	\$ 148,385,549	\$ 19,387,719
(4,394,144)	(79,396,379)	(13,326,086)
(3,330,695)	(27,269,594)	(2,835,241)
--	106,621	--
<u>(376,873)</u>	<u>41,826,197</u>	<u>3,226,392</u>
--	586	--
--	48,599,759	--
194,597	1,062,028	--
1,792,000	1,865,957	--
--	(254,000)	--
<u>1,986,597</u>	<u>51,274,330</u>	<u>--</u>
281,474	281,474	--
--	14,179,788	--
583	119,028	559,327
--	1,460,535	--
--	2,546,198	--
(4,217,379)	(146,091,235)	(2,677,184)
(1,750,500)	(7,556,288)	--
(30,792)	(70,614,328)	--
--	(35,000)	--
--	6,773,593	--
--	(124,408)	--
--	3,000,000	--
2,742,183	2,742,183	--
--	3,707,584	--
<u>(2,974,431)</u>	<u>(189,610,876)</u>	<u>(2,117,857)</u>
(7,308,561)	(252,758,201)	(11,945,009)
7,842,354	318,319,071	10,517,581
99,813	4,603,734	132,342
<u>633,606</u>	<u>70,164,604</u>	<u>(1,295,086)</u>
(731,101)	(26,345,745)	(186,551)
<u>6,033,430</u>	<u>154,741,437</u>	<u>6,176,991</u>
<u>\$ 5,302,329</u>	<u>\$ 128,395,692</u>	<u>\$ 5,990,440</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
Classified as:			
Current assets	\$ 3,889,460	\$ 31,153,857	\$ 8,881,792
Restricted assets	1,238,692	77,929,562	--
Totals	<u>\$ 5,128,152</u>	<u>\$ 109,083,419</u>	<u>\$ 8,881,792</u>
 Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>\$ (11,536,652)</u>	<u>\$ (31,754,561)</u>	<u>\$ (445,236)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	12,356,554	70,427,551	1,214,232
Landfill closure and postclosure care expense	--	--	762,569
Increase (decrease) in compensated absences payable	111,163	71,753	(12,185)
Increase (decrease) in net other post employment benefit obligation	555,229	1,495,856	157,294
Increase (decrease) in net pension liability	12,384	750,244	57,220
(Increase) decrease in deferred outflows for pensions	679,304	1,482,110	97,566
Increase (decrease) in deferred inflows for pensions	(25,295)	101,490	7,740
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	370,901	(4,506,115)	(162,073)
Decrease (increase) in prepaid items	--	--	--
Decrease (increase) in inventory	--	--	--
Increase (decrease) in accounts and contracts payable	(211,063)	460,945	(292,619)
Increase (decrease) in accrued salaries payable	(1,588)	(18,607)	(3,041)
Increase (decrease) in unearned revenue	--	--	--
Total adjustments	<u>13,847,589</u>	<u>70,265,227</u>	<u>1,826,703</u>
Net cash provided by (used for) operating activities	<u>\$ 2,310,937</u>	<u>\$ 38,510,666</u>	<u>\$ 1,381,467</u>
 Non cash investing, capital, and financing activities:			
Gain in fair value of investments	\$ 40,422	\$ 1,713,977	\$ 69,489
Loss on disposal of capital assets	--	--	--
Contributions/accruals of capital assets	3,186,208	991,249	--
Interest expense on swap obligations	--	2,252,413	--

The accompanying notes are an integral part of this statement.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities Internal Service Funds</u>
<u>Other Enterprise Total</u>	<u>Total</u>	
\$ 3,027,775	\$ 46,952,884	\$ 5,990,440
2,274,554	81,442,808	--
<u>\$ 5,302,329</u>	<u>\$ 128,395,692</u>	<u>\$ 5,990,440</u>
<u>\$ (6,256,895)</u>	<u>\$ (49,993,344)</u>	<u>\$ 50,084</u>
4,974,424	88,972,761	3,267,353
--	762,569	--
(5,186)	165,545	47,514
40,994	2,249,373	--
15,754	835,602	--
38,680	2,297,660	--
2,131	86,066	--
(367,335)	(4,664,622)	5,828
36,494	36,494	--
22,554	22,554	42,954
884,801	842,064	(185,895)
(12,871)	(36,107)	(1,446)
249,582	249,582	--
<u>5,880,022</u>	<u>91,819,541</u>	<u>3,176,308</u>
<u>\$ (376,873)</u>	<u>\$ 41,826,197</u>	<u>\$ 3,226,392</u>
\$ 29,355	\$ 1,853,243	\$ 46,336
--	--	(45,346)
(418,274)	3,759,183	--
--	2,252,413	--

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

EXHIBIT A - 13

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 19,098,104	\$ 18,493,817
Receivables:		
Employee contributions	680,081	--
Employer contributions	5,461,438	--
Interest and dividends	10,256	--
Pending trades	2,738,460	--
Other contributions	203,612	--
Other receivables	--	19,035,136
Total receivables	9,093,847	19,035,136
Investments, at fair value		
Fixed income - domestic	282,885,126	--
Fixed income - international	24,594,251	--
Equity securities - domestic	329,087,705	--
Equity securities - international	312,787,016	--
Real estate investments	70,817,431	--
Alternative investments	150,506,026	--
Total investments	1,170,677,555	--
Capital assets:		
Land	550,628	--
Buildings	706,345	--
Equipment	48,541	--
Accumulated depreciation	(746,779)	--
Total capital assets	558,735	--
Total assets	1,199,428,241	\$ 37,528,953
LIABILITIES		
Accounts payable	--	\$ 31,328,885
Accrued expenses and benefits payable	1,240,563	--
Pending trades payable	187,748	--
Deposits and escrow accounts	--	6,200,068
Total liabilities	1,428,311	\$ 37,528,953
NET POSITION		
Net position restricted for pensions	\$ 1,197,999,930	

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT A - 14

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employee	\$ 13,345,927
Employer	44,481,020
Severance contributions from employee	1,799,202
Total contributions	59,626,149
Investment income:	
<i>From investment activities</i>	
Net appreciation (depreciation) in fair value of investments	170,870,321
Interest	655,575
Total investment income	171,525,896
Less: investment expense	7,011,372
Net income from investing activities	164,514,524
Total additions	224,140,673
DEDUCTIONS	
Benefit payments	98,977,020
Refunds and withdrawals	3,167,338
Administrative expenses	1,626,234
Total deductions	103,770,592
Change in net position	120,370,081
Net position - beginning of year	1,077,629,849
Net position - end of year	\$ 1,197,999,930

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF NET POSITION
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 2017

	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	Nineteenth Judicial District Court Building Commission (1)	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court
ASSETS					
Cash and cash equivalents	\$ 1,532,207	\$ 2,517,408	\$ 1,976,653	\$ 242,114	\$ 373,255
Property taxes receivable	--	--	--	--	--
Sales taxes receivable	--	--	--	--	--
Accounts receivable	263,180	62,495	--	12,305	1,314
Accrued interest receivable	--	--	1,851	--	--
Loans receivable	--	--	--	--	--
Due from other governments	--	282,334	413,951	--	58,444
Prepaid items	--	--	--	--	3,375
Inventory	--	--	--	--	--
Net pension asset	--	--	--	--	--
Other assets	--	35,060	245,813	--	--
Restricted assets:					
Cash and cash equivalents	--	--	14,132,630	--	--
Capital assets: (Note 6)					
Buildings	--	--	107,628,256	--	--
Equipment	2,475,248	350,545	5,098,006	285,803	357,920
Accumulated depreciation	(1,793,760)	(312,075)	(28,470,045)	(190,514)	(258,451)
Total assets	<u>2,476,875</u>	<u>2,935,767</u>	<u>101,027,115</u>	<u>349,708</u>	<u>535,857</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding	--	--	4,832,611	--	--
Deferred outflow for pension	4,699,694	4,954,299	--	612,541	619,404
Total deferred outflows of resources	<u>4,699,694</u>	<u>4,954,299</u>	<u>4,832,611</u>	<u>612,541</u>	<u>619,404</u>
LIABILITIES					
Accounts payable and other current liabilities	171,610	838,771	9,643	--	190
Due to other governments	--	--	--	--	353
Accrued payables	701,271	--	380,692	--	15,188
Other liabilities	33,461	--	--	13,303	--
Non-current liabilities: (Note 10)					
Due within one year	--	41,782	1,309,917	10,000	--
Due in more than one year	24,159,980	26,431,220	96,698,070	3,862,637	4,961,867
Total liabilities	<u>25,066,322</u>	<u>27,311,773</u>	<u>98,398,322</u>	<u>3,885,940</u>	<u>4,977,598</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow for pension	<u>864,296</u>	<u>751,583</u>	<u>--</u>	<u>265,445</u>	<u>234,321</u>
NET POSITION					
Net investment in capital assets	681,488	38,470	(11,533,783)	95,289	99,469
Restricted for:					
Debt service	--	--	14,744,215	--	--
External legal constraints	237,957	723,541	--	--	68,162
Unrestricted	(19,673,494)	(20,935,301)	4,250,972	(3,284,425)	(4,224,289)
Total net position	<u>\$ (18,754,049)</u>	<u>\$ (20,173,290)</u>	<u>\$ 7,461,404</u>	<u>\$ (3,189,136)</u>	<u>\$ (4,056,658)</u>

(1) As of June 30, 2017

The accompanying notes are an integral part of this statement.

E.B.R. Parish Clerk of Court (1)	East Baton Rouge Redevelopment Authority	Cyntreniks Group King Hotel Special Taxing District	Bluebonnet Convention Hotel Taxing District	EBRATS Building Special Taxing District	Old LNB Building Redevelopment Taxing District	Capital Area Transit System	Totals
\$ 6,788,184	\$ 1,368,861	\$ 9,837	\$ 61,916	\$ 5,074	\$ 29,747	\$ 758,073	\$ 15,663,329
--	--	--	--	--	--	17,291,859	17,291,859
--	--	5,798	43,978	2,603	27,547	--	79,926
98,915	--	--	--	--	--	420,399	858,608
--	--	--	--	--	--	--	1,851
--	1,284,857	--	--	--	--	--	1,284,857
--	43,339	--	--	--	--	1,076,516	1,874,584
--	218,970	--	--	--	--	88,205	310,550
--	4,740,275	--	--	--	--	424,143	5,164,418
--	--	--	--	--	--	1,435,415	1,435,415
--	5,463	--	--	--	--	--	286,336
--	--	--	--	--	--	317,464	14,450,094
--	--	--	--	--	--	--	107,628,256
7,831,122	85,143	--	--	--	--	41,544,120	58,027,907
(7,592,504)	(81,569)	--	--	--	--	(21,159,045)	(59,857,963)
<u>7,125,717</u>	<u>7,665,339</u>	<u>15,635</u>	<u>105,894</u>	<u>7,677</u>	<u>57,294</u>	<u>42,197,149</u>	<u>164,500,027</u>
--	--	--	--	--	--	--	4,832,611
4,775,525	--	--	--	--	--	490,522	16,151,985
<u>4,775,525</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>490,522</u>	<u>20,984,596</u>
333,232	19,620	15,635	105,894	7,677	57,294	1,218,406	2,777,972
184,920	--	--	--	--	--	--	185,273
1,025,568	--	--	--	--	--	--	2,122,719
--	202,125	--	--	--	--	--	248,889
--	--	--	--	--	--	1,593,505	2,955,204
18,081,403	--	--	--	--	--	4,952,085	179,147,262
<u>19,625,123</u>	<u>221,745</u>	<u>15,635</u>	<u>105,894</u>	<u>7,677</u>	<u>57,294</u>	<u>7,763,996</u>	<u>187,437,319</u>
1,420,948	--	--	--	--	--	1,312,296	4,848,889
238,618	3,574	--	--	--	--	16,446,485	6,069,610
--	--	--	--	--	--	--	14,744,215
--	2,033,508	--	--	--	--	317,464	3,380,632
(9,383,447)	5,406,512	--	--	--	--	16,847,430	(30,996,042)
<u>\$ (9,144,829)</u>	<u>\$ 7,443,594</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 33,611,379</u>	<u>\$ (6,801,585)</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF ACTIVITIES
ALL DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Judicial Court Services					
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	Nineteenth Judicial District Court Building Commission (1)	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court	E.B.R. Parish Clerk of Court (1)
EXPENSES	\$ 17,291,966	\$ 11,202,709	\$ 8,489,564	\$ 1,459,344	\$ 1,802,147	\$ 14,857,533
PROGRAM REVENUES:						
Charges for services	2,580,097	2,316,547	6,719,020	213,736	38,124	14,658,433
Operating grants and contributions	11,609,792	6,929,267	--	1,067,323	89,849	356,923
Capital grants and contributions	--	--	--	--	--	--
Net program (expenses) revenue	<u>(3,102,077)</u>	<u>(1,956,895)</u>	<u>(1,770,544)</u>	<u>(178,285)</u>	<u>(1,674,174)</u>	<u>157,823</u>
GENERAL REVENUES:						
Taxes:						
Property	--	--	--	--	--	--
Sales	--	--	--	--	--	--
Occupancy	--	--	--	--	--	--
Grants and contributions not restricted to specific programs	389,705	--	--	--	1,379,815	--
Investment earnings	2,863	4,946	152,093	--	347	197,895
Miscellaneous	469,559	227,237	229,966	--	5,407	744,683
Total general revenues	<u>862,127</u>	<u>232,183</u>	<u>382,059</u>	<u>--</u>	<u>1,385,569</u>	<u>942,578</u>
Change in net position	(2,239,950)	(1,724,712)	(1,388,485)	(178,285)	(288,605)	1,100,401
Net position, beginning of year, restated (Note 1)	<u>(16,514,099)</u>	<u>(18,448,578)</u>	<u>8,849,889</u>	<u>(3,010,851)</u>	<u>(3,768,053)</u>	<u>(10,245,230)</u>
Net position, ending	<u>\$ (18,754,049)</u>	<u>\$ (20,173,290)</u>	<u>\$ 7,461,404</u>	<u>\$ (3,189,136)</u>	<u>\$ (4,056,658)</u>	<u>\$ (9,144,829)</u>

(1) As of June 30, 2017

The accompanying notes are an integral part of this statement.

Economic Development						
Total Judicial Court Services	East Baton Rouge Redevelop- ment Authority	Cyntreniks Group King Hotel Special Taxing District	Bluebonnet Convention Hotel Taxing District	EBRATS Building Special Taxing District	Old LNB Building Redevelopment Taxing District	Total Economic Development
\$ 55,103,263	\$ 744,740	\$ 126,431	\$ 649,537	\$ 71,092	\$ 353,713	\$ 1,945,513
26,525,957	323,095	--	--	--	--	323,095
20,053,154	456,115	--	--	--	--	456,115
--	--	--	--	--	--	--
<u>(8,524,152)</u>	<u>34,470</u>	<u>(126,431)</u>	<u>(649,537)</u>	<u>(71,092)</u>	<u>(353,713)</u>	<u>(1,166,303)</u>
--	--	--	--	--	--	--
--	--	55,944	278,238	36,318	150,098	520,598
--	--	70,487	371,299	34,774	203,615	680,175
1,769,520	--	--	--	--	--	--
358,144	52,145	--	--	--	--	52,145
1,676,852	8,678	--	--	--	--	8,678
<u>3,804,516</u>	<u>60,823</u>	<u>126,431</u>	<u>649,537</u>	<u>71,092</u>	<u>353,713</u>	<u>1,261,596</u>
(4,719,636)	95,293	--	--	--	--	95,293
<u>(43,136,922)</u>	<u>7,348,301</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,348,301</u>
<u>\$ (47,856,558)</u>	<u>\$ 7,443,594</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 7,443,594</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF ACTIVITIES
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT A - 16
 (Continued)

	<u>Mass Transit</u>	
	Capital Area Transit System	Total All Component Units
EXPENSES	\$ 29,982,513	\$ 87,031,289
PROGRAM REVENUES:		
Charges for services	2,741,580	29,590,632
Operating grants and contributions	--	20,509,269
Capital grants and contributions	1,090,107	1,090,107
	(26,150,826)	(35,841,281)
GENERAL REVENUES:		
Taxes:		
Property	17,831,120	17,831,120
Sales	--	520,598
Occupancy	1,164,611	1,844,786
Grants and contributions not restricted to specific programs	6,408,034	8,177,554
Investment earnings	11,282	421,571
Miscellaneous	92,832	1,778,362
	25,507,879	30,573,991
Change in net position	(642,947)	(5,267,290)
Net position, beginning of year, restated (Note 1)	34,254,326	(1,534,295)
Net position, ending	\$ 33,611,379	\$ (6,801,585)

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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NOTE 1 - Summary of Significant Accounting Policies

The Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, is both a municipality (home rule charter) and a parish government (political subdivision of the State of Louisiana). The City of Baton Rouge is located wholly within the boundaries of the parish. The parish (approximately 472 square miles) is located in the southeastern portion of the State bordered by the Mississippi River on the west, approximately 80 miles northwest of New Orleans. The City-Parish is governed by a Mayor-President and 12 single-district Metropolitan Council members.

a. Financial Reporting Entity

The Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge serves as the financial reporting entity for both the municipality (City of Baton Rouge) and for the Parish (East Baton Rouge Parish). The financial reporting entity consists of: (1) the primary government (all funds under the auspices of the Mayor-President and the Metropolitan Council), (2) organizations for which the primary government is financially accountable and a financial benefit/burden relationship exists; and, (3) other organizations 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 or incomplete.

Section 2100 of the 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 Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge 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 the 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 City-Parish 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.

Based on the previous criteria, City-Parish management has included the following component units in the financial reporting entity:

Blended Component Units

The Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge, including two separate trusts, CPERS a cost-sharing multiple-employer pension plan and CPERS-Police Guarantee Trust (CPERS-PGT) a single-employer pension plan, is reported as a fiduciary fund in the Basic Financial Statements of the City of Baton Rouge, Parish of East Baton Rouge. The retirement system, a separate legal entity, was created in accordance with The Plan of Government in 1949. This retirement system exists for the sole benefit of current and former (primary government, component units, and related organizations) City-Parish employees who are members of the system. The system is governed by a seven-member board of trustees. Four members of the seven-member board are elected by the employees who participate in the system. The system is funded by the investment of contributions received from the City-Parish primary government, some of the government's component units, and related organizations, and member employees who are obligated to make the contributions to the system based upon actuarial valuations. The City-Parish does not serve as trustee for the retirement system. The fiscal year for the retirement system is the calendar year. The separately issued audit report on the retirement system, including both trusts, can be obtained at the following address: Jeffrey R. Yates, Retirement Administrator; P.O. Box 1471, Baton Rouge, LA 70821-1471.

Capitol House Economic Development District, Lafayette-Main Economic Development District and Dawnadele Economic Development District were created pursuant to Louisiana Revised Statute 33:9038, which allowed the Metropolitan Council to establish tax incremental financing (TIF) districts. The Capitol House Economic Development District is authorized to use the proceeds of the two percent (municipal) general sales tax and a four percent occupancy tax for the renovation

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Blended Component Units (Continued)

restoration and development of a hotel. The Lafayette-Main Economic Development District is authorized to use the proceeds of the two percent (municipal) general sales tax for the renovation, restoration and development of a hotel. The Dawnadele Economic Development District is authorized to use the proceeds of the two percent (municipal) general sales tax for the development of a retail warehouse facility. Since the Metropolitan Council is the governing body for these districts and there is a financial benefit/burden relationship between the primary government and these component units, they are presented as blended component units and are reported as if they are a part of the primary government. The districts are reported as special revenue funds of the City-Parish and do not prepare separately issued financial statements.

Discrete Component Units

The Louisiana State Constitution mandates that parish governments fund a significant portion of the operational budgets of certain legally separate state constitutionally defined parish officials. These budgets are adopted as part of the City-Parish budget process. These judicial elected officials are fiscally dependent on the parish or state government for the issuance of debt and are included in this report as part of the financial benefit/burden relationship with the Parish. These officials have additional self statutorily defined sources of funds that are used for operating and/or capital purposes. These agencies have been discretely presented in the City-Parish Comprehensive Annual Financial Report (CAFR):

District Attorney of the Nineteenth Judicial District (for the period ended December 31, 2017)
Nineteenth Judicial District Court (for the period ended June 30, 2017)
Nineteenth Judicial District Court Building Commission (for the period ended June 30, 2017)
E.B.R. Parish Clerk of Court (for the period ended June 30, 2017)
E.B.R. Parish Family Court (for the period ended December 31, 2017)
E.B.R. Parish Juvenile Court (for the period ended December 31, 2017)

The East Baton Rouge Redevelopment Authority was created by the 2007 Louisiana Legislature. It is governed by a five member board. A level of control is maintained by the City-Parish through appointment of a majority of the Authority's Board and through fiscal benefit/burden and imposition of will by the Metropolitan Council. The financial statements of the Authority for December 31, 2017, are included in the discrete component unit columns of the basic financial statements.

Capital Area Transit System (CATS) - CATS was originally created by the City-Parish Metropolitan Council as a corporation to provide bus transportation services within the parish. In 2004, the Louisiana State Legislature enacted House Bill 1682 Act 581 to recognize CATS as a political subdivision which functions under the provisions of an operating agreement with the City of Baton Rouge and Parish of East Baton Rouge. Any property acquired by the system is for the use and benefit of the City-Parish. All CATS board members are appointed directly by the Metropolitan Council. Metropolitan Council approval is required for all transportation fare changes. CATS's financial statements for the period ended December 31, 2017, are discretely presented in the basic financial statements.

Cyntreniks Group/King Hotel Special Taxing District, Bluebonnet Convention Hotel Taxing District, EBRATS Building Special Taxing District and Old LNB Building Redevelopment District were created pursuant to Louisiana Revised Statute 33:9038, which allowed the Metropolitan Council to establish a tax incremental financing (TIF) districts and appoint a three member board for each district. The Cyntreniks Group/King Hotel Special Taxing District is authorized to use *the proceeds of the two percent (municipal) general sales tax* and a three percent additional "district" tax within a small section of downtown Baton Rouge for the improvement of the King Hotel. The Bluebonnet Convention Hotel Taxing District is authorized to use *the proceeds of the two percent (municipal) general sales tax* and a two to three percent additional "district" tax within a small section located in the southeastern part of East Baton Rouge Parish. The EBRATS Building Special Taxing District is authorized to use *the proceeds of the two percent (municipal) general sales tax* and a two percent additional "district" tax within a small section of downtown Baton Rouge for the renovation, restoration and development of a hotel. The Old LNB Building Redevelopment District is authorized to use *the proceeds of the two percent (municipal) general sales tax* and a two to three percent additional "district" tax within a small section of downtown Baton Rouge for the renovation,

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

restoration and development of a hotel. These districts are presented as discrete component units in the basic financial statements and do not prepare separately issued financial statements.

Separately issued financial statements of the following City-Parish discretely presented component units can be obtained at the Office of the Legislative Auditor of the State of Louisiana, 1600 North Third Street, P.O. Box 94397, Baton Rouge, LA 70804-9397 (website www.la.gov/Reports_data) or at the following administrative offices:

District Attorney Hillar Moore, III
Administrative Office
222 St. Louis Street, Fifth Floor
Baton Rouge, LA 70802

Nineteenth Judicial District Court
Ann McCrory, Judicial Administrator
300 North Boulevard
Baton Rouge, LA 70801

Nineteenth Judicial District Court Building Commission
Ann McCrory, Judicial Administrator
300 North Boulevard, Suite 3606
Baton Rouge, LA 70801

East Baton Rouge Parish Family Court
Ronnie Bullion, Judicial Administrator
300 North Boulevard
Baton Rouge, LA 70801

East Baton Rouge Parish Juvenile Court
Donna Carter, Judicial Administrator
8333 Veterans Memorial Boulevard
Baton Rouge, LA 70807

East Baton Rouge Parish Clerk of Court
Doug Welborn
222 St. Louis Street, First Floor
Baton Rouge, LA 70802

East Baton Rouge Redevelopment Authority
Gwen Hamilton, President and CEO
801 North Boulevard, Suite 200
Baton Rouge, LA 70802

Capital Area Transit System
Bill Deville, Chief Executive Officer
2250 Florida Boulevard
Baton Rouge, LA 70802-3125

Related Organizations

City-Parish officials are also responsible for appointing members of the boards of other organizations. City-Parish's accountability does not extend beyond making the appointments. The following agencies are related organizations to City-Parish government. Each organization's financial statements can be obtained at their respective administrative offices listed as follows:

Gas Utility Service District
Phyllis Sims, Office Manager
10633 Zachary-Deerford Road
Zachary, LA 70791-9304

Baton Rouge Recreation and Park Commission
Michael Hutchinson, Finance Director
6201 Florida Boulevard
Baton Rouge, LA 70806

East Baton Rouge Housing Authority
Richard Murray, Executive Director
4731 North Boulevard
Baton Rouge, LA 70806

The following three agencies are non-profit corporations established pursuant to State Statutes to finance debt for various public purposes within East Baton Rouge Parish. The Metropolitan Council appoints the board members of each respective agency. Each agency is fiscally independent from the City-Parish, issues its debt, approves its budgets, and sets its rates and charges. The primary government has no authority to remove board members, designate management, or approve or modify rates. The City-Parish is not obligated in any manner for the debt issues of these agencies. Financial statements for these agencies can be obtained at the following addresses:

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Related Organizations (Continued)

Hospital Service District No. 1
Mark Anderson, Chief Financial Officer
Lane Memorial Hospital
6300 Main Street
Zachary, LA 70791

Capital Area Finance Authority
Cheri Ausberry, Chairperson
601 St. Ferdinand Street
Baton Rouge, LA 70802

Industrial Development Board
(No Financial Transactions)

b. Basis of Presentation

The City-Parish's **basic financial statements** consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial statements (individual major fund and combined nonmajor fund). 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 (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. Both the entity-wide financial statements and the proprietary fund financial statements follow the guidance included in GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements*.

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary activities of the primary government and the total for its component units. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are payments between the enterprise funds to other various functions of government for charges such as sewer fees and contributions between the primary government and its component units which are reported as external transactions. The government-wide presentation focuses primarily on the sustainability of the City-Parish as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental Activities represent programs which normally are supported by taxes and intergovernmental revenues.

Business-Type Activities are financed in whole or in part by fees charged to external parties for goods and services.

The primary government is reported separately from the legally separate component units as detailed in section (a) of this note.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and special fund programs. *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 externally dedicated resources such as a restricted property tax.

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 governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS:

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

The daily accounts and operations of the City-Parish 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 nonmajor, are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, 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 of the primary government are grouped into generic fund types and three broad fund categories as follows:

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

General Fund -- The General Fund is the government's primary operating fund of the consolidated City and Parish and is considered to be a major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds -- Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures (other than major capital projects or debt service) for specified purposes. The two special revenue funds reported as major funds in the fund financial statements are as follows:

The Library Board of Control Fund accounts for the special property tax levy required to fund the operation, maintenance and expansion of the East Baton Rouge Parish Library System.

The Grants Fund accounts for the receipts and disbursements of Federal and State grants.

Debt Service Funds -- Debt Service Funds are used to account for the accumulation of resources that are committed, restricted, or assigned to the payment of, general long-term debt principal, interest and related costs on long-term obligations of governmental funds. The government has no debt service fund major 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 (other than those financed by Proprietary Funds) and is reported as a major fund.

Proprietary Funds:

Enterprise Funds -- Enterprise funds are used to account for operations: (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements. The three enterprise funds reported as major funds in the fund financial statements are as follows:

The Greater Baton Rouge Airport District Fund accounts for the operation of the Baton Rouge Metropolitan Airport, a commercial and general aviation facility principally financed by air carrier fees and airport related services.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (Continued):

Proprietary Funds (Continued):

Enterprise Funds (Continued):

The Comprehensive Sewerage System Fund accounts for the provision of sewer services and sewer treatment services to the residents of the entire parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing and collection of a user fee, and administration of sewerage facilities including long-term capital improvements.

The Solid Waste Collection and Disposal Fund accounts for solid waste collection and disposal services and operation and improvement of the landfill.

Internal Service Funds -- Two internal service funds are used by the government to account for: (1) financing the replacement of motorized equipment, and (2) to maintain and supply fuel for motorized vehicles and heavy equipment to various departments or agencies of the City-Parish, or to other governments, on a cost-reimbursement basis. The internal service fund totals are presented as part of the proprietary fund financial statements. Since the principal users of the internal service funds are the City-Parish governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the cost of these services are reflected in the appropriate functional activity.

Fiduciary Funds:

Trust Funds -- The City-Parish Employees' Retirement System (a blended component unit) is used to account for the accumulation of contributions for (CPERS) Pension Trust, a defined-benefit cost-sharing multiple-employer pension plan to provide retirement benefits to qualified employees and CPERS-PGT a single-employer plan. The pension trust fund is presented in the basic financial statements section. Since by definition these assets are being held for the benefit of employees and cannot be used to address activities or obligations of this government, these funds are not incorporated into the government-wide statements.

Agency Funds -- Agency funds contain resources held by the government in a temporary, purely custodial capacity for others and do not involve measurement of results of operations.

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

c. Basis of Accounting and Measurement Focus

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

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 in the year for which they are levied.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting and Measurement Focus (Continued)

FUND FINANCIAL STATEMENTS:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. 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 City-Parish definition of available means expected to be received within sixty days of the end of the fiscal year for all revenues except grants or entitlements on federal or state assistance programs. The availability period for these grant programs is twelve months.

Nonexchange transactions, in which the City-Parish receives value without directly giving value in return, includes sales tax, property tax, special assessments, grants, entitlements, and donations. Property taxes are recognized as revenues in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales tax and gross receipts business tax revenues are recognized 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. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied, subject to the availability criteria. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, 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 other post-employment benefit 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.

All proprietary funds and pension trust funds are accounted for on an economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

d. Budgetary Data

BUDGET POLICIES AND BUDGETARY ACCOUNTING:

The Plan of Government for the City-Parish outlines procedures for adopting a budget for the General, Special Revenue, and Debt Service Funds of the primary government:

The Finance Department compiles for the Mayor-President estimates of revenues and requests for appropriations of the annual budget. No later than November 5, the Mayor-President's budget is submitted to the Metropolitan Council for possible revision and adoption. The Council conducts public hearings on the budget, which must be adopted by December 15, to become effective January 1. In no event shall the total appropriations exceed total anticipated revenues taking into account the estimated surplus or deficit at the end of the current fiscal year.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

d. Budgetary Data (Continued)

BUDGET POLICIES AND BUDGETARY ACCOUNTING: (Continued):

Budgets for the Capital Projects Fund do not necessarily follow the time schedule for other funds, since capital projects may be started and completed at any time during the year. However, the capital project budget must be submitted to the Council for adequate public hearing and adoption on a project-length basis.

Annual operating budgets are adopted for the following governmental funds: General, Special Revenue, and Debt Service. The General Fund, Library Board of Control and Grants Fund annual budgets are presented in the basic financial statements. Nonmajor governmental fund budget presentations appear in the Combining and Individual Fund Statements and Schedules. The original budget column on all budget presentations include the adjustments necessary to bring forward appropriations for both unspent projects of a continuing nature and legal encumbrances at the end of the last fiscal year.

Budgets of the General, Special Revenue, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for the following deviations: (1) On the budget basis, encumbrances are considered expendable from current appropriations and are reported as expenditures in order to reserve appropriations. (2) Housing and Urban Development (HUD) loans to program recipients are reported as expenditures on the budget basis to facilitate reporting in accordance with federal regulations.

In accordance with The Plan of Government, appropriations, in addition to those contained in any current expenditure budget, shall be made only on the recommendation of the Mayor-President, and only if the Director of Finance certifies that sufficient funds are available to meet such appropriations. Appropriations at year-end normally lapse, except for those projects of a continuing nature which remain open until the projects are completed or abandoned and are shown on the Balance Sheet as Fund Balance-Assigned to Approved Continuing Projects in the General Fund. Such appropriations for continuing projects carried forward from 2016 to 2017 totaled \$18,279,491 for the general fund, and \$1,771,722 (shown as part of restricted fund balance) in the Grants Fund. These amounts are included in the original budget column for 2017. The level of budget control is at the fund, department or project level, and expenditures/encumbrances may not exceed appropriations. Should additional appropriations be required, interdivisional transfers may be authorized by the Mayor-President. Interdepartmental transfers may be made at the request of the Mayor-President with approval of the Council. Additional appropriations from fund balance or increases in estimated revenues must be approved by the Council. In accordance with The Plan of Government, if the Mayor-President shall at any time ascertain that there will not be for the parish, the city, or the districts, sufficient funds to meet total appropriations, it shall be his duty to revise appropriations.

Formal budgetary integration is used for management control in the accounting records during the year for the governmental fund types. The Capital Projects Fund project appropriations are initiated by project budgets rather than annual budgets, and accountability is controlled on the project-life basis.

ENCUMBRANCES:

Encumbrances representing purchase orders, contracts or other commitments are recorded in governmental fund-type budgetary funds to reserve portions of applicable appropriations. Encumbrances are part of the budgetary process and are included in actual expenditures when a comparison with budget is necessary. Encumbrances at year-end are not considered expenditures in the financial statements presented on the GAAP basis.

Encumbrances are reported in the governmental fund-type balance sheet in the restricted, committed, or assigned fund balance classifications. Significant encumbrances are included in the "construction work-in-progress" section of the capital asset note disclosure.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/ Fund Equity

CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Cash and cash equivalents for the primary government includes the payroll cash account, cash for insurance, cash for juror and witness fees, cash on hand, petty cash, cash for East Baton Rouge Sewerage Commission, cash for all sinking funds and debt service reserve funds on all City and Parish Public Improvement Sales Tax Revenue Bonds, and each individual fund's share of the consolidated cash account.

A single consolidated bank account has been established in a local bank into which monies are deposited and from which most disbursements are made. In addition, investment purchases are charged and maturities are deposited to the consolidated bank account. The purpose of this consolidation is to reduce administrative costs and provide a single cash balance available for the maximization of investment earnings. Each fund shares in the investment earnings according to its average cash and investments balance, prorated between funds. Cash is transferred from those funds with available cash resources to cover any negative cash balances in other funds at year-end. In addition, an imprest bank account is used for disbursements of payrolls, and separate accounts have been established for certain restricted funds as required by the bond indentures for related bond issues.

The investment policies of the City-Parish are governed by State Statutes and bond covenants. Additional details on authorized investments of City-Parish primary government and component unit funds are disclosed in Note 3(b).

Cash, Cash Equivalents and Investments for the Employees' Retirement System are not included in the City-Parish's consolidated bank account. This retirement system is a blended component unit of the City-Parish primary government and operates a separate bank account and controls its own disbursements and investments.

For purposes of the Statement of Cash Flows, cash equivalents for each fund include demand deposit account balances, repurchase agreements, certificates of deposit and U.S. government securities with maturities of three months or less from date purchased.

Investments are reported in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Short-term and money market investments, consisting primarily of U.S. Treasury or Agency obligations with a maturity of one year or less at time of purchase are reported at amortized cost. The Louisiana Asset Management Pool (LAMP) investment, which is an external investment pool administered by a non-profit corporation organized under State of Louisiana law, is reported at net asset value.

Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. Unrealized gains and losses on investments recorded at fair value are included in investment income.

RESTRICTED ASSETS:

Certain bond proceeds and debt service sinking funds of the Comprehensive Sewerage System and the Greater Baton Rouge Airport District Enterprise Funds are legally restricted as to purpose. These assets have been classified as restricted assets on the Statement of Net Position since the use of these funds is limited by applicable bond resolutions. In addition, the Greater Baton Rouge Airport District Fund shows restricted assets for unappropriated passenger facility charges.

INVENTORIES AND PREPAID ITEMS:

Inventories are stated at cost using the average price method. In the primary government's governmental fund types, inventoried items are recorded as expenditures when consumed, rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/ Fund Equity (Continued)

INTERFUND RECEIVABLES AND PAYABLES:

Short-term cash borrowing between funds bears interest at the prevailing consolidated cash rate of return and is considered temporary in nature. These amounts are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Long-term advances between funds are reported as advances to/from other funds.

ACCOUNTS RECEIVABLE:

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Major accounts receivable are recorded for: (1) sewer user fees in the Comprehensive Sewerage System Enterprise Fund; (2) airline landing fees, rentals, and miscellaneous charges for services in the Greater Baton Rouge Airport Authority Enterprise Fund; and (3) waste disposal fees at the landfill recorded in the Solid Waste Collection and Disposal Enterprise Fund. Uncollectible revenues are normally estimated at approximately ½ percent for the solid waste collection fees with uncollectibles written off on a monthly basis. At December 31, 2017, an uncollectible allowance has been recorded for the Greater Baton Rouge Airport District (4.5 percent) and the Sewerage System (6.4 percent). Uncollectible amounts for solid waste disposal fees are historically immaterial and no allowance is recorded.

Accounts receivable reported at the entity-wide level include receivables for third-party billings of emergency transport fees accounted for in the Emergency Medical Services non-major special revenue fund. This entity-wide receivable is accrued net of a varying uncollectible percentage, based upon past trends of collection, by number of months outstanding.

CAPITAL ASSETS:

Capital assets, which include land and land improvements, buildings, equipment, noise mitigation costs, and infrastructure assets (streets, roads, bridges, canals and sewer and drainage systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalization thresholds are defined by the City-Parish in the official accounting policies and procedures as follows:

- Movable capital assets with a cost of \$5,000 or more per unit and a useful life of at least two years.
- Land, land improvements and intangible assets purchased with a minimal value of \$50,000.
- Buildings and building improvements with a value of \$100,000 that extend the useful life of a building.
- Individual purchased infrastructure improvements with a value of \$100,000.
- Donated infrastructure systems with a value of \$500,000.

All assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. 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 at substantial completion of construction projects. Transfer of capital assets between governmental and business-type activities are recorded at the carrying value at the time of transfer. For capitalization purposes, projects are considered substantially complete when 80% of the project has been constructed. At this point the project costs are moved out of construction work in progress and capitalized.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

EXHIBIT A - 17
 (Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/ Fund Equity (Continued)

CAPITAL ASSETS (Continued):

Depreciation on all capital assets, excluding land and improvements, is calculated on 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	25-40
Runways and Improvements	25
Land Improvements-Structure	10
Furniture	10
Machinery and Equipment	5-10
Automobiles	3
Infrastructure	25-40

All infrastructure assets purchased by the primary government since 1960 are recorded as capital assets and depreciated accordingly. All donated infrastructure accepted into the City-Parish's maintenance program since 1980 has been capitalized and depreciated in accordance with the above capitalization policy.

The City-Parish capitalizes interest cost during the construction phase of major capital projects of proprietary funds in accordance with *GASB 62 -Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements, paragraphs 5-22*. The objectives of capitalizing interest are: (a) to obtain a measure of acquisition cost that more closely reflects the enterprise's total investment in the asset, and (b) to charge a cost that relates to the acquisition of a resource that will benefit future periods against the revenues of the period benefitted. The amount of interest cost capitalized on major capital projects acquired/constructed with proceeds of restricted tax-exempt debt includes all interest cost of the borrowing less any interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing from the date of the borrowing until the assets are ready for their intended use. Interest cost capitalized for the period ending December 31, 2017, is disclosed by project in Note 6, Changes in Capital Assets.

LONG-TERM DEBT:

In the government-wide Statement of Net Position and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as expense in the year of debt issuance. Bonded debt premiums, discounts, and gains (losses) on refundings are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount. 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 reporting 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 are normally provided by transfers from the General Fund to a debt service fund. However, if the debt is intended to be repaid by an enterprise fund it is recorded as a proprietary long-term debt.

Sales tax revenue bonds are secured by sales tax revenues. For those issues not associated with enterprise fund operations, payment of the debt is provided by sales tax revenue recognized in the appropriate debt service fund. Sales tax revenue bond issues associated with enterprise funds are accounted for in the relevant enterprise fund.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/ Fund Equity (Continued)

LONG-TERM DEBT (Continued):

Derivative guidelines were adopted by the Metropolitan Council in 2006, that allows the government to enter into interest rate swap agreements to manage interest rate risk and reduce debt service costs on debt. The derivative guidelines policy defines the parameters under which the program operates. The City-Parish records derivative instruments at fair value in accordance with GASB Statement No. 72, on the entity-wide financial statements and on the fund level for business-type activities to provide the reader disclosure concerning the government's exposure to risk and how these risks are managed.

COMPENSATED ABSENCES:

All City-Parish primary government classified and non-classified regular employees earn vacation leave in varying amounts according to the employee's number of years of continuous service up to a maximum of five year's accrual. All City-Parish primary government classified and non-classified regular employees hired before April 4, 2015, earn sick leave in varying amounts according to the employee's number of years of continuous service and accumulate sick leave without time limitations. Employees hired on or after April 4, 2015, earn sick leave in varying amounts according to the employee's work week in hours, up to a maximum of 480 hours. Sick leave is payable only upon death or retirement.

Payments for accrued sick and vacation leave are limited to a combined 120 days under all circumstances except death. Upon death, the maximum accrued leave payable is 120 days sick leave and the equivalent of two years of accrued vacation.

Vacation and sick leave may also be converted into time worked for retirement purposes. Per Metropolitan Council Ordinance 85011 effective January 1, 1988, the Employees' Retirement System assumed partial liability for separation benefits (accrued sick and vacation leave) for employees who retire or who die. At December 31, 2017, the City-Parish retains approximately 23.5% of the total liability for accumulated sick and vacation leave per calculations performed by an outside actuary consultant.

City-Parish employees of certain job classifications may accrue compensatory time in lieu of overtime payment up to 30 days for regular employees and 60 days for public safety employees. Compensatory leave is paid by the City-Parish upon termination, resignation, retirement or death, up to the maximum accrual amounts. City-Parish retains 100% of the compensatory leave liability as of December 31, 2017.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through paid time off or cash payments conditioned on the employees' termination or retirement. The City-Parish has recorded the following liabilities as of December 31, 2017, for certain salary-related benefits associated with the payment of compensated absences:

1. The actuarially determined percentage of accrued vacation for each employee valued at the employees' current rate of pay.
2. Using the "termination pay method," the value of the City-Parish's liability for sick leave as of December 31, 2017, is limited to 1/3 of the accumulated sick leave accrued at year-end for DROP participants. No sick leave is recorded in the financial statements for active employees since the amount applicable as defined in Section C60.105 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards* is immaterial.
3. A total of 100% of the compensatory leave for each employee valued at the employees' current rate of pay.
4. Applicable percentages of retirement contribution, social security, Medicare and other postemployment benefits have been added to the above accrued leave.

In the government-wide financial statements and the proprietary fund types fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. A current liability is recorded for the value of one year's accrual of leave in the proprietary funds fund statements. In accordance with GASB

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/ Fund Equity (Continued)

COMPENSATED ABSENCES (Continued):

Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March of 2000), no compensated absences liability is recorded at December 31, 2017, in the governmental fund financial statements.

Details of the compensated absences liability for the City-Parish discrete component units can be found in the separately issued audit reports of each component unit.

MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS:

Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs are accounted for in accordance with guidelines recommended by Section L10 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*.

The Solid Waste Collection and Disposal Enterprise Fund recognizes (based on MSWLF use) that portion of the estimated total current cost of MSWLF closure and postclosure care as an expense and as a liability in each period that it accepts solid waste. A complete explanation of the liability and its calculation is referenced in Note 17.

FUND BALANCE POLICY FOR GOVERNMENTAL FUND TYPES:

The City-Parish reports governmental fund equity in accordance with Metropolitan Council 2017 Budget Ordinance 16405, adopted December 13, 2016 and 2018 Budget Ordinance 16717 adopted December 12, 2017, which set the following fund balance policy for all governmental fund types of the consolidated government:

- a. Governmental fund balance classification will consist of “nonspendable,” “restricted”, “committed”, “assigned”, and “unassigned”.
- b. When an expenditure is incurred for purposes for which restricted, committed, assigned and unassigned fund balance are available, as a general rule, the City-Parish will apply expenditures first to restricted, committed, and assigned fund balances-in that order, with the remainder to unassigned fund balance.
- c. Restricted fund balance will be reported for all funds that reflect constraints on spending due to legal restrictions stipulated by external parties, enabling legislation of the state or federal governments, and grant requirements placed on funds to be used for specific purposes.
- d. Committed fund balance will be reported for the amount of fund balance that reflects the constraints that the City-Parish has imposed upon itself by formal action (adoption of an ordinance) of the Metropolitan Council. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Committed fund balance will include amounts set aside in the Insurance Reserve Account and the Budget Stabilization Account as included in the government’s financial policies of the “Understanding the Budget” section of the annual adopted operating budget.
- e. All encumbered contracts or outstanding obligations made by the City-Parish at year-end that are not part of restricted or committed funds will be shown as “assigned” fund balance.
- f. Assigned fund balance includes amounts that are constrained by the City-Parish’s intent to be used for specific purposes, but are neither restricted nor committed. By adoption of an ordinance, the Metropolitan Council authorizes the director of Finance or Deputy Director of Finance to assign fund balance for other specific purposes at year-end.

A Budget Stabilization Account was originally authorized in the General Fund operating budget of 1999. The Metropolitan Council officially committed to maintain the budget stabilization account in an amount equal to at least five percent and not greater than ten percent of the following year’s general fund appropriation in the 2017 Annual Operating Budget adopted by Ordinance 16405 dated December 13, 2016. Per ordinance, *the budget stabilization account shall be calculated annually by the Finance Department and included in the Comprehensive Annual Financial Report as committed fund balance.*

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/ Fund Equity (Continued)

FUND BALANCE POLICY FOR GOVERNMENTAL FUND TYPES (Continued):

The stabilization account may be used with Metropolitan Council approval to balance the current year general fund budget or immediate subsequent year budget when projected current year tax revenue falls below the budgeted growth rate by more than one percent or in the event the government faces an unanticipated extraordinary expenditure increase that cannot be rectified in a single budget year. The stabilization account shall not be used for revenue shortfalls or expenditure increases deemed permanent, but rather allow the government time to transition without undue disruption to governmental services. When the budget stabilization account falls below the minimum five percent level, the Mayor-President shall present the Metropolitan Council a plan to restore the minimum level with a goal of 36 months after the year of use.

The Insurance Reserve Account was established as a general fund reservation (or designation) by the City-Parish in 1972. Since that date the managerial fund has been used to pay for risk management activities of the general government. Metropolitan Council Ordinance 16405 of December 13, 2016, confirmed the policy and use of the insurance reserve account as follows: *The City-Parish will maintain a managerial fund entitled "Insurance Reserve" as part of committed General Fund-Fund Balance for the purpose of minimizing the financial impact of potential costs that cannot be covered by the City-parish's risk management program annual budget. The managerial fund will be increased by any balance remaining in the General Fund Risk Management operating budget at each year-end. The City-Parish shall seek restitution from companies and individuals when negligence results in the unexpected use of funding in accordance with applicable laws.*

The committed insurance reserve account may be used as a source for any risk purposes, including costs associated with purchased insurance or self-insurance programs. The account can also be used for major costs associated with disaster and other events which may not be reimbursable from insurance or federal or state government sources.

Details of restricted, committed, and assigned fund balances at year-end are presented in Note 14(b).

NET POSITION:

Net position represents the difference between assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. The net investment in capital assets component of net position consists 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.

The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those restricted assets. The restricted component of net position is used when there are limitations imposed on their use of an asset by external parties such as creditors, grantors, laws or regulations of other governments.

The *unrestricted* component of Net Position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of Net Position.

When both restricted and unrestricted resources are available for use for a particular project or purpose, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Details of the restricted component of net position at year-end are presented in Note 14(a).

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES:

The statement of financial 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 (revenue) until that time.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/ Fund Equity (Continued)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued):

The primary government's deferred outflows of resources on the statement of net position are a result of deferrals concerning bonded debt and pensions. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. Deferred amount on refunding of debt is reported in the deferred inflows or deferred outflow sections of the statement of net position.

Changes in fair values of hedging derivative assets and liabilities are reported as deferred inflows or deferred outflows. Note 10(a)11 presents detailed information concerning the City-Parish primary government's derivative instruments.

Note 7 presents detailed information concerning the amounts related to pensions, reported in the deferred inflows and deferred outflows sections of the statement of net position.

The governmental funds report unavailable revenues from two sources: property taxes and Federal and State financial assistance. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

ACCOUNTING ESTIMATES:

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

f. Restatement of Prior Year Fund Balance

1. Fund Balance of the Grants Fund within the Governmental Fund financial statements was restated as of December 31, 2016, by \$4,141,033 for HUD loans receivable which are only reported within the government-wide financial statements.
2. Fund Balance of the Capital Projects Fund and Other Governmental Funds within the Governmental Fund financial statements was restated as of December 31, 2016, by \$15,146,171. The City-Parish implemented a new financial system during 2017. Analysis of accounts during the process resulted in the reclassification of projects to the Capital Projects Fund from the Other Governmental Funds.

The net effect to individual governmental funds for the prior period for the restatement is as follows:

	<u>Grants Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>
Total fund balance December 31, 2016, as previously reported	\$14,628,625	\$169,719,652	\$101,481,720
Adjust HUD loans receivable	(4,141,033)	--	--
Adjust classification of projects	<u> --</u>	<u>15,146,171</u>	<u>(15,146,171)</u>
Total fund balance, December 31, 2016, restated	<u>\$10,487,592</u>	<u>\$184,865,823</u>	<u>\$ 86,335,549</u>

These restatements did not result in any changes to net position as of December 31, 2016, on the entity wide statements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

g. Restatement of Prior Year Net Position - Component Units

1. The District Attorney of the Nineteenth Judicial District statements have been restated to correct an error (accrued compensatory leave). The restatement increased accrued compensated absences by \$206,502.
2. The Capital Area Transit System statements have been restated to correct an error (incorrectly accrued maintenance expenses) made in the prior year. The restatement decreased accounts payable and other current liabilities by \$174,785.

The net effect to the Component Unit total on the entity-wide Statement of Net Position for the prior period from this restatement is as follows:

<u>Component Units</u>	
Total net position, December 31, 2016,	
as previously reported	\$(1,502,578)
Adjust accrued compensated absences	(206,502)
Adjust accounts payable and other current liabilities	
for maintenance expenses accrued in error	<u>174,785</u>
Total net position, December 31, 2016, restated	<u><u>\$(1,534,295)</u></u>

The net effect to the Capital Area Transit System component unit for the prior period from this restatement is as follows:

<u>Component Units</u>	<u>District Attorney of the Nineteenth Judicial District</u>	<u>Capital Area Transit System</u>
Total net position, December 31, 2016,		
as previously reported	\$(16,307,597)	\$34,079,541
Adjust accrued compensated absences	(206,502)	
Adjust accounts payable and other current liabilities		
for maintenance expenses accrued in error	<u>--</u>	<u>174,785</u>
Total net position, December 31, 2016, restated	<u><u>\$(16,514,099)</u></u>	<u><u>\$34,254,326</u></u>

h. New Accounting Standards Not Yet Effective

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*, for OPEB. This statement is effective for periods beginning after June 15, 2017, and will be implemented in the City-Parish's CAFR for the year ended December 31, 2018. The City-Parish is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

NOTE 2 - Stewardship, Compliance, and Accountability

a. Budget Variances (Non-GAAP Budgetary Basis)

Excess of expenditures and encumbrances over appropriations in individual major funds or departments within the funds occurred as follows:

	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
Grants Fund:			
Conservation and development			
Section 8 voucher program	\$1,555,300	\$1,621,149	\$(65,849)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 2 - Stewardship, Compliance, and Accountability (Continued)

a. Budget Variances (Non-GAAP Budgetary Basis) (Continued)

In October 2017, the City-Parish Office of Community Development contracted with the East Baton Rouge Parish Housing Authority (EBRPHA) to manage the Section 8 Voucher Program. Since the rental assistance payments are due to the landlords by the first of each month, the City-Parish advanced the funds to EBRPHA at the end of December 2017, to ensure that the payments would be submitted timely.

b. Budgetary - GAAP Reporting Reconciliation

Annual budgets are adopted for the major and the non-major governmental funds. Budgetary comparisons presented in this report are on the budgetary basis.

As discussed in Note 1(d) 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:

	General Fund	Library Board of Control	Grants Fund	Nonmajor Governmental Funds
Net change in fund balances (Budget Basis)	\$ (200,955)	\$3,641,368	\$(29,041,082)	\$21,134,244
Adjustments:				
To adjust for encumbrances	3,161,841	1,615,862	23,632,318	6,086,632
Net change in fund balances (GAAP Basis)	\$2,960,886	\$5,257,230	\$ (5,408,764)	\$27,220,876

The budgetary basis accounts for encumbrances as expenditures in the year in which the funds are encumbered. However, on the GAAP basis, expenditures for encumbered funds are recognized when the obligation is incurred. Therefore, a timing difference exists between budgetary practices and GAAP.

NOTE 3 - Cash, Cash Equivalents, and Investments

The City-Parish maintains a consolidated cash management pool that is available for use by all funds except the Employees' Retirement System Pension Trust Fund. Each fund type's portion of the consolidated cash pool is displayed on the Statement of Net Position as "Cash and cash equivalents" or "Investments." The City-Parish primary government and all discretely presented component units adopted Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*, during 2004, and Statement No. 72, *Fair Value Measurement and Application*, during 2016.

a. Deposits - Primary Government

Deposits (including demand deposit accounts and certificates of deposits) at December 31, 2017, for the City-Parish primary government are summarized as follows:

1. Primary government excluding Employees' Retirement System Pension Trust Funds:

Carrying Amount	Bank Balance
\$248,143,663	\$258,737,445

Certificates of deposit with a maturity of 90 days or more are classified on the Statement of Net Position as "Investments" (\$175,000,000). The remaining carrying amount of \$73,143,663 is classified as "Cash and cash equivalents."

The City-Parish's bank balance of deposits at December 31, 2017, is not exposed to any custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the City-Parish's deposits may not be returned.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

a. Deposits - Primary Government (Continued)

1. Primary government excluding Employees' Retirement System Pension Trust Funds (Continued):

The carrying amount of deposits does not include a cash on hand balance of \$9,102,789 which is not on deposit with a financial institution. Cash on hand includes petty cash and cash received but not yet deposited at year-end.

2. Employees' Retirement System Pension Trust Funds:

At December 31, 2017, the carrying amount of the Retirement System's deposits was \$16,812,139 and the bank balance was \$17,279,798. The Retirement System's deposits at December 31, 2017, are not exposed to any custodial credit risk.

b. Cash Equivalents and Investments - Primary Government

The City-Parish 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 located within the State of Louisiana.
6. Fully collateralized 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.
10. Louisiana Asset Management Pool (LAMP).

Proceeds from the issuance of sales tax revenue bonds for the City of Baton Rouge and Parish of East Baton Rouge are invested according to guidelines set forth in the bond resolutions. Authorized investments from the proceeds of the issuance of the City's 2007A, 2008A-2, 2008B (Taxable), 2010A (GO Zone), 2010B, 2016A-1, 2016A-2 (Taxable) and 2016A-3 Public Improvement Sales Tax Revenue Bonds are government securities, certificates of deposit collateralized by government securities, and bonds issued by any state or political subdivision, provided that the bonds are rated in one of Moody's Investors Service or Standard and Poor's Corporation's two highest rating categories. All of the qualified investments must have maturities of five years or less at the time of investment.

Proceeds from the issuance of the East Baton Rouge Sewerage Commission's 2010B (BABs), 2011A (LIBOR Index), 2014B and 2013B (Taxable), 2014A (Taxable) and the Road and Street Improvement 2008A and 2009A Sales Tax Revenue Bonds are authorized to be invested in direct obligations of the United States of America, time certificates of deposit secured by direct obligations of the United States of America, and obligations issued or guaranteed by the federal government.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

City-Parish investments for the primary government at December 31, 2017, are itemized as follows:

1. Primary Government excluding Employees' Retirement System Pension Trust Funds:

	<u>Total Value</u>
<u>Investments Measured at Amortized Cost</u>	
U.S. Government Obligations	\$247,364,636
U.S. Agency Obligations	66,954,589
 <u>Investments Measured at Net Asset Value</u>	
Louisiana Asset Management Pool (LAMP)	<u>195,933,043</u>
Total	<u><u>\$510,252,268</u></u>

Investments with a maturity of less than 90 days (\$195,933,043) are classified on the Statement of Net Position as "Cash and cash equivalents," \$312,977,784 is classified on the Statement of Net Position as "Investments." The remaining amount of \$1,341,441 is included in "Receivables - net" on the Statement of Net Position. In accordance with Section 150, paragraph 123 of the GASB *Codification of Governmental Accounting and Financial Reporting* Standards, investments in U.S. Treasury or Agency obligations that have a remaining maturity at time of purchase of one year or less, are stated at amortized cost which is not materially different from fair value. All U.S. Government and Agency Obligations held at December 31, 2017, had a remaining maturity at time of purchase of one year or less and are therefore reported at amortized cost.

As a means of limiting its exposure to fair value losses arising from interest rates, the City-Parish's investment policy limits investments to securities with less than one year from the date of purchase unless the investment is matched to a specific cash flow. The City-Parish may collateralize its repurchase agreements using longer dated investments not to exceed 10 years to maturity. Reserve funds may be invested in securities with maturities exceeding one year if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City-Parish has a written policy for custodial credit risk. The City-Parish'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. However, under all circumstances, the overriding concern shall be safety of the principal amounts invested.* The City-Parish's investment policy limits investments to those discussed earlier in this section. The City-Parish's investments in U.S. Agency Obligations were rated AAA by Fitch Ratings, Aaa/Negative by Moody's Investors Service and AA+/Negative by Standard & Poor's. The City-Parish's investment policy requires that investments be diversified by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City-Parish total investment portfolio will be invested in a single security type or with a single financial institution. U. S. Agency Obligations are invested in the Federal Home Loan Bank which is 10.27% of the City-Parish total investment. LAMP has a Standard & Poor's Rating of AAAM.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City-Parish will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City-Parish's investment policy requires that all repurchase agreement investments be fully collateralized and held by an independent third party in the name of the City-Parish. Also, the investment policy requires that all security transactions entered into will seek to be fully collateralized and not subject to custodial credit risk. Investments in external investment pools, mutual funds, and other pooled investments are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

1. Primary Government excluding Employees' Retirement System Pension Trust Funds (Continued):

LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted and shall not generally exceed 60 days, and consists of no securities with a maturity in excess of 397 days. For purposes of determining participants' shares, investments are valued at fair value. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The \$195,933,043 invested in LAMP is held by the Parish's Consolidated Cash pool (\$160,357,760), the East Baton Rouge Sewerage Commission (\$35,456,691), and the Airport Construction Funds (\$118,592).

2. Employees' Retirement System Pension Trust Funds:

Section 9.15 of The Plan of Government of the Parish of East Baton Rouge and the City of Baton Rouge authorizes the Retirement Board to have custody of, and invest the assets of the Pension Trusts. As fiduciaries of the Pension Trusts, the Board developed and adopted *The Total Plan Statement of Investment Policies and Objectives*, in which are set forth the guidelines for investing the Retirement System's assets. The document sets forth permissible investments summarized as follows:

Cash Equivalent Investments –	US Treasury Bills, Commercial Paper, Repurchase Agreements, Money Market Funds, Custodian STIF and STEP Funds
Currency Investments –	Foreign Exchange Futures, Forwards, Swaps (applies to global or non-US managers for hedging purposes)
Equity Investments –	US and Foreign Common and Preferred Stocks, Convertible Bonds, American Depository Receipts (ADR's), Equity Real Estate and 144a Securities
Fixed Income Investments –	Bonds (Treasury, Corporate, Yankee), Mortgage-Backed Securities (CMO and CMB), Asset-Backed Securities, Trust Preferred Securities, Medium Term Notes, and 144a Securities
Real Assets, Private Markets and Hedge Funds	

Investment in derivatives, reverse repurchase agreements and other non-traditional types of investments are not specifically authorized under the Board's investment policy. However, in the case of commingled or pooled/mutual accounts, the provisions of the prospectus or Declaration of Trust takes precedence over the investment policy. At December 31, 2017, the Retirement Board had committed, but only partially funded, a 5% allocation to three Private Equity funds, which fall in the category of Private Markets.

All investments of the Retirement System are registered in the System's name, or held by the custodian bank, Bank of New York/Mellon, Everett, MA, or its intermediaries in the System's name. The System utilizes a Short Term Investment Fund (STIF) administered by the custodian bank, BNY/Mellon, in which all uninvested cash balances of CPERS and CPERS-PGT and its full discretionary investment managers are automatically swept by the custodian into the BNY/Mellon Collective Trust Government Short Term Investment Fund, which is an unrated fund that invests in high-quality, short-term securities issued or guaranteed by the US government or by US government agencies and instrumentalities. Deposits in this fund are not insured by the FDIC.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

2. Employees' Retirement System Pension Trust Fund (Continued):

Equity securities shall not exceed 5% of cost and 7% of fair value in any one company, and fixed income shall not exceed 2.5% of cost and 3% of fair value. However, the direct debt of the federal government shall not be restricted as a percentage of the portfolio.

No investments in any one organization shall represent 5% or more of the assets held in trust for pension benefits and no single company's securities shall represent more than 5% of the cost basis or 7% of the fair value of any manager's portfolio. There are no investments in loans to, or leases with, parties related to the Plan. Although the Board continued its contractual relationships with outside third party investment managers during 2017, final oversight of investments and investment performance for both the original CPERS trust and CPERS-PGT remains with the Board.

Purchases and sales of investments are recorded on a trade date basis. The Retirement System's Statement of Investment Policies and Objectives prohibits the use of securities that use any form of leverage, or in which interest or principal position is tied to any prohibited type of investment.

CPERS and CPERS-PGT utilize various investment instruments, which by nature are exposed to a variety of risk levels and risk types, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of securities will occur in the near term, and that such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

The fair value of the Retirement System's investments as of December 31, 2017 is:

	<u>Fair Value</u>
U.S. Treasury Inflation-Protected Securities	\$ 49,074,151
Other securities held in trust	6,462
International Equities	244,779,533
Short-Term Investment Fund/Cash Equivalents	2,285,965
Domestic Equities and Fixed Income	562,892,217
Emerging Markets Equity	92,601,735
Equity Real Estate Fund	70,817,431
Risk Parity	58,709,896
Hedge Fund of Funds	55,058,067
Private Equity	<u>36,738,063</u>
Total	<u>\$1,172,963,520</u>

The fair value of \$1,170,677,555 is classified on the Statement of Fiduciary Net Position as "Investments." \$2,285,965 is classified on the Statement of Fiduciary Net Position as "Cash and Cash Equivalents."

The Retirement System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles and as set forth in GASB Statement No. 72, *Fair Value Measurement and Application*. The System has the following fair value measurements as of December 31, 2017:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

2. Employees' Retirement System Pension Trust Fund (Continued):

	<u>December 31, 2017</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>Investments by Fair Value Level:</u>				
Equity Securities:				
Domestic Small Cap Growth	\$ 28,301,445	\$28,301,445	\$ --	\$ --
Master Limited Partnership	41,602,242	41,602,242	--	--
Other	<u>6,462</u>	<u>--</u>	<u>3,557</u>	<u>2,905</u>
Total Investments at Fair Value Level	<u>69,910,149</u>	<u>\$69,903,687</u>	<u>\$3,557</u>	<u>\$2,905</u>
Investments Measured at NAV:				
Commingled Funds:				
Fixed Income - Domestic	282,882,221			
Fixed Income - International	24,594,251			
Domestic Equity - Large Cap	233,732,448			
Domestic Equity - Small Cap	25,448,012			
International Equity - Large Cap	124,302,639			
International Equity - Small Cap	95,882,643			
Emerging Markets Equity	92,601,735			
Real Estate	70,817,431			
Risk Parity	58,709,896			
Hedge Fund of Funds	55,058,067			
Private Equity	<u>36,738,063</u>			
Total Investments at NAV	<u>1,100,767,406</u>			
Total Investments at Fair Value		<u>\$1,170,677,555</u>		

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments classified in Level 3 of the fair value hierarchy are valued using unobservable inputs and are not directly corroborated with market data.

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of December 31, 2017, are presented in the following table.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

2. Employees' Retirement System Pension Trust Fund (Continued):

	<u>Fair Value</u> <u>December 31, 2017</u>	<u>Unfunded</u> <u>Commitments</u>	<u>Redemption</u> <u>Frequency</u>	<u>Redemption</u> <u>Notice Period</u>
Commingled Funds:				
Fixed Income - Domestic	\$ 282,882,221	\$ --	Daily	2 - 15 Days
Fixed Income - International	24,594,251	--	Daily	2 - 15 Days
Domestic Equity - Large Cap	233,732,448	--	Daily	2 - 4 Days
Domestic Equity - Small Cap	25,448,012	--	Daily	5 Days
International Equity - Large Cap	124,302,639	--	Monthly	2 - 10 Days
International Equity - Small Cap	95,882,643	--	Monthly	30 Days
Emerging Markets Equity	92,601,735	--	Monthly	30 Days
Real Estate	70,817,431	--	Quarterly	90 Days
Risk Parity	58,709,896	--	Monthly	30 Days
Hedge Fund of Funds	55,058,067	--	Quarterly	65 Days
Private Equity	<u>36,738,063</u>	<u>30,583,040</u>	N/A	N/A
Total Investments at NAV	<u>\$1,100,767,406</u>	<u>\$30,583,040</u>		

For detailed descriptions of the individual investments, see the Retirement System's separately issued financial statements.

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 for debt instruments. The System's 2017 Core, Core-Plus, Absolute Return and Treasury Inflation-Protected Securities (TIPS) fixed income strategies are managed in pooled accounts. For these contractual relationships, each Declaration of Trust takes precedence over the System's investment policy, and the custodian bank does not have custody of the assets in these accounts. Assets in the Core-Plus fund had a December 31, 2017, fair value of \$88,823,256 with an average duration of 9.71 years, while the Absolute Return fund had a fair value of \$88,507,609 with an average duration of 2.95 years and Core fund had a fair value of \$81,071,456 with an average duration of 5.90 years. The fair value of the TIPS account was \$49,074,151 and carried an average duration of 7.58 years.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The standardized rating systems are a good tool with which to assess credit risk on debt obligations. The Retirement System requires that debt obligations be investment grade at time of purchase (BBB/Baa or higher as rated by Standard & Poor's and/or Moody's respectively). Securities that are later downgraded below investment grade are required to be liquidated unless the investment manager and the investment consultant deem it in the System's best interest to continue to hold the securities. At December 31, 2017, the System's fixed income securities were managed only in commingled or pooled accounts.

The System's 2017 Core, Core-Plus, Absolute Return and Treasury Inflation-Protected Securities (TIPS) fixed-income strategies are managed in pooled accounts. Assets in the Core-Plus fund had a December 31, 2017, fair value of \$88,823,256 and carried a rating of A+, while the Absolute Return fund had a fair value of \$88,507,609 and carried a rating of A- and the Core fund had a fair value of \$81,071,456 and carried a rating of AA-. The TIPS account had a fair value of \$49,074,151 and carried a rating of AA+.

The Retirement System's *Total Plan Statement of Investment Policies and Objectives* limits the concentration in any one issuer to 7% of fair value. At December 31, 2017, the System had exposure of less than 5% in any single investment issuer.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Retirement System's investment policy restricts equity investments to securities that are US dollar denominated and are registered with the SEC. Although foreign exchange futures, forward, and swaps are permissible for those managers with

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

2. Employees' Retirement System Pension Trust Fund (Continued):

non-US or global mandates, at December 31, 2017, CPERS and CPERS-PGT had no investments allocated in foreign currencies in non-pooled accounts of either fixed income or equity managers.

The annual money-weighted rate of return on pension plan investments is the calculated internal rate of return on pension plan investments, net of pension plan investment expense, and adjusted for changing amounts actually invested. It employs the accrual basis of accounting and is the result in aggregate of the monthly internal rates of return for the year. The annual money-weighted rate of return on the CPERS Original Trust and the CPERS-PGT Trust were 15.66% and 10.59% respectively at December 31, 2017.

c. Deposits - Discretely Presented Component Units

The discretely presented component unit agencies are required to invest idle funds within the same state statute as the primary government. Component unit deposits (including demand deposit accounts and certificates of deposits) at their respective year ends, are categorized in the following table:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
District Attorney of the Nineteenth Judicial District	\$ 1,532,207	\$ 1,532,207
Nineteenth Judicial District Court	2,517,408	2,606,740
Nineteenth Judicial District Court Building Commission	16,109,283	16,109,283
E.B.R. Parish Family Court	242,114	242,114
E.B.R. Parish Juvenile Court	373,255	416,038
E.B.R. Parish Clerk of Court	6,788,184	6,788,184
E.B.R. Redevelopment Authority	1,368,861	1,368,861
Cyntreniks Group King Hotel Special Taxing District	9,837	9,837
Bluebonnet Convention Hotel Taxing District	61,916	61,916
EBRATS Building Special Taxing District	5,074	5,074
Old LNB Building Redevelopment Taxing District	29,747	29,747
Capital Area Transit System	<u>1,075,537</u>	<u>1,075,537</u>
Total Component Units	<u>\$30,113,423</u>	<u>\$30,245,538</u>

The following component unit deposits were exposed to custodial credit risk as explained in section (a) of this note above:

Uninsured and collateral held by pledging bank's trust department not in agency's name:

Nineteenth Judicial District Court	\$2,356,740
E.B.R. Parish Juvenile Court	271,841
E.B.R. Parish Clerk of Court	6,535,254
Capital Area Transit System	<u>825,537</u>
Total	<u>\$9,989,372</u>

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the component unit agency that the fiscal agent has failed to pay deposited funds upon demand.

At December 31, 2017, there were no certificates of deposit with a maturity of 90 days or more classified on the Statement of Net Position as "Investments." The carrying amount of \$30,113,423 is classified as "Cash and cash equivalents."

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

d. Cash, Cash Equivalents and Investments Summary

1. The following is a reconciliation of the carrying amount of deposits and investments to restricted and unrestricted "Cash and cash equivalents" and "Investments" on the Financial Statements.

A. Primary government excluding Employees' Retirement System Pension Trust Funds

Cash and cash equivalents:	
Deposits	\$73,143,663
Cash on hand	9,102,789
Louisiana Asset Management Pool	<u>195,933,043</u>
Sub-total cash and cash equivalents	<u>278,179,495</u>
Investments:	
Deposits	175,000,000
Investments	<u>312,977,784</u>
Sub-total investments	<u>487,977,784</u>
Cash, cash equivalents and investments, December 31, 2017	<u>\$766,157,279</u>

Summary of "Cash and cash equivalents" and "Investments" for the Primary Government on the Statement of Net Position and Agency Funds on the Statement of Fiduciary Net Position.

Statement of Net Position - Primary Government:	
Cash and cash equivalents	\$178,242,870
Restricted Assets - Cash and cash equivalents	81,442,808
Statement of Fiduciary Net Position - Agency Funds	
Cash and cash equivalents	<u>18,493,817</u>
Total cash and cash equivalents	<u>278,179,495</u>
Statement of Net Position - Primary Government:	
Investments	325,579,852
Restricted Assets - Investments	<u>162,397,932</u>
Total investments	<u>487,977,784</u>
Total cash and cash equivalents and investments	<u>\$766,157,279</u>

B. Component units:

Cash and cash equivalents, December 31, 2017	
Deposits	<u>\$30,113,423</u>

Summary of "Cash and cash equivalents" and "Investments" for Component Units on the Statement of Net Position:

Cash and cash equivalents	\$15,663,329
Restricted Assets - Cash and cash equivalents	<u>14,450,094</u>
Total cash and cash equivalents	<u>\$30,113,423</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

d. Cash, Cash Equivalents and Investments Summary (Continued)

2. The following is a reconciliation of the carrying amount of deposits and investments to “Cash and cash equivalents” and “Investments” for CPERS and CPERS-PGT pension trust funds on the Statement of Fiduciary Net Position.

Cash and cash equivalents:	
Deposits	\$ 16,812,139
Investments	<u>2,285,965</u>
Sub-total cash and cash equivalents	19,098,104
Investments	<u>1,170,677,555</u>
Cash, cash equivalents and investments, December 31, 2017	<u><u>\$1,189,775,659</u></u>

NOTE 4 - Property Taxes

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

The Sheriff of East Baton Rouge Parish, as provided by State Law (LRS 33:1435), is the official tax collector of general property taxes levied by the Parish and Parish Special Districts. By agreement, the Sheriff is also the tax collector for City property taxes for which he receives a commission of 4.5% of total taxes collected for the City. December tax collections remitted to the City-Parish by the Sheriff in January are reported as “Due From Other Governments.”

The 2017 property tax calendar is as follows:

Levy date	November 22, 2016
Millage rates adopted	November 22, 2016
Tax bills mailed	November 29, 2017
Due date	December 31, 2017
Lien date	January 8, 2018

State Law requires the Sheriff to collect property taxes in the calendar year in which the levy is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (LRS 47:2101). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (LRS 47:2181).

Property taxes are considered measurable each year following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission. Accordingly, the entire tax roll less an estimate for uncollectible taxes is recorded as taxes receivable in the current budgeted year. Uncollectible taxes are those taxes which based on past experience will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll.

At the governmental fund level, property taxes that are measurable and available (receivable within the current period and collected within the current period or within 60 days thereafter to be used to pay liabilities of the current period) are recognized as revenue in the year of levy. Property taxes that are measurable, but not available, are recorded, net of estimated uncollectible amounts, as deferred inflows of resources in the year of levy. Such unavailable revenues are recognized as revenue in the fiscal year in which they become available.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 4 - Property Taxes (Continued)

At the entity-wide level, property taxes are recognized in the year of the levy net of uncollectible amounts.

Property taxes receivable by fund type for the Primary Government are as follows:

	Property Taxes <u>Receivable</u>	Estimated Uncollectible Property Taxes <u> </u>	Net Property Taxes <u>Receivable</u>
General Fund	\$ 7,682,857	\$ 544,939	\$ 7,137,918
Library Board of Control Fund	12,148,052	904,699	11,243,353
Nonmajor Governmental Funds	<u>12,564,731</u>	<u>921,738</u>	<u>11,642,993</u>
 Total	 <u>\$32,395,640</u>	 <u>\$2,371,376</u>	 <u>\$30,024,264</u>

NOTE 5 - Federal and State Financial Assistance

a. Grants From Other Governments and Private Developers

Federal and State grant programs represent an important source of funding to finance housing, employment, construction, and social programs which are beneficial to the City and the Parish. These funds are recorded in the General, Special Revenue, Capital Projects, Nonmajor Governmental and Enterprise Funds. A grant appropriation is recorded when an approved contract is authorized with the funding agency through the "Grants Review Process." Receivables are established when eligible expenditures are incurred. The grants normally specify the purpose for which funds may be used and federal grants are audited annually in accordance with Office of Management and Budget Circular A-133 under the "Single Audit Concept" for grants awarded prior to December 26, 2014, and in accordance with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements, for grants awarded on or after December 26, 2014. The grant programs are also subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any material contingent liability for reimbursement which may arise as the result of these audits is recorded in accordance with generally accepted accounting principles. In 2017 the City-Parish negotiated a payment agreement with the U.S. Department of Housing and Urban Development for the repayment of funds over a three year period in the amount of \$1,291,649. A payment of \$430,550 was made in 2017, and the balance of \$861,099 is recorded as claims and judgments payable on the entity-wide statement of net position for governmental activities. During 2017, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or contributions in the accompanying fund financial statements:

	<u>Federal and State Operating Grants and Capital Contributions</u>	<u>Private Capital Contributions</u>
Primary Government:		
Governmental activities:		
General Fund	\$ 1,292,048	\$ --
Grants Fund	48,852,143	--
Capital Projects Fund	19,628,139	957,559
Nonmajor governmental funds	9,654,362	--
Business-type activities:		
Greater Baton Rouge Airport District	17,044,158	--
Comprehensive Sewerage System Fund	1,127,972	4,925,788
Nonmajor business-type funds	<u>2,518,506</u>	<u> --</u>
 Total primary government	 <u>\$100,117,328</u>	 <u>\$5,883,347</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 5 - Federal and State Financial Assistance (Continued)

b. On-Behalf Payments for Salaries and Benefits

GASB Statement No. 24, *Accounting and Financial Reporting For Certain Grants and Other Financial Assistance* requires the City-Parish to report and disclose in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to certain groups of City-Parish employees.

Supplementary salary payments are made by the state directly to certain groups of employees. City-Parish is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure (expense) payments is the actual contribution made by the state. For 2017, the state paid supplemental salaries to the following groups of employees of the primary government: fire and law enforcement employees, city court judges, and employees of the Registrar of Voters' Office.

LRS 33:7392 provides for a percentage of property taxes collected in East Baton Rouge Parish to be remitted to the State Municipal Employees' Retirement System (MERS). The statute further provides for MERS to distribute a pro-rata share of these funds back to the City-Parish Employees' Retirement System. On-behalf payments recorded as revenues and expenditures (expenses) in the 2017 financial statements are as follows:

	<u>State Supplemental Salaries</u>	<u>MERS Contribution</u>	<u>Total 2017 On-Behalf Payments</u>
Primary Government:			
Governmental activities	\$8,029,158	\$1,138,523	\$9,167,681
Business-type activities	<u>155,501</u>	<u>--</u>	<u>155,501</u>
Total on-behalf payments	<u>\$8,184,659</u>	<u>\$1,138,523</u>	<u>\$9,323,182</u>

NOTE 6 - Capital Assets

a. Primary government capital asset activity for the year ended December 31, 2017, was as follows:

	<u>Balance 1/1/2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Balance 12/31/2017</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land and right-of-way	\$ 164,425,814	\$ 12,782,785	\$ (106,130)	\$ 421,510	\$ 177,523,979
Construction work in progress	<u>62,583,343</u>	<u>18,034,330</u>	<u>(3,226,598)</u>	<u>(26,591,421)</u>	<u>50,799,654</u>
Total capital assets not being depreciated	<u>227,009,157</u>	<u>30,817,115</u>	<u>(3,332,728)</u>	<u>(26,169,911)</u>	<u>228,323,633</u>
Capital assets being depreciated:					
Buildings	300,753,010	7,140,780	--	4,037,099	311,930,889
Improvements (other than buildings) and infrastructure	989,204,133	30,243,850	--	24,408,595	1,043,856,578
Equipment and equipment under lease	<u>136,303,298</u>	<u>10,891,261</u>	<u>(4,847,917)</u>	<u>--</u>	<u>142,346,642</u>
Total capital assets being depreciated	<u>1,426,260,441</u>	<u>48,275,891</u>	<u>(4,847,917)</u>	<u>28,445,694</u>	<u>1,498,134,109</u>
Less accumulated depreciation for:					
Building	(170,738,850)	(6,860,747)	--	--	(177,599,597)
Improvements (other than buildings) and infrastructure	(475,823,147)	(31,825,437)	--	--	(507,648,584)
Equipment and equipment under lease	<u>(109,010,099)</u>	<u>(9,975,755)</u>	<u>4,797,528</u>	<u>--</u>	<u>(114,188,326)</u>
Total accumulated depreciation	<u>(755,572,096)</u>	<u>(48,661,939)</u>	<u>4,797,528</u>	<u>--</u>	<u>(799,436,507)</u>
Total capital assets being depreciated, net	<u>670,688,345</u>	<u>(386,048)</u>	<u>(50,389)</u>	<u>28,445,694</u>	<u>698,697,602</u>
Total governmental activities capital assets, net	<u>\$ 897,697,502</u>	<u>\$ 30,431,067</u>	<u>\$(3,383,117)</u>	<u>\$ 2,275,783</u>	<u>\$ 927,021,235</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

a. Primary government capital asset activity (Continued):

	<u>Balance</u> <u>1/1/2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Balance</u> <u>12/31/2017</u>
Business-Type Activities:					
Capital assets not being depreciated:					
Land and right-of-way	\$ 95,183,568	\$ 510,875	\$ --	\$ 37,764	\$ 95,732,207
Noise mitigation	58,392,539	--	--	--	58,392,539
Construction work in progress	<u>102,704,040</u>	<u>50,724,444</u>	<u>(5,000)</u>	<u>(69,473,221)</u>	<u>83,950,263</u>
Total capital assets not being depreciated	<u>256,280,147</u>	<u>51,235,319</u>	<u>(5,000)</u>	<u>(69,435,457)</u>	<u>238,075,009</u>
Capital assets being depreciated:					
Buildings	237,932,427	7,938,173	--	3,281,904	249,152,504
Improvements (other than buildings) and infrastructure	2,344,865,486	91,556,027	--	67,278,658	2,503,700,171
Equipment	<u>9,998,798</u>	<u>276,106</u>	<u>(58,411)</u>	<u>--</u>	<u>10,216,493</u>
Total capital assets being depreciated	<u>2,592,796,711</u>	<u>99,770,306</u>	<u>(58,411)</u>	<u>70,560,562</u>	<u>2,763,069,168</u>
Less accumulated depreciation for:					
Buildings	(135,973,060)	(9,314,917)	--	--	(145,287,977)
Improvements (other than buildings) and infrastructure	(780,767,031)	(79,237,612)	--	--	(860,004,643)
Equipment	<u>(8,737,393)</u>	<u>(420,232)</u>	<u>58,411</u>	<u>--</u>	<u>(9,099,214)</u>
Total accumulated depreciation	<u>(925,477,484)</u>	<u>(88,972,761)</u>	<u>58,411</u>	<u>--</u>	<u>(1,014,391,834)</u>
Total capital assets being depreciated, net	<u>1,667,319,227</u>	<u>10,797,545</u>	<u>--</u>	<u>70,560,562</u>	<u>1,748,677,334</u>
Total business-type activities capital assets, net	<u>\$1,923,599,374</u>	<u>\$ 62,032,864</u>	<u>\$ (5,000)</u>	<u>\$ 1,125,105</u>	<u>\$ 1,986,752,343</u>

The adjustments column includes the capitalization of \$2,275,783 in governmental activities and \$1,125,105 in business-type activities of donated assets from private sources. Adjustments of \$26,591,421 in governmental activities and \$69,473,221 in business-type activities were for prior year construction work in progress that was capitalized as assets during 2017.

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

Governmental Activities:

Governmental fund-types:	
General government	\$ 1,204,503
Public safety	7,664,205
Transportation	30,850,543
Health and welfare	840,800
Culture and recreation	3,428,975
Conservation and development	1,405,560
Internal service fund capital assets are charged to the various functions based on their usage of the assets	<u>3,267,353</u>
Total depreciation expense - governmental activities	<u>\$48,661,939</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

b. Depreciation expense charged to functions of the primary government (Continued):

Business-Type Activities:

Airport	\$12,356,554
Sewer	70,427,551
Solid Waste Collection and Disposal	1,214,232
Nonmajor business-type activities	<u>4,974,424</u>
Total depreciation expense - business-type activities	<u><u>\$88,972,761</u></u>

c. Construction work in progress for the governmental activities of the primary government is composed of the following:

	<u>Project Authorization</u>	<u>Placed in Service to Date</u>	<u>Balance in Construction Work In Progress 12/31/2017</u>	<u>Encumbered Capital Projects</u>	<u>Estimated Required Future Financing</u>
<u>Capital Projects Fund:</u>					
Miscellaneous Capital Improvements	\$ 76,837,090	\$ 31,357,134	\$12,321,832	\$ 8,852,072	None
Capital Improvement					
Roads, Streets, Drainage, Other	30,929,830	12,058,864	5,610,772	2,193,095	None
Parish Transportation - Capital Projects	20,378,649	5,262,856	1,372,341	2,120,846	None
Road and Street Improvement					
Pay-As-You-Go Dedicated Tax	137,907,502	109,514,993	4,829,566	5,025,270	None
Bonded Dedicated Sales Tax	327,609,761	270,606,419	9,607,821	3,371,415	None
LA DOTD Grants Capital Projects	95,862,432	68,410,744	13,420,855	9,770,910	None
Downtown Signage/Visitors Amenities/					
Riverfront Improvement	4,778,399	3,729,010	102,425	57,162	None
General Capital Expenditures	7,656,078	2,608,389	592,419	1,333,352	None
<u>Other Governmental Funds:</u>					
Parish Beautification	6,034,860	1,803,054	344,871	511,971	None
Chaneyville Volunteer Fire District	11,090	--	11,090	--	None
Council on Aging Facility - Renovations	345,281	--	14,425	325,856	None
Baton Rouge Junior High Waterproofing	1,003,148	--	104,536	29,084	None
Emergency Operations Center First Responder Safe Room	430,672	--	22,395	408,277	None
State of Louisiana Recovery Act	<u>17,336,977</u>	<u>8,873,509</u>	<u>2,444,306</u>	<u>1,644,253</u>	None
Total	<u>\$727,121,769</u>	<u>\$514,224,972</u>	<u>\$50,799,654</u>	<u>\$35,643,563</u>	

d. Construction work in progress at December 31, 2017, for primary government enterprise funds is composed of the following:

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Placed in Service</u>	<u>Balance in Construction Work in Progress 12/31/17</u>
<u>Greater Baton Rouge Airport District:</u>				
Runways and apron improvements	\$ 5,028,762	\$ 838,298	\$ --	\$ 838,298
Miscellaneous project costs	<u>1,253,731</u>	<u>195,509</u>	<u>--</u>	<u>195,509</u>
Total	<u>6,282,493</u>	<u>1,033,807</u>	<u>--</u>	<u>1,033,807</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

d. Construction work in progress at December 31, 2017 for primary government enterprise funds (Continued)

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Placed in Service</u>	<u>Balance in Construction Work in Progress 12/31/17</u>
<u>Comprehensive Sewerage System Fund:</u>				
South wastewater treatment plant	\$ 21,867	\$ 21,867	\$ --	\$ 21,867
North wastewater treatment plant	48,337	28,355	--	28,355
Rehabilitation construction	36,510,091	13,336,448	12,031,945	1,304,503
Sanitary sewer overflow corrective action plan	201,054,819	201,054,819	124,361,503	76,693,316
Rehabilitation of pump stations	4,844,000	2,144,223	1,776,769	367,454
Total	<u>242,479,114</u>	<u>216,585,712</u>	<u>138,170,217</u>	<u>78,415,495</u>
<u>Nonmajor business-type activities:</u>				
<u>Baton Rouge River Center Fund:</u>				
Miscellaneous building improvements	93,100	93,100	93,100	--
Theater renovations	1,800,000	543,132	--	543,132
Plaza greenspace	5,024,435	3,952,829	--	3,952,829
North Boulevard Town Square	12,690	5,000	--	5,000
Total	<u>6,930,225</u>	<u>4,594,061</u>	<u>93,100</u>	<u>4,500,961</u>
 Total-all enterprise funds	 <u>\$255,691,832</u>	 <u>\$222,213,580</u>	 <u>\$138,263,317</u>	 <u>\$83,950,263</u>

Total construction period interest costs of \$3,102,184 for the Comprehensive Sewerage System Fund and \$243,965 for the Greater Baton Rouge Airport District was capitalized in 2017. Construction period interest costs of \$4,228,331 from the current and previous fiscal years remain in Construction Work in Progress at December 31, 2017, for the Comprehensive Sewerage System Fund. These costs cannot be depreciated because they have been allocated to projects that are not substantially complete.

EPA Consent Decree

During 2001, the City-Parish entered into a Consent Decree with U.S. Environmental Protection Agency (EPA) to remedy violations of the Clean Water Act and National Pollution Discharge Elimination System (NPDES) permits issued to the City-Parish for its sewerage treatment plants. The Consent Decree requires the City-Parish to achieve and maintain compliance with its NPDES permits and the Clean Water Act. The modified Consent Decree requires the City-Parish to complete a construction program to reduce sanitary sewer overflows by December 31, 2018.

In July 2007, EPA and DEQ formally approved the City-Parish's request to revise the original Remedial Measures Action Plan 2 (RMAP2) Sanitary Sewer Overflow Capital Improvements Program from a complex tunnel system with some rehabilitation and pump station upgrades to a program which emphasizes system wide rehabilitation, conveyance and pumping upgrades and wet weather improvements to the South Wastewater Treatment Plan. The concept and cost for this modification has been analyzed by the sewer system's program manager, CH2M HILL, Inc. Their program delivery plan (PDP) was delivered to the City-Parish in November 2007, and updated in November 2017. CH2M HILL's estimated cost for completing the revised RMAP2 is \$1.6 billion.

In accordance with the PDP recommendation, the Central Wastewater Treatment Plant was closed in July 2016, routing its flows to the South Wastewater Treatment. This recommendation has many positive aspects including eliminating a discharge point into the Mississippi River, removing a treatment plant from the downtown area, providing additional dry weather flows to the South Wastewater Treatment Plant which will assist in the biological treatment process, and providing long-term savings in operations and maintenance costs.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

e. **A summary of changes in capital assets for component units is as follows**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>District Attorney of the Nineteenth Judicial District</u>				
Equipment	\$ 2,294,504	\$ 230,380	\$ (49,636)	\$ 2,475,248
Less: accumulated depreciation	<u>(1,594,553)</u>			<u>(1,793,760)</u>
Total District Attorney of the Nineteenth Judicial District	<u>\$ 699,951</u>			<u>\$ 681,488</u>
<u>Nineteenth Judicial District Court</u>				
Equipment	\$ 367,359	\$ 21,244	\$ (38,058)	\$ 350,545
Less: accumulated depreciation	<u>(333,071)</u>			<u>(312,075)</u>
Total Nineteenth Judicial District Court	<u>\$ 34,288</u>			<u>\$ 38,470</u>
<u>Nineteenth Judicial District Court Building Commission</u>				
Buildings	\$107,628,256	\$ --	\$ --	\$107,628,256
Equipment	<u>5,056,230</u>	<u>41,776</u>	<u>--</u>	<u>5,098,006</u>
Total	112,684,486	41,776	--	112,726,262
Less: accumulated depreciation	<u>(24,900,569)</u>			<u>(28,470,045)</u>
Total Nineteenth Judicial District Court Building Commission	<u>\$ 87,783,917</u>			<u>\$ 84,256,217</u>
<u>E.B.R. Parish Family Court</u>				
Equipment	\$ 282,908	\$ 2,895	\$ --	\$ 285,803
Less: accumulated depreciation	<u>(142,257)</u>			<u>(190,514)</u>
Total E.B.R. Parish Family Court	<u>\$ 140,651</u>			<u>\$ 95,289</u>
<u>E.B.R. Parish Juvenile Court</u>				
Equipment	\$ 355,357	\$ 2,563	\$ --	\$ 357,920
Less: accumulated depreciation	<u>(228,216)</u>			<u>(258,451)</u>
Total E.B.R. Parish Juvenile Court	<u>\$ 127,141</u>			<u>\$ 99,469</u>
<u>E.B.R. Parish Clerk of Court</u>				
Equipment	\$ 7,942,800	\$ 17,757	\$ (129,435)	\$ 7,831,122
Less: accumulated depreciation	<u>(7,661,172)</u>			<u>(7,592,504)</u>
Total E.B.R. Parish Clerk of Court	<u>\$ 281,628</u>			<u>\$ 238,618</u>
<u>EBR Parish Redevelopment Authority</u>				
Equipment	\$ 192,024	\$ --	\$ (106,881)	\$ 85,143
Less: accumulated depreciation	<u>(178,009)</u>			<u>(81,569)</u>
Total EBR Redevelopment Authority	<u>\$ 14,015</u>			<u>\$ 3,574</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
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EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

e. A summary of changes in capital assets for component units (Continued)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>Capital Area Transit System</u>				
Construction work in progress	\$ 129,295	\$ --	\$ (129,295)	\$ --
Equipment	<u>37,011,976</u>	<u>5,361,276</u>	<u>(829,132)</u>	<u>41,544,120</u>
Total	37,141,271	5,361,276	(958,427)	41,544,120
Less: accumulated depreciation	<u>(19,173,118)</u>			<u>(21,159,045)</u>
Total Capital Area Transit System	<u>\$ 17,968,153</u>			<u>\$ 20,385,075</u>
Total component units capital assets	\$161,260,709	<u>\$5,677,891</u>	<u>\$(1,282,437)</u>	\$165,656,163
Less: total accumulated depreciation	<u>(54,210,965)</u>			<u>(59,857,963)</u>
Total component units capital assets, net	<u>\$107,049,744</u>			<u>\$105,798,200</u>

NOTE 7 - Employees' Retirement Systems

a. Primary Government

1. Plan Description

CPERS and CPERS-PGT

The City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System, a separate legal entity, administers two separate trusts. The City-Parish Employees' Retirement System regular trust (CPERS) is a cost-sharing multiple-employer defined benefit pension plan to provide benefits to any person who becomes a regular full-time employee of one of the member employers, except in the case of newly hired employees of certain participating employers who are mandated to enroll in a statewide retirement system. The CPERS - Police Guarantee Trust (CPERS-PGT), is a single employer, defined benefit plan, which was established as part of the City-Parish Employees' Retirement System on February 26, 2000, as the result of the voluntary transfer of 637 public safety employees from CPERS to the Municipal Police Employees' Retirement System (MPERS). The local government employers participating in the CPERS trust include:

- City of Baton Rouge, Parish of East Baton Rouge
- District Attorney of the Nineteenth Judicial District
- E.B.R. Parish Family Court
- E.B.R. Parish Juvenile Court
- St. George Fire Protection District *
- Eastside Fire Protection District *
- East Baton Rouge Recreation and Park Commission (BREC) *

*Not City-Parish component units

The City-Parish Retirement Plan, including both trusts, is reported as a blended component unit of City-Parish as defined in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. Since the Retirement System is part of the City-Parish's reporting entity, its financial statements are included as a Fiduciary Fund (pension trust fund) in the basic financial statements of the primary government.

The Retirement System was created by The Plan of Government and is governed by a seven member Board of Trustees (the Board). The Board is responsible for administering the assets of the system and for making policy decisions regarding investments. The trustees are members of the Retirement System, except as noted below, and are selected in the following manner: 1) two are elected from non-police and non-fire department employees; 2) one trustee each is elected from the Police and Fire Departments; 3) two people with business and accounting experience are appointed by the Metropolitan Council; 4) one is appointed by the Mayor-President. The two trustees appointed by the Metropolitan Council and the one appointed by the Mayor-President may or may not be members of the Retirement System. This is dependent on whether or not the appointees are City-Parish employees. All administrative expenses of the Retirement System are paid from funds of the system.

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description (Continued)

CPERS and CPERS-PGT (Continued)

The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. All trust accounts are administered by the Retirement System Board of Trustees. The financial report may be obtained by writing to the following address or downloading from www.brgov.com/dept/ERS:

Jeffrey R. Yates, Retirement Administrator
City-Parish Employees' Retirement System
P.O. Box 1471
Baton Rouge, LA 70821-1471

The Retirement System reports its financial activities under the provisions of Section Pe5 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25*, provides for financial reporting for pension plans that are administered through trust or equivalent arrangements. All required disclosures are included in their separately issued report. The primary government (City-Parish), as stated previously, reports the Retirement System as a Pension Trust Fund and has adopted the reporting requirements for an employer under Section P20 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*.

The CPERS-PGT was established as a separate legal trust fund on February 26, 2000, to provide for payment of certain guaranteed lifetime benefits for eligible police employees who transferred membership to the Municipal Police Employees' Retirement System of Louisiana (MPERS) while retaining certain rights in CPERS. When established, the Trust was funded from the original CPERS trust through a trustee-to-trustee transfer, for the full actuarially determined amount necessary to pay all present and future contractually guaranteed benefits to eligible members and their survivors. As a part of the transfer agreement, each officer signed a "Police Guarantee Agreement" with CPERS whereby each officer receives the same benefit he/she would have received if they had remained with CPERS. The Retirement System Board of Trustees established a Police Guarantee Trust to administer benefits to the transferred officers and their survivors. The benefits paid from the trust will equal the difference between the benefit the employee would have received from CPERS if the transfer had not taken place, and the benefit actually paid by MPERS. The CPERS-PGT was closed to new members effective February 26, 2000 - the date of its inception.

As of December 31, 2016, the measurement date, the following employees were covered by the CPERS-PGT benefit terms:

Inactive plan members and beneficiaries currently receiving benefits, and deferred retirement plan participants	177
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>174</u> <u>355</u>

MPERS

The City-Parish contributes to the Municipal Police Employees' Retirement System (MPERS) Pension Plan, a cost sharing multiple-employer defined benefit pension plan established by Act 189 of 1973 to provide retirement, disability and survivor benefits to municipal police officers in Louisiana, administered by the MPERS Board of Trustees. MPERS covers any full-time public safety officer employed by a participating municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing said officer does not have to pay social security. The paragraph above describes the transfer of 637 public safety officers from CPERS to MPERS, effective February 26, 2000. All new public safety officers hired by the City-Parish after February 26, 2000, are required to join MPERS as a condition of employment. MPERS benefits are established by state statutes and may be amended at the discretion of the State Legislature. MPERS issues a

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description (Continued)

MPERS (Continued)

publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Municipal Police Employees' Retirement System, 7722 Office Park Blvd., Suite 200, Baton Rouge, Louisiana 70809-7601 or downloading from www.lampers.org.

LASERS

The City-Parish contributes to the Louisiana State Employees' Retirement System (LASERS) Pension Plan, a cost sharing multiple-employer defined benefit plan administered by the LASERS Board of Trustees. LASERS is a statewide public retirement system for the benefit of eligible state employees. All elected City Court Judges are participating members. The system provides retirement and disability benefits, an annual cost-of-living adjustment, and death benefits to plan members and beneficiaries. The system was established and provided for within Louisiana Revised Statute Title 11 Chapter 401. LASERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804-4213 or downloading from www.lasersonline.org.

2. Benefit Terms

CPERS

Any person who becomes a regular full-time employee of one of the member employers becomes a member of the Retirement system as a condition of employment, except in the case of newly hired employees of certain participating employers who are mandated to enroll in a statewide retirement system. An employee's benefit rights vest after the employee has been a member of the Retirement System for 10 years (Ordinance 10779).

Benefit payments are classified into two distinct categories which are full retirement benefits and minimum eligibility benefits. For members hired before September 1, 2015, the service requirements and benefits granted for each category are:

1. Full retirement benefits -
 - a. Granted with 25 years of service, regardless of age.
 - b. Defined as 3% of average compensation times the number of years of service.
2. Minimum eligibility benefits -
 - a. Granted with 20 years of service regardless of age, or at age 55 with 10 years of service.
 - b. Defined as 2.5% of average compensation times the number of years of service.

Average compensation is determined by the highest average compensation in 36 successive months. In the case of interrupted service, the periods immediately before and after the interruption may be joined to produce 36 successive months. In the cases of 20 or more and less than 25 years of service, the computed benefit amount is reduced by 3% for each year below age 55. Benefits paid to employees shall not exceed 90% of average compensation.

The Retirement System has no true cost of living benefit, but did implement the Supplemental Benefit Payment in 2006, which is a non-recurring non-guaranteed lump sum payment to qualifying retirees, and which must be declared for payment by the Board each year.

The Metropolitan Council maintains the authority to establish and amend plan benefits. On August 12, 2015, the Council approved Ordinance 16039 to make the following changes for members hired on or after September 1, 2015.

1. Full retirement benefits -
 - a. Granted with 25 years of service, minimum age 50 for public safety and 55 for non-public safety.
 - b. Defined as 3% of average compensation times the number of years of service.

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

2. Benefit Terms (Continued)

CPERS (Continued)

2. Minimum eligibility benefits -
 - a. Granted with 20 years of service, under age 50 for public safety and 55 for non-public safety. Defined as 2.5% of average compensation for each year of service, less an actuarially computed age penalty.
 - b. Granted with 10 years of service or more, minimum age 55 for public safety and 60 for non-public safety. Defined as 2.5% of average compensation for each year of service.
 - c. Granted with 10 years, under age 55 for public safety and under age 60 for non-public safety. Defined as 2.5% of average compensation for each year of service upon attaining age 55 or 60.

Average compensation is determined by the highest average compensation in 60 successive months. Benefits paid to employees shall not exceed 90% of average compensation.

CPERS-PGT

With the creation of the CPERS-PGT, each officer that elected to transfer from CPERS to MPERS effective February 26, 2000, receives the same benefit he/she would have received if they had remained with CPERS. The benefits paid from the CPERS-PGT trust will equal the difference between the benefit the employee would have received from CPERS if the transfer had not taken place, and the benefit actually paid by MPERS.

MPERS

Members of MPERS hired prior to January 1, 2013, are eligible for normal retirement after they have been a member of the plan and have 25 years of creditable service at any age or they have 20 years of creditable service and are age 50 or have 12 years creditable service and are age 55. A member is eligible for early retirement after 20 years of creditable service at any age with an actuarially reduced benefit. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. Benefit rates are 3.33% of average monthly earnings during the highest 36 consecutive months per number of years of creditable service not to exceed 100% of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions outlined in the statutes, an amount is payable to the surviving spouse and minor children.

Members of MPERS hired on or after January 1, 2013, are eligible for regular retirement, early retirement, disability and survivor benefits based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the plan and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the plan and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are 3% and 2.5%, respectively, of average monthly earnings during the highest 60 consecutive months per number of years of creditable service not to exceed 100% of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions outlined in the statutes, an amount is payable to the surviving spouse and minor children. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current benefit, not to exceed 3% in any given year.

LASERS

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges receive a 3.5% accrual rate plus an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their capacity. For members of LASERS

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

2. Benefit Terms (Continued)

LASERS (Continued)

hired prior to July 1, 2006, average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment. For members hired July 1, 2006, or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members hired prior to January 1, 2011, may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service. Members hired on or after January 1, 2011, are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Members hired on or after July 1, 2015, are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. The extra 1.0% accrual rate for each year of service for court officers employed after January 1, 2011, was eliminated. The System allows for the payment of permanent benefit increases that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

3. Contributions

CPERS

The City-Parish provides annual contributions to the Plan as required by Section 9.15 of The Plan of Government, which requires that the Retirement System be funded on an actuarially sound basis. Contribution rates are established and may be amended by the Retirement System's Board of Trustees, with approval by the Metropolitan Council. Under the current plan, both employee and employer contributions are set by the retirement system board on an annual basis to properly fund the system. In 2017, employees made a mandatory contribution of 9.5% of gross earnings, which was the maximum rate under Part IV, Subpart 2, Sec. 1:264A1(b), while the employer contributed 30.4% of active payroll. The total employer contribution to CPERS for the year ended December 31, 2017, was \$35,505,618 and was equal to the retirement board required contributions for the year. The City-Parish recognized \$885,014 in revenue from non-employer contributions in 2017.

CPERS-PGT

Employer and employee contributions to CPERS-PGT are at the rates established for CPERS. Total employer contributions to CPERS-PGT for the year ended December 31, 2017 was \$651,468.

MPERS

Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. MPERS employee members hired prior to January 1, 2013, contributed 10.0% of earned compensation for the year ended December 31, 2017. For the same members, employer contributions were 31.75% from January through June, and 30.75% for July through December 2017. All employees hired on or after January 1, 2013, become members of either the Hazardous Duty Sub-plan, or the Nonhazardous Duty Sub-plan. Employee and employer contribution rates for the Hazardous Duty Sub-plan are the same as for those hired prior to January 1, 2013. For employees belonging to the Nonhazardous Duty Sub-plan, the contribution rate was 8.0%, and the employer rate was 33.75% from January through June and 30.75% for July through December 2017. Earned compensation in the MPERS system excludes certain overtime, but includes state supplemental pay. The City-Parish's contribution to MPERS for the year ended December 31, 2017, was \$13,609,676 and was equal to the statutorily required contribution for the year. The City-Parish recognized \$2,969,403 in revenue from non-employer contributions in 2017.

LASERS

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. During 2017, Judges' Plan members hired

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EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

3. Contributions (Continued)

LASERS (Continued)

prior to January 1, 2011, contributed 11.50% of earned compensation while employers contributed 38.1% from January through June and 40.1% from July through December. For Judges hired on or after January 1, 2011, the contribution rate was 13.0%, and the employer rate was 36.7% from January through June and 39.6% for July through December 2017. The City-Parish's contribution to LASERS for the year ended December 31, 2017 was \$116,639 and was equal to the statutorily required contribution for the year.

4. Net Pension Liability

Net pension liability at December 31, 2017, is comprised of the City-Parish's proportional share of the net pension liability relating to each of the cost-sharing plans in which the City-Parish is a participating employer (CPERS, MPERS and LASERS) and the entire net pension liability relating to the CPERS-PGT single-employer plan. The net pension liability for CPERS and CPERS-PGT were measured as of December 31, 2016, rolled forward from the actuarial valuation date of January 1, 2016. MPERS and LASERS were measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City-Parish's proportion of the net pension liability for each of the cost-sharing plans in which it participates was based on the City-Parish's required contributions in proportion to total required contributions for all participating employers, actuarially determined. As of the most recent measurement date for each plan, the City-Parish's proportion for each cost-sharing plan and the change in proportion from the prior measurement date were as follows:

	<u>CPERS</u>	<u>MPERS</u>	<u>LASERS</u>
Proportion (amount) of net pension liability	\$502,832,286	\$135,798,265	\$1,636,340
Proportion (%) of net pension liability	84.62%	15.55%	0.02%
Increase/(Decrease) from prior measurement	(0.69%)	0.70%	0.00%

The following table presents the CPERS-PGT changes in net pension liability measured as of the year ended December 31, 2016:

	<u>CPERS-PGT</u>
Total pension liability:	
Service cost	\$ 477,571
Interest	2,423,493
Differences between expected and actual experience	2,243,050
Changes in assumptions	555,501
Benefit payments	<u>(2,651,397)</u>
Net change in total pension liability	3,048,218
Total pension liability - beginning	<u>37,961,347</u>
Total pension liability - ending	<u>\$41,009,565</u>
Plan fiduciary net position:	
Contributions - employer	\$ 581,007
Contributions - employee	63,856
Net investment income	974,589
Benefit payments	(2,651,397)
Administrative expenses	<u>(269,510)</u>
Net change in fiduciary net position	(1,301,455)
Plan fiduciary net position - beginning	<u>18,565,604</u>
Plan fiduciary net position - ending	<u>\$17,264,149</u>
Net pension liability	<u>\$23,745,416</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
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EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Changes in the net pension liability are either reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2017 the City-Parish recognized \$97,294,319 in pension expense related to the defined benefit plans in which it participates (CPERS \$71,725,616; CPERS-PGT \$3,679,561; MPERS \$21,484,109 and LASERS \$405,033). Revenue was recognized in the amount of \$3,854,417 in ad valorem taxes and insurance premium taxes collected from non-employer contributing entities. At December 31, 2017, the City-Parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>				
	<u>CPERS</u>	<u>CPERS-PGT</u>	<u>MPERS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 12,552,889	\$2,356,311	\$ 889,201	\$ --	\$ 15,798,401
Changes in assumptions	20,113,690	455,518	9,662,796	6,465	30,238,469
Net difference between projected and actual earnings on pension plan investments	48,687,626	1,415,483	5,944,736	53,212	56,101,057
Changes in proportion and differences between actual contributions and proportionate share of contributions	79,667	--	4,717,208	419,777	5,216,652
Employer contributions to the pension plans subsequent to the measurement date of the net pension liability	<u>35,505,618</u>	<u>651,468</u>	<u>6,822,806</u>	<u>114,325</u>	<u>43,094,217</u>
Total	<u>\$116,939,490</u>	<u>\$4,878,780</u>	<u>\$28,036,747</u>	<u>\$593,779</u>	<u>\$150,448,796</u>

	<u>Deferred Inflows of Resources</u>				
	<u>CPERS</u>	<u>CPERS-PGT</u>	<u>MPERS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ --	\$ --	\$1,043,771	\$ 30,026	\$ 1,073,797
Changes in assumptions	--	489,641	--	--	489,641
Changes in proportion and differences between actual contributions and proportionate share of contributions	<u>4,567,857</u>	<u>--</u>	<u>17,865</u>	<u>26,444</u>	<u>4,612,166</u>
Total	<u>\$4,567,857</u>	<u>\$489,641</u>	<u>\$1,061,636</u>	<u>\$ 56,470</u>	<u>\$ 6,175,604</u>

The \$43,094,217 of deferred outflows of resources resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Year</u>	<u>CPERS</u>	<u>CPERS-PGT</u>	<u>MPERS</u>	<u>LASERS</u>	<u>Total</u>
2018	\$ 30,353,623	\$1,710,862	\$ 7,675,221	\$379,670	\$ 40,119,376
2019	31,260,964	1,625,681	9,485,288	54,964	42,426,897
2020	16,331,372	368,441	6,178,115	21,295	22,899,223
2021	<u>(1,079,944)</u>	<u>32,687</u>	<u>(3,186,319)</u>	<u>(32,945)</u>	<u>(4,266,521)</u>
Total	<u>\$ 76,866,015</u>	<u>\$3,737,671</u>	<u>\$20,152,305</u>	<u>\$422,984</u>	<u>\$101,178,975</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

6. Discount Rate

The discount rate used to measure the City-Parish's total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are included below:

	<u>CPERS</u>	<u>CPERS-PGT</u>	<u>MPERS</u>	<u>LASERS</u>
Discount rate	7.25%	5.66%	7.325%	7.70%
Change in discount rate from prior measurement date	0.00%	(0.87%)	(0.175%)	(0.05%)
Plan cash flow assumptions*	(1)	(2)	(3)	(3)
Rates incorporated in the discount				
Long-term rate of return	7.25%	7.25%	8.19%	8.69%
Period applied*	All periods	(2)	All periods	All periods
Municipal bond rate	N/A	3.78%	N/A	N/A

Sensitivity of the net pension liability to the discount rate:

Net pension liability	\$502,832,286	\$23,745,416	\$135,798,265	\$1,636,340
Net pension liability assuming a decrease				
of 1% in the discount rate	\$631,757,667	\$24,208,358	\$187,618,396	\$2,054,298
Net pension liability assuming an increase				
of 1% in the discount rate	\$394,624,080	\$23,313,993	\$ 92,324,907	\$1,281,063

*Plan Cash Flow Assumptions:

- (1) Plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.
- (2) Plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the contribution rate established for CPERS. Based on those assumptions, the pension plan's fiduciary net position was projected to provide future benefit payments for 8 years. Therefore, the long-term expected rate of return 7.25% was used to discount funded projected benefit payments and the municipal bond rate 3.78% was used to discount unfunded projected benefit payments to determine the total pension liability. The single effective discount rate was 5.66%.
- (3) Plan member contributions will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary.

The long-term expected rate of return for each plan 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 expected future real rates of return 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. Best estimates of arithmetic or geometric real rates of return for each major asset class included in each pension plan's target asset allocation are summarized in the following tables:

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EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

6. Discount Rate (Continued)

<u>Asset Class</u>	<u>CPERS*</u>		<u>CPERS-PGT*</u>		<u>LASERS**</u>
	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>	<u>Long-term expected real rate of return</u>
Core Fixed Income	15.0%	2.00%	21.3%	2.00%	--
Core Plus Fixed Income	15.0%	2.80%	21.3%	2.75%	--
Domestic Fixed Income	--	--	--	--	1.73%
Domestic Equity	--	--	--	--	4.31%
Large Cap Domestic Equity	19.5%	5.50%	17.3%	5.50%	--
Non-Large Cap Domestic Equity	3.0%	5.80%	2.7%	5.75%	--
International Fixed Income	--	--	--	--	2.49%
International Equity	--	--	--	--	5.35%
International Large Cap Equity	15.0%	6.00%	13.3%	6.00%	--
International Small Cap Equity	2.5%	6.00%	2.2%	6.00%	--
Emerging Market Equity	5.0%	8.00%	4.4%	8.00%	--
Core Real Estate	5.0%	4.80%	--	--	--
Master Limited Partnerships	5.0%	9.80%	5.0%	9.75%	--
Private Equity	5.0%	8.80%	--	--	--
Risk Parity	5.0%	6.30%	5.0%	6.25%	--
Hedge Funds	5.0%	3.80%	5.0%	3.75%	--
Alternative Investments	--	--	--	--	7.41%
Global Tactical Asset Allocation	--	--	--	--	2.84%
Cash	--	--	2.5%	1.00%	(0.24%)
Total	<u>100.0%</u>	--	<u>100.0%</u>	--	--

<u>Asset Class</u>	<u>MPERS*</u>	
	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Equity	53.0%	3.66%
Fixed Income	21.0%	0.52%
Alternative Investments	20.0%	1.10%
Other	<u>6.0%</u>	<u>0.16%</u>
Total	<u>100.0%</u>	5.44%
Inflation	--	<u>2.75%</u>
Expected Nominal Return	--	<u>8.19%</u>

*Arithmetic
**Geometric

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2017

EXHIBIT A - 17
 (Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

7. Actuarial Assumptions

CPERS and CPERS-PGT

Valuation Date	January 1, 2016
Actuarial cost method	Entry Age Normal
Inflation	2.75%
Mortality rates (healthy and disabled)	Healthy - RP-2000 Healthy Combined Blue Collar Mortality Projected to 2019 (Scale BB)
	Disabled - RP-2000 Disabled Mortality Projected to 2019 (Scale BB)
Ad-hoc cost-of-living increases	None
Experience study	Last performed for the period January 1, 2009 to December 31, 2013

Salary increases

<u>Age</u>	<u>Regular</u>	<u>Fire/Police</u>
30	+2.50%	+4.00%
35	+1.50%	+2.00%
40	+1.25%	+2.00%
45	+0.75%	+1.00%
50	+0.50%	+0.00%
55	+0.00%	+0.00%

Retirement rates

<u>Before 25 Years of Creditable Service</u>		<u>After 25 Years of Creditable Service</u>	
<u>Age</u>	<u>Retirement</u>	<u>Service</u>	<u>Retirement</u>
55-60	10%	25	20%
61-63	20%	26	30%
64	25%	27	40%
65+	100%	28+	100%

MPERS

Valuation Date	June 30, 2017
Actuarial cost method	Entry Age Normal Cost
Inflation	2.70%
Mortality rates	RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.
	RP-2000 Disabled Lives Table set back 5 years for males and 3 years for females for disabled annuitants.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2017

EXHIBIT A - 17
 (Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

7. Actuarial Assumptions (Continued)

MPERS (Continued)

RP-2000 Combined Healthy with Blue Collar Adjustment
 Sex Distinct Tables Projected to 2029 by Scale AA (set
 back 1 year for females) for healthy annuitants and
 beneficiaries.

Ad-hoc cost-of-living increases

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 increases not yet authorized by the Board of Trustees.

Experience study

Last performed for the period
 July 1, 2009 to June 30, 2014

Salary increases, including inflation and merit

<u>Years of Service</u>	<u>Salary Growth</u>
1-2	9.75%
3-23	4.75%
Over 23	4.25%

LASERS

Valuation Date

June 30, 2017

Actuarial cost method

Entry Age Normal

Inflation

2.75%

Mortality rates

Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.

Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement

Ad-hoc cost-of-living increases

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 projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Experience study

Last performed for the period
 July 1, 2009 to June 30, 2013

Salary increase range

<u>Lower Range</u>	<u>Upper Range</u>
2.8%	5.3%

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

8. Payables to the Pension Plan

At December 31, 2017, the City-Parish recorded total payables of \$4,074,617 to the CPERS (\$4,053,182) and CPERS-PGT (\$21,435) retirement plans.

b. Component Units

1. Capital Area Transit System Pension Plan

Employees of Capital Area Transit System (CATS) are members of the Capital Area Transit System Employees' Pension Trust Fund ("Plan"), a defined-benefit single employer pension plan. See separately issued financial statements for more detailed information and terms of the Plan. CATS's financial reports may be obtained by writing to: Capital Area Transit System, Conner Burns, Chief Financial Officer, 2250 Florida Boulevard, Baton Rouge, LA 70802-3125.

For the year ended December 31, 2017, the following amounts are recorded related to pensions:

Net pension asset	\$1,435,415
Deferred outflow for pensions	490,522
Deferred inflow for pensions	1,312,296
Pension expense	192,779

2. District Attorney of the Nineteenth Judicial District Defined-Benefit Pension Plans

The District Attorney is a participating employer in two cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) and the District Attorneys' Retirement System (DARS). See separately issued financial statements for more detailed information and terms of each plan. The DARS issues a publicly available financial report that includes financial statements and required supplementary information for the DARS. That report may be obtained by writing to the District Attorneys' Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 267-4824. See Note 7(a) for more detailed information and terms of the CPERS Plan.

For the year ended December 31, 2017, the following amounts are recorded related to pensions:

	<u>DARS</u>	<u>CPERS</u>	<u>Total</u>
Net pension liability	\$1,201,381	\$13,409,150	\$14,610,531
Deferred outflow for pensions	1,137,990	3,561,704	4,699,694
Deferred inflow for pensions	482,330	381,966	864,296
Pension expense	464,291	1,913,410	2,377,701

3. Nineteenth Judicial District Court Pension Plans

The Nineteenth Judicial District Court is a participating employer in three cost-sharing, multiple employer defined benefit pension plans administered by three public employee retirement systems, the Louisiana Clerks' of Court Retirement and Relief Fund (COC), the Louisiana School Employees' Retirement System (LSERS) and the Louisiana State Employees' Retirement System (LASERS). See separately issued financial statements for more detailed information and terms of each plan. The COC report may be obtained by writing to Clerks' of Court Retirement and Relief Fund, 10202 Jefferson Highway Building A, Baton Rouge, Louisiana 70809, or by calling (225)293-1162. The LSERS report may be obtained by writing to the Louisiana School Employees' Retirement System, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70804, or by calling (225) 925-6484. The LASERS report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 925-0185.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

3. Nineteenth Judicial District Court Pension Plans (Continued)

For the fiscal year ended June 30, 2017, the following amounts are recorded related to pensions:

	<u>COC</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
Net pension liability	\$4,998,373	\$100,004	\$11,611,568	\$16,709,945
Deferred outflow for pensions	1,646,011	35,009	3,273,279	4,954,299
Deferred inflow for pensions	403,802	9,531	338,250	751,583
Pension expense	647,995	14,211	1,828,836	2,491,042

4. East Baton Rouge Parish Family Court Defined-Benefit Pension Plan

The East Baton Rouge Parish Family Court is a participating employer in the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) cost-sharing defined benefit pension plan. See Note 7 (a) for more detailed information and terms of this plan.

For the year ended December 31, 2017, the following amounts are recorded related to pensions:

Net pension liability	\$2,263,810
Deferred outflow for pensions	612,541
Deferred inflow for pensions	265,445
Pension expense	82,522

5. East Baton Rouge Parish Juvenile Court Defined-Benefit Pension Plan

The East Baton Rouge Parish Juvenile Court is a participating employer in the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) cost-sharing defined benefit pension plan. See Note 7 (a) for more detailed information and terms of this plan.

For the year ended December 31, 2017, the following amounts are recorded related to pensions:

Net pension liability	\$2,333,603
Deferred outflow for pensions	619,404
Deferred inflow for pensions	234,321
Pension expense	171,755

6. East Baton Rouge Parish Clerk of Court Pension Plan

The East Baton Rouge Parish Clerk of Court is a participating employer in the Louisiana Clerks of Court Retirement and Relief Fund ("System"), a multiple-employer (cost-sharing), defined-benefit public employee retirement system (PERS). See separately issued financial statements for more detailed information and terms of the plan. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 10202 Jefferson Hwy, Building A, Baton Rouge, LA 70809.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

6. East Baton Rouge Parish Clerk of Court Pension Plan (Continued)

For the fiscal year ended June 30, 2017, the following amounts are recorded related to pensions:

Net pension liability	\$13,133,537
Deferred outflow for pensions	4,775,525
Deferred inflow for pensions	1,420,948
Pension expense	1,812,800

NOTE 8 - Other Postemployment Benefits (OPEB)

All classified and unclassified employees of the City-Parish primary government, and certain employees of the District Attorney of the Nineteenth Judicial District, the Nineteenth Judicial District Court, EBR Parish Family Court and EBR Parish Juvenile Court discretely presented component units may at their option participate in the employees' group life, health, and dental insurance programs sponsored by the government and administered by the City-Parish Human Resources Department along with outside third-party insurance providers or administrative agents. Both employee/retiree premiums and the employer contribution toward the premiums are set each year in the Metropolitan Council approved budget.

Plan description:

The City-Parish OPEB Plan is a single-employer defined benefit "substantive plan" as understood by past practices of the employer and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communications to plan members. The OPEB plan does not issue a stand-alone financial report.

Retirees may continue personal health and dental insurance coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972, and amended by Metropolitan Council Resolution 42912 adopted November 12, 2003. Based on current practices, upon retirement, a totally vested employee may continue his coverage paying the same premiums and receiving the same benefits as active employees.

The government pays the following percentages of the employer portion of scheduled premiums on employees hired after January 1, 2004.

<u>Years of Service</u>	<u>Vested Percentage</u>
Fewer than 10	25%
10-15 years	50%
15-20 year	75%
Over 20 years	100%

Current Funding policy:

The contribution requirements of the employees/retirees and the participating City-Parish employers are established in the annual operating budget and may be amended in subsequent years. During 2017, the dental plan was funded with employees and retirees contributing 48 percent of the dental premium and the City-Parish contributing 52 percent of the dental premium. One hundred percent of required premiums on the \$5,000 retiree life insurance policy is funded by the employer. The government's health plan is a self-insured program with a third party administrator. During 2017, employees and retirees contributed 11% - 40% of the annually adopted premium base, dependent on the type of coverage chosen and the number of family members covered. The government contributed the corresponding 60% - 89% of the premium base. Effective January 1, 2003, the employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB Plan.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 8 - Other Postemployment Benefits (OPEB) (Continued)

Current Funding policy (Continued):

The employer contribution to the OPEB plan for 2017 totaled \$21,837,746; or approximately 14.00% of gross payroll as approved by the Metropolitan Council in the 2017 operating budget. There is no retiree contribution to the OPEB plan other than the retiree share of health insurance premiums paid monthly which totaled \$7,534,007 for 2017. Approximately 3,500 active employees and 2,800 retirees along with applicable dependents were covered by the plan in 2017.

Annual OPEB Cost and Net OPEB Obligation:

The City-Parish's annual OPEB cost (expense) was calculated based on the *annual required contribution* of the employer (ARC), an amount actuarially determined in accordance with the parameters of Section P50 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over the actuarial amortization period. The ARC was calculated as part of the January 1, 2017, biannual actuarial valuation performed by an outside actuary consultant. The following table shows the components of the government's annual OPEB cost for the year and the amount actually contributed to the plan during the year:

	Governmental	Business-type	Total Primary	City-Parish Plan Component	Total
	<u>Activities</u>	<u>Activities</u>	<u>Government</u>	<u>Units</u>	<u>OPEB Plan</u>
Annual required contribution (ARC)	\$ 47,058,056	\$ 3,781,462	\$ 50,839,518	\$ 2,759,269	\$ 53,598,787
Interest on net OPEB obligation	16,510,035	1,326,703	17,836,738	968,072	18,804,810
Adjustment to ARC	<u>(16,403,099)</u>	<u>(1,318,110)</u>	<u>(17,721,209)</u>	<u>(961,802)</u>	<u>(18,683,011)</u>
Annual OPEB cost (expense)	47,164,992	3,790,055	50,955,047	2,765,539	53,720,586
Less: Contributions made	<u>(19,172,855)</u>	<u>(1,540,682)</u>	<u>(20,713,537)</u>	<u>(1,124,209)</u>	<u>(21,837,746)</u>
Increase in net OPEB obligation	27,992,137	2,249,373	30,241,510	1,641,330	31,882,840
Net OPEB obligation-beginning of year	<u>409,577,176</u>	<u>38,693,692</u>	<u>448,270,868</u>	<u>21,849,381</u>	<u>470,120,249</u>
Net OPEB obligation-end of year	<u>\$437,569,313</u>	<u>\$40,943,065</u>	<u>\$478,512,378</u>	<u>\$23,490,711</u>	<u>\$502,003,089</u>

The Primary Government's portion of the Plan's OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the preceding two years were as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Increase (Decrease) to net OPEB Obligation	Net OPEB Obligation
12/31/17	\$50,955,047	40.7%	\$30,241,510	\$478,512,378
12/31/16	66,197,225	33.2	44,191,281	448,270,868
12/31/15	66,152,850	33.2	44,232,713	404,079,587

Disclosure for those discretely presented component units listed at the beginning of this note and belonging to the City- Parish OPEB Plan were as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Increase (Decrease) to net OPEB Obligation	Net OPEB Obligation
12/31/17	\$2,765,539	40.7%	\$1,641,330	\$23,490,711
12/31/16	3,373,703	33.2	2,252,182	21,849,381
12/31/15	3,406,028	33.2	2,277,421	19,597,199

Funding status and funding progress:

As of January 1, 2017, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$831.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of

NOTE 8 - Other Postemployment Benefits (OPEB) (Continued)

Funding status and funding progress (Continued):

\$831.1 million. The ratio of UAAL to the covered payroll amount of \$173.2 million was 479.9 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision and actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members at that date. 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.

The projected unit credit actuarial cost method was used for the January 1, 2017, actuarial valuation. Because the government currently finances OPEB using a pay-as-you-go approach, the discount rate is based on the historical (and expected investments that are expected to be used in financing the payment of benefits). The actuarial assumptions included a four percent investment rate of return, compounded annually. Life expectancies were based on the Adjusted RP-2014 Healthy Annuitant Table with Mortality Improvement Scale MP-2017. Turnover rates were based on the government's historical data and modified based on years of employment. Probabilities of disability, retirement rates, and withdrawal rates are based on the government's historical data using probabilities from the government's retirement systems.

Both historical retiree claim costs and year 2017 retiree health insurance premiums were used as the basis for calculation of the present value of total benefits to be paid. In addition to a general inflation rate of 2.5 percent, the plan assumes a medical inflation rate of 7.0 percent beginning in 2017, decreasing to a rate of 4.0 percent in 2090. The actuarial valuation also assumes that (1) seventy-five to eighty-five percent of members are assumed to elect retiree medical coverage upon retirement; (2) female spouses are assumed to be three years younger than males; (3) fifty-five percent of employees are assumed to be married at retirement and elect spouse's coverage; (4) zero percent of employees will have dependent children at retirement; (5) one hundred percent of members will elect medicare coverage when they are first eligible; and (6) ten percent of participants hired prior to April 1, 1986, are assumed to be ineligible for medicare upon reaching age sixty-five. However, all spouses of retirees are assumed to be medicare eligible upon reaching age sixty-five.

The amortization method for the plan is a level percentage of payroll with a thirty-year open amortization. The expected long-term payroll growth rate was estimated at 3.0 percent, compounded annually. The remaining amortization period at January 1, 2017, was thirty years.

NOTE 9 - Risk Management

a. Types of Risk

The City-Parish is self-insured for unemployment compensation, workers' compensation, general liability, automobile liability, and police liability, including liability for probation officers and constables.

For fire and extended coverage, the City-Parish is self-insured for buildings and contents owned by the City-Parish with a combined value of less than \$1,000,000 and carries an insurance policy for losses with a combined \$1,000,000 deductible. There were no settlements that exceeded insurance coverage for the past three years.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 9 - Risk Management (Continued)

b. Accounting for Risk

In accordance with Section C50 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, the City-Parish accounts for and reports risk management activities in the General Fund within the constraints of the modified accrual basis of accounting.

Claims paid under the City-Parish self-insurance risk program are recorded as expenditures against the General Fund. Annual fees based on reduced market premiums are charged to special revenue funds and proprietary fund types, with corresponding credits to General Fund expenditures. Long-term obligations that are not expected to be liquidated with expendable available financial resources are reported in the Government-wide Statement of Net Position under governmental activities. In order to provide for a method of paying judgments and claims in a manner to permit reasonably current payments, encourage compromise, reduce or eliminate interest and court costs, and permit budgeting without risk of reducing funds needed for necessary services and programs, the City-Parish Metropolitan Council adopted a compromised judgements "only" policy on November 26, 2002. The policy was designed to minimize the effect of increasing judgements against the City of Baton Rouge and Parish of East Baton Rouge, to balance the claims of each individual against the needs of the public interest and common good of the parish, and to avoid overburdening the local economy and its taxpaying citizens with new or increased taxes that are already needed for essential programs and services.

There were no major changes in outside insurance coverage for the year ended December 31, 2017.

c. Contingent Liabilities - Claims and Judgments

The City-Parish is a defendant in various tort claims and lawsuits involving general liability, automobile liability, personnel suits, and contractual matters. Litigation and other claims against the City-Parish for which there is at least a reasonable possibility of loss are estimated by the Parish Attorney as of the balance sheet date.

The estimated amount of liability is based on current Louisiana laws and judgments rendered in similar matters. Paragraph 110 of Section C50 GASB *Codification of Governmental Accounting and Financial Reporting Standards*, requires the accrual of a loss contingency if it is probable that an asset has been impaired or a liability incurred, whether or not it has been reported, and that the amount of loss can be reasonably estimated. Claims liabilities are based on an estimated ultimate cost of settling the claims, considering the effects of inflation, recent claim settlement trends and other social and economic factors, including the effects of specific incremental claim adjustment expenses, salvage and subrogation.

An amount of \$31,005,777 has been recorded as a long-term obligation on the Government-wide Statement of Net Position for estimated claims and judgments for risk management purposes. Incremental claim costs account for approximately 2% of that total. Subject to the aforementioned policy, it is the government's practice to pay claims and judgments against the City-Parish from available financial resources of the General Fund.

As stated in Note 7, the City-Parish and its police officers participate in the Municipal Police Employee's Retirement System (MPERS) as required by statute. Employer and employee contributions to the System are based upon a percentage of earnable compensation. The City-Parish is involved in a dispute with MPERS, the local police union, and individual officers involving the pension benefits regarding overtime included in the earnable compensation, the contributions attributable to the overtime and the pension benefits accrued or attributable thereto. Suits have been filed but since dismissed, however, the matter remains unresolved. The parties are currently seeking a resolution to the matter that could involve state legislation, refunds of contributions, or alternative pension benefits. The ultimate outcome of this matter is unknown at this time.

d. Employee Benefits

The City-Parish maintains a premium plan for the group health program, providing medical and prescription drug coverage to those City-Parish employees/retirees who choose to participate. During 2017, the minimum premium plan was funded with employees and retirees contributing 11%-40% of the premium and the City-Parish contributing 60%-89% of the premium, dependent upon the number of family members covered.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 9 - Risk Management (Continued)

d. Employee Benefits (Continued)

The government's health plan is a self-insured program with a third party administrator. The government's share of the health premium in the self-insured program is charged to individual budget accounts. Claims paid by the government in excess of the premium base for any given year are covered 100% by the General Fund. Any surplus of premiums over claims within a single fiscal year are recognized as "transfers in" to the General Fund and increase fund balance committed for self-insurance purposes.

The value of self-insured claims incurred but not reported or paid as of December 31, 2017, for group health are estimated by the government's third party health care provider as follows:

Self-funded medical \$5,121,692

This amount has been included in the Government-wide Statement of Net Position for December 31, 2017.

e. Changes in Liabilities for Claims

The following is a reconciliation of changes in long-term claims payable for the years ended December 31, 2017, 2016, and 2015:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Claims and judgments payable:</u>			
Beginning balance	\$30,858,763	\$35,458,853	\$36,215,072
Additions:			
Claims incurred and new estimates	3,712,189	1,553,462	5,091,209
Deductions:			
Claims paid	(2,334,548)	(5,095,454)	(5,145,466)
Claims dismissed and changes in estimates	<u>(1,230,627)</u>	<u>(1,058,098)</u>	<u>(701,962)</u>
Ending balance	<u>\$ 31,005,777</u>	<u>\$ 30,858,763</u>	<u>\$ 35,458,853</u>
 <u>Employee benefits payable:</u>			
Beginning balance	\$ 5,493,789	\$ 5,151,535	\$ 4,888,440
Additions:			
Claims incurred	69,844,453	69,107,041	65,949,334
Deductions:			
Claims paid	<u>(70,216,550)</u>	<u>(68,764,787)</u>	<u>(65,686,239)</u>
Ending balance	<u>\$ 5,121,692</u>	<u>\$ 5,493,789</u>	<u>\$ 5,151,535</u>

f. Fund Balance Committed to Self-insurance purposes

The City-Parish Metropolitan Council maintains a practice of committing a portion of General Fund's fund balance for self-insurance purposes. The amount committed for insurance at December 31, 2017, was determined as follows:

Fund balance committed to self-insurance, January 1, 2017	\$37,765,363
Less: Appropriations from self-insurance commitment for risk management purposes	(2,302,712)
Plus: Self-insurance commitment increased for risk management surplus	5,924,381
Plus: Federal government subsidies for employee/retiree insurance purposes	851,830
Interest earned on designated funds during 2017	<u>401,116</u>
Insurance Commitment, December 31, 2017	<u>\$42,639,978</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt

a. Primary Government

1. Summary of Changes in Long-Term Debt

Following is a summary of changes in long-term debt for the primary government for year 2017:

	Balance			Balance	Due Within
	<u>1/1/17</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/17</u>	<u>One Year</u>
<u>Governmental Activities:</u>					
Excess revenue contracts, loans and notes	\$ 108,366,427	\$ --	\$ 6,266,885	\$ 102,099,542	\$ 6,267,629
Deferred premium on bonds	19,447,023	--	2,118,310	17,328,713	--
Revenue bonds payable, gross	199,700,000	--	11,880,000	187,820,000	11,985,000
Less: Intragovernment payable	(1,825,000)	--	(366,250)	(1,458,750)	(383,333)
Obligation payable (off-market swaps)	4,805,419	--	544,415	4,261,004	--
Derivative Instrument Liability	11,998,056	--	2,158,240	9,839,816	--
Compensated absences payable	29,561,075	7,350,731	6,194,652	30,717,154	11,947,533
Claims and judgments payable (Note 5 and 9)	32,150,412	3,712,189	3,995,725	31,866,876	1,228,439
Employee benefits payable (Note 9)	5,493,789	69,844,453	70,216,550	5,121,692	--
Net other postemployment benefit obligation	409,577,176	47,164,992	19,172,855	437,569,313	--
Net pension liability	<u>598,502,389</u>	<u>57,373,801</u>	<u>46,666,989</u>	<u>609,209,201</u>	<u>--</u>
Total governmental activities	<u>\$1,417,776,766</u>	<u>\$185,446,166</u>	<u>\$168,848,371</u>	<u>\$1,434,374,561</u>	<u>\$31,045,268</u>
<u>Business-Type Activities:</u>					
Excess revenue contracts, loans and notes	\$ 431,050,981	\$ --	\$ 1,750,500	\$ 429,300,481	\$ 755,481
Revenue bonds payable	985,166,025	7,642,462	13,082,000	979,726,487	14,021,000
Deferred premiums and discounts	51,004,010	--	2,808,831	48,195,179	--
Revenue bonds payable from City issues	1,825,000	--	366,250	1,458,750	383,333
Obligation payable (off-market swaps)	41,356,912	--	2,252,413	39,104,499	--
Derivative instrument liability	81,685,519	--	4,422,532	77,262,987	--
Contingent Liability	4,000,000	--	--	4,000,000	--
Landfill closure and postclosure care liability (Note 17)	16,367,691	762,569	--	17,130,260	--
Compensated absences payable	2,264,884	843,756	678,211	2,430,429	2,254,991
Net other postemployment benefit obligation	38,693,692	3,790,055	1,540,682	40,943,065	--
Net pension liability	<u>53,967,504</u>	<u>4,533,821</u>	<u>3,698,219</u>	<u>54,803,106</u>	<u>--</u>
Total business-type activities	<u>\$1,707,382,218</u>	<u>\$ 17,572,663</u>	<u>\$ 30,599,638</u>	<u>\$1,694,355,243</u>	<u>\$17,414,805</u>

Internal service funds serve predominantly the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$223,720 of compensated absences for internal service funds is included in the above amount. The compensated absences liability and net pension liability attributable to governmental activities has been liquidated primarily by the General Fund in prior years with any remainder liquidated in the governmental and internal service funds in which the liability occurred. Claims and judgments payable, employee benefits payable, and net other post-employment benefits obligation are liquidated by the General Fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

2. Schedule of Bonds Payable

The following is a schedule of bonds payable for the primary government at December 31, 2017:

	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Original Authorized and Issued</u>	<u>Outstanding</u>
Governmental Activities:					
<u>Excess revenue contracts, loans and notes</u>					
City of Baton Rouge:					
2012 Taxable Refunding	01/15-7/15	04/04/2012	01/15/2029	\$ 58,075,000	\$ 44,450,000
LA Community Development 2000A Program Visit Baton Rouge	Monthly	09/01/2007	11/30/2029	750,000	517,000
Parish of East Baton Rouge:					
LA Community Development Authority 1999	Monthly	08/11/1999	05/31/2018	1,500,000	71,429
LA Community Development 2000A Program	Monthly	09/01/2007	11/30/2029	264,713	206,113
2012 LCDA Road Improvements Project	02/01-08/01	03/01/2012	08/01/2030	33,585,000	25,370,000
2015 LCDA Road Improvements Project	02/01-08/01	04/09/2015	08/01/2030	<u>34,415,000</u>	<u>31,485,000</u>
Total excess revenue contracts, loans and notes				<u>128,589,713</u>	<u>102,099,542</u>
<u>Revenue bonds</u>					
City of Baton Rouge:					
2007A Public Improvement Sales Tax	02/01-08/01	03/28/2007	08/01/2018	30,395,000	190,000
2010B Public Improvement Sales Tax	02/01-08/01	09/28/2010	08/01/2026	19,045,000	11,975,000
Less: debt recorded in business- type activities				(3,840,000)	(1,458,750)
Parish of East Baton Rouge:					
Road and Street Improvement:					
2008A Sales Tax Bonds (Variable)	02/01-08/01	04/17/2008	08/01/2030	93,440,000	84,085,000
2009A Sales Tax Bonds	02/01-08/01	02/12/2009	08/01/2030	110,000,000	19,875,000
2015 Refunding Sales Tax Bonds	02/01-08/01	04/09/2015	08/01/2030	59,430,000	59,430,000
2013A Public Improvement Sales Tax	02/01-08/01	06/13/2013	02/01/2028	11,000,000	8,580,000
2014A Public Improvement Sales Tax	02/01-08/01	06/27/2014	02/01/2026	<u>4,600,000</u>	<u>3,685,000</u>
Total revenue bonds				<u>324,070,000</u>	<u>186,361,250</u>
Total governmental activities				<u>452,659,713</u>	<u>288,460,792</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

2. Schedule of Bonds Payable (Continued)

	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Original Authorized and Issued</u>	<u>Outstanding</u>
Business-Type Activities:					
<u>Excess revenue contracts, loans and notes</u>					
Parish of East Baton Rouge:					
LCDCA loan 1999 Program	Monthly	08/11/1999	05/31/2018	\$ 7,779,481	\$ 755,481
Sewerage Commission:					
2013A LCDCA Sewerage Commission Projects	02/01-08/01	05/09/2013	02/01/2048	126,260,000	126,260,000
2013B (LIBOR Index) LCDCA Sewerage Commission Projects	Monthly	05/10/2013	02/01/2049	92,500,000	92,500,000
2014A LCDCA Sewerage Commission Projects	02/01-08/01	04/10/2014	02/01/2044	<u>209,785,000</u>	<u>209,785,000</u>
Total excess revenue contracts, loans and notes				<u>436,324,481</u>	<u>429,300,481</u>
 <u>Revenue bonds</u>					
City of Baton Rouge:					
Airport:					
2008A-2 Public Improvement Sales Tax	02/01-08/01	01/24/2008	08/01/2037	47,205,000	740,000
2008B Public Improvement Sales Tax (Taxable)	02/01-08/01	01/24/2008	08/01/2022	9,505,000	3,900,000
2010A Public Improvement Sales Tax (GO Zone)	02/01-08/01	01/28/2010	08/01/2039	6,000,000	5,190,000
2016A-1 Public Improvement Sales Tax	02/01-08/01	04/28/2016	08/01/2037	40,765,000	40,765,000
2016A-2 Public Improvement Sales Tax (Taxable)	02/01-08/01	04/28/2016	08/01/2029	1,315,000	1,190,000
2016A-3 Public Improvement Sales Tax	02/01-08/01	04/28/2016	08/01/2041	4,915,000	4,785,000
Revenue bonds payable from City issues				3,840,000	1,458,750
Sewerage Commission:					
2010 Revenue Bonds (DEQ)	02/01-08/01	04/29/2010	02/01/2031	8,300,000	6,319,000
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	02/01-08/01	05/27/2010	02/01/2045	357,840,000	347,645,000
2011A Revenue Bonds (LIBOR Index)	Monthly	07/28/2011	02/01/2046	202,500,000	180,420,000
2013A Taxable Revenue Bonds (DEQ)	02/01-08/01	03/06/2013	02/01/2034	36,425,393	33,908,393
2013B Taxable Revenue Refunding Bonds	02/01-08/01	05/02/2013	02/01/2024	25,390,000	20,590,000
2014A Taxable Revenue Refunding Bonds	02/01-08/01	12/17/2014	02/01/2031	127,455,000	127,455,000
2014B Tax-Exempt Revenue Refunding Bonds	02/01-08/01	12/17/2014	02/01/2039	205,435,000	205,435,000
2015A Taxable Revenue Bonds (DEQ)	02/01-08/01	10/08/2015	02/01/2036	1,290,144	1,284,144
2016A Taxable Revenue Bonds (DEQ)	02/01-08/01	05/17/2016	02/01/2038	<u>99,950</u>	<u>99,950</u>
Total revenue bonds				<u>1,078,280,487</u>	<u>981,185,237</u>
Total business-type activities				<u>1,514,604,968</u>	<u>1,410,485,718</u>
Total all bonds, contracts, loans and notes				<u>\$1,967,264,681</u>	<u>\$1,698,946,510</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable

	Outstanding January 1, 2017	Issued	Retired	Outstanding December 31, 2017
Governmental Activities:				
<u>Excess revenue contracts, loans and notes</u>				
City of Baton Rouge:				
2012 Taxable Refunding	\$ 47,585,000	\$ --	\$ 3,135,000	\$ 44,450,000
LA Community Development 2000A Program				
Visit Baton Rouge	547,600	--	30,600	517,000
Parish of East Baton Rouge:				
LA Community Development Authority 1999	285,714	--	214,285	71,429
LA Community Development 2000A Program	218,113	--	12,000	206,113
2012 LCDA Road Improvements Project	26,765,000	--	1,395,000	25,370,000
2015 LCDA Road Improvements Project	32,965,000	--	1,480,000	31,485,000
Total excess revenue contracts, loans and notes	108,366,427	--	6,266,885	102,099,542
<u>Revenue bonds</u>				
City of Baton Rouge:				
2007A Public Improvement Sales Tax	720,000	--	530,000	190,000
2010B Public Improvement Sales Tax	13,245,000	--	1,270,000	11,975,000
Less: debt recorded in business- type activities	(1,825,000)	--	(366,250)	(1,458,750)
Parish of East Baton Rouge:				
Road and Street Improvement:				
2008A Sales Tax Bonds (Variable)	88,875,000	--	4,790,000	84,085,000
2009A Sales Tax Bonds	24,195,000	--	4,320,000	19,875,000
2015 Refunding Sales Tax Bonds	59,430,000	--	--	59,430,000
2013A Public Improvement Sales Tax	9,230,000	--	650,000	8,580,000
2014A Public Improvement Sales Tax	4,005,000	--	320,000	3,685,000
Total revenue bonds	197,875,000	--	11,513,750	186,361,250
Total governmental activities	306,241,427	--	17,780,635	288,460,792
Business-Type Activities:				
<u>Excess revenue contracts, loans and notes</u>				
Parish of East Baton Rouge:				
LCDA loan 1999 Program	2,505,981	--	1,750,500	755,481
Sewerage Commission:				
2013A LCDA Sewerage Commission Projects	126,260,000	--	--	126,260,000
2013B (LIBOR Index) LCDA Sewerage Commission Projects	92,500,000	--	--	92,500,000
2014A LCDA Sewerage Commission Projects	209,785,000	--	--	209,785,000
Total excess revenue contracts, loans and notes	431,050,981	--	1,750,500	429,300,481

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable (Continued)

	Outstanding January 1, 2017	Issued	Retired	Outstanding December 31, 2017
Business-Type Activities: (Continued)				
<u>Revenue bonds</u>				
City of Baton Rouge:				
2008A-2 Public Improvement Sales Tax	\$ 1,455,000	\$ --	\$ 715,000	\$ 740,000
2008B Public Improvement Sales Tax (Taxable)	4,615,000	--	715,000	3,900,000
2010A Public Improvement Sales Tax (GO Zone)	5,335,000	--	145,000	5,190,000
2016A-1 Public Improvement Sales Tax	40,765,000	--	--	40,765,000
2016A-2 Public Improvement Sales Tax (Taxable)	1,275,000	--	85,000	1,190,000
2016A-3 Public Improvement Sales Tax	4,915,000	--	130,000	4,785,000
Revenue bonds payable from City issues	1,825,000	--	366,250	1,458,750
Sewerage Commission:				
2010 Revenue Bonds (DEQ)	6,765,000	--	446,000	6,319,000
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	350,605,000	--	2,960,000	347,645,000
2011A Revenue Bonds (LIBOR Index)	184,505,000	--	4,085,000	180,420,000
2013A Taxable Revenue Bonds (DEQ)	28,900,128	6,488,265	1,480,000	33,908,393
2013B Taxable Revenue Refunding Bonds	22,905,000	--	2,315,000	20,590,000
2014A Taxable Revenue Refunding Bonds	127,455,000	--	--	127,455,000
2014B Tax-Exempt Revenue Refunding Bonds	205,435,000	--	--	205,435,000
2015A Taxable Revenue Bonds (DEQ)	135,947	1,154,197	6,000	1,284,144
2016A Taxable Revenue Bonds (DEQ)	99,950	--	--	99,950
Total revenue bonds	<u>986,991,025</u>	<u>7,642,462</u>	<u>13,448,250</u>	<u>981,185,237</u>
Total business-type activities	<u>1,418,042,006</u>	<u>7,642,462</u>	<u>15,198,750</u>	<u>1,410,485,718</u>
Total all bonds, contracts, loans and notes	<u>\$1,724,283,433</u>	<u>\$7,642,462</u>	<u>\$32,979,385</u>	<u>\$1,698,946,510</u>

4. Interest Requirements to Maturity

The following is a summary of bonded debt at December 31, 2017, and interest requirements to maturity:

	Debt Payable 12/31/2017	Interest Requirements to Maturity	Total
Governmental Activities:			
<u>Excess revenue contracts, loans and notes</u>			
City of Baton Rouge:			
2012 Taxable Refunding	\$ 44,450,000	\$ 11,456,197	\$ 55,906,197
LA Community Development 2000A Program			
Visit Baton Rouge	517,000	95,855	612,855
Parish of East Baton Rouge:			
LA Community Development 1999 Program	71,429	388	71,817
LA Community Development 2000A Program	206,113	38,215	244,328
2012 LCDA Road Improvements Project	25,370,000	8,750,275	34,120,275
2015 LCDA Road Improvements Project	<u>31,485,000</u>	<u>12,439,000</u>	<u>43,924,000</u>
Total excess revenue contracts, loans and notes	<u>102,099,542</u>	<u>32,779,930</u>	<u>134,879,472</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

4. Interest Requirements to Maturity (Continued)

	<u>Debt Payable</u> <u>12/31/2017</u>	<u>Interest</u> <u>Requirements</u> <u>to Maturity</u>	<u>Total</u>
Governmental Activities: (Continued)			
<u>Revenue bonds</u>			
City of Baton Rouge:			
2007A Public Improvement Sales Tax (3.82%)*	\$ 190,000	\$ 7,600	\$ 197,600
2010B Public Improvement Sales Tax (3.02%)*	11,975,000	2,000,487	13,975,487
Less: Debt recorded in business-type activities	(1,458,750)	(122,896)	(1,581,646)
Parish of East Baton Rouge:			
Road and Street Improvement:			
2008A Sales Tax Bonds (Variable)	84,085,000	28,159,418	112,244,418
2009A Sales Tax Bonds (4.83%)*	19,875,000	2,657,600	22,532,600
2015 Refunding Sales Tax Bonds (3.10%)*	59,430,000	27,794,250	87,224,250
2013A Public Improvement Sales Tax	8,580,000	1,039,460	9,619,460
2014A Public Improvement Sales Tax	<u>3,685,000</u>	<u>396,550</u>	<u>4,081,550</u>
Total revenue bonds	<u>186,361,250</u>	<u>61,932,469</u>	<u>248,293,719</u>
Total governmental activities	<u>288,460,792</u>	<u>94,712,399</u>	<u>383,173,191</u>
Business-Type Activities:			
<u>Excess revenue contracts, loans and notes</u>			
Parish of East Baton Rouge:			
LCDA loan 1999 Program	755,481	4,943	760,424
East Baton Rouge Sewerage Commission:			
2013A LCDA Sewerage Commission Projects	126,260,000	146,595,050	272,855,050
2013B (LIBOR Index) Sewerage Commission Projects	92,500,000	125,792,738	218,292,738
2014A LCDA Sewerage Commission Projects	<u>209,785,000</u>	<u>191,802,656</u>	<u>401,587,656</u>
Total excess revenue contracts, loans and notes	<u>429,300,481</u>	<u>464,195,387</u>	<u>893,495,868</u>
<u>Revenue bonds</u>			
City of Baton Rouge:			
2008A-2 Public Improvement Sales Tax (4.59%)*	740,000	29,600	769,600
2008B Public Improvement Sales Tax (Taxable) (4.59%)*	3,900,000	634,150	4,534,150
2010A Public Improvement Sales Tax (GO Zone) (4.36%)*	5,190,000	2,962,888	8,152,888
2016A-1 Public Improvement Sales Tax (2.86%)*	40,765,000	21,725,400	62,490,400
2016A-2 Public Improvement Sales Tax (Taxable) (2.92%)*	1,190,000	238,707	1,428,707
2016A-3 Public Improvement Sales Tax (2.97%)*	4,785,000	2,122,081	6,907,081
Revenue bonds payable from City issues	1,458,750	122,896	1,581,646
Sewerage Commission:			
2010 Revenue Bonds (DEQ)	6,319,000	203,438	6,522,438
2010B Revenue Bonds (Taxable Direct Pay			
Build America Bonds) (3.94%)*	347,645,000	436,693,575	784,338,575
2011A Revenue Bonds (LIBOR Index) (Variable)	180,420,000	127,809,434	308,229,434
2013A Taxable Revenue Bonds (DEQ)	33,908,393	1,333,421	35,241,814
2013B Taxable Revenue Refunding Bonds (2.54%)*	20,590,000	2,147,223	22,737,223
2014A Taxable Revenue Refunding Bonds (3.57%)*	127,455,000	37,959,626	165,414,626
2014B Tax-Exempt Revenue Refunding Bonds (3.76%)*	205,435,000	158,084,675	363,519,675
2015A Taxable Revenue Bonds (DEQ)	1,284,144	55,924	1,340,068
2016A Taxable Revenue Bonds (DEQ)	<u>99,950</u>	<u>4,950</u>	<u>104,900</u>
Total revenue bonds	<u>981,185,237</u>	<u>792,127,988</u>	<u>1,773,313,225</u>
Total business-type activities	<u>1,410,485,718</u>	<u>1,256,323,375</u>	<u>2,666,809,093</u>
Total all bonds, contracts, loans and notes	<u>\$1,698,946,510</u>	<u>\$1,351,035,774</u>	<u>\$3,049,982,284</u>

* True interest cost (TIC)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

5. Debt Service Requirements to Maturity

The annual requirements to amortize all bonded debt outstanding, including principal and interest, are as follows:

Governmental Activities:							
<u>Year</u>	<u>Excess Revenue Contracts, Loans and Notes</u>			<u>Revenue Bonds</u>			<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Governmental</u>
							<u>Activities</u>
2018	\$ 6,267,629	\$ 4,369,143	\$ 10,636,772	\$ 11,601,667	\$ 8,435,407	\$ 20,037,074	\$ 30,673,846
2019	6,447,100	4,147,792	10,594,892	11,933,750	7,907,023	19,840,773	30,435,665
2020	6,709,600	3,900,567	10,610,167	12,514,583	7,359,307	19,873,890	30,484,057
2021	7,047,500	3,632,346	10,679,846	13,236,250	6,776,921	20,013,171	30,693,017
2022	7,405,000	3,340,696	10,745,696	13,625,000	6,186,055	19,811,055	30,556,751
2023-2027	42,779,100	11,482,407	54,261,507	76,015,000	21,147,800	97,162,800	151,424,307
2028-2030	25,443,613	1,906,979	27,350,592	47,435,000	4,119,956	51,554,956	78,905,548
Total	<u>\$102,099,542</u>	<u>\$32,779,930</u>	<u>\$134,879,472</u>	<u>\$ 186,361,250</u>	<u>\$ 61,932,469</u>	<u>\$ 248,293,719</u>	<u>\$ 383,173,191</u>

Business-Type Activities:							
<u>Year</u>	<u>Excess Revenue Contracts, Loans and Notes</u>			<u>Revenue Bonds</u>			<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Business-Type</u>
							<u>Activities</u>
2018	\$ 755,481	\$ 20,245,168	\$ 21,000,649	\$ 14,404,333	\$ 46,053,116	\$ 60,457,449	\$ 81,458,098
2019	--	20,240,225	20,240,225	20,105,250	45,501,238	65,606,488	85,846,713
2020	--	20,240,225	20,240,225	23,845,417	44,778,631	68,624,048	88,864,273
2021	--	20,240,225	20,240,225	27,496,750	43,900,428	71,397,178	91,637,403
2022	--	20,240,225	20,240,225	29,367,000	42,890,095	72,257,095	92,497,320
2023-2027	19,905,000	99,741,500	119,646,500	152,296,000	196,968,964	349,264,964	468,911,464
2028-2032	40,575,000	91,355,500	131,930,500	171,947,000	163,318,145	335,265,145	467,195,645
2033-2037	75,300,000	76,557,671	151,857,671	180,018,537	122,803,628	302,822,165	454,679,836
2038-2042	88,435,000	57,883,985	146,318,985	209,709,950	72,092,040	281,801,990	428,120,975
2043-2047	126,730,000	34,629,051	161,359,051	151,995,000	13,821,703	165,816,703	327,175,754
2048-2049	77,600,000	2,821,612	80,421,612	--	--	--	80,421,612
Total	<u>\$429,300,481</u>	<u>\$464,195,387</u>	<u>\$893,495,868</u>	<u>\$981,185,237</u>	<u>\$792,127,988</u>	<u>\$1,773,313,225</u>	<u>\$2,666,809,093</u>

6. Future Year Obligations

Principal and interest requirements of various bond issues for the year 2018 are as follows:

Governmental Activities:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Excess revenue contracts, loans and notes</u>			<u>Requirements</u>
City of Baton Rouge:			
2012 Taxable Refunding	\$ 3,130,000	\$ 1,588,518	\$ 4,718,518
LA Community Development 2000A Program			
Visit Baton Rouge	33,200	14,104	47,304
Parish of East Baton Rouge:			
LA Community Development 1999 Program	71,429	388	71,817
LA Community Development 2000A Program	13,000	5,627	18,627
2012 LCDA Road Improvements Project	1,440,000	1,186,256	2,626,256
2015 LCDA Road Improvements Project	<u>1,580,000</u>	<u>1,574,250</u>	<u>3,154,250</u>
Total excess revenue contracts, loans and notes	<u>6,267,629</u>	<u>4,369,143</u>	<u>10,636,772</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

6. Future Year Obligations (Continued)

Governmental Activities (Continued):	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
<u>Revenue bonds</u>			
City of Baton Rouge:			
2007A Public Improvement Sales Tax	\$ 190,000	\$ 7,600	\$ 197,600
2010B Public Improvement Sales Tax	1,325,000	420,313	1,745,313
Less: Debt recorded in business-type activities	(383,333)	(54,000)	(437,333)
Parish of East Baton Rouge:			
Road and Street Improvement:			
2008A Sales Tax Bonds (Variable)	4,990,000	3,835,134	8,825,134
2009A Sales Tax Bonds	4,475,000	1,004,100	5,479,100
2015 Refunding Sales Tax Bonds	--	2,971,500	2,971,500
2013A Public Improvement Sales Tax	670,000	172,320	842,320
2014A Public Improvement Sales Tax	335,000	78,440	413,440
Total revenue bonds	<u>11,601,667</u>	<u>8,435,407</u>	<u>20,037,074</u>
Total governmental activities	<u>17,869,296</u>	<u>12,804,550</u>	<u>30,673,846</u>
 Business-Type Activities:			
<u>Excess revenue contracts, loans and notes</u>			
Parish of East Baton Rouge:			
LCDA loan 1999 Program	755,481	4,943	760,424
Sewerage Commission:			
2013A LCDA Sewerage Commission Projects	--	5,734,100	5,734,100
2013B (LIBOR Index) LCDA Sewerage Commission Projects	--	4,185,625	4,185,625
2014A LCDA Sewerage Commission Projects	--	<u>10,320,500</u>	<u>10,320,500</u>
Total excess revenue contracts, loans and notes	<u>755,481</u>	<u>20,245,168</u>	<u>21,000,649</u>
 <u>Revenue bonds</u>			
City of Baton Rouge:			
2008A-2 Public Improvement Sales Tax	740,000	29,600	769,600
2008B Public Improvement Sales Tax (Taxable)	755,000	214,500	969,500
2010A Public Improvement Sales Tax (GO Zone)	155,000	218,144	373,144
2016A-1 Public Improvement Sales Tax	--	1,725,987	1,725,987
2016A-2 Public Improvement Sales Tax (Taxable)	85,000	30,900	115,900
2016A-3 Public Improvement Sales Tax	130,000	157,537	287,537
Plus: Revenue bonds payable from City issues	383,333	54,000	437,333
Sewerage Commission:			
2010 Revenue Bonds (DEQ)	424,000	27,482	451,482
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	3,270,000	20,601,372	23,871,372
2011A Revenue Bonds (LIBOR Index)	4,265,000	8,080,017	12,345,017
2013A Taxable Revenue Bonds (DEQ)	1,800,000	148,538	1,948,538
2013B Taxable Revenue Refunding Bonds	2,335,000	480,991	2,815,991
2014A Taxable Revenue Refunding Bonds	--	4,306,813	4,306,813
2014B Tax-Exempt Revenue Refunding Bonds	--	9,971,750	9,971,750
2015A Taxable Revenue Bonds (DEQ)	62,000	5,035	67,035
2016A Taxable Revenue Bonds (DEQ)	--	450	450
Total revenue bonds	<u>14,404,333</u>	<u>46,053,116</u>	<u>60,457,449</u>
Total business-type activities	<u>15,159,814</u>	<u>66,298,284</u>	<u>81,458,098</u>
Total all bonds, contracts, loans and notes	<u>\$33,029,110</u>	<u>\$79,102,834</u>	<u>\$112,131,944</u>

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

7. Legal Debt Margin - General Obligation Bonds

Computation of legal debt margin for general obligation bonds payable from ad valorem tax is as follows:

Governing Authority: City of Baton Rouge

Ad valorem taxes:

Assessed valuation, 2017 tax rolls	<u>\$2,028,576,303</u>
Debt limit: 10% of assessed valuation (for any one purpose)	\$ 202,857,630
Debt limit: 15% of assessed valuation (for sewerage purposes)	304,286,445
Debt limit: 35% of assessed valuation (aggregate, all purposes)	710,001,706

There are no outstanding bonds secured by ad valorem taxes of the City of Baton Rouge at this time.

Governing Authority: Parish of East Baton Rouge

Ad valorem taxes:

Assessed valuation, 2017 tax rolls	<u>\$4,866,291,241</u>
Debt limit: 10% of assessed valuation (for any one purpose)	\$ 486,629,124
Debt limit: 15% of assessed valuation (for sewerage purposes)	729,943,686

There are no outstanding bonds secured by ad valorem taxes of the Parish of East Baton Rouge at this time.

Governing Authority: East Baton Rouge Sewerage Commission

Ad valorem taxes:

Assessed valuation, 2017 tax rolls	<u>\$4,866,291,241</u>
Debt limit: 15% of assessed valuation (for sewerage purposes)	\$ 729,943,686

There are no outstanding bonds secured by ad valorem taxes of the East Baton Rouge Sewerage Commission at this time.

The Louisiana Constitution gives East Baton Rouge Parish, any municipal corporation in the parish and any sewerage district in the parish the power to incur debt and issue bonds for sewerage purposes up to a maximum of 15% of the assessed valuation of the taxable property in such subdivision. Louisiana Revised Statutes limit the Parish's bonded debt for other purposes to 10% of the assessed valuation of the taxable property for one purpose and 35% for all purposes.

Excess revenue contracts, loans and notes are secured by the excess of any general property tax and other revenues that were levied for operation of the General Fund. They are payable through excess revenues of the General Fund budget and required approval by the Louisiana State Bond Commission. The debt obligations are issued on the authority of the Metropolitan Council and do not require a referendum from taxpayers.

8. 2% Sales Tax Revenue Bonds

The City of Baton Rouge and the Parish of East Baton Rouge, each levy a two percent sales and use tax on goods and services within their respective taxing districts. Since 1989, both the City of Baton Rouge and the Parish of East Baton Rouge have authorized the issuance of Public Improvement Sales Tax Revenue Bonds secured by this sales tax for the purpose of constructing and improving public facilities, advance refunding outstanding parity bond issues when market rates made it advantageous, providing a debt service reserve when required, for each respective issue, and paying the issuance costs thereof.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

8. 2% Sales Tax Revenue Bonds (Continued)

Act No. 328 of the 1988 Regular Session of the Louisiana Legislature, House Bill No. 1599, Section 8(a) imposes a limit on the debt service obligations that can be outstanding of 40% of the gross avails of the sales and use tax for both the city and the parish 2% sales and use tax. The legal debt calculation as of December 31, 2017, is as follows:

	City	Parish
Actual 2017 Revenues	<u>\$111,609,360</u>	<u>\$ 85,913,983</u>
Debt Capacity Before Outstanding Bonds (40%)	44,643,744	34,365,593
Less: Highest Annual Debt Service on Outstanding Bonds	<u>(6,531,235)</u>	<u>(1,396,499)</u>
Debt Capacity	\$ 38,112,509	\$ 32,969,094
Interest factor for \$1 of debt, 5.0%, 25 years	0.070952457	0.070952457
Additional Bond Capacity (25 Years at 5.5%)	<u>\$537,155,591</u>	<u>\$464,664,585</u>

These bonds are paid through the City Sales Tax Revenue Bonds Debt Service Fund and the Parish Sales Tax Revenue Bonds Debt Service Fund. Sinking fund payments are made monthly with bond interest and/or principal payments due February 1 and August 1 of each year. As of December 31, 2017, the following issues are outstanding:

<u>Bond Issue</u>	<u>Outstanding 12/31/2017</u>	<u>Primary Purpose of Issue</u>
City of Baton Rouge:		
<u>Governmental type activities:</u>		
\$30,395,000; Series 2007A	\$ 190,000	Current and advance refunding parity bond issues
\$19,045,000; Series 2010B	11,975,000	Advance refunding parity bond issue
<u>Business type activities:</u>		
\$47,205,000; Series 2008A-2	740,000	Provide and restructure prior District Indebtedness
\$ 9,505,000; Series 2008B	3,900,000	Provide and restructure prior District Indebtedness
\$ 6,000,000; Series 2010A (GO Zone)	5,190,000	Provide capital improvement funds for airport projects
\$40,765,000; Series 2016A-1	40,765,000	Advance refunding parity bond issue
\$ 1,315,000; Series 2016A-2	1,190,000	Current refunding parity bond issues
\$ 4,915,000; Series 2016A-3	<u>4,785,000</u>	Provide capital improvement funds for airport projects
Total	<u>\$68,735,000</u>	
Parish of East Baton Rouge:		
<u>Governmental type activities:</u>		
\$11,000,000; Series 2013A	\$ 8,580,000	Provide funds for a Public Safety Complex
\$ 4,600,000; Series 2014A	<u>3,685,000</u>	Provide funds for a Public Safety Complex renovation
	<u>\$12,265,000</u>	

All of the above sales tax revenue bonds issued by the City of Baton Rouge and Parish of East Baton Rouge are complete parity bonds and are secured by the net revenues from the respective entity's two percent sales and use tax. The business type activity bonds are recorded in the Greater Baton Rouge Airport District Enterprise Fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

9. ½% Road and Street Sales Tax Revenue Bonds

On October 15, 2005, East Baton Rouge Parish voters approved a 23 year extension of the one-half percent sales and use tax, previously set to expire on December 31, 2007, specifically for the purpose of public road and street repair within East Baton Rouge Parish. The Parish of East Baton Rouge is authorized to issue debt secured by this additional one-half percent road and street sales tax for the purpose of building new roads and widening existing roads, advance refunding outstanding parity bond issues when market rates make it advantageous, providing a debt service reserve when required, for each respective issue, and paying the issuance costs thereof.

Louisiana Revised Statute 39:1430(A) requires that the annual debt service payments for revenue bonds secured by sales tax revenues may not be in excess of seventy-five percent (75%) for the sales tax revenues estimated by the governing authority to be received by it in the calendar year in which the bonds are issued.

Anticipated revenues based on 2018 annual operating budget	<u>\$29,976,230</u>
Debt Capacity Before Outstanding Bonds (75%)	22,482,173
Less: Highest Annual Debt Service on Outstanding Bonds	<u>16,970,747</u>
Debt Capacity	\$ 5,511,426
Interest factor for \$1 of debt, 5.00%, 13 years	0.106455765
Additional Bond Capacity (13 Years at 5.00%)	<u>\$51,771,982</u>
Sales Tax Revenues (Remaining 25%)	<u>\$ 7,494,057</u>
Less: 2018 Subordinate Lien Debt	<u>5,780,506</u>
Balance Available for Capital Improvement Programs	<u><u>\$ 1,713,551</u></u>

<u>Bond Issue</u>	<u>Outstanding 12/31/2017</u>	<u>Primary Purpose of Issue</u>
Parish of East Baton Rouge:		
Road and Street Sales Tax Revenue Bonds:		
Senior Lien:		
\$ 93,440,000; Series 2008A	\$ 84,085,000	Road and Street Capital Improvements Program
\$110,000,000; Series 2009A	19,875,000	Road and Street Capital Improvements Program
\$ 59,430,000; Series 2015	<u>59,430,000</u>	Advance refunding parity bond issue
Total	<u><u>\$163,390,000</u></u>	
Subordinate Lien:		
\$ 33,585,000; Series 2012 LCDA	\$ 25,370,000	Road and Street Capital Improvements Program
\$ 34,415,000; Series 2015 LCDA	<u>31,485,000</u>	Road and Street Capital Improvements Program
Total	<u><u>\$ 56,855,000</u></u>	

Highest Annual Debt Service on Outstanding Bonds was calculated using the fixed SWAP rate for the 2008A Variable Rate Bonds.

10. East Baton Rouge Sewerage Commission Bonds

In April 1988, the general electorate authorized an additional parish-wide one-half percent sales and use tax specifically for sewerage purposes. The Parish of East Baton Rouge is authorized to issue debt secured by this additional one-half percent sewer sales tax for the purpose of constructing sewerage related capital improvements, advance refunding outstanding parity bond issues when market rates make it advantageous, providing a debt service reserve for each respective issue, and paying the issuance costs thereof.

In the Fifth Amendatory Intergovernmental Agreement between the City of Baton Rouge, the Parish of East Baton Rouge, and the Greater Baton Rouge Consolidated Sewerage district, the Parish pledged the Sales Tax Revenues as security for and

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

10. East Baton Rouge Sewerage Commission Bonds (Continued)

for the payment of debt service on the revenue bonds to be issued by the East Baton Rouge Sewerage Commission under the Agreement.

Louisiana Revised Statute 39:1430(A) requires that the annual debt service of revenue bonds secured by sales tax revenues may not be in excess of seventy-five percent (75%) of the amount of sales tax revenues estimated by the governing authority to be received by it in the calendar year in which the bonds are issued, plus additional funds made available from Sewer User Fees.

Anticipated sales tax revenues based on 2018 annual operating budget	\$ 46,135,700
Debt Capacity Before Outstanding Senior Lien Bonds (75%)	34,601,775
Less: Sales Tax Collection Costs (based on 2018 budget)	<u>(500,000)</u>
Sales Tax Revenue Pledged for E.B.R. Sewerage Commission Revenue Bonds	\$ 34,101,775
Budgeted 2018 Sewer User Fees and Other Revenues	86,378,600
Adjustment through 2024 for 4% annual rate increase which continues in perpetuity	19,371,754
Less: Operating and Maintenance Expense	<u>(52,102,530)</u>
Debt Capacity Before Outstanding Bonds	87,749,599
Highest Annual Debt Service on Outstanding Senior Lien Bonds (Net of Build America Bonds Direct Subsidy Payment)	<u>(61,935,221)</u>
Debt Capacity	\$ 25,814,378
Interest factor for \$1 of debt, 4.5%, 35 year	0.057270448
Additional Senior Lien Bond Capacity (35 Years at 4.5%)	<u>\$450,745,173</u>
Additional Sales Tax Revenues available for Subordinate Lien Debt (Remaining 25%)	\$ 11,533,925
Debt Capacity available after satisfying Senior Lien Bonds	25,814,378
2018 Debt Service on Outstanding Subordinate Lien Debt (Net of Capitalized Interest)	<u>(20,887,725)</u>
Balance Available for Capital Improvement Programs	<u>\$ 16,460,578</u>

<u>Bond Issue</u>	<u>Outstanding 12/31/2017</u>	<u>Primary Purpose of Issue</u>
East Baton Rouge Sewerage Commission:		
Senior Lien:		
\$ 8,300,000; Series 2010 DEQ	6,319,000	Sewerage Capital Improvements Program
\$357,840,000; Series 2010B BABs	347,645,000	Sewerage Capital Improvements Program
\$202,500,000; Series 2011A (LIBOR Index)	180,420,000	Sewerage Capital Improvements Program
\$ 45,000,000; Series 2013A DEQ	33,908,393	Sewerage Capital Improvements Program
\$ 25,390,000; Series 2013B	20,590,000	Sewerage Capital Improvements Program
\$127,455,000; Series 2014A	127,455,000	Sewerage Capital Improvements Program
\$205,435,000; Series 2014B	205,435,000	Sewerage Capital Improvements Program
\$ 20,000,000; Series 2015A DEQ	1,284,144	Sewerage Capital Improvements Program
\$ 12,000,000; Series 2016A DEQ	99,950	Sewerage Capital Improvements Program
Total	<u>\$923,156,487</u>	
Subordinate Lien:		
\$126,260,000; Series 2013A LCDA	126,260,000	Sewerage Capital Improvements Program
\$ 92,500,000; Series 2013B LCDA(LIBOR Index)	92,500,000	Sewerage Capital Improvements Program
\$209,785,000; Series 2014A LCDA	<u>209,785,000</u>	Sewerage Capital Improvements Program
	<u>\$428,545,000</u>	

11. Derivative Instruments

Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, requires derivative instruments (such as interest rate swap agreements) to be reported at fair value in the financial statements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

As of December 31, 2017, the swap agreements can be summarized as follows:

	<u>Changes in Fair Value</u>		<u>Fair Value at December 31, 2017 *</u>		<u>Notional</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
<u>Governmental Activities:</u>					
Cash Flow Hedges:					
Pay-fixed; receive variable interest rate swaps	Deferred outflows on derivative instruments	\$ (2,158,240)	Non-current liability	\$ (14,100,820)	\$ 83,045,000
	Amortization of off-market swap	(544,415)			
<u>Business-Type Activities:</u>					
Cash Flow Hedges:					
Pay-fixed; receive variable interest rate swaps	Deferred outflows on derivative instruments	(4,422,532)	Derivative instrument liability	(77,262,987)	272,920,000
	Amortization of off-market swap	(2,252,413)	Obligation Payable	(39,104,499)	

* Fair value at December 31, 2017, was determined by an independent third party using Level 2 inputs, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Terms and Objectives of Hedging Derivative Instruments

<u>Type</u>	<u>Notional</u>	<u>Objective</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating*</u>
<u>Governmental Activities:</u>						
Cash Flow Hedges:						
Pay-fixed; receive variable interest rate swap	\$41,522,500	to lower borrowing costs on the Rd & Str Series 2006 Bonds	5/3/2006	8/1/2030	Pay 4.072%; Receive 70% of 1 month USD-LIBOR	A1 / A+ / A+
Pay-fixed; receive variable interest rate swap	41,522,500	to lower borrowing costs on the Rd & Str Series 2006 Bonds	5/3/2006	8/1/2030	Pay 4.072%; Receive 70% of 1-month USD-LIBOR	Aa3 / A+ / A+
<u>Business-Type Activities:</u>						
Cash Flow Hedge:						
Pay-fixed; receive variable interest rate swap	92,500,000	to lower borrowing costs on the Series 2011A East Baton Rouge Sewerage Commission (LIBOR Index) Bonds	8/1/2011	2/1/2046	Pay 4.149%; Receive 70% of 1-month USD-LIBOR	Aa3 / A+ / A+
Pay-fixed; receive variable interest rate swap	92,500,000	to protect against the potential of higher future interest rates in connection with anticipated issuance of bonds	8/1/2013	2/1/2049	Pay 4.525%; Receive 70% of 1-month USD-LIBOR	Baa2 / A- / BBB+
Pay-fixed; receive variable interest rate swap	87,920,000	to lower borrowing costs on the Series 2011A East Baton Rouge Sewerage Commission (LIBOR Index) Bonds	8/1/2011	2/1/2032	Pay 4.945%; Receive 70% of 1-month USD-LIBOR	Baa2 / A- / BBB+

*Credit ratings - Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

a. Governmental Activities

Multiple Pay-Fixed, Receive-Variable Interest Rate Swap Agreements effective May 3, 2006

As a means to lower the Parish's borrowing costs, when compared against fixed-rate bonds at the time of issuance in May 2006, the Parish entered into two separate but substantially identical interest rate swaps with Citibank, N.A., New York (\$46,120,000 notional amount) and Merrill Lynch Capital Services, Inc. (\$46,120,000 notional amount) (collectively, the "Counterparties") in connection with its \$92,240,000 Variable Rate Road and Street Improvement Sales Tax Revenue Bonds, Series 2006B. The intention of the swap agreements was to effectively change the Parish's interest rate on the 2006B Bonds to a synthetic fixed rate of 4.072%, excluding liquidity, remarketing, and other fees associated with the Bonds. Under the terms of the swap agreements effective May 3, 2006, the Parish pays a fixed rate of 4.072% and the Swap Counterparties will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA. Financial Guaranty Insurance Company (FGIC) provided a municipal bond insurance policy for the Series 2006B Bonds. FGIC was downgraded by the rating agencies and, as a result, the variable interest rate on the Series 2006B Bonds increased significantly and was at a rate that was unacceptable to the Parish. To remedy the situation, the Parish decided to replace FGIC with a letter of credit. The only way to affect the change in the municipal bond insurer was to issue refunding bonds. On April 17, 2008, the Parish of East Baton Rouge issued \$93,440,000 Variable Rate Road and Street Improvement Sales Tax Revenue Refunding Bonds, Series 2008A to current refund the Parish's Road and Street Improvement Sales Tax Revenue Bonds, Series 2006B. The Swap Agreements entered into to hedge exposure to variable interest rates on the Series 2006B Bonds, remained in place and were amended to relate to the Series 2008A Bonds. GASB 53 guidance requires that this transaction be treated and reported as a termination of the original swaps and the execution of new swaps. The new swaps are considered off-market swaps because the fixed rate of each swap is higher than the at-the-market rate for a similar swap on the date of the deemed termination. The off-market swaps consist of an imputed at-the-market swap with Citibank at a fixed rate of 3.325%, an imputed at-the-market swap with Merrill Lynch at a fixed rate of 3.253% and above-market swaps with each counterparty. The above-market swaps are treated as imputed borrowings and accrue interest over the life of the swaps. The imputed borrowing amount for each swap is equal to the fair value of the swap on the date of the deemed termination of the original swap. The remaining balance of the Series 2008A Bonds, specifically \$1,200,000 will not be hedged by the Swap Agreements. The bonds and the related swap agreements mature on August 1, 2030. Settlement payments on these swaps are made semiannually corresponding with the interest payment dates of the related bonds. As of December 31, 2017, the swaps had a combined negative fair value of \$14,100,820. This mark-to-market valuation was established by market quotations obtained by the Counterparties and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2017, the Parish determined that these swaps successfully meet the criteria for effectiveness. Accordingly, the fair value of the swaps are recorded as non-current liability and the change in fair value is recorded as deferred outflows on derivative instruments and a reduction in the off-market swap recorded as a non-current liability, both on the entity-wide Statement of Net Position.

As of December 31, 2017, the Parish was not exposed to credit risk on the swaps because the swaps had negative fair value. However, should interest rates change and the fair values of the swaps become positive, the Parish would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreements require collateral to be posted in varying amounts depending on the counterparties credit rating. No collateral has been required to date.

The Parish will receive from the counterparties 70% of one-month USD-LIBOR-BBA and will pay the bond rate to its bondholders set by the remarketing agent. The Parish is exposed to basis risk when its Series 2008A Bonds trade at a yield which exceeds 70% of one-month USD-LIBOR-BBA. At December 31, 2017, the variable rate on the bonds was 1.70% and 70% of one-month USD-LIBOR-BBA was 1.09%. When the Series 2008A Bonds trade higher than 70% of one-month USD-LIBOR-BBA, the Parish will experience an increase in debt service above the fixed rate on the swap agreements.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
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EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

a. Governmental Activities (Continued)

Multiple Pay-Fixed, Receive-Variable Interest Rate Swap Agreements effective May 3, 2006 (Continued)

The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, including but not limited to failure to pay, bankruptcy, and rating downgrade. Either party may terminate the swap if the other party fails to perform under the terms of the contract. If either swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Parish would be liable to the counterparty for a payment equal to the swap's fair value.

Using interest rates as of December 31, 2017, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending December 31	Variable-Rate Bonds		Citibank	Merrill Lynch	Total
	Principal	Interest*	Interest Rate Swap, Net**	Interest Rate Swap, Net***	
2018	\$ 4,990,000	\$ 1,393,886	\$ 897,204	\$ 868,044	\$ 8,149,134
2019	5,200,000	1,307,560	841,855	814,495	8,163,910
2020	5,445,000	1,220,855	782,909	757,429	8,206,193
2021	5,645,000	1,123,424	723,677	700,158	8,192,259
2022	5,865,000	1,025,891	661,028	639,545	8,191,464
2023 - 2027	33,365,000	3,517,102	2,265,812	2,192,156	41,340,070
2028 - 2030	<u>23,575,000</u>	<u>645,872</u>	<u>416,501</u>	<u>402,963</u>	<u>25,040,336</u>
Total	<u>\$84,085,000</u>	<u>\$10,234,590</u>	<u>\$6,588,986</u>	<u>\$6,374,790</u>	<u>\$107,283,366</u>

* Computed using 12/31/17 variable rate (1.70%)

** Computed using (imputed fixed swap rate (3.325%) - 70% of 12/31/17 LIBOR (1.09%)) x (\$46,120,000 - annual reduction)

*** Computed using (imputed fixed swap rate (3.253%) - 70% of 12/31/17 LIBOR (1.09%)) x (\$46,120,000 - annual reduction)

The imputed borrowings, required by GASB Statement No. 53, associated with the refunding in 2008, resulted in an obligation payable listed as a non-current liability on the entity-wide Statement of Net Position for governmental activities. Scheduled maturities and interest on the imputed borrowings are as follows:

Fiscal Year Ending December 31	Imputed borrowing Citibank		Imputed borrowing Merrill Lynch		Total
	Principal	Interest	Principal	Interest	
2018	\$ 264,173	\$ 46,000	\$ 259,758	\$80,310	\$ 650,241
2019	251,708	40,126	249,555	70,409	611,798
2020	238,172	34,540	238,085	60,911	571,708
2021	223,409	29,264	225,158	51,869	529,700
2022	207,561	24,327	210,900	43,338	486,126
2023 - 2027	754,170	61,313	783,489	110,593	1,709,565
2028 - 2030	<u>171,240</u>	<u>5,532</u>	<u>183,626</u>	<u>10,191</u>	<u>370,589</u>
	<u>\$2,110,433</u>	<u>\$241,102</u>	<u>\$2,150,571</u>	<u>\$427,621</u>	<u>\$4,929,727</u>

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities

1. Multiple Pay-Fixed, Receive-Variable Interest Rate Swap Agreements effective August 1, 2011

In order to protect against the potential of higher future interest rates, the Parish entered into \$110,000,000 notional amount interest rate swaps dated July 26, 2006. The Parish determined that it would not issue variable rate obligations and decided to transfer by novation to the East Baton Rouge Sewerage Commission all rights, liabilities, duties, and obligations of the Parish under and in respect of the original hedge agreement. On August 27, 2009, the Parish, the East Baton Rouge Sewerage Commission and Deutsche Bank (the "Counterparty") entered into a novation agreement to remove the Parish as the hedge counterparty. The resulting agreement between the East Baton Rouge Sewerage Commission and Deutsche Bank has an effective date of August 1, 2011, and a maturity date of August 1, 2032. Under the terms of the swap agreement the Sewerage Commission will pay a fixed rate of 4.945% and the counterparty will pay a variable rate based upon an index of 70% of three-month USD-LIBOR-BBA. GASB Statement No. 53 guidance required that this transaction be treated and reported as a hybrid instrument consisting of an imputed at-the-market swap and a borrowing equal to the fair value of the swap on the date of the novation.

On July 28, 2011, the Sewerage Commission issued \$202,500,000 Revenue Bonds Series 2011A (LIBOR Index). The Deutsche Bank swap agreement will provide for the payment of a synthetic fixed rate with respect to \$110,000,000 of the Series 2011A Bonds. On August 17, 2011, the agreement with Deutsche Bank was revised to correspond with the terms of the Series 2011A Bonds. The counterparty will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA and the maturity date was moved from August 1, 2032, to February 1, 2032. GASB Statement No. 53 guidance requires that this transaction be treated and reported as a termination of the original swap and the execution of a new swap. The new swap is considered an off-market swap because the fixed rate of the swap is higher than the at-the-market rate for a similar swap on the date of the deemed termination. The off-market swap consists of an imputed at-the-market swap at a fixed rate of 2.332%, and an above-market swap. The above market swap is treated as an imputed borrowing and accrues interest over the life of the swap. The imputed borrowing amount is equal to the fair value of the swap on the date of the deemed termination of the original swap. Settlement payments on the swap are made semiannually corresponding with the semiannual payments on the related bonds.

As of December 31, 2017, the swap had a negative fair value of \$21,980,217. This mark-to-market valuation was established by market quotations obtained by the counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2017, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. The change in fair value is recorded as deferred outflows on derivative instruments on the Statement of Net Position for the Comprehensive Sewerage System Fund. The fair value of the swap is reported as derivative instrument liability and obligation payable on the Statement of Net Position for the Comprehensive Sewerage System.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

1. Multiple Pay-Fixed, Receive-Variable Interest Rate Swap Agreements effective August 1, 2011 (Continued)

In order to protect against the potential of higher interest rates, the East Baton Rouge Sewerage Commission entered into a \$92,500,000 notional amount interest rate swap with Merrill Lynch Capital Services, Inc. dated July 26, 2006. On April 21, 2011, Merrill Lynch transferred by novation to Bank of America, National Association (the "Counterparty"), all the rights, liabilities, duties and obligations under and in respect of the original hedge agreement creating a new agreement with identical terms. Under the terms of the swap agreement, the Commission will pay a fixed rate of 4.149% and the swap counterparty will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA.

On July 28, 2011, the Sewerage Commission issued \$202,500,000 Revenue Bonds Series 2011A (LIBOR Index). The Deutsche Bank swap agreement previously mentioned will provide for the payment of a synthetic fixed rate with respect to \$110,000,000 of these bonds and the Bank of America swap agreement will provide for the payment of a synthetic fixed rate with respect to the remaining \$92,500,000 of the Series 2011A Bonds. The notional amounts of the Bank of America swap correspond with the maturity schedule of the Bonds with a final maturity date of February 1, 2046. Settlement payments on the swap are made semiannually corresponding with the semiannual payments on the related bonds.

As of December 31, 2017, this swap had a negative fair value of \$38,298,094. This mark to market valuation was established by market quotations obtained by the counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2017, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. Accordingly, the Comprehensive Sewerage System Fund reports the change in fair value as deferred outflows on derivative instruments on the Statement of Net Position. The fair value of the swap is reported as derivative instrument liability on the Statement of Net Position for the Comprehensive Sewerage System.

As of December 31, 2017, the Sewerage Commission was not exposed to credit risk on these swaps because the swaps each had negative fair value. However, should interest rates change and the fair value of the swaps become positive, the Sewerage Commission would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreements require collateral to be posted in varying amounts depending on the counterparties credit rating. At December 31, 2017, collateral of \$5,000,000 and \$25,000,000 was posted with Deutsche Bank and Bank of America Merrill Lynch.

Since the Sewerage Commission will receive from the counterparties 70% of one-month USD-LIBOR-BBA and will pay 70% of one-month LIBOR plus a fixed spread to its bondholders, there is no basis risk associated with these transactions.

The derivative contracts use the International Swap Dealers Association Master Agreement, which includes standard termination events, including but not limited to failure to pay, bankruptcy, and rating downgrade. Either party may terminate the swap if the other party fails to perform under the terms of the contract. If either swap is terminated, the anticipated variable-rate bonds would not carry a synthetic fixed interest rate. Also, if at the time of termination the swap has a negative fair value, the Sewerage Commission would be liable to the counterparty for a payment equal to the swap's fair value.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

1. Multiple Pay-Fixed, Receive-Variable Interest Rate Swap Agreements effective August 1, 2011 (Continued)

Using interest rates as of December 31, 2017, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending December 31	Variable-Rate Bonds		Deutsche Interest Rate Swap, Net**	Bank of America Interest Rate Swap, Net***	Total
	Principal	Interest*			
2018	\$ 4,265,000	\$ 2,814,788	\$1,076,406	\$ 2,811,234	\$ 10,967,428
2019	4,450,000	2,744,078	1,024,362	2,811,234	11,029,674
2020	4,645,000	2,677,570	967,793	2,808,421	11,098,784
2021	4,850,000	2,593,210	913,381	2,811,234	11,167,825
2022	5,060,000	2,512,806	854,197	2,811,234	11,238,237
2023 - 2027	28,860,000	11,234,326	3,286,698	14,053,357	57,434,381
2028 - 2032	35,790,000	8,623,439	1,454,161	15,969,457	61,837,057
2033 - 2037	13,915,000	7,067,164	--	16,802,081	37,784,245
2038 - 2042	40,120,000	4,454,736	--	11,221,159	55,795,895
2043 - 2046	<u>38,465,000</u>	<u>1,004,083</u>	<u>--</u>	<u>3,119,208</u>	<u>42,588,291</u>
Total	<u>\$180,420,000</u>	<u>\$45,726,200</u>	<u>\$9,576,998</u>	<u>\$75,218,619</u>	<u>\$310,941,817</u>

* Computed using (70% of 12/31/17 LIBOR (1.09%) + fixed spread of 0.50%)

** Computed using (imputed fixed swap rate (2.332%) - 70% of 12/31/17 LIBOR (1.09%)) x (\$110,000,000 - annual reduction)

*** Computed using (fixed swap rate (4.149%) - 70% of 12/31/17 LIBOR (1.09%)) x (\$92,500,000 - annual reduction)

The imputed borrowing with Deutsche Bank, required by GASB Statement No. 53, associated with the deemed termination in August 2011, is recorded as an obligation payable on the Statement of Net Position for the Comprehensive Sewerage System Fund. Scheduled maturities and interest on the imputed borrowing is as follows:

Fiscal Year Ending December 31	Imputed borrowing Deutsche Bank		
	Principal	Interest	Total
2018	\$ 1,864,909	\$ 376,717	\$ 2,241,626
2019	1,793,518	334,247	2,127,765
2020	1,715,484	293,456	2,008,940
2021	1,630,390	254,497	1,884,887
2022	1,537,877	217,536	1,755,413
2023 - 2027	6,010,440	615,868	6,626,308
2028 - 2032	<u>2,314,869</u>	<u>103,462</u>	<u>2,418,331</u>
	<u>\$16,867,487</u>	<u>\$2,195,783</u>	<u>\$19,063,270</u>

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

2. Pay-Fixed, Receive-Variable Interest Rate Forward Swap Agreements effective August 1, 2013

In order to protect against the potential of higher future interest rates in connection with its anticipated issuance of Variable Rate debt, the East Baton Rouge Sewerage Commission entered into an interest rate swap with Citibank, N.A., New York (\$92,500,000 notional amount) dated July 26, 2006. The intention of the swap agreement was to effectively change the Commission's interest rate on future variable rate debt to a synthetic fixed rate. The anticipated debt is expected to be structured with a maturity date which corresponds with the related swap agreements. The notional amount of the swap was structured to correspond with the anticipated maturity schedule of the future debt. Settlement payments on the swap will be made semiannually corresponding with the interest payment dates of the related debt.

On July 27, 2011, the Sewerage Commission, Citibank and Deutsche Bank entered into a novation agreement to remove Citibank as the hedge counterparty. The resulting agreement between the Sewerage Commission and Deutsche Bank has an effective date of August 1, 2013, and a maturity date of February 1, 2049. Deutsche Bank paid a novation fee to Citibank on behalf of the Sewerage Commission of \$21,920,000. Under the terms of the swap agreement the Sewerage Commission will pay a fixed rate of 4.525% and the counterparty will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA. GASB Statement No. 53 guidance requires that this transaction be treated and reported as a hybrid instrument consisting of an imputed at-the-market swap and a borrowing equal to the \$21,920,000 payment made on behalf of the Commission. The imputed borrowing accrues interest over the life of the swap.

On May 9, 2013, the Sewerage Commission issued \$92,500,000 Subordinate Lien Revenue Bonds (EBROSCO Projects), Series 2013B (LIBOR Index). The Deutsche Bank swap agreement will provide for the payment of a synthetic fixed rate with respect to the Series 2013B Bonds. The notional payments of the Deutsche Bank swap correspond with the maturity schedule of the bonds with a final maturity date of February 1, 2049. Settlement payments on the swap are made semiannually corresponding with the semiannual payments on the related bonds.

As of December 31, 2017, the swap had a negative fair value of \$56,089,175. This mark-to-market valuation was established by market quotations obtained by the Counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2017, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. The change in fair value is recorded as deferred outflows on derivative instruments on the Statement of Net Position for the Comprehensive Sewerage System Fund. The fair value of the swap is reported as derivative instrument liability and obligation payable on the Statement of Net Position for the Comprehensive Sewerage System Fund.

As of December 31, 2017, the Commission was not exposed to credit risk on the swap because the swap had negative fair value. However, should interest rates change and the fair value of the swap become positive, the Commission would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreement requires collateral to be posted in varying amounts depending on the counterparties credit rating. At December 31, 2017, collateral of \$40,500,000 was posted with Deutsche Bank.

The Commission will receive from the counterparties 70% of one-month USD-LIBOR-BBA and will pay a variable rate on its future debt. The Commission will be exposed to basis risk when its future variable rate debt trades at a yield which exceeds 70% of one-month USD-LIBOR-BBA. Should the future debt trade higher than 70% of one-month USD-LIBOR-BBA, the Commission will experience an increase in debt service above the fixed rate on the forward swap agreement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

2. Pay-Fixed, Receive-Variable Interest Rate Forward Swap Agreements effective August 1, 2013 (Continued)

The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, including but not limited to failure to pay, bankruptcy, and rating downgrade. Either party may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the anticipated variable-rate debt would not carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Commission would be liable to the counterparty for a payment equal to the swap's fair value.

Using interest rates as of December 31, 2017, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

<u>Year Ending</u> <u>December 31</u>	<u>Variable-Rate Bonds</u>		<u>Deutsche</u> <u>Interest Rate</u> <u>Swap, Net**</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest*</u>		
2018	\$ --	\$ 1,660,028	\$ 1,741,934	\$ 3,401,962
2019	--	1,660,028	1,741,934	3,401,962
2020	--	1,664,576	1,739,121	3,403,697
2021	--	1,660,028	1,741,934	3,401,962
2022	--	1,660,028	1,741,934	3,401,962
2023 - 2027	--	8,304,689	8,706,857	17,011,546
2028 - 2032	--	8,309,237	8,704,045	17,013,282
2033 - 2037	--	8,304,689	10,552,541	18,857,230
2038 - 2042	--	8,304,689	11,013,962	19,318,651
2043 - 2047	21,660,000	7,188,969	10,174,694	39,023,663
2048 - 2049	<u>70,840,000</u>	<u>516,739</u>	<u>1,382,533</u>	<u>72,739,272</u>
Total	<u>\$92,500,000</u>	<u>\$49,233,700</u>	<u>\$59,241,489</u>	<u>\$200,975,189</u>

* Computed using (70% of 12/31/17 LIBOR (1.09%) + fixed spread of 0.70%)

** Computed using (imputed fixed swap rate (2.993%) - 70% of 12/31/17 LIBOR (1.09%)) x (\$92,500,000 - annual reduction)

The imputed borrowing with Deutsche Bank, required by GASB Statement No. 53, associated with the novation in July 2011, is recorded as an obligation payable on the Statement of Net Position for the Comprehensive Sewerage System Fund. Scheduled maturities and interest on the imputed borrowing is as follows:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

2. Pay-Fixed, Receive-Variable Interest Rate Forward Swap Agreements effective August 1, 2013 (Continued)

Fiscal Year Ending <u>December 31</u>	Imputed borrowing Deutsche Bank		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 338,305	\$ 1,078,795	\$ 1,417,100
2019	354,979	1,062,121	1,417,100
2020	372,476	1,044,624	1,417,100
2021	390,835	1,026,265	1,417,100
2022	410,099	1,007,001	1,417,100
2023 - 2027	2,374,375	4,711,125	7,085,500
2028 - 2032	3,020,129	4,065,371	7,085,500
2033 - 2037	3,841,508	3,243,992	7,085,500
2038 - 2042	4,886,279	2,199,221	7,085,500
2043 - 2047	5,532,033	882,527	6,414,560
2048 - 2049	715,993	30,779	746,772
	<u>\$22,237,011</u>	<u>\$20,351,821</u>	<u>\$42,588,832</u>

The difference between the non-current obligation payable recorded in the Statement of Net Position for the Sewerage Commission and the combined total of the amounts reflected in the two Deutsche Bank borrowing schedules is caused by interest on the borrowing associated with the forward swap, prior to the swap's planned execution. Prior to the execution of the swap, interest on the imputed borrowing increases the obligation payable.

12. Obligations of Intragovernmental Agencies

The City and the Parish have issued debt to fund certain enterprise operations on the strength of its general operating 2% sales tax revenues. In turn, the Greater Baton Rouge Airport District signed promissory notes to the General Fund to repay the debt service. The following obligations are recorded in proprietary funds in the government-wide and fund basic financial statements. An adjustment for the outstanding debt is shown as a reduction of governmental activities long-term debt in the government-wide financial statements.

Greater Baton Rouge Airport District - 2001 Passenger Facility Charge Obligation

The Greater Baton Rouge Airport District is obligated under an Amended Intergovernmental Contract dated August 1, 2001, and the restated Passenger Facility Charge (PFC) Note of \$3,840,000 to make semi-annual payments to the City General Fund through August 2021. Total principal paid on the restated note, prior to 2017 was \$2,015,000. In 2017, a principal payment of \$366,250 reduced the obligation payable to \$1,458,750. Scheduled maturities and interest are as follows:

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Obligations of Intragovernmental Agencies (Continued)

Greater Baton Rouge Airport District - 2001 Passenger Facility Charge Obligation (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 383,333	\$ 54,000	\$ 437,333
2019	401,250	38,667	439,917
2020	420,417	22,617	443,034
2021	<u>253,750</u>	<u>7,612</u>	<u>261,362</u>
Total	<u>\$1,458,750</u>	<u>\$122,896</u>	<u>\$1,581,646</u>

13. Louisiana Community Development Authority Loans (LCDA)

Chapter 10-D of Title 33 of the Louisiana Revised Statutes created the Louisiana Community Development Authority for the purpose of assisting political subdivisions of the state. The LCDA issues long-term bonds and then loans the proceeds to local governments for acquiring, financing and constructing certain infrastructure facilities of local government and other economic development projects.

1. The interest rate on the City's and the Parish's LCDA loans fluctuate weekly with changes in the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. Principal and interest payments on all loans are paid monthly.

a. 1999 Program:

In 1999, the Metropolitan Council authorized the Parish to execute a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "LCDA").

In 2011, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Lighthouse for the Blind, in order to purchase property for a paper cup manufacturing and training facility. A total of \$1,500,000 has been loaned to the Parish at December 31, 2017. A total of \$1,428,571 has been repaid, leaving an outstanding debt balance of \$71,429. Future debt service is budgeted over a 1 year period at 2.61%. This loan is serviced by the Excess Revenue and Limited Tax Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. The Lighthouse for the Blind is reimbursing the City for a portion of these debt payments.

In 2012, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Baton Rouge River Center, in order to provide funding for the construction of the River Center Expansion Project. A total of \$6,279,481 has been loaned to the Parish at December 31, 2017. A total of \$5,774,500 has been repaid, leaving an outstanding debt balance of \$504,981. Future debt service is budgeted over a 1 year period at 2.61%. This loan is serviced and recorded in the Baton Rouge River Center Nonmajor Enterprise Fund.

In 2012, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Baton Rouge River Center, in order to provide funding for the Riverfront Master Plan Project. A total of \$1,500,000 has been loaned to the Parish at December 31, 2017. A total of \$1,249,500 has been repaid, leaving an outstanding debt balance of \$250,500. Future debt service is budgeted over a 1 year period at 2.61%. This loan is serviced and recorded in the Baton Rouge River Center Nonmajor Enterprise Fund.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

13. Louisiana Community Development Authority Loans (LCDA) (Continued)

1. City and the Parish LCDA loans (Continued)

b. 2000A Program:

In 2008, the City borrowed additional funds on the 2000A LCDA program to provide funds to Visit Baton Rouge, in order to finance the costs of renovating, equipping and improving the new headquarters building. A total of \$750,000 has been loaned to the City at December 31, 2017. A total of \$233,000 has been repaid, leaving an outstanding debt balance of \$517,000. Future debt service is budgeted over a 12 year period at 2.81%. This loan is serviced by the Excess Revenue and Limited Tax Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. Visit Baton Rouge is reimbursing the City for these debt payments.

In 2012, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Pride Fire Protection District, in order to purchase a fire truck and related equipment. A total of \$264,713 has been loaned to the Parish at December 31, 2017. A total of \$58,600 has been repaid, leaving an outstanding debt balance of \$206,113. Future debt service is budgeted over a 12 year period at 2.81%. This loan is serviced by the Pride Fire Protection District Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position.

2. In 2012, LCDA issued \$33,585,000 Revenue Bonds (Parish of East Baton Rouge Road Improvements Project). The proceeds of the bonds were loaned by LCDA to the Parish of East Baton Rouge pursuant to a Loan Agreement, to finance the construction of new public roads and streets and/or the widening of existing public roads and streets within the Parish. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of seventy percent (70%) of the net proceeds of the ½% Road and Street Sales Tax. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish. This loan is serviced by the LCDA Road and Street Improvement Project Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. As of December 31, 2017, \$8,215,000 has been repaid, leaving an outstanding debt balance of \$25,370,000.

3. In 2013, LCDA issued \$126,260,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2013A. The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage Commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund capitalized interest on the bonds and a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. This loan is serviced and recorded in the Comprehensive Sewerage System Fund. As of December 31, 2017, the outstanding debt balance is \$126,260,000.

4. In 2013, LCDA issued \$92,500,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2013B (LIBOR Index). The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage Commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. This loan is serviced and recorded in the Comprehensive Sewerage System Fund. As of December 31, 2017, the outstanding debt balance is \$92,500,000.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

13. Louisiana Community Development Authority Loans (LCDA) (Continued)

5. In 2014, LCDA issued \$209,785,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2014A. The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. This loan is serviced and recorded in the comprehensive Sewerage System Fund. As of December 31, 2017, the outstanding debt balance is \$209,785,000.
6. In 2015, LCDA issued \$34,415,000 Revenue Bonds (Parish of East Baton Rouge Road Improvements Project), Series 2015. The proceeds of the bonds were loaned by LCDA to the Parish of East Baton Rouge pursuant to a Loan Agreement, to finance the construction of new public roads and streets and/or the widening of existing public roads and streets within the Parish. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of seventy percent (70%) of the net proceeds of the ½% Road and Street Sales Tax. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish. This loan is serviced by the LCDA Road and Street Improvement Project Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. As of December 31, 2017, a total of \$2,930,000 has been repaid, leaving an outstanding debt balance of \$31,485,000.

14. Build America Bonds

On May 27, 2010, the East Baton Rouge Sewerage Commission issued Series 2010B (Taxable Direct Pay Build America) Bonds in the amount of \$357,840,000 as a combination of serial and term bonds that mature on February 1 of each year beginning 2015, through 2045, with interest from 2.973 - 6.087 percent. The Commission has elected to treat the Series 2010B Bonds as "Build America Bonds" and has further elected to receive cash subsidy payments from the United States Department of the Treasury. The Commission expects to receive cash subsidy payments directly from the U.S. Department of the Treasury in an amount equal to thirty-five percent (35%) of the interest paid on the Series 2010B Bonds. Federal Subsidy on debt of \$6,746,560 is recognized in 2017, on the Statement of Revenues, Expenses, and Changes in Fund Net Position for the Sewerage Commission.

Due to Federal Government sequestration in March 2013, the Office of Management and Budget reduced the federal subsidy on certain qualified bonds including Build America Bonds. Refund payments processed after October 1, 2016, were reduced by 6.9%, and refund payments after October 1, 2017, were reduced by 6.6%. The sequestration reduction rate is subject to change. The current sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester.

15. Governmental Funds Taxable Bonds

In 2000, the City of Baton Rouge entered into a merger agreement with the State Municipal Police Employees' Retirement System (MPERS) effective February 26, 2000. The City offered a voluntary transfer to City law enforcement employees that qualified to enter into the State system. The City signed a long-term note with MPERS in the amount of \$72,738,769. The 30 year note amount represented 60% of the initial merger liability for transferred police officer MPERS retirement benefits on February 26, 2000. The note bore interest at 7% per annum. Principal and interest were payable on the first day of each calendar quarter. During 2002, the note was entirely retired by the following two transactions.

On May 17, 2002, the City of Baton Rouge issued variable rate taxable bonds in the amount of \$25,900,000, to refund one-third of the MPERS Note and to retire \$1,840,463 of an outstanding legal judgment attributable to the City-Parish Employees Retirement System (CPERS). These variable-rate bonds were converted to a fixed rate in accordance with provisions

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

15. Governmental Funds Taxable Bonds (Continued)

provided in the original issue on March 6, 2003. The fixed-rate bonds were payable at a true interest cost of 5.65% over a 27 year period with final maturity on January 15, 2029. The debt service was funded in the Taxable Refunding Bonds Debt Service Fund budget via transfers from the General Fund.

On October 1, 2002, the City of Baton Rouge issued \$47,550,000 in fixed rate taxable bonds with a true interest cost of 5.73% to refund the remaining two-thirds of the MPERS note. These fixed rate taxable bonds were payable at a net interest cost of 5.73% over a 27 year period with final maturity on January 15, 2029. The debt service was funded in the Taxable Refunding Bonds Debt Service Fund budget via transfers from the General Fund.

Prior-Year Refunding-Governmental Activities:

On April 4, 2012, the City of Baton Rouge issued \$58,075,000 Taxable Refunding Bonds, Series 2012 for the purpose of advance refunding the Series 2002A and Series 2002B Taxable Bonds maturing January 15, 2018 through 2029 and paying the costs of issuance. The Bonds were issued as a combination of serial and term bonds that mature on July 15, 2012, and January 15 of each year beginning 2013 through 2029 with interest from 0.42 - 4.57 percent. As a result of the refunding, the City-Parish recognized a deferred loss on refunding of \$4,711,175 on the entity-wide financial statements. As of December 31, 2017, \$2,394,665 of the Deferred amount on refunding was amortized (\$384,407 in 2017 and \$2,010,258 in prior years), resulting in a deferred amount on refunding of \$2,316,510 on the entity-wide statement of net position for governmental activities as of December 31, 2017.

16. Prior Year Refundings - Advance Refundings

On May 14, 2009, the Parish of East Baton Rouge issued \$164,965,000 of Revenue Bonds (East Baton Rouge Sewerage Commission) Series 2009A to provide sufficient funds to finance a portion of the cost of upgrading, rehabilitating, extending and improving the sewer system. During 2014, the Parish defeased the maturities from February 1, 2016, through February 1, 2039, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2017, \$160,230,000 of Sewerage Commission Series 2009A Bonds Outstanding are considered defeased.

On February 12, 2009, the Parish of East Baton Rouge issued \$110,000,000 of Road and Street Improvement Sales Tax Revenue Bonds, Series 2009A to provide sufficient funds to finance the costs of widening existing public roads and streets, and/or the construction of new public roads and streets. During 2015, the Parish defeased the maturities from August 1, 2022, through August 1, 2030, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the new escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2017, \$59,695,000 of Road and Street Series 2009A Bonds Outstanding are considered defeased.

On January 24, 2008, the City of Baton Rouge issued \$47,205,000 of Public Improvement Sales Tax Revenue and Refunding Bonds, Series 2008A-2 to make improvements to the Baton Rouge Metropolitan Airport and refinance and restructure prior District indebtedness. During 2016, the City defeased the maturities from August 1, 2019, through August 1, 2037, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2017, \$42,610,000 of Public Improvement Sales Tax Revenue and Refunding Bonds, Series 2008A-2 Bonds Outstanding are considered defeased.

17. Bonds of Other Governmental Units

Bonds of the East Baton Rouge Consolidated School District and the City of Zachary are obligations of other governmental units located within the limits of the Parish of East Baton Rouge. These bonds are not included in these financial statements because they are not obligations of this governmental unit.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

17. Bonds of Other Governmental Units (Continued)

Bonds of the Recreation and Park Commission and the Hospital Service District No. 1 are obligations of City-Parish related organizations; however, neither the City of Baton Rouge nor East Baton Rouge Parish holds responsibility for the debt of these entities.

East 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 East Baton Rouge Parish 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, East Baton Rouge Parish does not have any potential liability with respect to the bonds of the port.

18. Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of the Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of Treasury for City-Parish issues at December 31, 2017.

19. Conduit Debt Obligations

The Parish and Parish 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 revenues 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, the Parish of East Baton Rouge, or the City of Baton Rouge. As of December 31, 2017, there were five conduit bond obligations outstanding, with an aggregate principal amount payable of approximately \$600,000,000.

20. Lease Commitments

City-Parish current operating leases are primarily rental agreements for land or office space. The City-Parish does not have any operating leases with scheduled rent increases. Operating lease payments during 2017 totaled \$580,526. Total future minimum rental payments of \$258,860 are due in 2018.

b. Component Units Long-Term Debt

A summary of the long-term obligations for component units of the City-Parish is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due within one year
<u>District Attorney of the Nineteenth Judicial District</u>					
Net other postemployment benefit obligation	\$ 8,788,909	\$ 1,281,463	\$ 520,923	\$ 9,549,449	\$ --
Net pension liability	<u>13,256,592</u>	<u>2,281,525</u>	<u>927,586</u>	<u>14,610,531</u>	<u>--</u>
Total	<u>22,045,501</u>	<u>3,562,988</u>	<u>1,448,509</u>	<u>24,159,980</u>	<u>--</u>
<u>Nineteenth Judicial District Court</u>					
Compensated absences payable	575,312	--	121,284	454,028	41,782
Net other postemployment benefit obligation	8,360,794	1,420,428	472,193	9,309,029	--
Net pension liability	<u>13,148,608</u>	<u>4,992,097</u>	<u>1,430,760</u>	<u>16,709,945</u>	<u>--</u>
Total	<u>22,084,714</u>	<u>6,412,525</u>	<u>2,024,237</u>	<u>26,473,002</u>	<u>41,782</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

b. Component Units Long-Term Debt (Continued)

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due within one year
<u>Nineteenth Judicial District Court Building Commission</u>					
Bonds and notes payable	\$ 97,010,000	\$ --	\$ 1,220,000	\$ 95,790,000	\$1,245,000
Deferred premium on bonds	2,282,904	--	64,917	2,217,987	64,917
Total	<u>99,292,904</u>	<u>--</u>	<u>1,284,917</u>	<u>98,007,987</u>	<u>1,309,917</u>
<u>E.B.R. Parish Family Court</u>					
Compensated absences payable	137,477	36,177	56,668	116,986	10,000
Net other postemployment benefit obligation	1,380,582	187,464	76,205	1,491,841	--
Net pension liability	2,590,246	--	326,436	2,263,810	--
Total	<u>4,108,305</u>	<u>223,641</u>	<u>459,309</u>	<u>3,872,637</u>	<u>10,000</u>
<u>E.B.R. Parish Juvenile Court</u>					
Compensated absences payable	161,925	--	36,848	125,077	--
Net other postemployment benefit obligation	2,370,861	222,961	90,635	2,503,187	--
Net pension liability	2,602,048	--	268,445	2,333,603	--
Total	<u>5,134,834</u>	<u>222,961</u>	<u>395,928</u>	<u>4,961,867</u>	<u>--</u>
<u>E.B.R. Parish Clerk of Court</u>					
Compensated absences payable	674,344	146,748	--	821,092	--
Net other postemployment benefit obligation	4,026,400	1,428,431	1,328,057	4,126,774	--
Net pension liability	11,635,664	2,729,139	1,231,266	13,133,537	--
Total	<u>16,336,408</u>	<u>4,304,318</u>	<u>2,559,323</u>	<u>18,081,403</u>	<u>--</u>
<u>Capital Area Transit System</u>					
Bonds and notes payable	100,000	--	100,000	--	--
Compensated absences payable	355,685	52,909	--	408,594	142,274
Net pension liability	461,003	223,665	684,668	--	--
Obligation under capital leases	--	4,217,800	279,210	3,938,590	568,175
Claims and judgements payable	2,030,953	1,563,370	1,395,917	2,198,406	883,056
Total	<u>2,947,641</u>	<u>6,057,744</u>	<u>2,459,795</u>	<u>6,545,590</u>	<u>1,593,505</u>
Total component units long-term debt	<u>\$171,950,307</u>	<u>\$20,784,177</u>	<u>\$10,632,018</u>	<u>\$182,102,466</u>	<u>\$2,955,204</u>

NOTE 11 - Interfund and Intergovernmental Receivables and Payables

a. Balances due to/from other funds at December 31, 2017, consist of the following:

	Due From Other Funds	Due To Other Funds
<u>Temporary cash advances at December 31, 2017:</u>		
General Fund	\$14,391,295	\$ --
Grants Fund	--	5,215,943
Nonmajor governmental funds	--	9,175,352
Total temporary cash advances	<u>14,391,295</u>	<u>14,391,295</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

EXHIBIT A - 17
(Continued)

NOTE 11 - Interfund and Intergovernmental Receivables and Payables (Continued)

a. Balances due to/from other funds at December 31, 2017 (Continued):

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>Other funds funding long-term improvements:</u>		
General Fund	627,529	--
Library board of control major fund	--	28,722,738
Capital Projects Fund	29,638,691	--
Greater Baton Rouge Airport District	--	<u>627,529</u>
Total receivable/payables for long-term improvements	<u>30,266,220</u>	<u>30,266,220</u>
Totals Balance Sheet	<u>\$44,657,515</u>	<u>\$44,657,515</u>

Summary of balances due to/from other funds on the governmental funds balance sheet and the proprietary funds statement of net position:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental funds - Balance Sheet	\$44,657,515	\$44,029,986
Proprietary funds - Statement of Net Position	--	<u>627,529</u>
Totals	<u>\$44,657,515</u>	<u>\$44,657,515</u>

b. Due From Other Governments by governmental agencies for the Primary Government consists of the following at year-end:

	<u>Federal</u>	<u>State</u>	<u>School Board</u>	<u>Sheriff</u>	<u>Other</u>	<u>Total</u>
<u>Governmental Activities:</u>						
General Fund	\$ --	\$ 363,346	\$159,181	\$20,045,774	\$36,341	\$ 20,604,642
Library Board of Control	--	--	--	33,056,201	--	33,056,201
Grants Fund	6,306,775	10,599,235	--	78,922	15,078	17,000,010
Capital Projects Fund	--	672,049	--	--	--	672,049
Nonmajor governmental funds	--	242,430	--	32,442,390	--	32,684,820
Adjustment to full accrual basis of accounting	885,834	--	--	--	--	885,834
<u>Business-type Activities:</u>						
Greater Baton Rouge Airport District	1,772,820	4,583,213	--	--	--	6,356,033
Comprehensive Sewerage System Fund	2,793,871	--	--	--	--	2,793,871
Solid Waste Collection and Disposal	--	--	--	57	--	57
Nonmajor enterprise funds	--	<u>595,926</u>	--	--	--	<u>595,926</u>
Totals	<u>\$11,759,300</u>	<u>\$17,056,199</u>	<u>\$159,181</u>	<u>\$85,623,344</u>	<u>\$51,419</u>	<u>\$114,649,443</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

EXHIBIT A - 17
(Continued)

NOTE 12 - Interfund Transfers

a. Interfund transfers for the year ended December 31, 2017 were as follows:

	Transfers Out				
	General	Library	Nonmajor	Comprehensive	Total
	Fund	Board of Control	Govern- mental Funds	Sewerage System Fund	
Transfers In:					
<u>Governmental Activities:</u>					
General Fund	\$ --	\$ --	\$ 90,000	\$ --	\$ 90,000
Grants Fund	987,216	--	402,736	254,000	1,643,952
Capital Projects Fund	7,604,443	1,626,970	2,835,220	--	12,066,633
Nonmajor governmental funds	5,332,899	--	1,010,000	--	6,342,899
<u>Business-type Activities:</u>					
Solid Waste Collection and Disposal	73,957	--	--	--	73,957
Nonmajor enterprise funds	<u>1,792,000</u>	--	--	--	<u>1,792,000</u>
Totals	<u>\$15,790,515</u>	<u>\$1,626,970</u>	<u>\$4,337,956</u>	<u>\$254,000</u>	<u>\$22,009,441</u>

- The capital projects major fund was subsidized \$12,066,633 during 2017 toward non-recurring capital improvements from the General Fund, Library Board of Control and non-major governmental funds.
- The General Fund subsidized the normal operations of non-major governmental funds in the amount of \$496,520 in 2017.
- The General Fund subsidized the Baton Rouge River Center (non-major enterprise convention center) \$1,792,000 in 2017.
- The General Fund also transferred \$4,836,379 to service debt to non-major governmental funds in 2017.
- During 2017, \$1,643,952 was transferred to the Grants Fund from the General Fund including \$987,216 for local match and operations for grant programs and \$254,000 from the Comprehensive Sewerage System fund for sewer infrastructure improvements related to the 2016 flood disaster.

b. The following exchange of funds between the Primary Government and its discretely presented component units during 2017 are classified as external transactions on the Government-wide Statement of Activities:

	<u>Operating Exchanges (To)/From Primary Government</u>	<u>Operating Exchanges (To)/From Component Units</u>
<u>Primary Government:</u>		
General Fund (operating subsidies)	\$ --	\$(16,983,744)
<u>Nonmajor Special Revenue Fund:</u>		
Parish Transportation Fund (to Capital Area Transit-operating subsidy)	--	(550,000)
<u>Component Units:</u>		
District Attorney of the Nineteenth Judicial District	6,923,207	--
Nineteenth Judicial District Court	7,085,017	--
E.B.R. Parish Family Court	1,067,323	--
E.B.R. Parish Juvenile Court	1,367,437	--
E.B.R. Parish Clerk of Court	540,760	--
Capital Area Transit System	<u>550,000</u>	<u>--</u>
Total	<u>\$17,533,744</u>	<u>\$(17,533,744)</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 13 - Other Receivables

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

	General <u>Fund</u>	Library Board of Control <u>Fund</u>	Grants <u>Fund</u>	Capital Projects <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Internal Service <u>Funds</u>	<u>Total</u>
Governmental Activities:							
<u>Receivables:</u>							
Property taxes	\$ 7,682,857	\$12,148,052	\$ --	\$ --	\$12,564,731	\$ --	\$32,395,640
Gross receipts business taxes	4,342,317	--	--	--	--	--	4,342,317
Sales taxes	17,848,306	--	--	2,779,268	1,791,585	--	22,419,159
Interest and penalties on taxes	53,162	--	--	--	--	--	53,162
Accounts	1,825,152	534	--	--	5,676,845	1,370	7,503,901
Accrued interest	<u>281,790</u>	<u>201,163</u>	<u>24,211</u>	<u>314,125</u>	<u>203,851</u>	<u>46,336</u>	<u>1,071,476</u>
Gross receivables	32,033,584	12,349,749	24,211	3,093,393	20,237,012	47,706	67,785,655
Less: allowance for uncollectibles	<u>(544,939)</u>	<u>(904,699)</u>	<u>--</u>	<u>--</u>	<u>(921,738)</u>	<u>--</u>	<u>(2,371,376)</u>
Net receivables-governmental funds	31,488,645	11,445,050	24,211	3,093,393	19,315,274	47,706	65,414,279
Adjustment to full accrual basis	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>318,807</u>	<u>--</u>	<u>318,807</u>
Net receivables-governmental funds	<u>\$31,488,645</u>	<u>\$11,445,050</u>	<u>\$24,211</u>	<u>\$3,093,393</u>	<u>\$19,634,081</u>	<u>\$47,706</u>	<u>\$65,733,086</u>

	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal Fund	Nonmajor Enterprise Funds	<u>Total</u>
Business-type Activities:					
<u>Receivables:</u>					
Sales taxes	\$ --	\$ 4,304,103	\$ --	\$ --	\$ 4,304,103
Accounts	782,752	9,402,167	4,668,211	1,031,164	15,884,294
Accrued interest	<u>40,422</u>	<u>1,713,977</u>	<u>69,489</u>	<u>29,355</u>	<u>1,853,243</u>
Gross receivables	823,174	15,420,247	4,737,700	1,060,519	22,041,640
Less: allowance for uncollectibles	<u>(35,579)</u>	<u>(600,000)</u>	<u>--</u>	<u>(50,000)</u>	<u>(685,579)</u>
Net total receivables	<u>\$787,595</u>	<u>\$14,820,247</u>	<u>\$4,737,700</u>	<u>\$1,010,519</u>	<u>\$21,356,061</u>

Summary of other receivables reported on the Statement of Net Position for Business-type activities:

Current assets - receivables	\$20,821,531
Restricted assets - receivables	<u>534,530</u>
Totals	<u>\$21,356,061</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 14 - Detailed Restricted Net Position and Fund Balances

a. Details of restricted Net Position as reported in the entity-wide Statement of Net Position are as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
Net Position Restricted For:			
Capital projects:			
Federal and state capital grant funds	\$ 8,034,757	\$ --	\$ 8,034,757
Federal forfeited property	338,850	--	338,850
State road funds	13,743,452	--	13,743,452
Bond funds from dedicated road sales tax	3,655,945	--	3,655,945
Dedicated sales tax for street construction	30,971,354	--	30,971,354
Dedicated property taxes authorized by the electorate for specific special revenue funds	28,498,405	--	28,498,405
Dedicated hotel-motel taxes for Riverfront improvements	<u>842,465</u>	<u>6,111,091</u>	<u>6,953,556</u>
Total Net Position restricted for capital projects	<u>86,085,228</u>	<u>6,111,091</u>	<u>92,196,319</u>
Debt service:			
2% City sales tax revenue bonds	746,807	--	746,807
½% Road sales tax revenue bonds	3,943,750	--	3,943,750
LCDA road and street improvement projects	1,258,333	--	1,258,333
Sewerage commission debt service	--	14,544,602	14,544,602
Greater Baton Rouge Airport District debt service	<u>--</u>	<u>807,157</u>	<u>807,157</u>
Total Net Position restricted for debt service	<u>5,948,890</u>	<u>15,351,759</u>	<u>21,300,649</u>
Passenger facility charge:			
Greater Baton Rouge Airport District (see note 16)	<u>--</u>	<u>540,851</u>	<u>540,851</u>
External legal constraints:			
Dedicated property taxes authorized by the electorate to specific special revenue funds and purposes	\$ 25,407,834	\$ --	\$ 25,407,834
Dedicated sales tax for street maintenance and beautification	40,245,992	--	40,245,992
Court fees for juror compensation and judicial buildings	1,175,204	--	1,175,204
State road funds dedicated for transportation	2,286,169	--	2,286,169
Telephone surcharge dedicated to communications district	5,750,550	--	5,750,550
Public, Educational and Governmental programming fees	757,587	--	757,587
Volunteer fire districts service charges authorized by the electorate	489,361	--	489,361
Federal forfeited property	450,256	--	450,256
Collateral posted with swap agreement	<u>--</u>	<u>70,500,000</u>	<u>70,500,000</u>
Total Net Position restricted for external legal constraints	<u>76,562,953</u>	<u>70,500,000</u>	<u>147,062,953</u>
Total Restricted Net Position	<u>\$168,597,071</u>	<u>\$92,503,701</u>	<u>\$261,100,772</u>

b. Details of restricted, committed, and assigned fund balances at year-end are as follows:

	<u>General</u> <u>Fund</u>	<u>Library</u> <u>Board of</u> <u>Control</u>	<u>Grants</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Fund balances:						
Nonspendable:						
Inventory	\$ 737,818	\$ --	\$ --	\$ --	\$ --	\$ 737,818

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 14 - Detailed Restricted Net Position and Fund Balances (Continued)

b. Details of restricted, committed, and assigned fund balances at year-end (Continued):

	<u>General</u> <u>Fund</u>	<u>Library</u> <u>Board of</u> <u>Control</u>	<u>Grants</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Fund balances (Continued):						
Restricted for:						
Dedicated property taxes:						
Library services and construction	\$ --	\$80,122,448	\$ --	\$ 28,020,438	\$ --	\$108,142,886
Mosquito abatement and rodent	--	--	--	353,487	6,353,720	6,707,207
Downtown development	--	--	--	--	436,721	436,721
Council on aging	--	--	--	--	8,776,965	8,776,965
Emergency medical services	--	--	--	124,480	8,473,618	8,598,098
Fire department pay enhancement	--	--	--	--	3,003,069	3,003,069
Volunteer fire districts	--	--	--	--	2,160,880	2,160,880
Road lighting	--	--	--	--	3,991,440	3,991,440
Dedicated sales taxes:						
Street improvement/beautification	--	--	--	30,971,354	4,713,724	35,685,078
Street maintenance	--	--	--	--	36,149,090	36,149,090
Dedicated hotel-motel taxes for						
Riverfront	--	--	--	842,465	--	842,465
Bond funds for capital improvements	--	--	--	49,738,864	--	49,738,864
Debt Service	--	--	--	--	10,394,033	10,394,033
Court fees for juror compensation	--	--	--	--	265,431	265,431
Court fees for judicial buildings	--	--	--	--	554,480	554,480
Court fees for sobriety court	--	--	--	--	101,904	101,904
Court fees for technology	--	--	--	--	261,292	261,292
Court fees for witness fees	--	--	--	--	297	297
State Road funds for transportation	--	--	--	13,743,452	2,286,169	16,029,621
Telephone surcharges for public safety	--	--	--	5,750,550	6,927,784	12,678,334
Public, educational and governmental programs	751,269	--	--	6,318	--	757,587
Volunteer fire districts service charges	--	--	--	--	611,671	611,671
Federal and state grant programs	--	--	5,078,828	8,034,757	--	13,113,585
Federal forfeited property	--	--	--	338,850	1,087,964	1,426,814
Total Restricted	<u>751,269</u>	<u>80,122,448</u>	<u>5,078,828</u>	<u>137,925,015</u>	<u>96,550,252</u>	<u>320,427,812</u>
Committed to:						
Loans receivable	627,529	--	--	--	--	627,529
Self-insurance purposes	42,639,978	--	--	--	--	42,639,978
Budget stabilization	12,959,000	--	--	--	--	12,959,000
General capital improvements	--	--	--	28,417,273	--	28,417,273
City constable court costs	--	--	--	--	18,264	18,264
Gaming enforcement	--	--	--	--	170,221	170,221
Emergency medical services	--	--	--	--	16,817,688	16,817,688
Total Committed	<u>56,226,507</u>	<u>--</u>	<u>--</u>	<u>28,417,273</u>	<u>17,006,173</u>	<u>101,649,953</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 14 - Detailed Restricted Net Position and Fund Balances (Continued)

b. Details of restricted, committed, and assigned fund balances at year-end (Continued):

	<u>General</u> <u>Fund</u>	<u>Library</u> <u>Board of</u> <u>Control</u>	<u>Grants</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Fund balances (Continued):						
Assigned to:						
Next year's adopted budget	\$ 8,060,600	\$ --	\$ --	\$ --	\$ --	\$ 8,060,600
Approved continuing projects	15,012,754	--	--	--	--	15,012,754
Police equipment	1,338,787	--	--	--	--	1,338,787
Community centers	292,207	--	--	--	--	292,207
Sales tax refunds	2,554,912	--	--	--	--	2,554,912
Animal control	315,184	--	--	--	--	315,184
Other purposes	<u>3,142,330</u>	--	--	--	--	<u>3,142,330</u>
Total Assigned	<u>30,716,774</u>	--	--	--	--	<u>30,716,774</u>
Unassigned	<u>9,964,460</u>	--	--	--	--	<u>9,964,460</u>
Total fund balances	<u>\$98,396,828</u>	<u>\$80,122,448</u>	<u>\$5,078,828</u>	<u>\$166,342,288</u>	<u>\$113,556,425</u>	<u>\$463,496,817</u>

c. Governmental Fund existing resources will be used to satisfy encumbrances therefore, the following amounts are included in restricted, committed, or assigned fund balances at December 31, 2017:

General fund	\$ 3,161,841
Library board of control	1,615,862
Grants fund	23,632,318
Nonmajor governmental funds	6,086,632
Capital projects fund	<u>32,724,122</u>
Total governmental fund encumbrances	<u>\$67,220,775</u>

NOTE 15 - Restricted Assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

	<u>Greater</u> <u>Baton Rouge</u> <u>Airport District</u>	<u>Comprehensive</u> <u>Sewerage</u> <u>System</u>	<u>Other</u> <u>Enterprise</u> <u>Total</u>	<u>Total</u>
Revenue bonds construction accounts	\$1,548,246	\$ 88,805,241	\$ --	\$ 90,353,487
Collateral posted with swap agreement	--	70,500,000	--	70,500,000
Hotel-motel tax construction accounts	--	--	6,810,041	6,810,041
Passenger Facility Charges (PFC) account	388,185	--	--	388,185
Revenue bonds debt service accounts	1,772,227	74,016,800	--	75,789,027
Accounts receivable - PFC	237,378	--	--	237,378
Accrued interest receivable - sales tax revenue bonds	7,410	272,275	--	279,685
Accrued interest receivable - hotel-motel tax	--	--	<u>17,467</u>	<u>17,467</u>
Total restricted assets	<u>\$3,953,446</u>	<u>\$233,594,316</u>	<u>\$6,827,508</u>	<u>\$244,375,270</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 16 - Passenger Facility Charges - Greater Baton Rouge Airport District

On September 28, 1992, the Greater Baton Rouge Airport District (Airport) received approval from the Federal Aviation Administration (FAA) to impose a \$3.00 passenger facility charge (PFC) in accordance with Section 158.29 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158). On May 19, 2005, the FAA approved the imposition of a \$4.50 passenger facility charge by the Airport District for the financing of additional improvements.

PFC revenue received, but not yet spent, along with interest income, is classified as restricted Net Position on the Statement of Net Position. On the Statement of Revenues, Expenses, and Changes in Fund Net Position, PFC revenue is classified as non-operating revenue, while on the Statement of Cash Flows, PFC collections are classified as capital in nature.

The Airport began assessing the fee on December 1, 1992. As of December 31, 2017, the FAA has approved the following applications for disbursement of the proceeds of the PFC as follows:

<u>Application Number and Description</u>	<u>Approved PFC Level</u>	<u>Total FAA Authorization</u>	<u>Total Disbursed through 12/31/2017</u>	
2 Noise mitigation	\$3.00	\$ 1,315,124	\$ 1,315,124	closed
3 Terminal building and plan specifications	3.00	1,290,899	1,290,899	closed
4 Terminal development with financing	4.50	34,863,776	21,671,525	
5 Airport access road	4.50	3,089,499	1,662,621	
5 Acquire A/C loading bridges	4.50	2,324,075	871,811	
6 Runway 4L/22R extension project	4.50	11,815,660	4,314,788	
6 Professional Fees-administration of PFC	4.50	434,000	--	
6 General Aviation Apron Facility Expansion	4.50	598,529	298,316	
7 Terminal Atrium Expansion	4.50	20,298,565	4,656,552	
7 Acquisition of Property for Development	4.50	2,802,951	630,921	
7 Taxiway Fillet Construction	4.50	1,429,025	320,972	
7 Ticket Lobby Expansion	4.50	<u>1,097,133</u>	<u>422,654</u>	
Total Approved Applications		<u>\$81,359,236</u>	<u>\$37,456,183</u>	

Since the inception of the PFC, the Airport has recorded the following revenues and expenses through the 2017 fiscal year resulting in a restriction of Net Position from passenger facility charges as follows:

	<u>Accrual Basis</u>	<u>Cash Basis</u>
Cumulative PFC receipts (1992 - 2017), net of administrative fee	\$ 35,262,350	\$ 35,024,971
Interest earnings	1,448,359	1,448,362
Claim settlement	<u>1,371,035</u>	<u>1,371,035</u>
Total revenues	<u>38,081,744</u>	<u>37,844,368</u>
Cumulative disbursements for PFC projects (1992 - 2017)	(9,791,889)	(9,732,386)
Cumulative bond principal payments	(13,907,284)	(13,907,284)
Cumulative bond interest payments	<u>(13,841,720)</u>	<u>(13,816,513)</u>
Total disbursements	<u>(37,540,893)</u>	<u>(37,456,183)</u>
Net PFC cash, December 31, 2017		<u>\$ 388,185</u>
Net Position restricted for PFC, December 31, 2017	<u>\$ 540,851</u>	

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

EXHIBIT A - 17
(Continued)

NOTE 17 - Solid Waste Disposal Facility Closure and Postclosure Care Liability

The City-Parish North Landfill opened in October 1993. The North Landfill is permitted by the U.S. Environmental Protection Agency (EPA) and the Louisiana Department of Environmental Quality (DEQ) to dispose of municipal solid waste and non-hazardous industrial waste from East Baton Rouge Parish and from surrounding cities, towns, and parishes. Regulations issued by the EPA and the DEQ require the City-Parish to perform certain closing functions and postclosure monitoring and maintenance functions for the North Landfill.

Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs are accounted for in accordance with guidelines in Section L10 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. Section L20 of *the code* states that a portion of the estimated total current cost of MSWLF closure and postclosure care is required to be recognized as an expense and as a liability in each period that the MSWLF accepts solid waste. Recognition should begin on the date the MSWLF begins accepting solid waste, continue in each period that it accepts waste, and be completed by the time it stops accepting waste. The estimated total current cost of closure and postclosure care includes the cost of equipment expected to be installed and facilities expected to be constructed near or after the date that the Solid Waste Disposal Facility stops accepting solid waste and any equipment installed during the 30 year postclosure period. Included in the total current cost is the cost of final cover expected to be applied near or after the date the facility stops accepting solid waste, and the cost of monitoring and maintaining the expected usable landfill area during the postclosure period.

The estimated cost of the closure and postclosure care costs is \$31,949,276. Total estimated capacity is 28,420,000 cubic yards and the projected life is 45 years from the opening date of the landfill. The estimated cost will be adjusted on an annual basis as deemed necessary by the management of the Department of Public Works to reflect the effect of inflation, changes in technology or changes in applicable laws or regulations.

The Solid Waste Collection and Disposal Enterprise Fund recognizes a portion of the current estimated cost of MSWLF closure and postclosure care as an expense and as a liability in each period that it accepts solid waste. The expense and liability are based on the number of cubic yards of waste received at the landfill during the period rather than on the passage of time. The projections assume that the current solid waste generation trends will continue and that no waste will be diverted to alternative disposal facilities.

The liability for closure and postclosure care at December 31, 2017, totals \$17,130,260. The liability is based on the landfill capacity used to date of 15,237,966 cubic yards or 53.62% of the landfill capacity. The liability will be financed by the Solid Waste Collection and Disposal Enterprise Fund. The remaining estimated cost of closure and postclosure care of \$14,819,016 will be recognized as the remaining estimated capacity is filled. The estimated remaining useful life of the landfill as of December 31, 2017, is 21 years.

NOTE 18 - State Required Disclosures

a. Council Members Compensation

Each Metropolitan Council Member receives monthly compensation in accordance with The Plan of Government. Compensation is currently \$1,000 a month for council members. In addition, members of the Metropolitan Council receive \$800 per month combined travel and auto allowance. (LRS 33:1233(B)) Following is a list of Council Members with gross wages, including auto allowance, that was reported as paid in year 2017:

District 1	Trae Welch	\$21,600
District 2	Chauna Banks	21,600
District 3	Chandler Loupe	21,600
District 4	Scott Wilson	
	Council	21,600
	Mayor ProTem	18,000
District 5	Erika Green	21,600
District 6	Donna Collins-Lewis	21,600
District 7	LaMont Cole	21,600

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

EXHIBIT A - 17
(Continued)

NOTE 18 - State Required Disclosures (Continued)

a. Council Members Compensation (Continued)

District 8	Buddy Amoroso	21,600
District 9	Dwight Hudson	21,600
District 10	Tara Wicker	21,600
District 11	Matt Watson	21,600
District 12	Barbara Freiberg	21,600

b. Communications District Wireless E911 Service

Act 1029 of the 1999 Louisiana Legislative Session authorizes the parish governing authority of a communication district to levy an emergency telephone service charge on wireless communications systems to pay the costs of implementing FCC ordered enhancements to the E911 system. The act further requires that governing authorities disclose in the audited financial statements information on the revenues derived from the service charge, the use of such revenues, and the status of implementation of wireless E911 service.

The East Baton Rouge Parish Communications District Board of Commissioners enacted Resolution No. 001/2000 on March 17, 2000, assessing an emergency telephone service charge of \$0.50 per month per wireless Commercial Mobile Radio Service (CMRS) user. In 2006, the fee was increased to \$0.85 per month by the Communications District Board. In 2010, Act 531 of the 2009 Louisiana Legislative Session authorized the addition of a 2% service charge to prepaid wireless telecommunication services which is distributed among the communication districts in the state by the Louisiana Department of Revenue after collection of an administrative cost.

Since the enactment of the fee, the Communications District Special Revenue Fund has collected \$47.6 million in wireless fees. Approximately \$6,507,843 has been directly contributed to enhancement of wireless technology. The wireless 911 system is fully implemented and operational. Revenues from the wireless fee are now budgeted in the Communication District Special Revenue Fund Annual Budget and approved by the City-Parish Metropolitan Council. Technological upgrades are included in the operations budget as needed. For budget statement detail on the Communications District Fund, see Exhibit B-12.

c. Summary of City-Parish Sales Tax Collections remitted to Other Taxing Authorities

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:51 (B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during calendar year 2017.

	<u>Total Collections</u>	<u>Collection Cost</u>	<u>Final Distribution</u>
City of Baker	\$ 3,883,624	\$ 38,629	\$ 3,844,995
Baker School	3,021,818	30,255	2,991,563
Baker Hotel District	62,954	648	62,306
City of Zachary	8,071,003	83,205	7,987,798
Zachary School District	10,266,351	108,697	10,157,654
Zachary Hotel	211,118	2,175	208,943
City of Central	5,751,738	61,975	5,689,763
Central School District	7,523,788	77,578	7,446,210
EBRP School District	166,803,314	1,705,149	165,098,165
Street Improvements Tax for other municipalities	3,931,776	32,141	3,899,635
Visit Baton Rouge	4,750,283	6,000	4,744,283
North Baton Rouge Economic Development District	<u>107,940</u>	<u>3,000</u>	<u>104,940</u>
Total	<u>\$214,385,707</u>	<u>\$2,149,452</u>	<u>\$212,236,255</u>

NOTE 19 - Tax Abatement

a. Restoration Tax Abatement Program:

The City of Baton Rouge – Parish of East Baton Rouge Metro-Council enters into ad valorem property tax abatement agreements on an individual basis as referred by the Louisiana Economic Development Restoration Tax Abatement Program. The abatements are permissible in accordance with the Louisiana Administrative Code, Title 13, Part I, Chapter 9:

General

A. Intent of Law. To encourage the expansion, restoration, improvement, and development of existing commercial structures and owner-occupied residences in downtown, historic, and economic development districts. To provide for the development and improvement of local communities, encourage the fullest use of underutilized resources, and enhancement of the tax base.

B. Program Description. The Restoration Tax Abatement Program provides to commercial property owners and homeowners who expand, restore, improve or develop an existing structure in a downtown development district, economic development district or historic district (the "project"), the right for five years after completion of the work, to pay ad valorem taxes based on the assessed valuation of the property for the year prior to the commencement of the project. The application is subject to approval by the local governing authority, the state Board of Commerce and Industry, and the governor. Assessment of the improvements, made by the project to the property, is deferred for five years by a contract entered into with the Board of Commerce and Industry. The contract may be eligible for renewal, subject to the same conditions, for an additional five years. The tax abatement is now available if property taxes have been paid on the improvements made by the project. If the property is sold, the contract may be transferred, subject to local government and board approval.

For the fiscal year ended December 31, 2017, ad valorem property taxes otherwise due to the City-Parish and its components totaling \$531,250 were abated.

More information is available at: <https://www.opportunitylouisiana.com/business-incentives/restoration-tax-abatement>

b. Tax Increment Financing Tax Abatements:

The City of Baton Rouge – Parish of East Baton Rouge Metro-Council considers tax abatement agreements on an individual basis. These abatements are permissible in accordance with Louisiana Revised Statutes Chapter 27 of Title 33. These abatements are provided through the use of Tax Increment Financing (TIF) whereby separate legal entities (districts) are formed for the purpose of governing the use of incremental tax revenue generated within the district. Tax abatements under this program currently include Sales and/or Occupancy tax where a portion of taxes collected by the district are rebated to the district. The goal of the TIF Tax Abatement program is to develop abandoned and/or underperforming properties for long term economic development.

For the fiscal year ended December 31, 2017, there were seven active TIF programs for a total of \$2,831,255.

c. Enterprise Zones:

The City-Parish enters in to Enterprise Zone contracts as permitted by Louisiana Revised Statute 51:1787 and approved by the Louisiana Department of Economic Development Board of Commerce & Industry.

The Enterprise Zone, or EZ program is a jobs incentive program that provides tax credits to a new or existing business located in Louisiana creating permanent net new full-time jobs, and hiring at least 50% of those net new jobs from one of four targeted groups. The benefit provides:

- Either a one-time \$3,500 or \$1,000 tax credit for each net new job created.*
- A rebate of sales and use taxes paid on qualifying materials, machinery, furniture, and/or equipment purchased or a 1.5% refundable investment tax credit on the total capital investment, excluding tax exempted items. The rebate shall not exceed \$100,000 per net new job.*

NOTE 19 - Tax Abatement (Continued)

c. Enterprise Zones (Continued):

The portion of rebates funded by the City-Parish is derived from 1.9% of the 2.0% City-Parish general sales tax. During the 2017 fiscal year Sales Tax totaling \$422 were abated as a result of this program.

More information is available at: <https://www.opportunitylouisiana.com/business-incentives/enterprise-zone>

d. Industrial Tax Exemption Program

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers an attractive tax incentive for manufacturers within the state. With local approval, the program provides up to a 100% property tax abatement for an initial term of up to five years and the option to renew for up to three additional years at up to 80% property tax abatement on a manufacturer's qualifying capital investment related to the manufacturing process.

Businesses must be classified as a manufacturer or related to the manufacturing project in order to receive the benefits of the ITEP program. ITEP is only available for activities related to manufacturers.

This program is administered by Louisiana Economic Development. More information on this program can be found in the Louisiana Administrative Code Title 13, Part I, Chapter 5.

For the fiscal year ended December 31, 2017, approximately \$11,059,040 in Ad Valorem Property Taxes, depreciated proportionally on an assumed 20 year basis were abated as a result of this program.

More information is available at: <https://www.opportunitylouisiana.com/business-incentives/industrial-tax-exemption>

NOTE 20 - Subsequent Events

a. East Baton Rouge Sewerage Commission, Series 2011A Bonds

On March 20, 2018, the East Baton Rouge Sewerage Commission remarketed \$176,155,000 of Revenue Bonds, Series 2011A (LIBOR Index). The 2011A Bonds mature February 1, 2046, and are subject to mandatory tender and purchase on March 19, 2021. The 2011A LIBOR Index Bonds will bear interest at a weekly rate based upon an index of 70% of one-month USD-LIBOR-BBA plus 0.42%. The Commission's 2011A interest rate swap, effective March 20, 2018, will hedge the exposure to variable interest rates associated with the 2011A Bonds. The swap agreement will provide for the payment of a synthetic fixed rate with respect to the Series 2011A Bonds. Under the terms of the swap agreement the Commission will pay a fixed rate of 4.945% for Bonds maturing 2018 through 2032 and 4.149% for Bonds maturing 2036 through 2046 and the swap counterparty will pay a variable rate of 70% of one-month USD-LIBOR-BBA.

b. Pride Fire Protection District No. 8, Series 2018 Revenue Bonds

On April 20, 2018, the Pride Fire Protection District No. 8 of the Parish of East Baton Rouge issued \$500,000 Revenue Bonds, Series 2018 for the purpose of providing funds to construct and equip a fire station that is located within the jurisdictional boundaries of the District. Funds will be drawn on a reimbursement basis from the Bank of Zachary. Interest shall be payable only on the amount drawn from the date reimbursed. The Bonds will mature on August 1 of each year beginning 2019 through 2028 with interest at 2.87 percent.

c. Public Improvement Sales Tax, Series 2018 Revenue Bonds

On May 23, 2018, the City of Baton Rouge issued \$18,000,000 Public Improvement Sales Tax Revenue Bonds, Series 2018 for the purpose of (1) providing funds to renovate and improve the Baton Rouge River Center Theater for the Performing Arts and (2) paying the costs of issuance. The Bonds will mature on August 1 of each year beginning 2019 through 2033 with interest at 3.16 percent.



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS PLAN
RETIREE HEALTH, DENTAL, AND LIFE INSURANCE PROGRAMS
(UNAUDITED)**

EXHIBIT A - 18

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/17	0.00	\$ 831,087,836	\$ 831,087,836	0.00 %	\$ 173,177,050	479.9 %
01/01/16 **	0.00	988,128,607	988,128,607	0.00	170,739,813	578.7
01/01/15	0.00	988,128,607	988,128,607	0.00	170,739,813	578.7
01/01/14 *	0.00	948,510,515	948,510,515	0.00	165,676,792	572.5
01/01/13	0.00	948,510,515	948,510,515	0.00	165,676,792	572.5

Note: The actuary does not provide a separate schedule of funding progress for individual employers.

* Based on 01/01/13 actuary study

** Based on 01/01/15 actuary study

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contribution	Amount Contributed	Percentage Contributed
01/01/17	\$ 53,598,787	\$ 21,837,746	40.7 %
01/01/16	69,461,162	\$ 23,127,465	33.3
01/01/15	69,461,162	23,048,744	33.2
01/01/14	68,068,801	20,207,165	29.7
01/01/13	68,068,801	19,141,420	28.1

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF COST SHARING PLAN PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY

EXHIBIT A - 19

	<u>Proportion of net pension liability (asset)</u>	<u>Proportionate share of net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Proportionate share of the net pension liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
<u>CPERS (1)</u>					
2017	84.62%	\$ 502,832,286	\$ 119,349,389	421.31%	64.09%
2016	85.31%	492,062,840	121,186,985	406.04%	63.95%
2015	85.27%	374,980,224	116,867,744	320.86%	70.95%
<u>MPERS (2)</u>					
2017	15.55%	\$ 135,798,265	\$ 46,453,714	292.33%	70.08%
2016	14.85%	139,224,992	41,640,652	334.35%	70.73%
2015	14.80%	115,962,107	39,616,014	292.72%	70.73%
<u>LASERS (2)</u>					
2017	0.02%	\$ 1,636,340	\$ 459,417	356.18%	62.54%
2016	0.02%	1,786,318	292,379	610.96%	57.73%
2015	0.01%	366,395	217,449	168.50%	62.66%

(1) Amounts determined as of the measurement date of December 31 of the previous fiscal year.

(2) Amounts determined as of the measurement date of June 30 in the current fiscal year.

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF COST SHARING PLAN CONTRIBUTIONS**

EXHIBIT A - 20

	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined Contribution</u>	<u>Contribution deficiency/ (excess)</u>	<u>Covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
<u>CPERS</u>					
2017	\$ 35,505,618	\$ 35,505,618	\$ --	\$ 115,687,619	30.69%
2016	34,906,833	34,906,833	--	119,349,389	29.25%
2015	33,082,498	33,082,498	--	121,186,985	27.21%
<u>MPERS</u>					
2017	\$ 13,609,676	\$ 13,609,676	\$ --	\$ 43,600,843	31.21%
2016	13,503,584	13,503,584	--	43,765,133	30.85%
2015	12,439,406	12,439,406	--	42,247,313	29.44%
<u>LASERS</u>					
2017	\$ 116,639	\$ 116,639	\$ --	\$ 447,572	26.06%
2016	156,293	156,293	--	405,234	38.57%
2015	88,594	88,594	--	226,219	35.63%

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS**

EXHIBIT A - 21

POLICE GUARANTEE TRUST

	2017	2016	2015
Total pension liability:			
Service cost	\$ 477,571	\$ 454,961	\$ 437,310
Interest	2,423,493	2,338,200	2,565,879
Differences between expected and actual experience	2,243,050	1,721,888	--
Changes in other assumptions	555,501	(979,283)	340,742
Benefit payments, including refunds of member contributions	(2,651,397)	(1,853,004)	(1,679,506)
Net change in total pension liability	3,048,218	1,682,762	1,664,425
Total pension liability - beginning	37,961,347	36,278,585	34,614,160
Total pension liability - ending	41,009,565	37,961,347	36,278,585
Plan fiduciary net position			
Contributions - employer	581,007	951,261	763,873
Contributions - member	63,856	99,365	90,774
Net investment income	974,589	(403,640)	796,414
Benefit payments, including refunds of member contributions	(2,651,397)	(1,853,004)	(1,679,506)
Administrative expenses	(269,510)	(313,560)	(333,744)
Net change in plan fiduciary net position	(1,301,455)	(1,519,578)	(362,189)
Plan fiduciary net position - beginning	18,565,604	20,085,182	20,447,371
Plan fiduciary net position - ending	17,264,149	18,565,604	20,085,182
Net pension liability - ending	\$ 23,745,416	\$ 19,395,743	\$ 16,193,403
Plan fiduciary net position as a percentage of the total pension liability	42.10%	48.91%	55.36%
Covered payroll	\$ 13,708,300	\$ 14,928,102	\$ 14,428,038
Net pension liability as a percentage of covered payroll	173.22%	129.93%	112.24%

Amounts are determined as of the measurement date of December 31 of the previous fiscal year.

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF SINGLE EMPLOYER PLAN CONTRIBUTIONS**

EXHIBIT A - 22

POLICE GUARANTEE TRUST

	Actuarially determined contribution	Contributions in relation to the actuarially determined Contribution	Contribution deficiency/ (excess)	Covered payroll	Contributions as a percentage of covered payroll
2017	\$ 3,795,014	\$ 651,468	\$ 3,143,546	\$ 12,773,613	5.10%
2016	2,752,642	581,007	2,171,635	13,708,300	4.24%
2015	3,029,216	951,261	2,077,955	14,928,102	6.37%

Notes to Schedule:

Valuation date: January 1, 2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Actuarial Cost Method
Asset valuation method	Expected Value Method, with 20% of investment gains (or losses) recognized each year
Inflation	2.75%
Salary increases	1.0% - 4.0% based on members age
Investment rate of return	7.25% per year, compounded annually, net of investment expenses
Retirement age	100% at earlier of 25.5 years of service or age 61 with 11 years of service
Mortality	RP-2000 Healthy Combined Blue Collar Projected with Scale BB to 2019 RP-2000 Disabled Mortality Projected with Scale BB to 2019

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Civil Juror Compensation Fund accounts for District Court Cost fees collected from certain civil defendants restricted for payments to jurors.

Criminal Juror Compensation Fund accounts for District Court Cost fees collected from certain criminal defendants restricted for payments to jurors.

City Constable Court Costs Fund accounts for City Court cost fees collected from serving the execution of civil papers, garnishment fees and assessments required to maintain the City Constable's office.

Mosquito Abatement and Rodent Control Fund accounts for the special property tax levy required to cover the cost of controlling mosquitoes and rodents.

Downtown Development District accounts for the special property tax levied within the district for education, planning, traffic, security, promotion and development of the district.

Gaming Enforcement Division Fund accounts for monies collected from the 5% bingo assessment fee collected for the purpose of funding the enforcement and administration of guidelines and regulations relative to the playing of charitable bingo by licensed organizations.

Council on Aging Fund accounts for the special property tax levy required to operate and maintain facilities, programs, services, and activities for the elderly citizens of East Baton Rouge Parish.

City Court Judicial Building Fund accounts for the City Court filing fee imposed on all civil matters and dedicated to the acquisition, leasing, construction, equipping, and maintenance of new and existing City Courts.

Federal Forfeited Property Fund accounts for the cash proceeds received from federal seizures and forfeitures, as well as any interest earned on these funds, according to accounting guidelines of the U.S. Attorney General's Office.

East Baton Rouge Parish Communications District accounts for monies collected to provide citizens of East Baton Rouge Parish with Enhanced 911, a computer aided telephone dispatch system that processes incoming requests for emergency assistance, and provides instructions in first aid to the caller.

Emergency Medical Services Fund accounts for the special property tax levy required to maintain emergency medical services in East Baton Rouge Parish.

Fire Department Pay Enhancement Fund accounts for the special property tax levied within the City of Baton Rouge to fund increases in salaries and benefits for the City of Baton Rouge Municipal Fire personnel.

District No. 1 Fire Protection District is located in the northwestern part of East Baton Rouge Parish. Services are financed by a property tax in the district and a fire service fee.

Continued

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

Brownsfield Fire Protection District is located in the northwestern part of East Baton Rouge Parish. Services are financed by a property tax in the district, a fire service fee, and state insurance company taxes.

Chaneyville Fire Protection District is located in the northern part of East Baton Rouge Parish. Services are financed by a property tax, a fire service fee, and state insurance company taxes.

Pride Fire Protection District is located in the northeastern part of East Baton Rouge Parish. Services are financed through a fire service fee and state insurance company taxes.

Alsen-St. Irma Lee Fire Protection District is located in the western part of East Baton Rouge Parish. Services are financed by a property tax in the district, a fire service fee, and state insurance company taxes.

Sobriety Court accounts for receipt of fees assessed in traffic matters related to specific alcohol violations. These monies will fund the operations of the Sobriety Court.

City Court Technology Fund accounts for receipt of fees assessed in civil, criminal, and traffic cases where the defendant is convicted after trial or who pleads guilty or forfeits bond. These monies will fund the new case management system.

19th JDC-Off Duty Police Witness Fees accounts for receipt of fees assessed for the purpose of paying witness fees to off duty law enforcement officers.

Consolidated Road Lighting District No. 1 accounts for the special property tax levy required to provide street and road lights within the district.

Parish Transportation Fund accounts for receipts from the State Shared Revenue-Parish Transportation Fund as authorized by the Louisiana Revised Statute 48:751 to be used primarily for road improvement and mass transit.

Parish Beautification Fund accounts for the portion (3%) of the one-half of one percent sales tax levied for the sole purpose of public road and street beautification within East Baton Rouge Parish.

Parish Street Maintenance Fund accounts for the portion (27%) of the one-half of one percent sales tax levied for the sole purpose of public road and street repair within East Baton Rouge Parish.

Capitol House Economic Development District accounts for the sales tax increments from the Capitol House Economic Development District dedicated by the State, the City and the Baton Rouge Convention and Visitors Bureau for the purpose of rehabilitating the historic Capitol House Hotel.

Lafayette-Main Economic Development District accounts for the sales tax increments from the Lafayette-Main Economic Development District dedicated by the City for the purpose of rehabilitating the Hampton Inn and Suites.

Dawnadele Economic Development District accounts for a tax on retail sales to facilitate the development, design and redevelopment of infrastructure at the Costco retail warehouse facility site.

Continued

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

Debt Service Funds account for and report financial resources that are restricted or committed for the payment of general long-term debt principal, interest, and paying agent fees.

City Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2007A and 2010B Public Improvement Sales Tax Bonds of the City of Baton Rouge. Also accounts for the portion of the bonds issued for the purpose of advance refunding certain outstanding obligations of the City-Parish.

Parish Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2013A and 2014A Public Improvement Sales Tax Bonds of the Parish of East Baton Rouge.

Taxable Refunding Bonds Debt Service Fund accounts for the payment of principal, interest, and related charges for the 2002A Fixed Rate Taxable Refunding Bonds the 2002B Fixed Rate Taxable Refunding Bonds and the 2012 Taxable Refunding Bonds.

Road and Street Improvement Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2006A, 2008A and 2009A Road and Street Improvement Sales Tax Bonds of the Parish of East Baton Rouge.

LCDA Road and Street Improvement Project Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2012 LCDA loan (Road and Street Improvement project) of the Parish of East Baton Rouge.

Excess Revenue and Limited Tax Fund accounts for transfers from the general fund, special revenue funds, and capital projects funds for payment of interest and principal redemption requirements of capital leases, contracts, loans, notes, and bonds that do not require a vote of the general public.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

Special Revenue

	Civil Juror Compensation	Criminal Juror Compensation	City Constable Court Costs	Mosquito Abatement and Rodent Control
ASSETS				
Cash and cash equivalents	\$ 37,313	\$ 221,496	\$ 30,435	\$ --
Investments	--	--	--	--
Property taxes receivable - net	--	--	--	2,147,379
Sales taxes receivable	--	--	--	--
Accounts receivable	25	6,025	--	3,820
Accrued interest receivable	137	723	--	46
Due from other governments	--	--	--	6,309,159
Total assets	\$ 37,475	\$ 228,244	\$ 30,435	\$ 8,460,404
LIABILITIES				
Accounts and contracts payable	\$ --	\$ 288	\$ 8,771	\$ 45,127
Due to other funds	--	--	--	1,872,561
Due to other governments	--	--	--	--
Accrued salaries payable	--	--	3,400	35,153
Total liabilities	--	288	12,171	1,952,841
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	--	--	--	153,843
Unavailable revenue - revenue sharing	--	--	--	--
Total deferred inflows of resources	--	--	--	153,843
FUND BALANCES:				
Restricted	37,475	227,956	--	6,353,720
Committed	--	--	18,264	--
Total fund balances	37,475	227,956	18,264	6,353,720
Total liabilities, deferred inflows of resources and fund balances	\$ 37,475	\$ 228,244	\$ 30,435	\$ 8,460,404

Continued

Special Revenue

Downtown Development District	Gaming Enforcement Division	Council On Aging	City Court Judicial Building	Federal Forfeited Property	E.B.R. Parish Communications District
\$ --	\$ 173,785	\$ --	\$ 580,786	\$ 488,766	\$ 2,293,973
--	--	--	--	974,606	4,574,210
153,428	--	2,279,059	--	--	--
--	--	--	--	--	--
--	--	--	--	--	550,725
2	449	--	1,433	3,859	17,163
438,302	--	6,680,655	--	--	--
\$ 591,732	\$ 174,234	\$ 8,959,714	\$ 582,219	\$ 1,467,231	\$ 7,436,071
\$ 17,156	\$ 2,485	\$ --	\$ 27,739	\$ 40,417	\$ 428,227
72,509	--	19,473	--	338,850	--
--	--	--	--	--	--
9,374	1,528	--	--	--	80,060
99,039	4,013	19,473	27,739	379,267	508,287
55,972	--	163,276	--	--	--
--	--	--	--	--	--
55,972	--	163,276	--	--	--
436,721	--	8,776,965	554,480	1,087,964	6,927,784
--	170,221	--	--	--	--
436,721	170,221	8,776,965	554,480	1,087,964	6,927,784
\$ 591,732	\$ 174,234	\$ 8,959,714	\$ 582,219	\$ 1,467,231	\$ 7,436,071

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2017**

Special Revenue

	Emergency Medical Services	B. R. Fire Department Pay Enhancement	District No. 1 Fire Protection District	Brownsfield Fire Protection District
ASSETS				
Cash and cash equivalents	\$ 3,093,608	\$ --	\$ 271,498	\$ --
Investments	6,168,692	--	--	--
Property taxes receivable - net	3,170,423	3,057,559	144,533	241,991
Sales taxes receivable	--	--	--	--
Accounts receivable	5,116,250	--	--	--
Accrued interest receivable	20,179	--	697	25
Due from other governments	9,321,215	8,067,668	319,547	724,163
Total assets	<u>\$ 26,890,367</u>	<u>\$ 11,125,227</u>	<u>\$ 736,275</u>	<u>\$ 966,179</u>
LIABILITIES				
Accounts and contracts payable	\$ 863,439	\$ 422,839	\$ 2,080	\$ 15,221
Due to other funds	220,716	7,143,513	--	363,215
Due to other governments	--	--	--	--
Accrued salaries payable	287,771	219,271	--	--
Total liabilities	<u>1,371,926</u>	<u>7,785,623</u>	<u>2,080</u>	<u>378,436</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	227,135	336,535	--	50,813
Unavailable revenue - revenue sharing	--	--	--	46,296
Total deferred inflows of resources	<u>227,135</u>	<u>336,535</u>	<u>--</u>	<u>97,109</u>
FUND BALANCES:				
Restricted	8,473,618	3,003,069	734,195	490,634
Committed	16,817,688	--	--	--
Total fund balances	<u>25,291,306</u>	<u>3,003,069</u>	<u>734,195</u>	<u>490,634</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,890,367</u>	<u>\$ 11,125,227</u>	<u>\$ 736,275</u>	<u>\$ 966,179</u>

Continued

Special Revenue

Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District	Sobriety Court	City Court Technology	19th JDC- Off Duty Police Witness Fees
\$ --	\$ 525,987	\$ 354,895	\$ 101,653	\$ 260,666	\$ 635
--	--	--	--	--	--
42,975	33,546	293,436	--	--	--
--	--	--	--	--	--
--	1,453	998	251	626	--
154,615	140,894	77,939	--	--	362
<u>\$ 197,590</u>	<u>\$ 701,880</u>	<u>\$ 727,268</u>	<u>\$ 101,904</u>	<u>\$ 261,292</u>	<u>\$ 997</u>
\$ 3,753	\$ 8,473	\$ 189	\$ --	\$ --	\$ 700
60,468	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>64,221</u>	<u>8,473</u>	<u>189</u>	<u>--</u>	<u>--</u>	<u>700</u>
3,719	2,414	--	--	--	--
--	--	--	--	--	--
<u>3,719</u>	<u>2,414</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
129,650	690,993	727,079	101,904	261,292	297
--	--	--	--	--	--
<u>129,650</u>	<u>690,993</u>	<u>727,079</u>	<u>101,904</u>	<u>261,292</u>	<u>297</u>
<u>\$ 197,590</u>	<u>\$ 701,880</u>	<u>\$ 727,268</u>	<u>\$ 101,904</u>	<u>\$ 261,292</u>	<u>\$ 997</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

Special Revenue

	Consolidated Road Lighting District No. 1	Parish Transpor- tation	Parish Beautification	Parish Street Maintenance
ASSETS				
Cash and cash equivalents	\$ 1,241,943	\$ 729,446	\$ 1,547,333	\$ 12,273,686
Investments	2,476,449	1,454,523	3,085,400	24,473,878
Property taxes receivable - net	78,664	--	--	--
Sales taxes receivable	--	--	119,112	1,400,281
Accounts receivable	--	--	--	--
Accrued interest receivable	9,824	43,579	11,766	90,641
Due from other governments	207,871	242,430	--	--
Total assets	<u>\$ 4,014,751</u>	<u>\$ 2,469,978</u>	<u>\$ 4,763,611</u>	<u>\$ 38,238,486</u>
LIABILITIES				
Accounts and contracts payable	\$ --	\$ 183,809	\$ 49,887	\$ 1,760,460
Due to other funds	--	--	--	--
Due to other governments	--	--	--	325,418
Accrued salaries payable	--	--	--	3,518
Total liabilities	<u>--</u>	<u>183,809</u>	<u>49,887</u>	<u>2,089,396</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	8,268	--	--	--
Unavailable revenue - revenue sharing	15,043	--	--	--
Total deferred inflows of resources	<u>23,311</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES:				
Restricted	3,991,440	2,286,169	4,713,724	36,149,090
Committed	--	--	--	--
Total fund balances	<u>3,991,440</u>	<u>2,286,169</u>	<u>4,713,724</u>	<u>36,149,090</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,014,751</u>	<u>\$ 2,469,978</u>	<u>\$ 4,763,611</u>	<u>\$ 38,238,486</u>

Continued

Special Revenue				Debt Service	
Capital House Economic Development District	Lafayette-Main Economic Development District	Dawnadele Economic Development District	Total	City Sales Tax Bonds	Parish Sales Tax Bonds
\$ 81,570	\$ 7,160	\$ 163,489	\$ 24,480,123	\$ 925,104	\$ --
--	--	--	43,207,758	--	--
--	--	--	11,642,993	--	--
67,243	4,546	200,403	1,791,585	--	--
--	--	--	5,676,845	--	--
--	--	--	203,851	--	--
--	--	--	32,684,820	--	--
<u>\$ 148,813</u>	<u>\$ 11,706</u>	<u>\$ 363,892</u>	<u>\$ 119,687,975</u>	<u>\$ 925,104</u>	<u>\$ --</u>
\$ 148,813	\$ 11,706	\$ 363,892	\$ 4,405,471	\$ --	\$ --
--	--	--	10,091,305	--	--
--	--	--	325,418	--	--
--	--	--	640,075	--	--
<u>148,813</u>	<u>11,706</u>	<u>363,892</u>	<u>15,462,269</u>	<u>--</u>	<u>--</u>
--	--	--	1,001,975	--	--
--	--	--	61,339	--	--
--	--	--	<u>1,063,314</u>	--	--
--	--	--	86,156,219	925,104	--
--	--	--	17,006,173	--	--
--	--	--	<u>103,162,392</u>	<u>925,104</u>	<u>--</u>
<u>\$ 148,813</u>	<u>\$ 11,706</u>	<u>\$ 363,892</u>	<u>\$ 119,687,975</u>	<u>\$ 925,104</u>	<u>\$ --</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2017**

	Debt Service			
	Taxable Refunding Bonds	Road and Street Improvement	LCDA Road and Street Improvement Project	Excess Revenue and Limited Tax
ASSETS				
Cash and cash equivalents	\$ --	\$ 7,258,031	\$ 2,408,544	\$ --
Investments	--	--	--	--
Property taxes receivable - net	--	--	--	--
Sales taxes receivable	--	--	--	--
Accounts receivable	--	--	--	--
Accrued interest receivable	--	--	--	--
Due from other governments	--	--	--	--
Total assets	<u>\$ --</u>	<u>\$ 7,258,031</u>	<u>\$ 2,408,544</u>	<u>\$ --</u>
LIABILITIES				
Accounts and contracts payable	\$ --	\$ 197,646	\$ --	\$ --
Due to other funds	--	--	--	--
Due to other governments	--	--	--	--
Accrued salaries payable	--	--	--	--
Total liabilities	<u>--</u>	<u>197,646</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	--	--	--	--
Unavailable revenue - revenue sharing	--	--	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES:				
Restricted	--	7,060,385	2,408,544	--
Committed	--	--	--	--
Total fund balances	<u>--</u>	<u>7,060,385</u>	<u>2,408,544</u>	<u>--</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ --</u>	<u>\$ 7,258,031</u>	<u>\$ 2,408,544</u>	<u>\$ --</u>

<u>Debt Service</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Total</u>		
\$ 10,591,679	\$	35,071,802
--		43,207,758
--		11,642,993
--		1,791,585
--		5,676,845
--		203,851
--		32,684,820
<u>\$ 10,591,679</u>	<u>\$</u>	<u>130,279,654</u>
\$ 197,646	\$	4,603,117
--		10,091,305
--		325,418
--		640,075
<u>197,646</u>		<u>15,659,915</u>
--		1,001,975
--		61,339
<u>--</u>		<u>1,063,314</u>
10,394,033		96,550,252
--		17,006,173
<u>10,394,033</u>		<u>113,556,425</u>
<u>\$ 10,591,679</u>	<u>\$</u>	<u>130,279,654</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Special Revenue

	Civil Juror Compensation	Criminal Juror Compensation	City Constable Court Costs	Mosquito Abatement and Rodent Control
REVENUES				
Taxes:				
Property	\$ --	\$ --	\$ --	\$ 8,799,118
Sales	--	--	--	--
Occupancy	--	--	--	--
Intergovernmental revenues	--	--	--	78,527
Charges for services	45,395	172,886	377,626	--
Fines and forfeits	--	--	39,759	--
Investment earnings	434	2,329	(957)	12,077
Miscellaneous revenues	--	--	--	--
Total revenues	<u>45,829</u>	<u>175,215</u>	<u>416,428</u>	<u>8,889,722</u>
EXPENDITURES				
Current:				
General government	50,183	247,604	790,993	--
Public safety	--	--	--	--
Transportation	--	--	--	--
Health and welfare	--	--	--	4,503,585
Conservation and development	--	--	--	--
Debt service:				
Principal retirement	--	--	--	--
Interest and fiscal charges	--	--	--	--
Capital outlay	--	--	--	127,420
Intergovernmental	--	--	--	--
Total expenditures	<u>50,183</u>	<u>247,604</u>	<u>790,993</u>	<u>4,631,005</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,354)</u>	<u>(72,389)</u>	<u>(374,565)</u>	<u>4,258,717</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	213,400	--
Transfers out	--	--	--	(387,000)
Proceeds of capital asset disposition	--	--	--	19,265
Total other financing sources and uses	<u>--</u>	<u>--</u>	<u>213,400</u>	<u>(367,735)</u>
Net change in fund balances	(4,354)	(72,389)	(161,165)	3,890,982
Fund balances, January 1, restated	<u>41,829</u>	<u>300,345</u>	<u>179,429</u>	<u>2,462,738</u>
Fund balances, December 31	<u>\$ 37,475</u>	<u>\$ 227,956</u>	<u>\$ 18,264</u>	<u>\$ 6,353,720</u>

Continued

Special Revenue

<u>Downtown Development District</u>	<u>Gaming Enforcement Division</u>	<u>Council On Aging</u>	<u>City Court Judicial Building</u>	<u>Federal Forfeited Property</u>	<u>E.B.R. Parish Communications District</u>
\$ 568,756	\$ --	\$ 9,057,901	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	6,600	--	--	--	4,863
--	139,365	--	264,621	--	5,965,905
--	--	--	--	640,716	--
661	1,518	--	4,722	13,133	55,952
--	--	--	--	--	--
<u>569,417</u>	<u>147,483</u>	<u>9,057,901</u>	<u>269,343</u>	<u>653,849</u>	<u>6,026,720</u>
--	166,286	--	243,382	--	--
--	--	--	--	56,283	6,543,805
--	--	--	--	--	--
--	--	280,936	--	--	--
694,945	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	201,578	--
--	--	--	--	--	--
<u>694,945</u>	<u>166,286</u>	<u>280,936</u>	<u>243,382</u>	<u>257,861</u>	<u>6,543,805</u>
<u>(125,528)</u>	<u>(18,803)</u>	<u>8,776,965</u>	<u>25,961</u>	<u>395,988</u>	<u>(517,085)</u>
142,500	--	--	--	--	1,010,000
--	--	--	--	--	(900,000)
--	--	--	--	--	33,666
<u>142,500</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>143,666</u>
16,972	(18,803)	8,776,965	25,961	395,988	(373,419)
<u>419,749</u>	<u>189,024</u>	<u>--</u>	<u>528,519</u>	<u>691,976</u>	<u>7,301,203</u>
<u>\$ 436,721</u>	<u>\$ 170,221</u>	<u>\$ 8,776,965</u>	<u>\$ 554,480</u>	<u>\$ 1,087,964</u>	<u>\$ 6,927,784</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	Special Revenue			
	Emergency Medical Services	B. R. Fire Department Pay Enhancement	District No. 1 Fire Protection District	Brownsfield Fire Protection District
REVENUES				
Taxes:				
Property	\$ 13,187,153	\$12,036,041	\$ 447,573	\$ 865,425
Sales	--	--	--	--
Occupancy	--	--	--	--
Intergovernmental revenues	6,599,511	--	30,191	136,323
Charges for services	19,373,779	--	64,097	97,702
Fines and forfeits	--	--	--	--
Investment earnings	81,388	(38,018)	2,933	1,184
Miscellaneous revenues	118,016	--	--	37,858
Total revenues	<u>39,359,847</u>	<u>11,998,023</u>	<u>544,794</u>	<u>1,138,492</u>
EXPENDITURES				
Current:				
General government	--	--	--	--
Public safety	29,233,118	11,291,709	366,471	959,106
Transportation	--	--	--	--
Health and welfare	--	--	--	--
Conservation and development	--	--	--	--
Debt service:				
Principal retirement	--	--	--	--
Interest and fiscal charges	--	--	--	--
Capital outlay	540,881	--	--	388,980
Intergovernmental	--	--	--	--
Total expenditures	<u>29,773,999</u>	<u>11,291,709</u>	<u>366,471</u>	<u>1,348,086</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,585,848</u>	<u>706,314</u>	<u>178,323</u>	<u>(209,594)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	--	16,250
Transfers out	(1,230,000)	--	--	--
Proceeds of capital asset disposition	3,350	--	--	--
Total other financing sources and uses	<u>(1,226,650)</u>	<u>--</u>	<u>--</u>	<u>16,250</u>
Net change in fund balances	8,359,198	706,314	178,323	(193,344)
Fund balances, January 1, restated	<u>16,932,108</u>	<u>2,296,755</u>	<u>555,872</u>	<u>683,978</u>
Fund balances, December 31	<u>\$ 25,291,306</u>	<u>\$ 3,003,069</u>	<u>\$ 734,195</u>	<u>\$ 490,634</u>

Continued

Special Revenue

Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District	Sobriety Court	City Court Technology	19th JDC- Off Duty Police Witness Fees
\$ 181,526	\$ 146,430	\$ 374,664	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
17,350	17,948	5,227	--	--	--
43,156	49,790	13,535	48,902	129,483	997
--	--	--	--	--	--
(35)	5,022	3,539	800	1,959	--
11,630	20,631	9,588	--	--	--
<u>253,627</u>	<u>239,821</u>	<u>406,553</u>	<u>49,702</u>	<u>131,442</u>	<u>997</u>
--	--	--	10,890	--	700
245,928	212,215	264,572	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	12,000	--	--	--	--
--	4,357	--	--	--	--
20,920	--	5,800	--	--	--
--	--	--	--	--	--
<u>266,848</u>	<u>228,572</u>	<u>270,372</u>	<u>10,890</u>	<u>--</u>	<u>700</u>
(13,221)	11,249	136,181	38,812	131,442	297
35,860	64,000	24,510	--	--	--
(18,220)	(5,900)	--	--	--	--
--	--	--	--	--	--
<u>17,640</u>	<u>58,100</u>	<u>24,510</u>	<u>--</u>	<u>--</u>	<u>--</u>
4,419	69,349	160,691	38,812	131,442	297
125,231	621,644	566,388	63,092	129,850	--
<u>\$ 129,650</u>	<u>\$ 690,993</u>	<u>\$ 727,079</u>	<u>\$ 101,904</u>	<u>\$ 261,292</u>	<u>\$ 297</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	Special Revenue			
	Consolidated Road Lighting District No. 1	Parish Transportation	Parish Beautification	Parish Street Maintenance
REVENUES				
Taxes:				
Property	\$ 286,635	\$ --	\$ --	\$ --
Sales	--	--	1,319,683	15,808,921
Occupancy	--	--	--	--
Intergovernmental revenues	24,597	2,935,770	--	--
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	33,221	145,666	39,155	307,935
Miscellaneous revenues	--	--	--	35,691
Total revenues	<u>344,453</u>	<u>3,081,436</u>	<u>1,358,838</u>	<u>16,152,547</u>
EXPENDITURES				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Transportation	541,269	643,285	261,957	10,368,257
Health and welfare	--	--	--	--
Conservation and development	--	--	--	--
Debt service:				
Principal retirement	--	--	--	--
Interest and fiscal charges	--	--	--	--
Capital outlay	--	--	840,983	--
Intergovernmental	--	550,000	--	--
Total expenditures	<u>541,269</u>	<u>1,193,285</u>	<u>1,102,940</u>	<u>10,368,257</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(196,816)</u>	<u>1,888,151</u>	<u>255,898</u>	<u>5,784,290</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	--	--
Transfers out	--	(1,400,000)	(396,836)	--
Proceeds of capital asset disposition	--	--	--	--
Total other financing sources and uses	<u>--</u>	<u>(1,400,000)</u>	<u>(396,836)</u>	<u>--</u>
Net change in fund balances	(196,816)	488,151	(140,938)	5,784,290
Fund balances, January 1, restated	<u>4,188,256</u>	<u>1,798,018</u>	<u>4,854,662</u>	<u>30,364,800</u>
Fund balances, December 31	<u>\$ 3,991,440</u>	<u>\$ 2,286,169</u>	<u>\$ 4,713,724</u>	<u>\$ 36,149,090</u>

Continued

Special Revenue				Debt Service	
Capital House Economic Development District	Lafayette-Main Economic Development District	Dawnadele Economic Development District	Total	City Sales Tax Bonds	Parish Sales Tax Bonds
\$ --	\$ --	\$ --	\$ 45,951,222	\$ --	\$ --
92,835	92,700	1,940,928	19,255,067	1,700,336	1,227,015
920,975	--	--	920,975	--	--
--	--	--	9,856,907	--	--
--	--	--	26,787,239	--	--
--	--	--	680,475	--	--
--	--	--	674,618	7,435	--
--	--	--	233,414	--	19,044
<u>1,013,810</u>	<u>92,700</u>	<u>1,940,928</u>	<u>104,359,917</u>	<u>1,707,771</u>	<u>1,246,059</u>
--	--	--	1,510,038	--	--
--	--	--	49,173,207	--	--
--	--	--	11,814,768	--	--
--	--	--	4,784,521	--	--
1,013,810	92,700	1,940,928	3,742,383	--	--
--	--	--	12,000	1,800,000	970,000
--	--	--	4,357	493,787	276,059
--	--	--	2,126,562	--	--
--	--	--	550,000	--	--
<u>1,013,810</u>	<u>92,700</u>	<u>1,940,928</u>	<u>73,717,836</u>	<u>2,293,787</u>	<u>1,246,059</u>
--	--	--	30,642,081	(586,016)	--
--	--	--	1,506,520	--	--
--	--	--	(4,337,956)	--	--
--	--	--	56,281	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>(2,775,155)</u>	<u>--</u>	<u>--</u>
--	--	--	27,866,926	(586,016)	--
--	--	--	75,295,466	1,511,120	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 103,162,392</u>	<u>\$ 925,104</u>	<u>\$ --</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	Debt Service			
	Taxable Refunding Bonds	Road and Street Improvement	LCDA Road and Street Improvement Project	Excess Revenue and Limited Tax
REVENUES				
Taxes:				
Property	\$ --	\$ --	\$ --	\$ --
Sales	--	17,704,660	5,759,847	--
Occupancy	--	--	--	--
Intergovernmental revenues	--	--	--	--
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	--	28,481	9,404	--
Miscellaneous revenues	--	--	--	206,417
Total revenues	<u>--</u>	<u>17,733,141</u>	<u>5,769,251</u>	<u>206,417</u>
EXPENDITURES				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Transportation	--	--	--	--
Health and welfare	--	--	--	--
Conservation and development	--	--	--	--
Debt service:				
Principal retirement	3,135,000	9,110,000	2,875,000	244,885
Interest and fiscal charges	1,648,757	8,695,320	2,882,106	14,154
Capital outlay	--	--	--	--
Intergovernmental	--	--	--	--
Total expenditures	<u>4,783,757</u>	<u>17,805,320</u>	<u>5,757,106</u>	<u>259,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,783,757)</u>	<u>(72,179)</u>	<u>12,145</u>	<u>(52,622)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,783,757	--	--	52,622
Transfers out	--	--	--	--
Proceeds of capital asset disposition	--	--	--	--
Total other financing sources and uses	<u>4,783,757</u>	<u>--</u>	<u>--</u>	<u>52,622</u>
Net change in fund balances	--	(72,179)	12,145	--
Fund balances, January 1, restated	<u>--</u>	<u>7,132,564</u>	<u>2,396,399</u>	<u>--</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ 7,060,385</u>	<u>\$ 2,408,544</u>	<u>\$ --</u>

<u>Debt Service</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Total</u>		
\$ --	\$	45,951,222
26,391,858		45,646,925
--		920,975
--		9,856,907
--		26,787,239
--		680,475
45,320		719,938
225,461		458,875
<u>26,662,639</u>		<u>131,022,556</u>
--		1,510,038
--		49,173,207
--		11,814,768
--		4,784,521
--		3,742,383
18,134,885		18,146,885
14,010,183		14,014,540
--		2,126,562
--		550,000
<u>32,145,068</u>		<u>105,862,904</u>
<u>(5,482,429)</u>		<u>25,159,652</u>
4,836,379		6,342,899
--		(4,337,956)
--		56,281
<u>4,836,379</u>		<u>2,061,224</u>
(646,050)		27,220,876
<u>11,040,083</u>		<u>86,335,549</u>
<u>\$ 10,394,033</u>		<u>\$ 113,556,425</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CIVIL JUROR COMPENSATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 3

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services:				
Civil juror fees	\$ 70,000	\$ 45,600	\$ 45,395	\$ (205)
Investment earnings	--	--	434	434
Total revenues	70,000	45,600	45,829	229
EXPENDITURES				
Current:				
General government:				
Juror compensation	100,000	75,600	50,183	25,417
Excess (deficiency) of revenues over (under) expenditures	(30,000)	(30,000)	(4,354)	25,646
Fund balances, January 1	41,829	41,829	41,829	--
Fund balances, December 31	<u>\$ 11,829</u>	<u>\$ 11,829</u>	<u>\$ 37,475</u>	<u>\$ 25,646</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CRIMINAL JUROR COMPENSATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 4

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services:				
Criminal juror fees	\$ 270,000	\$ 173,000	\$ 172,886	\$ (114)
Investment earnings	--	--	2,329	2,329
Total revenues	270,000	173,000	175,215	2,215
EXPENDITURES				
Current:				
General government:				
Juror compensation	270,000	270,000	247,604	22,396
Excess (deficiency) of revenues over (under) expenditures	--	(97,000)	(72,389)	24,611
Fund balances, January 1	300,345	300,345	300,345	--
Fund balances, December 31	<u>\$ 300,345</u>	<u>\$ 203,345</u>	<u>\$ 227,956</u>	<u>\$ 24,611</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY CONSTABLE COURT COSTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 5

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services:				
Judiciary court costs	\$ 520,000	\$ 223,000	\$ 226,201	\$ 3,201
Criminal bond posting fees	97,000	62,000	76,805	14,805
School security fees	13,000	13,000	8,685	(4,315)
Constable bench warrant fees	18,000	12,000	10,140	(1,860)
Evidence testing	70,000	55,000	55,795	795
Total charges for services	<u>718,000</u>	<u>365,000</u>	<u>377,626</u>	<u>12,626</u>
Fines and forfeits:				
City court forfeitures	45,000	45,000	39,759	(5,241)
Investment earnings	<u>--</u>	<u>--</u>	<u>(957)</u>	<u>(957)</u>
Total revenues	763,000	410,000	416,428	6,428
EXPENDITURES				
Current:				
General government:				
Judicial	<u>764,456</u>	<u>802,829</u>	<u>797,462</u>	<u>5,367</u>
Excess (deficiency) of revenues over (under) expenditures	(1,456)	(392,829)	(381,034)	11,795
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	<u>--</u>	<u>213,400</u>	<u>213,400</u>	<u>--</u>
Net change in fund balances	(1,456)	(179,429)	(167,634)	11,795
Fund balances, January 1	<u>179,429</u>	<u>179,429</u>	<u>179,429</u>	<u>--</u>
Fund balances, December 31	<u>\$ 177,973</u>	<u>\$ --</u>	<u>\$ 11,795</u>	<u>\$ 11,795</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOSQUITO ABATEMENT AND RODENT CONTROL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B - 6

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 5,734,120	\$ 5,734,120	\$ 8,799,118	\$ 3,064,998
Intergovernmental revenues:				
Governor's Office of Homeland Security and Emergency Preparedness	--	--	78,527	78,527
Investment earnings	7,800	7,800	12,077	4,277
Total revenues	<u>5,741,920</u>	<u>5,741,920</u>	<u>8,889,722</u>	<u>3,147,802</u>
EXPENDITURES				
Current:				
Health and welfare:				
Operations	5,978,899	6,189,899	4,599,706	1,590,193
Capital outlay	596,176	298,176	127,420	170,756
Total expenditures	<u>6,575,075</u>	<u>6,488,075</u>	<u>4,727,126</u>	<u>1,760,949</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(833,155)</u>	<u>(746,155)</u>	<u>4,162,596</u>	<u>4,908,751</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Capital Projects Fund	--	(387,000)	(387,000)	--
Proceeds of capital asset disposition	4,000	4,000	19,265	15,265
Total other financing sources and uses	<u>4,000</u>	<u>(383,000)</u>	<u>(367,735)</u>	<u>15,265</u>
Net change in fund balances	(829,155)	(1,129,155)	3,794,861	4,924,016
Fund balances, January 1	<u>2,462,738</u>	<u>2,462,738</u>	<u>2,462,738</u>	--
Fund balances, December 31	<u>\$ 1,633,583</u>	<u>\$ 1,333,583</u>	<u>\$ 6,257,599</u>	<u>\$ 4,924,016</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 7

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 532,550	\$ 532,550	\$ 568,756	\$ 36,206
Investment earnings	--	--	661	661
Total revenues	532,550	532,550	569,417	36,867
EXPENDITURES				
Current:				
Conservation and development Operations	681,973	781,973	721,542	60,431
Excess (deficiency) of revenues over (under) expenditures	(149,423)	(249,423)	(152,125)	97,298
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	142,500	142,500	142,500	--
Net change in fund balances	(6,923)	(106,923)	(9,625)	97,298
Fund balances, January 1	419,749	419,749	419,749	--
Fund balances, December 31	<u>\$ 412,826</u>	<u>\$ 312,826</u>	<u>\$ 410,124</u>	<u>\$ 97,298</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GAMING ENFORCEMENT DIVISION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 8

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
On-behalf payments	\$ 600	\$ 6,600	\$ 6,600	\$ --
Charges for services:				
Gaming fees	140,000	140,000	139,365	(635)
Investment earnings	300	300	1,518	1,218
Total revenues	140,900	146,900	147,483	583
EXPENDITURES				
Current:				
General government:				
Operations	150,230	167,230	167,065	165
Excess (deficiency) of revenues over (under) expenditures	(9,330)	(20,330)	(19,582)	748
Fund balances, January 1	189,024	189,024	189,024	--
Fund balances, December 31	<u>\$ 179,694</u>	<u>\$ 168,694</u>	<u>\$ 169,442</u>	<u>\$ 748</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EAST BATON ROUGE PARISH COUNCIL ON AGING SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 9

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ --	\$ 8,890,000	\$ 9,057,901	\$ 167,901
EXPENDITURES				
Current:				
Health and welfare:				
Operations	--	281,896	280,936	960
Excess (deficiency) of revenues over (under) expenditures	--	8,608,104	8,776,965	168,861
Fund balances, January 1	--	--	--	--
Fund balances, December 31	<u>\$ --</u>	<u>\$ 8,608,104</u>	<u>\$ 8,776,965</u>	<u>\$ 168,861</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY COURT JUDICIAL BUILDING SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 10

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services:				
Civil and traffic fees	\$ 365,000	\$ 269,000	\$ 264,621	\$ (4,379)
Investment earnings	--	--	4,722	4,722
Total revenues	<u>365,000</u>	<u>269,000</u>	<u>269,343</u>	<u>343</u>
EXPENDITURES				
Current:				
General government:				
Judicial	650,442	554,442	251,126	303,316
Capital outlay	<u>7,000</u>	<u>7,000</u>	<u>--</u>	<u>7,000</u>
Total expenditures	<u>657,442</u>	<u>561,442</u>	<u>251,126</u>	<u>310,316</u>
Excess (deficiency) of revenues over (under) expenditures	(292,442)	(292,442)	18,217	310,659
Fund balances, January 1	<u>528,519</u>	<u>528,519</u>	<u>528,519</u>	<u>--</u>
Fund balances, December 31	<u><u>\$ 236,077</u></u>	<u><u>\$ 236,077</u></u>	<u><u>\$ 546,736</u></u>	<u><u>\$ 310,659</u></u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL FORFEITED PROPERTY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 11

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeits:				
Forfeited property	\$ 350,000	\$ 600,000	\$ 640,716	\$ 40,716
Investment earnings	--	--	13,133	13,133
Total revenues	<u>350,000</u>	<u>600,000</u>	<u>653,849</u>	<u>53,849</u>
EXPENDITURES				
Current:				
Public safety:				
Dedicated funds	757,873	949,418	101,835	847,583
Capital outlay	<u>198,231</u>	<u>256,686</u>	<u>201,578</u>	<u>55,108</u>
Total expenditures	<u>956,104</u>	<u>1,206,104</u>	<u>303,413</u>	<u>902,691</u>
Excess (deficiency) of revenues over (under) expenditures	(606,104)	(606,104)	350,436	956,540
Fund balances, January 1	<u>691,976</u>	<u>691,976</u>	<u>691,976</u>	--
Fund balances, December 31	<u><u>\$ 85,872</u></u>	<u><u>\$ 85,872</u></u>	<u><u>\$ 1,042,412</u></u>	<u><u>\$ 956,540</u></u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EAST BATON ROUGE PARISH COMMUNICATIONS DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B - 12

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues:				
Governor's Office of Homeland Security and Emergency Preparedness	\$ --	\$ --	\$ 4,863	\$ 4,863
Charges for services:				
Enhanced 911	5,560,000	5,560,000	5,965,905	405,905
Investment earnings	10,000	10,000	55,952	45,952
Total revenues	<u>5,570,000</u>	<u>5,570,000</u>	<u>6,026,720</u>	<u>456,720</u>
EXPENDITURES				
Current:				
Public safety:				
Communications	6,827,084	6,827,084	6,562,138	264,946
Capital outlay	1,310,000	410,000	--	410,000
Total expenditures	<u>8,137,084</u>	<u>7,237,084</u>	<u>6,562,138</u>	<u>674,946</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,567,084)</u>	<u>(1,667,084)</u>	<u>(535,418)</u>	<u>1,131,666</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Emergency Medical Services Fund	1,010,000	1,010,000	1,010,000	--
Transfers out:				
Capital Projects Fund	--	(900,000)	(900,000)	--
Proceeds of capital asset disposition	--	--	33,666	33,666
Total other financing sources and uses	<u>1,010,000</u>	<u>110,000</u>	<u>143,666</u>	<u>33,666</u>
Net change in fund balances	(1,557,084)	(1,557,084)	(391,752)	1,165,332
Fund balances, January 1	<u>7,301,203</u>	<u>7,301,203</u>	<u>7,301,203</u>	--
Fund balances, December 31	<u>\$ 5,744,119</u>	<u>\$ 5,744,119</u>	<u>\$ 6,909,451</u>	<u>\$ 1,165,332</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 13

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 12,730,030	\$ 12,730,030	\$ 13,187,153	\$ 457,123
Intergovernmental revenues:				
Medicaid supplemental payment program	500,000	500,000	6,599,511	6,099,511
Charges for services:				
Emergency transport charges	10,500,000	10,500,000	12,578,596	2,078,596
Medicaid supplemental payments for ambulances	636,360	1,111,360	6,645,263	5,533,903
EMS training fees	25,000	25,000	44,187	19,187
CPR card and medical record fees	28,000	28,000	105,733	77,733
Total charges for services	<u>11,189,360</u>	<u>11,664,360</u>	<u>19,373,779</u>	<u>7,709,419</u>
Investment earnings	15,000	15,000	81,388	66,388
Miscellaneous revenues:				
Other income	1,500	1,500	118,016	116,516
Total revenues	<u>24,435,890</u>	<u>24,910,890</u>	<u>39,359,847</u>	<u>14,448,957</u>
EXPENDITURES				
Current:				
Public safety:				
Operations	23,426,660	29,800,661	29,385,611	415,050
Capital outlay	1,506,184	2,027,184	811,243	1,215,941
Total expenditures	<u>24,932,844</u>	<u>31,827,845</u>	<u>30,196,854</u>	<u>1,630,991</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(496,954)</u>	<u>(6,916,955)</u>	<u>9,162,993</u>	<u>16,079,948</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
General Fund	(90,000)	(90,000)	(90,000)	--
Capital Projects Fund	--	(130,000)	(130,000)	--
East Baton Rouge Parish Communications District	<u>(1,010,000)</u>	<u>(1,010,000)</u>	<u>(1,010,000)</u>	<u>--</u>
Total transfers out	<u>(1,100,000)</u>	<u>(1,230,000)</u>	<u>(1,230,000)</u>	<u>--</u>
Proceeds of capital asset disposition	--	--	3,350	3,350
Total other financing sources and uses	<u>(1,100,000)</u>	<u>(1,230,000)</u>	<u>(1,226,650)</u>	<u>3,350</u>
Net change in fund balances	(1,596,954)	(8,146,955)	7,936,343	16,083,298
Fund balances, January 1	16,932,108	16,932,108	16,932,108	--
Fund balances, December 31	<u>\$ 15,335,154</u>	<u>\$ 8,785,153</u>	<u>\$ 24,868,451</u>	<u>\$ 16,083,298</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BATON ROUGE FIRE DEPARTMENT PAY ENHANCEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B - 14

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 11,510,640	\$ 11,510,640	\$ 12,036,041	\$ 525,401
Investment earnings	(4,000)	(4,000)	(38,018)	(34,018)
Total revenues	11,506,640	11,506,640	11,998,023	491,383
EXPENDITURES				
Current:				
Public safety:				
Operations	11,952,310	11,952,310	11,291,709	660,601
Excess (deficiency) of revenues over (under) expenditures	(445,670)	(445,670)	706,314	1,151,984
Fund balances, January 1	2,296,755	2,296,755	2,296,755	--
Fund balances, December 31	<u>\$ 1,851,085</u>	<u>\$ 1,851,085</u>	<u>\$ 3,003,069</u>	<u>\$ 1,151,984</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT NO. 1 FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 15

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 355,610	\$ 355,610	\$ 447,573	\$ 91,963
Intergovernmental revenues:				
Insurance company taxes	27,980	27,980	30,191	2,211
Charges for services:				
Fire protection service charges	67,600	67,600	64,097	(3,503)
Investment earnings	<u>330</u>	<u>330</u>	<u>2,933</u>	<u>2,603</u>
Total revenues	451,520	451,520	544,794	93,274
EXPENDITURES				
Current:				
Public safety:				
Operations	<u>432,610</u>	<u>782,610</u>	<u>366,471</u>	<u>416,139</u>
Excess (deficiency) of revenues over (under) expenditures	18,910	(331,090)	178,323	509,413
Fund balances, January 1	<u>555,872</u>	<u>555,872</u>	<u>555,872</u>	<u>--</u>
Fund balances, December 31	<u>\$ 574,782</u>	<u>\$ 224,782</u>	<u>\$ 734,195</u>	<u>\$ 509,413</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BROWNSFIELD FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B - 16

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 755,350	\$ 755,350	\$ 865,425	\$ 110,075
Intergovernmental revenues:				
Insurance company taxes	34,110	34,110	36,831	2,721
Louisiana revenue sharing	77,510	77,510	75,492	(2,018)
On-behalf payments for salaries and benefits	24,000	24,000	24,000	--
Total intergovernmental revenues	<u>135,620</u>	<u>135,620</u>	<u>136,323</u>	<u>703</u>
Charges for services:				
Fire protection service charges	<u>107,260</u>	<u>107,260</u>	<u>97,702</u>	<u>(9,558)</u>
Investment earnings	<u>70</u>	<u>70</u>	<u>1,184</u>	<u>1,114</u>
Miscellaneous revenues:				
Other income	<u>22,670</u>	<u>22,670</u>	<u>37,858</u>	<u>15,188</u>
Total revenues	<u>1,020,970</u>	<u>1,020,970</u>	<u>1,138,492</u>	<u>117,522</u>
EXPENDITURES				
Current:				
Public safety:				
Operations	1,065,558	1,145,558	959,106	186,452
Capital outlay	<u>360,000</u>	<u>430,000</u>	<u>388,980</u>	<u>41,020</u>
Total expenditures	<u>1,425,558</u>	<u>1,575,558</u>	<u>1,348,086</u>	<u>227,472</u>
Excess (deficiency) of revenues over (under) expenditures	(404,588)	(554,588)	(209,594)	344,994
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	<u>16,250</u>	<u>16,250</u>	<u>16,250</u>	<u>--</u>
Net change in fund balances	(388,338)	(538,338)	(193,344)	344,994
Fund balances, January 1	<u>683,978</u>	<u>683,978</u>	<u>683,978</u>	<u>--</u>
Fund balances, December 31	<u>\$ 295,640</u>	<u>\$ 145,640</u>	<u>\$ 490,634</u>	<u>\$ 344,994</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CHANEYVILLE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B - 17

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 155,370	\$ 155,370	\$ 181,526	\$ 26,156
Intergovernmental revenues:				
Insurance company taxes	16,100	16,100	17,350	1,250
Charges for services:				
Fire protection service charges	39,910	39,910	43,156	3,246
Investment earnings	90	90	(35)	(125)
Miscellaneous revenues:				
Other income	9,430	9,430	11,630	2,200
Total revenues	<u>220,900</u>	<u>220,900</u>	<u>253,627</u>	<u>32,727</u>
EXPENDITURES				
Current:				
Public safety:				
Operations	294,172	273,252	245,928	27,324
Capital outlay	--	20,920	20,920	--
Total expenditures	<u>294,172</u>	<u>294,172</u>	<u>266,848</u>	<u>27,324</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(73,272)</u>	<u>(73,272)</u>	<u>(13,221)</u>	<u>60,051</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	35,860	35,860	35,860	--
Transfers out:				
Capital Projects Fund	--	(18,220)	(18,220)	--
Total other financing sources and uses	<u>35,860</u>	<u>17,640</u>	<u>17,640</u>	<u>--</u>
Net change in fund balances	(37,412)	(55,632)	4,419	60,051
Fund balances, January 1	<u>125,231</u>	<u>125,231</u>	<u>125,231</u>	<u>--</u>
Fund balances, December 31	<u>\$ 87,819</u>	<u>\$ 69,599</u>	<u>\$ 129,650</u>	<u>\$ 60,051</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PRIDE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B - 18

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 130,790	\$ 130,790	\$ 146,430	\$ 15,640
Intergovernmental revenues:				
Insurance company taxes	16,650	16,650	17,948	1,298
Charges for services:				
Fire protection service charges	52,190	52,190	49,790	(2,400)
Investment earnings	500	500	5,022	4,522
Miscellaneous revenues:				
Donations	--	--	250	250
Other income	3,980	3,980	20,381	16,401
Total miscellaneous revenues	3,980	3,980	20,631	16,651
Total revenues	204,110	204,110	239,821	35,711
EXPENDITURES				
Current:				
Public safety:				
Operations	280,877	274,977	212,215	62,762
Debt service:				
Principal retirement	12,000	12,000	12,000	--
Interest and fiscal charges	4,250	4,250	4,357	(107)
Total debt service	16,250	16,250	16,357	(107)
Capital outlay	--	242,000	242,000	--
Total expenditures	297,127	533,227	470,572	62,655
Excess (deficiency) of revenues over (under) expenditures	(93,017)	(329,117)	(230,751)	98,366
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	64,000	64,000	64,000	--
Transfers out:				
Grants Fund	--	(5,900)	(5,900)	--
Total other financing sources and uses	64,000	58,100	58,100	--
Net change in fund balances	(29,017)	(271,017)	(172,651)	98,366
Fund balances, January 1	621,644	621,644	621,644	--
Fund balances, December 31	\$ 592,627	\$ 350,627	\$ 448,993	\$ 98,366

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 19

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 250,920	\$ 250,920	\$ 374,664	\$ 123,744
Intergovernmental revenues:				
Insurance company taxes	5,430	5,430	5,227	(203)
Charges for services:				
Fire protection service charges	13,020	13,020	13,535	515
Investment earnings	250	250	3,539	3,289
Miscellaneous revenues:				
Other income	8,130	8,130	9,588	1,458
Total revenues	<u>277,750</u>	<u>277,750</u>	<u>406,553</u>	<u>128,803</u>
EXPENDITURES				
Current:				
Public safety:				
Operations	312,237	312,237	264,572	47,665
Capital outlay	2,900	2,900	5,800	(2,900)
Total expenditures	<u>315,137</u>	<u>315,137</u>	<u>270,372</u>	<u>44,765</u>
Excess (deficiency) of revenues over (under) expenditures	(37,387)	(37,387)	136,181	173,568
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	24,510	24,510	24,510	--
Net change in fund balances	(12,877)	(12,877)	160,691	173,568
Fund balances, January 1	566,388	566,388	566,388	--
Fund balances, December 31	<u>\$ 553,511</u>	<u>\$ 553,511</u>	<u>\$ 727,079</u>	<u>\$ 173,568</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SOBRIETY COURT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 20

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services:				
Sobriety court costs	\$ 78,000	\$ 48,000	\$ 48,902	\$ 902
Investment earnings	--	--	800	800
Total revenues	78,000	48,000	49,702	1,702
EXPENDITURES				
Current:				
General government:				
Sobriety court	82,800	82,800	10,890	71,910
Excess (deficiency) of revenues over (under) expenditures	(4,800)	(34,800)	38,812	73,612
Fund balances, January 1	63,092	63,092	63,092	--
Fund balances, December 31	<u>\$ 58,292</u>	<u>\$ 28,292</u>	<u>\$ 101,904</u>	<u>\$ 73,612</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY COURT TECHNOLOGY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B - 21

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services:				
Civil technology fee	\$ 68,000	\$ 68,000	\$ 66,630	\$ (1,370)
Traffic technology fee	84,000	58,900	59,793	893
Criminal technology fee	3,600	3,600	3,060	(540)
Total charges for services	<u>155,600</u>	<u>130,500</u>	<u>129,483</u>	<u>(1,017)</u>
Investment earnings	--	--	1,959	1,959
Total revenues	<u>155,600</u>	<u>130,500</u>	<u>131,442</u>	<u>942</u>
EXPENDITURES				
Current:				
General government:				
City court case fees	76,600	76,600	--	76,600
Capital outlay	9,000	9,000	--	9,000
Total expenditures	<u>85,600</u>	<u>85,600</u>	<u>--</u>	<u>85,600</u>
Excess (deficiency) of revenues over (under) expenditures	70,000	44,900	131,442	86,542
Fund balances, January 1	<u>129,850</u>	<u>129,850</u>	<u>129,850</u>	<u>--</u>
Fund balances, December 31	<u><u>\$ 199,850</u></u>	<u><u>\$ 174,750</u></u>	<u><u>\$ 261,292</u></u>	<u><u>\$ 86,542</u></u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
19TH JUDICIAL DISTRICT COURT OFF DUTY POLICE WITNESS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B - 22

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services:				
Witness fees	\$ --	\$ 1,000	\$ 997	\$ (3)
EXPENDITURES				
Current:				
General government:				
Court attendance fees	--	1,000	700	300
Excess (deficiency) of revenues over (under) expenditures	--	--	297	297
Fund balances, January 1	--	--	--	--
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 297</u>	<u>\$ 297</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONSOLIDATED ROAD LIGHTING DISTRICT NO. 1 SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 23

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 290,600	\$ 290,600	\$ 286,635	\$ (3,965)
Intergovernmental revenues:				
State shared revenues				
Louisiana revenue sharing	41,380	41,380	24,597	(16,783)
Investment earnings	<u>2,000</u>	<u>2,000</u>	<u>33,221</u>	<u>31,221</u>
Total revenues	333,980	333,980	344,453	10,473
EXPENDITURES				
Current:				
Transportation:				
Operations	<u>558,660</u>	<u>558,660</u>	<u>541,269</u>	<u>17,391</u>
Excess (deficiency) of revenues over (under) expenditures	(224,680)	(224,680)	(196,816)	27,864
Fund balances, January 1	<u>4,188,256</u>	<u>4,188,256</u>	<u>4,188,256</u>	<u>--</u>
Fund balances, December 31	<u><u>\$ 3,963,576</u></u>	<u><u>\$ 3,963,576</u></u>	<u><u>\$ 3,991,440</u></u>	<u><u>\$ 27,864</u></u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 24

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues:				
State shared revenues				
State road fund	\$ 2,650,000	\$ 2,650,000	\$ 2,935,770	\$ 285,770
Investment earnings	<u>15,000</u>	<u>15,000</u>	<u>145,666</u>	<u>130,666</u>
Total revenues	<u>2,665,000</u>	<u>2,665,000</u>	<u>3,081,436</u>	<u>416,436</u>
EXPENDITURES				
Current:				
Transportation:				
Operations	1,265,570	1,225,570	705,418	520,152
Intergovernmental	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>--</u>
Total expenditures	<u>1,815,570</u>	<u>1,775,570</u>	<u>1,255,418</u>	<u>520,152</u>
Excess (deficiency) of revenues over (under) expenditures	849,430	889,430	1,826,018	936,588
OTHER FINANCING USES				
Transfers out:				
Capital Projects Fund	<u>--</u>	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>--</u>
Net change in fund balances	849,430	(510,570)	426,018	936,588
Fund balances, January 1 restated (Note 1)	<u>1,798,018</u>	<u>1,798,018</u>	<u>1,798,018</u>	<u>--</u>
Fund balances, December 31	<u>\$ 2,647,448</u>	<u>\$ 1,287,448</u>	<u>\$ 2,224,036</u>	<u>\$ 936,588</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH BEAUTIFICATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B - 25

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General sales and use taxes	\$ 1,246,350	\$ 1,246,350	\$ 1,319,683	\$ 73,333
Investment earnings	<u>5,000</u>	<u>5,000</u>	<u>39,155</u>	<u>34,155</u>
Total revenues	<u>1,251,350</u>	<u>1,251,350</u>	<u>1,358,838</u>	<u>107,488</u>
EXPENDITURES				
Current:				
Transportation:				
Operations	2,201,805	864,652	330,433	534,219
Capital outlay	<u>3,390,765</u>	<u>4,727,918</u>	<u>1,352,954</u>	<u>3,374,964</u>
Total expenditures	<u>5,592,570</u>	<u>5,592,570</u>	<u>1,683,387</u>	<u>3,909,183</u>
Excess (deficiency) of revenues over (under) expenditures	(4,341,220)	(4,341,220)	(324,549)	4,016,671
OTHER FINANCING USES				
Transfers out:				
Grants Fund	<u>--</u>	<u>(396,836)</u>	<u>(396,836)</u>	
Net change in fund balances	(4,341,220)	(4,738,056)	(721,385)	4,016,671
Fund balances, January 1	<u>4,854,662</u>	<u>4,854,662</u>	<u>4,854,662</u>	<u>--</u>
Fund balances, December 31	<u>\$ 513,442</u>	<u>\$ 116,606</u>	<u>\$ 4,133,277</u>	<u>\$ 4,016,671</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH STREET MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 26

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General sales and use taxes	\$ 14,655,300	\$ 15,156,886	\$ 15,808,921	\$ 652,035
Investment earnings	15,000	15,000	307,935	292,935
Miscellaneous revenues:				
Entergy	--	--	35,691	35,691
Total revenues	14,670,300	15,171,886	16,152,547	980,661
EXPENDITURES				
Current:				
Transportation:				
Street maintenance	42,423,414	42,925,000	14,945,859	27,979,141
Excess (deficiency) of revenues over (under) expenditures	(27,753,114)	(27,753,114)	1,206,688	28,959,802
Fund balances, January 1	30,364,800	30,364,800	30,364,800	--
Fund balances, December 31	<u>\$ 2,611,686</u>	<u>\$ 2,611,686</u>	<u>\$ 31,571,488</u>	<u>\$ 28,959,802</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITOL HOUSE ECONOMIC DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B - 27

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General sales and use taxes	\$ 72,140	\$ 82,140	\$ 92,835	\$ 10,695
Occupancy taxes	949,180	949,180	920,975	(28,205)
Total taxes	1,021,320	1,031,320	1,013,810	(17,510)
EXPENDITURES				
Current:				
Conservation and development:				
Operations	1,021,320	1,031,320	1,013,810	17,510
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAFAYETTE-MAIN ECONOMIC DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 28

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General sales and use taxes	\$ 99,170	\$ 96,170	\$ 92,700	\$ (3,470)
EXPENDITURES				
Current:				
Conservation and development:				
Operations	99,170	96,170	92,700	3,470
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DAWNADELE ECONOMIC DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 29

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General sales and use taxes	\$ 1,651,320	\$ 1,940,928	\$ 1,940,928	\$ --
EXPENDITURES				
Current:				
Conservation and development:				
Operations	<u>1,651,320</u>	<u>1,940,928</u>	<u>1,940,928</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--
Fund balances, January 1	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances, December 31	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B - 30

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General sales and use taxes	\$ 1,705,000	\$ 1,700,610	\$ 1,700,336	\$ (274)
Investment earnings	<u>2,510</u>	<u>6,900</u>	<u>7,435</u>	<u>535</u>
Total revenues	<u>1,707,510</u>	<u>1,707,510</u>	<u>1,707,771</u>	<u>261</u>
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>--</u>
Interest and fiscal charges:				
Bond interest	493,570	493,570	493,562	8
Paying agent fees	<u>230</u>	<u>230</u>	<u>225</u>	<u>5</u>
Total interest and fiscal charges	<u>493,800</u>	<u>493,800</u>	<u>493,787</u>	<u>13</u>
Total expenditures	<u>2,293,800</u>	<u>2,293,800</u>	<u>2,293,787</u>	<u>13</u>
Excess (deficiency) of revenues over (under) expenditures	(586,290)	(586,290)	(586,016)	274
Fund balances, January 1	<u>1,511,120</u>	<u>1,511,120</u>	<u>1,511,120</u>	<u>--</u>
Fund balances, December 31	<u><u>\$ 924,830</u></u>	<u><u>\$ 924,830</u></u>	<u><u>\$ 925,104</u></u>	<u><u>\$ 274</u></u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 31

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General sales and use taxes	\$ 1,229,510	\$ 1,227,030	\$ 1,227,015	\$ (15)
Miscellaneous revenues:				
Other income	<u>16,560</u>	<u>19,040</u>	<u>19,044</u>	<u>4</u>
Total revenues	<u>1,246,070</u>	<u>1,246,070</u>	<u>1,246,059</u>	<u>(11)</u>
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	<u>970,000</u>	<u>970,000</u>	<u>970,000</u>	<u>--</u>
Interest and fiscal charges:				
Bond interest	271,870	271,870	271,859	11
Paying agent fees	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>	<u>--</u>
Total interest and fiscal charges	<u>276,070</u>	<u>276,070</u>	<u>276,059</u>	<u>11</u>
Total expenditures	<u>1,246,070</u>	<u>1,246,070</u>	<u>1,246,059</u>	<u>11</u>
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--
Fund balances, January 1	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAXABLE REFUNDING BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 32

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	\$ 3,135,000	\$ 3,135,000	\$ 3,135,000	\$ --
Interest and fiscal charges:				
Bond interest	1,648,660	1,648,660	1,648,657	3
Paying agent fees	100	100	100	--
Total interest and fiscal charges	<u>1,648,760</u>	<u>1,648,760</u>	<u>1,648,757</u>	<u>3</u>
Total expenditures	4,783,760	4,783,760	4,783,757	3
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	<u>4,783,760</u>	<u>4,783,760</u>	<u>4,783,757</u>	<u>(3)</u>
Net change in fund balances	--	--	--	--
Fund balances, January 1	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROAD AND STREET IMPROVEMENT DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 33

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General sales and use taxes	\$ 17,896,650	\$ 17,665,620	\$ 17,704,660	\$ 39,040
Investment earnings	14,000	26,000	28,481	2,481
Swap earnings	552,480	498,830	498,825	(5)
Total revenues	<u>18,463,130</u>	<u>18,190,450</u>	<u>18,231,966</u>	<u>41,516</u>
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	9,110,000	9,110,000	9,110,000	--
Interest and fiscal charges:				
Bond interest	4,947,480	4,784,030	4,784,026	4
Paying agent fees	835,540	836,740	836,735	5
Total interest and fiscal charges	<u>5,783,020</u>	<u>5,620,770</u>	<u>5,620,761</u>	<u>9</u>
Swap expenses	3,573,390	3,573,390	3,573,384	6
Total expenditures	<u>18,466,410</u>	<u>18,304,160</u>	<u>18,304,145</u>	<u>15</u>
Excess (deficiency) of revenues over (under) expenditures	(3,280)	(113,710)	(72,179)	41,531
Fund balances, January 1	<u>7,132,564</u>	<u>7,132,564</u>	<u>7,132,564</u>	<u>--</u>
Fund balances, December 31	<u>\$ 7,129,284</u>	<u>\$ 7,018,854</u>	<u>\$ 7,060,385</u>	<u>\$ 41,531</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LCDA ROAD AND STREET IMPROVEMENT PROJECT DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 34

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General sales and use taxes	\$ 5,765,760	\$ 5,760,760	\$ 5,759,847	\$ (913)
Investment earnings	<u>3,500</u>	<u>8,500</u>	<u>9,404</u>	<u>904</u>
Total revenues	<u>5,769,260</u>	<u>5,769,260</u>	<u>5,769,251</u>	<u>(9)</u>
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	<u>2,875,000</u>	<u>2,875,000</u>	<u>2,875,000</u>	<u>--</u>
Interest and fiscal charges:				
Bond interest	2,876,360	2,876,360	2,876,356	4
Paying agent fees	<u>5,750</u>	<u>5,750</u>	<u>5,750</u>	<u>--</u>
Total interest and fiscal charges	<u>2,882,110</u>	<u>2,882,110</u>	<u>2,882,106</u>	<u>4</u>
Total expenditures	<u>5,757,110</u>	<u>5,757,110</u>	<u>5,757,106</u>	<u>4</u>
Excess (deficiency) of revenues over (under) expenditures	12,150	12,150	12,145	(5)
Fund balances, January 1	<u>2,396,399</u>	<u>2,396,399</u>	<u>2,396,399</u>	<u>--</u>
Fund balances, December 31	<u><u>\$ 2,408,549</u></u>	<u><u>\$ 2,408,549</u></u>	<u><u>\$ 2,408,544</u></u>	<u><u>\$ (5)</u></u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EXCESS REVENUE AND LIMITED TAX DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT B - 35

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous revenues:				
Contributions from government agencies	\$ 186,810	\$ 207,070	\$ 206,417	\$ (653)
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	1,270,110	244,890	244,885	5
Interest and fiscal charges:				
Bond interest	42,850	14,950	14,154	796
Total expenditures	1,312,960	259,840	259,039	801
Excess (deficiency) of revenues over (under) expenditures	(1,126,150)	(52,770)	(52,622)	148
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	1,126,150	52,770	52,622	(148)
Net change in fund balances	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for operations: (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Baton Rouge River Center accounts for the operation of a cultural and entertainment center composed of an arena, exhibition hall and theater of performing arts. Principal revenues of the fund are rents, commissions and governmental subsidies.

Greater Baton Rouge Parking Authority accounts for the operation of an off-street parking facility. Principal revenues of the fund are governmental subsidies and automobile parking fees.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2017

EXHIBIT C - 1

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,637,074	\$ 1,390,701	\$ 3,027,775
Investments	--	2,773,074	2,773,074
Accounts receivable - net	978,611	2,553	981,164
Accrued interest receivable	1,082	10,806	11,888
Due from other governments	595,926	--	595,926
Prepaid items	67,361	--	67,361
Inventory	51,224	--	51,224
Total current assets	3,331,278	4,177,134	7,508,412
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	2,274,554	--	2,274,554
Investments	4,535,487	--	4,535,487
Accrued interest receivable	17,467	--	17,467
Total restricted assets	6,827,508	--	6,827,508
Capital assets:			
Land	1,024,914	1,629,303	2,654,217
Buildings	91,718,768	10,535,195	102,253,963
Improvements (other than buildings)	14,682,182	22,685	14,704,867
Equipment	1,269,263	11,696	1,280,959
Construction work in progress	4,500,961	--	4,500,961
Total capital assets	113,196,088	12,198,879	125,394,967
Accumulated depreciation	(73,677,208)	(10,221,973)	(83,899,181)
Net capital assets	39,518,880	1,976,906	41,495,786
Total noncurrent assets	46,346,388	1,976,906	48,323,294
Total assets	49,677,666	6,154,040	55,831,706
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pensions	--	129,184	129,184

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2017

EXHIBIT C - 1
(Continued)

	<u>Baton Rouge River Center</u>	<u>Greater Baton Rouge Parking Authority</u>	<u>Total Nonmajor Enterprise Funds</u>
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	\$ 1,492,484	\$ 16,697	\$ 1,509,181
Accrued salaries payable	18,523	5,349	23,872
Unearned revenue	1,369,190	--	1,369,190
Bonds payable	755,481	--	755,481
Compensated absences payable	58,761	43,065	101,826
Total current liabilities	<u>3,694,439</u>	<u>65,111</u>	<u>3,759,550</u>
Noncurrent liabilities:			
Compensated absences payable	--	18,555	18,555
Net other post employment benefit obligation	--	728,813	728,813
Net pension liability	--	507,407	507,407
Total noncurrent liabilities	<u>--</u>	<u>1,254,775</u>	<u>1,254,775</u>
Total liabilities	<u>3,694,439</u>	<u>1,319,886</u>	<u>5,014,325</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow for pensions	<u>--</u>	<u>5,088</u>	<u>5,088</u>
NET POSITION			
Net investment in capital assets	38,763,399	1,976,906	40,740,305
Restricted for capital projects	6,111,091	--	6,111,091
Unrestricted	<u>1,108,737</u>	<u>2,981,344</u>	<u>4,090,081</u>
Total net position	<u>\$ 45,983,227</u>	<u>\$ 4,958,250</u>	<u>\$ 50,941,477</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT C - 2

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 5,631,518	\$ 744,391	\$ 6,375,909
Miscellaneous revenues	1,087,917	1,893	1,089,810
Total operating revenues	6,719,435	746,284	7,465,719
OPERATING EXPENSES			
Personal services	2,484,227	251,365	2,735,592
Employee benefits	452,249	222,356	674,605
Supplies	1,049,416	8,403	1,057,819
Contractual services	3,616,551	214,324	3,830,875
Depreciation	4,949,447	24,977	4,974,424
Management fee	449,299	--	449,299
Total operating expenses	13,001,189	721,425	13,722,614
Operating income (loss)	(6,281,754)	24,859	(6,256,895)
NONOPERATING REVENUES (EXPENSES)			
Occupancy taxes	281,474	--	281,474
Operating grants	194,597	--	194,597
Investment earnings	71,746	35,755	107,501
Interest expense	(30,792)	--	(30,792)
Gain (loss) on disposition of capital assets	583	--	583
Total non-operating revenues (expenses)	517,608	35,755	553,363
Income (loss) before contributions and transfers	(5,764,146)	60,614	(5,703,532)
Capital contributions	2,323,909	--	2,323,909
Transfers in	1,792,000	--	1,792,000
Change in net position	(1,648,237)	60,614	(1,587,623)
Total net position - January 1	47,631,464	4,897,636	52,529,100
Total net position - December 31	\$ 45,983,227	\$ 4,958,250	\$ 50,941,477

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT C - 3

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 6,604,235	\$ 743,731	\$ 7,347,966
Cash payments to suppliers for goods and services	(4,140,454)	(253,690)	(4,394,144)
Cash payments to employees for services and benefits	(2,938,278)	(392,417)	(3,330,695)
Net cash provided by (used for) operating activities	(474,497)	97,624	(376,873)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating grants received	194,597	--	194,597
Transfers in from other funds	1,792,000	--	1,792,000
Net cash provided by (used for) noncapital financing activities	1,986,597	--	1,986,597
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Receipts from occupancy taxes	281,474	--	281,474
Proceeds from sale of capital assets	583	--	583
Acquisition and construction of capital assets	(4,215,549)	(1,830)	(4,217,379)
Principal paid on bonds, obligations and capital leases	(1,750,500)	--	(1,750,500)
Interest paid on bonds, obligations and capital leases	(30,792)	--	(30,792)
Capital contributed by other governments	2,742,183	--	2,742,183
Net cash provided by (used for) capital and related financing activities	(2,972,601)	(1,830)	(2,974,431)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(4,535,487)	(2,773,074)	(7,308,561)
Proceeds from sales and maturities of investments	5,299,678	2,542,676	7,842,354
Interest received on investments	67,825	31,988	99,813
Net cash provided by (used for) investing activities	832,016	(198,410)	633,606
Net increase (decrease) in cash and cash equivalents	(628,485)	(102,616)	(731,101)
Cash and cash equivalents, January 1	4,540,113	1,493,317	6,033,430
Cash and cash equivalents, December 31	\$ 3,911,628	\$ 1,390,701	\$ 5,302,329
Classified as:			
Current assets	\$ 1,637,074	\$ 1,390,701	\$ 3,027,775
Restricted assets	2,274,554	--	2,274,554
Totals	\$ 3,911,628	\$ 1,390,701	\$ 5,302,329

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C - 3
(Continued)

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (6,281,754)	\$ 24,859	\$ (6,256,895)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	4,949,447	24,977	4,974,424
Increase (decrease) in compensated absences payable	10,940	(16,126)	(5,186)
Increase (decrease) in net other post employment benefit obligation	--	40,994	40,994
Increase (decrease) in net pension liability	--	15,754	15,754
(Increase) decrease in deferred outflows for pensions	--	38,680	38,680
Increase (decrease) in deferred inflows for pensions	--	2,131	2,131
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(364,782)	(2,553)	(367,335)
Decrease (increase) in prepaid items	36,494	--	36,494
Decrease (increase) in inventory	22,554	--	22,554
Increase (decrease) in accounts and contracts payable	915,764	(30,963)	884,801
Increase (decrease) in accrued salaries payable	(12,742)	(129)	(12,871)
Increase (decrease) in unearned revenue	249,582	--	249,582
Total adjustments	5,807,257	72,765	5,880,022
Net cash provided by (used for) operating activities	\$ (474,497)	\$ 97,624	\$ (376,873)
Non cash investing, capital, and financing activities:			
Gain in fair value of investments	\$ 18,549	\$ 10,806	\$ 29,355
Contributions/accruals of capital assets	(418,274)	--	(418,274)

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fleet Rental and Replacement Fund rents motorized equipment to Public Works divisions and provides for their scheduled replacement at the end of the economic life of the asset.

Fleet Management Fund maintains motorized and heavy equipment and provides motor fuels for all departments.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2017

EXHIBIT D - 1

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Fleet Management</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 5,714,092	\$ 276,348	\$ 5,990,440
Investments	11,393,967	551,042	11,945,009
Accounts receivable	736	634	1,370
Accrued interest receivable	44,934	1,402	46,336
Inventory	--	160,258	160,258
Total current assets	<u>17,153,729</u>	<u>989,684</u>	<u>18,143,413</u>
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,355,428	2,355,428
Improvements (other than buildings)	--	7,190	7,190
Equipment	39,344,605	210,753	39,555,358
Total capital assets	<u>39,344,605</u>	<u>2,620,939</u>	<u>41,965,544</u>
Accumulated depreciation	<u>(30,783,070)</u>	<u>(2,349,325)</u>	<u>(33,132,395)</u>
Net capital assets	<u>8,561,535</u>	<u>271,614</u>	<u>8,833,149</u>
Total assets	<u>25,715,264</u>	<u>1,261,298</u>	<u>26,976,562</u>
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	667,351	664,020	1,331,371
Accrued salaries payable	--	39,793	39,793
Compensated absences payable	--	223,720	223,720
Total liabilities	<u>667,351</u>	<u>927,533</u>	<u>1,594,884</u>
NET POSITION			
Net investment in capital assets	8,561,535	271,614	8,833,149
Unrestricted	16,486,378	62,151	16,548,529
Total net position	<u>\$ 25,047,913</u>	<u>\$ 333,765</u>	<u>\$ 25,381,678</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT D - 2

	Fleet Rental and Replace- ment Fund	Fleet Management	Total
OPERATING REVENUES			
Charges for services:			
Billings to departments	\$ 7,398,002	\$ 11,989,717	\$ 19,387,719
OPERATING EXPENSES			
Personal services	--	1,795,937	1,795,937
Employee benefits	--	1,085,372	1,085,372
Supplies	18,041	151,289	169,330
Contractual services	3,835,038	1,077,077	4,912,115
Cost of materials	--	8,107,528	8,107,528
Depreciation	3,220,026	47,327	3,267,353
Total operating expenses	7,073,105	12,264,530	19,337,635
Operating income (loss)	324,897	(274,813)	50,084
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	146,660	4,003	150,663
Gain (loss) on disposition of capital assets	462,838	51,143	513,981
Total non-operating revenues (expenses)	609,498	55,146	664,644
Change in net position	934,395	(219,667)	714,728
Total net position - January 1	24,113,518	553,432	24,666,950
Total net position - December 31	\$ 25,047,913	\$ 333,765	\$ 25,381,678

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT D - 3

	Fleet Rental and Replace- ment Fund	Fleet Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 7,398,002	\$ 11,989,717	\$ 19,387,719
Cash payments to suppliers for goods and services	(3,870,232)	(9,455,854)	(13,326,086)
Cash payments to employees for services and benefits	--	(2,835,241)	(2,835,241)
Net cash provided by (used for) operating activities	3,527,770	(301,378)	3,226,392
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of capital assets	508,184	51,143	559,327
Acquisition and construction of capital assets	(2,654,519)	(22,665)	(2,677,184)
Net cash provided by (used for) capital and related financing activities	(2,146,335)	28,478	(2,117,857)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(11,393,967)	(551,042)	(11,945,009)
Proceeds from sales and maturities of investments	9,826,651	690,930	10,517,581
Interest received on investments	128,766	3,576	132,342
Net cash provided by (used for) investing activities	(1,438,550)	143,464	(1,295,086)
Net increase (decrease) in cash and cash equivalents	(57,115)	(129,436)	(186,551)
Cash and cash equivalents, January 1	5,771,207	405,784	6,176,991
Cash and cash equivalents, December 31	\$ 5,714,092	\$ 276,348	\$ 5,990,440
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 324,897	\$ (274,813)	\$ 50,084
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	3,220,026	47,327	3,267,353
Increase (decrease) in compensated absences payable	--	47,514	47,514
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	--	5,828	5,828
Decrease (increase) in inventory	--	42,954	42,954
Increase (decrease) in accounts and contracts payable	(17,153)	(168,742)	(185,895)
Increase (decrease) in accrued salaries payable	--	(1,446)	(1,446)
Total adjustments	3,202,873	(26,565)	3,176,308
Net cash provided by (used for) operating activities	\$ 3,527,770	\$ (301,378)	\$ 3,226,392
Non cash investing, capital, and financing activities:			
Gain in fair value of investments	\$ 44,934	\$ 1,402	\$ 46,336
Gain (loss) on disposal of capital assets	(45,346)	--	(45,346)

FIDUCIARY FUNDS

Pension Trust Funds

City-Parish Employees Retirement System (CPERS) Regular Pension Trust Fund

accounts for a cost-sharing multiple-employer defined benefit pension system established for employees of the City-Parish government, some of the government's discretely presented component agencies and related organizations.

CPERS Police Guarantee Trust Fund

accounts for a single-employer special trust set up by CPERS to administer certain benefits to police employees who transferred to the State Municipal Police Employees Retirement System (MPERS) in 2000. This fund covers benefits that were included in the CPERS system that are not covered by the MPERS system.

Agency Funds

Sales Tax Suspense Fund accounts for the collection of the City-Parish 3% sales tax and distribution thereof to the General Fund, City of Baker, City of Zachary, City of Central and Consolidated School District.

City Court Receipts Suspense Fund accounts for the receipt of advance court costs and collections and the disbursements for garnishments, court costs, and civil fees.

City Court Appearance Bond Fund accounts for the appearance cash bond deposits and the disbursements of refunds and forfeits.

Indigent Defender Fund accounts for the designated court costs and disbursements to the attorneys of indigent clients.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
DECEMBER 31, 2017

EXHIBIT E - 1

	CPERS Regular Retirement System	CPERS Police Guaranty System	Total Pension Trust Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 15,351,258	\$ 3,746,846	\$ 19,098,104
Receivables:			
Employee contributions	678,952	1,129	680,081
Employer contributions	5,040,003	421,435	5,461,438
Interest and dividends	9,220	1,036	10,256
Pending trades	2,588,842	149,618	2,738,460
Other contributions	203,612	--	203,612
Total receivables	<u>8,520,629</u>	<u>573,218</u>	<u>9,093,847</u>
Investments, at fair value			
Fixed income - domestic	278,020,045	4,865,081	282,885,126
Fixed income - international	24,229,654	364,597	24,594,251
Equity securities - domestic	325,952,632	3,135,073	329,087,705
Equity securities - international	309,647,480	3,139,536	312,787,016
Real estate investments	70,817,431	--	70,817,431
Alternative investments	148,997,252	1,508,774	150,506,026
Total investments	<u>1,157,664,494</u>	<u>13,013,061</u>	<u>1,170,677,555</u>
Capital assets:			
Land	550,628	--	550,628
Buildings	706,345	--	706,345
Equipment	48,541	--	48,541
Accumulated depreciation	(746,779)	--	(746,779)
Total capital assets	<u>558,735</u>	<u>--</u>	<u>558,735</u>
Total assets	<u>1,182,095,116</u>	<u>17,333,125</u>	<u>1,199,428,241</u>
LIABILITIES			
Accrued expenses and benefits payable	995,897	244,666	1,240,563
Pending trades payable	187,102	646	187,748
Total liabilities	<u>1,182,999</u>	<u>245,312</u>	<u>1,428,311</u>
NET POSITION			
Net position restricted for pensions	<u>\$ 1,180,912,117</u>	<u>\$ 17,087,813</u>	<u>\$ 1,197,999,930</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT E - 2

	CPERS Regular Retirement System	CPERS Police Guaranty System	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employee	\$ 13,275,467	\$ 70,460	\$ 13,345,927
Employer	43,839,321	641,699	44,481,020
Severance contributions from employee	1,799,202	--	1,799,202
Total contributions	58,913,990	712,159	59,626,149
Investment income			
<i>From investment activities:</i>			
Net appreciation (depreciation) in fair value of investments	169,059,902	1,810,419	170,870,321
Interest	613,436	42,139	655,575
Total investment income	169,673,338	1,852,558	171,525,896
Less: investment expense	6,886,296	125,076	7,011,372
Net income from investing activities	162,787,042	1,727,482	164,514,524
Total additions	221,701,032	2,439,641	224,140,673
DEDUCTIONS			
Benefit payments	96,636,842	2,340,178	98,977,020
Refunds and withdrawals	3,167,338	--	3,167,338
Administrative expenses	1,350,435	275,799	1,626,234
Total deductions	101,154,615	2,615,977	103,770,592
Change in net position	120,546,417	(176,336)	120,370,081
Net position - beginning of year	1,060,365,700	17,264,149	1,077,629,849
Net position - end of year	\$ 1,180,912,117	\$ 17,087,813	\$ 1,197,999,930

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2017

EXHIBIT E - 3

	<u>Sales Tax Suspense</u>	<u>City Court Receipts Suspense</u>	<u>City Court Appearance Bond</u>	<u>Indigent Defender</u>	<u>Total Agency Funds</u>
ASSETS					
Cash and cash equivalents	\$ 15,432,051	\$ 2,542,103	\$ 429,749	\$ 89,914	\$ 18,493,817
Taxes receivable for other governments	18,916,955	--	--	--	18,916,955
Other receivables	58,134	--	--	60,047	118,181
Total assets	<u>\$ 34,407,140</u>	<u>\$ 2,542,103</u>	<u>\$ 429,749</u>	<u>\$ 149,961</u>	<u>\$ 37,528,953</u>
LIABILITIES					
Accounts payable	\$ 31,115,610	\$ 60,214	\$ 3,100	\$ 149,961	\$ 31,328,885
Deposits and escrow accounts	3,291,530	2,481,889	426,649	--	6,200,068
Total liabilities	<u>\$ 34,407,140</u>	<u>\$ 2,542,103</u>	<u>\$ 429,749</u>	<u>\$ 149,961</u>	<u>\$ 37,528,953</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

EXHIBIT E - 4

FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
<u>Sales Tax Suspense Fund:</u>				
ASSETS				
Cash and cash equivalents	\$ 16,563,059	\$ 110,150,769	\$ 111,281,777	\$ 15,432,051
Taxes receivable for other governments	21,331,865	18,916,955	21,331,865	18,916,955
Other receivables	32,714	65,390	39,970	58,134
Total assets	\$ 37,927,638	\$ 129,133,114	\$ 132,653,612	\$ 34,407,140
LIABILITIES				
Accounts payable	\$ 34,958,769	\$ 88,325,567	\$ 92,168,726	\$ 31,115,610
Deposits and escrow accounts	2,968,869	131,931,788	131,609,127	3,291,530
Total liabilities	\$ 37,927,638	\$ 220,257,355	\$ 223,777,853	\$ 34,407,140
 <u>City Court Receipts Suspense Fund:</u>				
ASSETS				
Cash and cash equivalents	\$ 2,628,757	\$ 3,827,422	\$ 3,914,076	\$ 2,542,103
LIABILITIES				
Accounts payable	\$ 643,389	\$ 2,840,881	\$ 3,424,056	\$ 60,214
Deposits and escrow accounts	1,985,368	4,523,164	4,026,643	2,481,889
Total liabilities	\$ 2,628,757	\$ 7,364,045	\$ 7,450,699	\$ 2,542,103
 <u>City Court Appearance Bond Fund:</u>				
ASSETS				
Cash and cash equivalents	\$ 533,105	\$ 26,800	\$ 130,156	\$ 429,749
LIABILITIES				
Accounts payable	\$ 17,700	\$ 42,200	\$ 56,800	\$ 3,100
Deposits and escrow accounts	515,405	26,600	115,356	426,649
Total liabilities	\$ 533,105	\$ 68,800	\$ 172,156	\$ 429,749
 <u>Indigent Defender Fund:</u>				
ASSETS				
Cash and cash equivalents	\$ 42,410	\$ 550,652	\$ 503,148	\$ 89,914
Receivables	78,122	60,266	78,341	60,047
Total assets	\$ 120,532	\$ 610,918	\$ 581,489	\$ 149,961
LIABILITIES				
Accounts payable	\$ 120,532	\$ 513,664	\$ 484,235	\$ 149,961

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT E - 4
(Continued)

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2017</u>
<u>Total all agency funds</u>				
ASSETS				
Cash and cash equivalents	\$ 19,767,331	\$ 114,555,643	\$ 115,829,157	\$ 18,493,817
Taxes receivable for other governments	21,331,865	18,916,955	21,331,865	18,916,955
Other receivables	110,836	125,656	118,311	118,181
Total assets	<u>\$ 41,210,032</u>	<u>\$ 133,598,254</u>	<u>\$ 137,279,333</u>	<u>\$ 37,528,953</u>
LIABILITIES				
Accounts payable	\$ 35,740,390	\$ 91,722,312	\$ 96,133,817	\$ 31,328,885
Deposits and escrow accounts	5,469,642	136,481,552	135,751,126	6,200,068
Total liabilities	<u>\$ 41,210,032</u>	<u>\$ 228,203,864</u>	<u>\$ 231,884,943</u>	<u>\$ 37,528,953</u>

SCHEDULES

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS
AND INVESTMENTS
DECEMBER 31, 2017**

EXHIBIT F - 1

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>PRIMARY GOVERNMENT</u>		
<u>Consolidated Cash Account</u>		
Louisiana Asset Management Pool	0.7-1.32	\$ 160,357,760
Certificates of Deposit - Hancock Bank	1.13-1.46	135,000,000
Certificates of Deposit - J.P. Morgan Chase Bank	0.82-0.87	40,000,000
U.S. Government Obligations	0.80-1.66	246,360,845
U.S. Agency Obligations	1.09-1.70	66,616,939
Cash in Bank - Capital One		21,155,882
Total Cash and Investments - Consolidated Cash Account		669,491,426
 <u>Other Cash Items</u>		
Petty Cash		15,996
Cash on Hand		9,086,793
Total Other Cash Items		9,102,789
 <u>Baton Rouge River Center</u>		
Cash in Bank - Investar Bank		958,042
 <u>East Baton Rouge Sewerage Commission</u>		
Louisiana Asset Management Pool	0.7-1.32	35,456,691
Capital One Bank:		
Cash in Bank		38,560,110
Total East Baton Rouge Sewerage Commission		74,016,801
 <u>2007A Public Improvement Sales Tax Revenue Bonds</u>		
JP Morgan Chase Bank:		
Cash in Bank		197,890
 <u>2008A Road and Street Improvement Sales Tax Revenue Bonds</u>		
Capital One Bank:		
Cash in Bank		3,471,592
 <u>2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds</u>		
Louisiana Asset Management Pool	0.7-1.32	118,592
Capital One Bank:		
Cash in Bank		724,841
Total 2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds		843,433
 <u>2009A Road and Street Improvement Sales Tax Revenue Bonds</u>		
Capital One Bank:		
Cash in Bank		2,283,639
 <u>2010A Public Improvement Sales Tax Revenue Bonds</u>		
Capital One Bank:		
Cash in Bank		528,929
 <u>2010B Public Improvement Sales Tax Revenue Bonds</u>		
Capital One Bank:		
Cash in Bank		727,436

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS
 AND INVESTMENTS
 DECEMBER 31, 2017**

EXHIBIT F - 1
 (Continued)

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>PRIMARY GOVERNMENT (Continued)</u>		
<u>2012 LCDA Road Improvements Project</u>		
Capital One Bank:		
Cash in Bank		\$ 1,094,606
<u>2015 Road and Street Improvement Sales Tax Revenue Refunding Bonds</u>		
Capital One Bank:		
Cash in Bank		1,238,499
<u>2015 LCDA Road Improvements Project</u>		
Capital One Bank:		
Cash in Bank		1,314,671
<u>2016A-1 Public Improvement Sales Tax Revenue Refunding Bonds</u>		
Capital One Bank:		
Cash in Bank		719,376
<u>2016A-2 (Taxable) Public Improvement Sales Tax Revenue Refunding Bonds</u>		
Capital One Bank:		
Cash in Bank		48,307
<u>2016A-3 Public Improvement Sales Tax Revenue Bonds</u>		
Capital One Bank:		
Cash in Bank		119,843
Grand Total Cash, Cash Equivalents and Investments - Primary Government excluding Employees' Retirement System Pension Trust Fund		\$ 766,157,279

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS
 AND INVESTMENTS
 DECEMBER 31, 2017**

EXHIBIT F - 1
 (Continued)

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>Employees' Retirement System Pension Trust Fund</u>		
Cash in Bank		\$ 16,812,139
U.S. Treasury Inflation - Protected Securities		49,074,151
Other securities held in trust		6,462
International Equities and Fixed Income		244,779,533
Emerging Markets Equities		92,601,735
Domestic Equities and Fixed Income		562,892,217
Short-Term Investment Fund/Cash Equivalents		2,285,965
Equity Real Estate Fund		70,817,431
Risk Parity		58,709,896
Hedge Fund of Funds		55,058,067
Private Equity		36,738,063
Total Employees' Retirement System Pension Trust Fund		<u>\$ 1,189,775,659</u>

COMPONENT UNITS

District Attorney of the Nineteenth Judicial District		\$ 1,532,207
Nineteenth Judicial District Court		2,517,408
Nineteenth Judicial District Court Building Commission		16,109,283
E.B.R. Parish Family Court		242,114
E.B.R. Parish Juvenile Court		373,255
E.B.R. Parish Clerk of Court		6,788,184
E.B.R. Redevelopment Authority		1,368,861
Cyntreniks Group King Hotel Special Taxing District		9,837
Bluebonnet Convention Hotel Taxing District		61,916
EBRATS Building Special Taxing District		5,074
Old LNB Building Redevelopment Taxing District		29,747
Capital Area Transit System		1,075,537
Grand Total Cash, Cash Equivalents and Investments - Component Units		<u>\$ 30,113,423</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
 PAYMENTS TO MAYOR-PRESIDENT
 FOR THE YEAR ENDED DECEMBER 31, 2017**

EXHIBIT F - 2

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 171,635
Benefits - Life Insurance	92
Benefits - Employer Retirement Contributions	56,331
Benefits - Employer Medicare Contributions	2,489
Benefits - Employer OPEB Contributions	24,029
Travel (Conferences & Meetings)	4,826
Unvouchered Expense (Travel Per Diem)	264
Registration fees	650
Cell Phone	1,734
Special meals	417
Total Compensation, Benefits and Other Payments to Mayor-President	\$ 262,467



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 STATISTICAL SECTION
 DECEMBER 31, 2017**

This section which is composed of accounting and non-accounting data is presented in order to provide the reader with additional information as an aid to understanding the financial activities of the governmental unit.

<u>INDEX</u>	<u>Exhibit</u>	<u>Page Number</u>
<u>FINANCIAL TRENDS INFORMATION</u> - These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.		
Net Position by Component, Last Ten Fiscal Years	G-1	230
Changes in Net Position, Last Ten Fiscal Years	G-2	232
Governmental Activities Tax Revenues By Source, Last Ten Fiscal Years	G-3	236
Fund Balances of Governmental Funds, Last Ten Fiscal Years	G-4	238
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Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years	G-6	242
<u>REVENUE CAPACITY INFORMATION</u> - These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.		
Assessed and Estimated Actual Value of Taxable Property, Last Ten Years	G-7	244
Property Tax Rates and Tax Levies - Direct and Overlapping Governments, Last Ten Years	G-8	246
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<u>DEBT CAPACITY INFORMATION</u> - These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.		
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	G-13	254
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Direct and Overlapping Governmental Activities Debt, December 31, 2017	G-15	258
Legal Debt Margin Calculation, Last Ten Fiscal Years	G-16	259
Pledged Revenue Coverage, Last Ten Fiscal Years	G-17	260
<u>DEMOGRAPHIC AND ECONOMIC INFORMATION</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.		
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Principal Employers, Current Year and Nine Years Ago	G-19	263
<u>OPERATING INFORMATION</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.		
Full-time Equivalent City-Parish Government Employees by Function/Department, Last Ten Fiscal Years	G-20	264
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CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)
(UNAUDITED)

	FISCAL YEAR			
	2017	2016	2015	2014
Governmental activities				
Net investment in capital assets	\$ 719,354	\$ 681,551	\$ 665,195	\$ 650,424
Restricted	168,597	163,768	166,069	195,913
Unrestricted	(757,716)	(706,958)	(650,016)	(238,705)
Total governmental activities net position	<u>130,235</u>	<u>138,361</u>	<u>181,248</u>	<u>607,632</u>
Business-type activities				
Net investment in capital assets	621,252	603,449	652,391	668,571
Restricted	92,504	125,916	136,123	160,489
Unrestricted	37,002	45,256	35,333	54,088
Total business-type activities net position	<u>750,758</u>	<u>774,621</u>	<u>823,847</u>	<u>883,148</u>
Primary government				
Net investment in capital assets	1,340,606	1,285,000	1,317,586	1,318,995
Restricted	261,101	289,684	302,192	356,402
Unrestricted	(720,714)	(661,702)	(614,683)	(184,617)
Total primary government net position	<u>\$ 880,993</u>	<u>\$ 912,982</u>	<u>\$ 1,005,095</u>	<u>\$ 1,490,780</u>

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR					
2013	2012	2011	2010	2009	2008
\$ 626,659	\$ 601,094	\$ 533,154	\$ 496,724	\$ 463,006	\$ 450,561
198,502	217,949	256,925	216,364	225,949	232,424
(210,528)	(180,056)	(128,550)	(24,683)	25,292	45,834
<u>614,633</u>	<u>638,987</u>	<u>661,529</u>	<u>688,405</u>	<u>714,247</u>	<u>728,819</u>
704,172	698,119	645,336	541,065	487,352	415,957
71,309	106,355	80,202	41,844	33,605	89,985
150,046	137,766	201,564	315,079	371,621	331,435
<u>925,527</u>	<u>942,240</u>	<u>927,102</u>	<u>897,988</u>	<u>892,578</u>	<u>837,377</u>
1,330,831	1,299,213	1,178,490	1,037,789	950,358	866,518
269,811	324,304	337,127	258,208	259,554	322,409
(60,482)	(42,290)	73,014	290,396	396,913	377,269
<u>\$ 1,540,160</u>	<u>\$ 1,581,227</u>	<u>\$ 1,588,631</u>	<u>\$ 1,586,393</u>	<u>\$ 1,606,825</u>	<u>\$ 1,566,196</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)
(UNAUDITED)

	FISCAL YEAR			
	2017	2016	2015	2014
Expenses				
Governmental activities:				
General government	\$ 99,348	\$ 108,208	\$ 104,655	\$ 99,148
Public safety	288,727	314,981	243,512	233,012
Transportation	84,410	79,124	69,402	66,921
Sanitation	--	--	--	6
Health and welfare	11,741	10,929	10,463	9,797
Culture and recreation	49,786	49,086	46,112	43,762
Conservation and development	48,900	47,512	43,998	46,084
Interest and fiscal charges on long-term debt	12,473	13,205	14,074	13,413
Total governmental activities expenses	<u>595,385</u>	<u>623,045</u>	<u>532,216</u>	<u>512,143</u>
Business-type activities:				
Airport	29,642	29,919	27,754	28,542
Sewer	183,169	168,850	158,218	156,351
Convention center	13,031	13,795	13,902	13,382
Parking facilities	721	784	700	2,745
Solid waste collection and disposal	42,878	40,969	39,821	40,893
Total business-type activities	<u>269,441</u>	<u>254,317</u>	<u>240,395</u>	<u>241,913</u>
Total primary government expenses	<u>864,826</u>	<u>877,362</u>	<u>772,611</u>	<u>754,056</u>
Program Revenues				
Governmental activities				
Charges for services:				
General government	19,259	20,789	23,309	22,796
Public safety	39,299	30,512	29,478	27,007
Transportation	140	194	151	216
Sanitation	--	--	--	51
Health and welfare	929	982	952	800
Culture and recreation	267	281	316	299
Conservation and development	4,641	4,038	3,577	3,520
Operating grants and contributions	55,264	83,745	45,073	44,261
Capital grants and contributions	39,293	26,155	17,957	24,403
Total governmental activities program revenues	<u>159,092</u>	<u>166,696</u>	<u>120,813</u>	<u>123,353</u>
Business-type activities				
Charges for Services:				
Airport	19,737	19,694	17,633	17,237
Sewer	88,474	80,646	78,673	75,420
Convention center	6,719	6,973	6,466	6,491
Parking facilities	746	915	854	853
Solid waste collection and disposal	42,433	41,764	39,029	37,590
Operating grants and contributions	7,974	8,237	7,449	7,712
Capital grants and contributions	24,389	12,161	17,012	10,352
Total business-type activities program revenues	<u>190,472</u>	<u>170,390</u>	<u>167,116</u>	<u>155,655</u>
Total primary government total revenues	<u>349,564</u>	<u>337,086</u>	<u>287,929</u>	<u>279,008</u>

FISCAL YEAR					
2013	2012	2011	2010	2009	2008
\$ 97,833	\$ 88,157	\$ 98,488	\$ 94,444	\$ 98,469	\$ 100,464
237,028	238,291	219,904	211,382	211,132	247,587
68,812	69,225	66,118	66,622	67,349	62,308
6	6	6	244	1,576	485
9,500	9,333	9,251	9,436	9,495	9,261
38,171	34,725	34,556	33,379	28,513	27,928
50,034	55,607	48,284	58,013	45,638	44,041
15,625	14,821	15,594	15,515	14,785	11,429
<u>517,009</u>	<u>510,165</u>	<u>492,201</u>	<u>489,035</u>	<u>476,957</u>	<u>503,503</u>
28,609	26,609	25,778	23,144	19,984	23,063
131,780	101,595	89,582	84,555	77,872	79,325
13,305	13,352	10,908	10,484	10,699	15,843
1,111	782	816	677	660	686
37,196	36,692	36,368	34,861	40,255	40,361
<u>212,001</u>	<u>179,030</u>	<u>163,452</u>	<u>153,721</u>	<u>149,470</u>	<u>159,278</u>
<u>729,010</u>	<u>689,195</u>	<u>655,653</u>	<u>642,756</u>	<u>626,427</u>	<u>662,781</u>
22,639	21,608	22,939	22,485	21,172	20,448
28,032	24,576	23,778	25,010	26,390	19,554
269	267	269	310	287	315
55	61	41	35	35	48
798	788	807	892	822	741
321	289	335	342	380	508
3,555	4,469	3,213	3,371	6,793	2,715
48,211	57,785	48,551	62,410	50,313	87,917
13,128	15,751	14,931	24,863	16,307	9,100
<u>117,008</u>	<u>125,594</u>	<u>114,864</u>	<u>139,718</u>	<u>122,499</u>	<u>141,346</u>
17,581	16,866	14,868	13,580	12,541	15,381
74,405	73,315	72,056	69,787	68,306	64,720
6,460	7,418	5,804	5,879	5,853	11,023
1,091	1,237	1,088	1,137	1,089	973
36,333	38,440	37,982	38,019	42,396	43,461
7,612	7,729	7,634	4,385	615	306
9,627	17,766	18,596	23,050	28,322	23,427
<u>153,109</u>	<u>162,771</u>	<u>158,028</u>	<u>155,837</u>	<u>159,122</u>	<u>159,291</u>
<u>270,117</u>	<u>288,365</u>	<u>272,892</u>	<u>295,555</u>	<u>281,621</u>	<u>300,637</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)
(UNAUDITED)

	FISCAL YEAR			
	2017	2016	2015	2014
Net (expense)/revenue:				
Governmental activities	\$ (436,293)	\$ (456,349)	\$ (411,403)	\$ (388,790)
Business-type activities	(78,969)	(83,927)	(73,279)	(86,258)
Total primary government net expense	<u>(515,262)</u>	<u>(540,276)</u>	<u>(484,682)</u>	<u>(475,048)</u>
General Revenues and Other Changes				
in Net Position				
Governmental activities				
Taxes:				
Property	119,187	102,274	99,623	98,253
Gross receipts business	23,275	23,136	23,910	24,762
Sales	247,571	246,245	231,488	223,780
Occupancy	2,218	2,436	2,410	2,211
Occupational	11,173	10,978	10,656	10,664
Insurance premium	4,156	3,992	3,917	3,734
Gaming admissions	10,366	9,979	9,850	9,219
Interest and penalties - delinquent taxes	1,680	1,339	1,468	1,483
Miscellaneous	19	16	16	18
Unrestricted grants and contributions	5,894	6,294	6,112	5,552
Investment earnings	3,572	1,825	754	413
Gain (loss) on sale of capital assets	668	2,190	339	814
Transfers	(1,612)	2,758	686	886
Total governmental activities general revenues	<u>428,167</u>	<u>413,462</u>	<u>391,229</u>	<u>381,789</u>
Business-type activities				
Taxes:				
Sales	47,924	47,563	44,792	43,583
Occupancy	282	358	--	--
Miscellaneous	--	--	--	--
Investment earnings	5,261	2,992	1,318	1,035
Gain (loss) on sale of capital assets	26	14	41	147
Special item-closing of Central Treatment Plant	--	(13,468)	--	--
Transfers	1,612	(2,758)	(686)	(886)
Total business-type activities general revenues	<u>55,105</u>	<u>34,701</u>	<u>45,465</u>	<u>43,879</u>
Total primary government general revenues	<u>483,272</u>	<u>448,163</u>	<u>436,694</u>	<u>425,668</u>
Change in Net Position				
Governmental activities	(8,126)	(42,887)	(20,174)	(7,001)
Business-type activities	(23,864)	(49,226)	(27,814)	(42,379)
Total primary government change in net position	<u>\$ (31,990)</u>	<u>\$ (92,113)</u>	<u>\$ (47,988)</u>	<u>\$ (49,380)</u>

* Due to the implementation of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, investment losses of \$14,975 and \$6,653 were recognized in 2010 and 2011, respectively.

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR					
2013	2012	2011	2010	2009	2008
\$ (400,001)	\$ (384,571)	\$ (377,337)	\$ (349,317)	\$ (354,458)	\$ (362,157)
(58,892)	(16,259)	(5,424)	2,116	9,652	13
<u>(458,893)</u>	<u>(400,830)</u>	<u>(382,761)</u>	<u>(347,201)</u>	<u>(344,806)</u>	<u>(362,144)</u>
94,352	92,526	89,006	86,395	85,244	83,990
23,093	20,817	23,334	24,510	22,181	28,057
219,610	216,521	201,831	192,910	199,909	206,744
2,201	2,393	2,064	1,956	1,952	2,442
10,383	9,687	9,945	9,870	10,082	9,750
3,774	3,589	3,580	3,590	3,522	3,458
9,438	7,575	5,845	5,741	7,542	5,740
2,525	1,421	1,344	1,294	2,392	2,291
11	539	--	--	--	--
7,675	5,330	9,420	4,918	4,906	5,313
659	901	889	1,672	4,311	15,829
596	--	--	801	772	1,044
1,330	2,843	1,062	(1,456)	(2,926)	(181)
<u>375,647</u>	<u>364,142</u>	<u>348,320</u>	<u>332,201</u>	<u>339,887</u>	<u>364,477</u>
42,997	42,145	39,431	37,441	39,425	42,367
--	--	--	--	--	--
75	--	--	425	--	--
1,348	2,284	(3,912) *	(12,934) *	3,877	12,720
(911)	18	80	101	(680)	104
--	--	--	--	--	--
<u>(1,330)</u>	<u>(2,843)</u>	<u>(1,062)</u>	<u>1,456</u>	<u>2,926</u>	<u>181</u>
<u>42,179</u>	<u>41,604</u>	<u>34,537</u>	<u>26,489</u>	<u>45,548</u>	<u>55,372</u>
<u>417,826</u>	<u>405,746</u>	<u>382,857</u>	<u>358,690</u>	<u>385,435</u>	<u>419,849</u>
(24,354)	(20,429)	(29,017)	(17,116)	(14,571)	2,320
(16,713)	25,345	29,113	28,605	55,200	55,385
<u>\$ (41,067)</u>	<u>\$ 4,916</u>	<u>\$ 96</u>	<u>\$ 11,489</u>	<u>\$ 40,629</u>	<u>\$ 57,705</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)
(UNAUDITED)

EXHIBIT G - 3

	General Property Taxes	Gross Receipts Business Taxes	General Sales and Use Taxes	Occupancy Taxes	Occu- pational Taxes	Insurance Premiums Taxes	Gaming Admissions Taxes	Interest and Penalties- Delinquent Taxes	Total
2017	\$ 119,187	\$ 23,275	\$ 247,571	\$ 2,218	\$ 11,173	\$ 4,156	\$ 10,366	\$ 1,680	\$ 419,626
2016	102,274	23,136	246,245	2,436	10,978	3,992	9,979	1,339	400,379
2015	99,623	23,910	231,488	2,410	10,656	3,917	9,850	1,468	383,322
2014	98,253	24,762	223,780	2,211	10,664	3,734	9,219	1,483	374,106
2013	94,352	23,093	219,609	2,201	10,383	3,774	9,438	2,525	365,375
2012	92,526	20,817	216,521	2,393	9,687	3,589	7,575	1,421	354,529
2011	89,006	23,334	201,831	2,064	9,945	3,580	5,845	1,344	336,949
2010	86,395	24,510	192,910	1,956	9,870	3,590	5,741	1,294	326,266
2009	85,243	22,181	199,909	1,952	10,082	3,522	7,542	2,392	332,823
2008	83,990	28,057	206,744	2,442	9,750	3,458	5,740	2,291	342,472

Source: Audited Comprehensive Annual Financial Reports



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)
(UNAUDITED)

	FISCAL YEAR			
	2017	2016	2015	2014
General Fund (per GASB 54)*				
Nonspendable	\$ 738	\$ 726	\$ 657	\$ 557
Restricted	751	182	518	1,257
Committed	56,227	51,411	59,145	62,493
Assigned	30,717	30,195	28,346	32,590
Unassigned	9,964	12,922	13,138	15,436
General Fund (prior GASB 54)**				
Reserved	--	--	--	--
Unreserved	--	--	--	--
Total General Fund	<u>\$ 98,397</u>	<u>\$ 95,436</u>	<u>\$ 101,804</u>	<u>\$ 112,333</u>
All other governmental funds (per GASB 54)*				
Restricted	\$ 319,677	\$ 324,334	\$ 321,516	\$ 280,287
Committed	45,423	36,361	32,914	30,123
All other governmental funds (prior GASB 54)**				
Reserved	--	--	--	--
Unreserved, reported in:				
Special revenue funds	--	--	--	--
Capital projects fund	--	--	--	--
Total all other governmental funds	<u>\$ 365,100</u>	<u>\$ 360,695</u>	<u>\$ 354,430</u>	<u>\$ 310,410</u>

* With the implementation of GASB 54 in FY 2011, fund balances are reclassified as Nonspendable, Restricted, Committed, Assigned, and Unassigned.

** Prior to FY 2011 and GASB 54, fund balances were classified as Reserved or Unreserved according to GASB 34.

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR					
2013	2012	2011	2010	2009	2008
\$ 615	\$ 640	\$ 584	\$ --	\$ --	\$ --
706	271	55	--	--	--
64,391	58,677	53,161	--	--	--
29,981	27,786	32,409	--	--	--
15,654	15,483	16,559	--	--	--
--	--	--	30,018	38,098	42,757
--	--	--	66,684	65,349	74,994
<u>\$ 111,347</u>	<u>\$ 102,857</u>	<u>\$ 102,768</u>	<u>\$ 96,702</u>	<u>\$ 103,447</u>	<u>\$ 117,751</u>
\$ 282,470	\$ 305,133	\$ 322,519	\$ --	\$ --	\$ --
28,671	24,812	32,135	--	--	--
--	--	--	314,160	373,860	318,745
--	--	--	85,333	89,389	69,794
--	--	--	1,299	1,524	1,208
<u>\$ 311,141</u>	<u>\$ 329,945</u>	<u>\$ 354,654</u>	<u>\$ 400,792</u>	<u>\$ 464,773</u>	<u>\$ 389,747</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands)
(UNAUDITED)

	FISCAL YEAR			
	2017	2016	2015	2014
REVENUES				
Taxes	\$ 421,288	\$ 398,229	\$ 383,835	\$ 374,403
Licenses and permits	4,921	5,034	4,907	4,681
Intergovernmental	92,426	110,410	60,647	63,357
Charges for services	50,615	43,382	44,208	41,503
Fines and forfeits	1,945	2,331	2,121	2,573
Investment earnings	3,422	1,755	725	396
Miscellaneous revenues	8,388	8,166	8,548	7,844
Total revenues	<u>583,005</u>	<u>569,307</u>	<u>504,991</u>	<u>494,757</u>
EXPENDITURES				
Current:				
General government	69,098	76,089	76,855	74,057
Public safety	235,185	263,867	209,673	204,081
Transportation	46,288	43,420	37,486	37,056
Sanitation	--	--	--	--
Health and welfare	9,869	9,465	9,486	8,906
Culture and recreation	40,435	39,119	38,849	37,303
Conservation and development	43,139	42,200	40,441	42,862
Debt service:				
Principal retirement	18,147	19,529	17,866	16,831
Interest and fiscal charges	14,015	14,395	13,312	14,133
Other charges	--	--	1,082	57
Capital outlay	76,172	48,552	51,623	48,985
Intergovernmental	17,811	17,565	16,723	16,063
Total expenditures	<u>570,159</u>	<u>574,201</u>	<u>513,396</u>	<u>500,334</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,846</u>	<u>(4,894)</u>	<u>(8,405)</u>	<u>(5,577)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,143	35,832	26,366	28,710
Transfers out	(21,755)	(33,028)	(25,680)	(27,820)
Long-term debt proceeds	--	--	34,415	4,600
Refunding bonds issued	--	--	59,430	--
Premium on debt issuance	--	--	17,241	--
Sale of capital assets	272	1,987	107	343
Payments to refunded bond escrow agent	--	--	(69,984)	--
Total other financing sources and uses	<u>(1,340)</u>	<u>4,791</u>	<u>41,895</u>	<u>5,833</u>
Net change in fund balances	<u>\$ 11,506</u>	<u>\$ (103)</u>	<u>\$ 33,490</u>	<u>\$ 256</u>
Debt service as a percentage of noncapital expenditures	6.5%	6.5%	6.8%	6.9%

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR					
2013	2012	2011	2010	2009	2008
\$ 365,556	\$ 353,706	\$ 338,742	\$ 328,816	\$ 332,052	\$ 341,413
4,346	3,912	4,163	4,212	3,265	4,255
66,321	76,536	69,058	98,203	77,611	86,180
45,339	37,235	39,842	42,963	36,732	31,640
2,598	3,360	3,518	3,288	2,955	3,069
638	876	869	1,656	4,268	15,648
7,170	8,066	10,041	13,753	18,253	13,158
<u>491,968</u>	<u>483,691</u>	<u>466,233</u>	<u>492,891</u>	<u>475,136</u>	<u>495,363</u>
67,988	66,547	66,356	72,665	73,995	71,952
202,155	203,370	185,844	178,572	180,712	211,713
38,445	39,464	41,551	43,990	41,728	42,400
--	--	--	--	531	696
8,641	8,502	8,597	8,864	8,870	8,533
32,856	29,635	29,547	29,100	24,590	23,492
46,652	51,670	44,527	54,749	42,593	40,444
15,754	21,921	18,245	17,847	14,128	15,542
14,589	14,877	16,143	16,949	16,442	12,378
94	1,195	972	327	2,590	531
72,146	94,254	79,726	122,128	101,567	75,054
15,658	18,416	19,323	17,808	16,751	16,244
<u>514,978</u>	<u>549,851</u>	<u>510,831</u>	<u>562,999</u>	<u>524,497</u>	<u>518,979</u>
<u>(23,010)</u>	<u>(66,160)</u>	<u>(44,598)</u>	<u>(70,108)</u>	<u>(49,361)</u>	<u>(23,616)</u>
15,009	18,846	35,760	26,830	41,950	40,629
(13,679)	(16,002)	(34,698)	(28,253)	(44,869)	(40,805)
11,000	33,850	1,500	19,045	110,000	94,190
--	58,075	--	--	--	--
--	4,385	--	716	2,591	--
366	231	599	606	411	762
--	(57,845)	--	(19,562)	--	(93,415)
<u>12,696</u>	<u>41,540</u>	<u>3,161</u>	<u>(618)</u>	<u>110,083</u>	<u>1,361</u>
<u>\$ (10,314)</u>	<u>\$ (24,620)</u>	<u>\$ (41,437)</u>	<u>\$ (70,726)</u>	<u>\$ 60,722</u>	<u>\$ (22,255)</u>
6.9%	8.1%	8.0%	7.9%	7.2%	6.3%

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands)
(UNAUDITED)

EXHIBIT G - 6

	Property Taxes	Gross Receipts Business Taxes	General Sales and Use Taxes	Occupancy Taxes	Occu- pational Taxes	Insurance Premiums Taxes	Gaming Admissions Taxes	Interest and Penalties- Delinquent Taxes	Total
2017	\$ 120,849	\$ 23,275	\$ 247,571	\$ 2,218	\$ 11,173	\$ 4,156	\$ 10,366	\$ 1,680	\$ 421,288
2016	100,125	23,136	246,245	2,436	10,978	3,992	9,979	1,339	398,230
2015	100,137	23,910	231,488	2,410	10,656	3,917	9,850	1,467	383,835
2014	98,550	24,762	223,780	2,211	10,664	3,734	9,219	1,483	374,403
2013	94,516	23,093	219,626	2,201	10,383	3,774	9,438	2,525	365,556
2012	91,535	20,817	216,689	2,393	9,687	3,589	7,575	1,421	353,706
2011	90,578	23,334	202,051	2,064	9,945	3,580	5,845	1,345	338,742
2010	88,831	24,510	193,025	1,956	9,869	3,590	5,741	1,294	328,816
2009	84,305	22,181	200,077	1,952	10,082	3,521	7,542	2,392	332,052
2008	82,763	28,057	206,911	2,443	9,750	3,458	5,740	2,291	341,413

Source: Audited Comprehensive Annual Financial Reports



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(amounts expressed in thousands)
(UNAUDITED)

EXHIBIT G - 7

<u>Year</u>	<u>Assessed Value</u>	<u>Less: Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value*</u>
<u>City of Baton Rouge</u>						
2017	\$ 2,028,576	\$ --	\$ 2,028,576	6.90	\$ 18,441,600	11.00 %
2016	1,950,078	--	1,950,078	6.90	17,727,982	11.00
2015	1,911,391	--	1,911,391	7.12	17,376,282	11.00
2014	1,861,690	--	1,861,690	7.12	16,924,455	11.00
2013	1,795,308	--	1,795,308	7.12	16,320,982	11.00
		--				
2012	1,768,041	--	1,768,041	7.12	16,073,100	11.00
2011	1,675,472	--	1,675,472	7.42	15,231,564	11.00
2010	1,674,904	--	1,674,904	7.42	15,226,400	11.00
2009	1,649,392	--	1,649,392	7.42	14,994,473	11.00
2008	1,607,759	--	1,607,759	7.42	14,615,991	11.00

Parish of East Baton Rouge

2017	\$ 4,866,291	\$ -	\$ 4,866,291	3.32	\$ 44,239,009	11.00 %
2016	4,646,527	794,444	3,852,083	3.32	42,241,155	11.00
2015	4,582,080	651,496	3,930,584	3.44	41,655,273	11.00
2014	4,503,354	588,697	3,914,657	3.44	40,939,582	11.00
2013	4,380,432	599,929	3,780,503	3.44	39,822,109	11.00
2012	4,256,056	612,898	3,643,158	3.44	38,691,418	11.00
2011	4,067,423	626,501	3,440,922	3.54	36,976,573	11.00
2010	4,005,089	588,830	3,416,259	3.54	36,409,900	11.00
2009	3,964,820	548,201	3,416,619	3.54	36,043,818	11.00
2008	3,810,976	527,907	3,283,069	3.54	34,645,236	11.00

*Actual Valuation (Market Value) as compared to Assessed Valuation

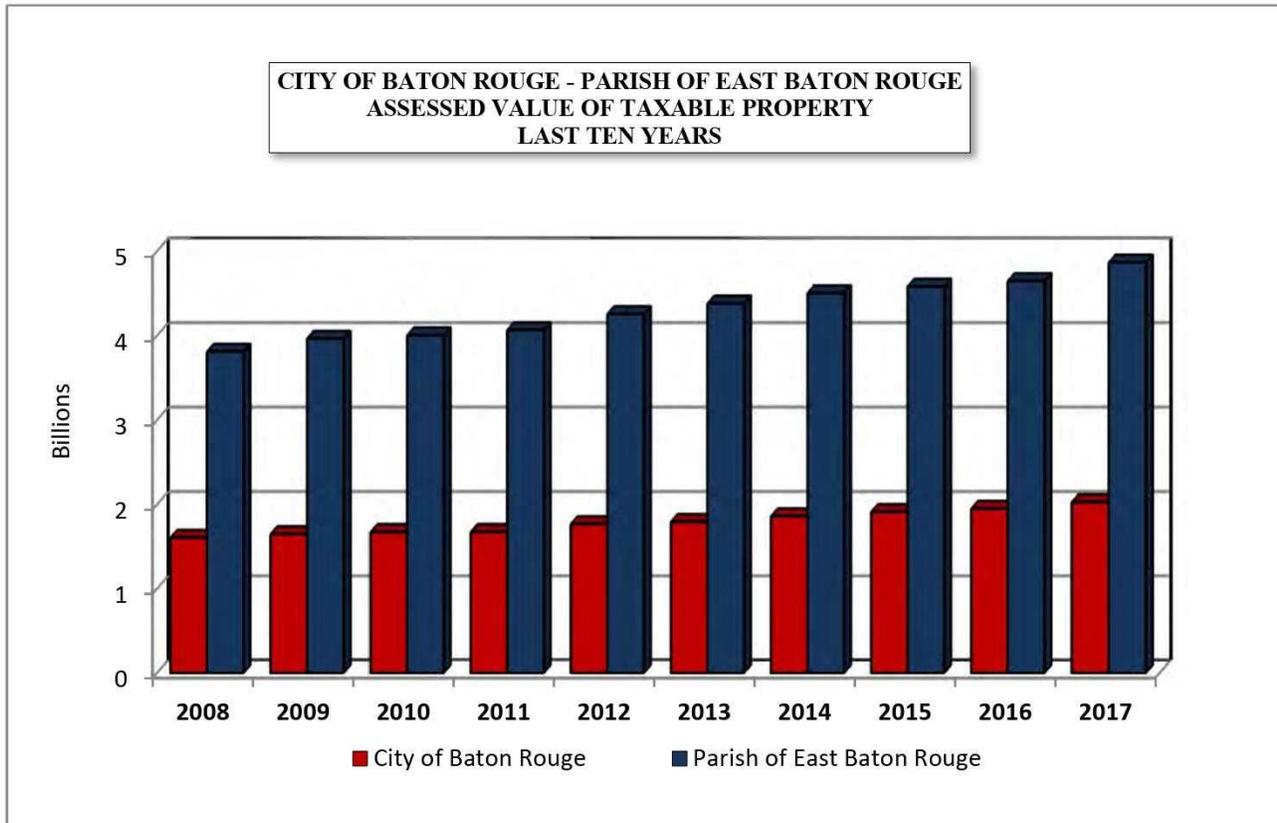
Residential Properties are assessed at 10% of fair market value' other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value
The overall assessed value is estimated to be 11% of actual market value.

Source: East Baton Rouge Parish Assessor's Grand Recapulation of the Assessment Roll for the Parish of East Baton Rouge.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(UNAUDITED)

EXHIBIT G - 7
(Continued)



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS (1)
LAST TEN YEARS
(UNAUDITED)

Year	City		Operating	Debt Service (2)	Parish	
	Operating	Municipal Fire Salaries and Benefits			Mosquito and Rodent Tax	East Baton Rouge Council on Aging
<u>TAX RATES (mills per dollar)</u>						
2017	6.90	6.00	3.32	--	2.12	2.25
2016	6.90	6.00	3.32	--	1.41	--
2015	7.12	6.00	3.44	--	1.41	--
2014	7.12	6.00	3.44	--	1.41	--
2013	7.12	6.00	3.44	--	1.41	--
2012	7.12	6.00	3.44	--	1.41	--
2011	7.42	6.00	3.54	--	1.45	--
2010	7.42	6.00	3.54	--	1.45	--
2009	7.42	6.00	3.54	--	1.45	--
2008	7.42	6.00	3.54	--	2.09	--

<u>TAX LEVIES</u>						
2017	\$ 13,997,176	\$ 11,827,998	\$ 16,156,087	\$ --	\$ 10,316,537	\$ 10,949,155
2016	13,455,539	11,408,541	15,426,470	--	6,551,603	--
2015	13,609,103	11,176,431	15,762,356	--	6,460,733	--
2014	13,255,235	10,972,597	15,491,537	--	6,349,729	--
2013	12,782,590	10,769,906	15,068,687	--	6,176,409	--
2012	12,588,453	10,608,247	14,640,832	--	6,001,039	--
2011	12,432,005	10,052,834	14,398,676	--	5,897,763	--
2010	12,427,786	10,049,472	14,178,016	--	5,806,700	--
2009	12,238,488	9,896,402	14,035,463	--	5,748,304	--
2008	11,929,569	9,646,603	13,490,853	--	7,964,581	--

The tax levies represent the original levy of the Assessor and include the homestead exemption amount.

All taxes are billed when assessment rolls are filed during the month of November of the current tax year. Taxes become delinquent on January 1 of the following year. Penalty for delinquent taxes is 15% per annum. No discounts are allowed for taxes, and there is no provision for partial payments.

Taxpayers who have not paid their taxes by January 2 of each year are notified by the Sheriff through registered mail that all taxes must be paid within 20 days from the date of notice. After expiration of the 20th day, the Sheriff shall sell the least quantity of property of any debtor which any bidder will buy for the amount of taxes, interest and costs due.

By agreement, the East Baton Rouge Parish Sheriff is the tax collector for City property taxes and receives a commission of 4.5% of total taxes collected for the City. The Sheriff, as provided by State Law, is the official tax collector of general property taxes levied by the Parish and Parish Special Districts.

Emergency Medical Services	Library Board of Control	School District	Recreation and Park	Law Enforcement District	Assessor's Salary and Expense Fund	Total
<u>TAX RATES (mills per dollar)</u>						
3.13	11.10	43.45	14.46	14.99	1.29	109.01
3.13	11.10	43.45	14.46	14.99	1.29	106.05
3.13	10.78	43.45	14.46	14.99	1.34	106.12
3.13	10.78	43.45	14.04	14.99	1.34	105.70
3.13	10.78	43.45	14.04	14.99	1.34	105.70
3.13	10.78	43.45	14.04	14.99	1.34	105.70
3.13	11.10	43.45	14.46	14.99	1.38	106.92
3.13	11.10	43.45	14.46	14.99	1.38	106.92
3.13	11.10	43.45	14.46	14.99	1.38	106.92
3.13	11.10	43.45	14.46	14.99	1.38	106.92
3.13	11.10	43.45	14.46	14.99	1.38	107.56

TAX LEVIES

\$ 15,231,492	\$ 54,015,833	\$ 185,690,729	\$ 70,381,170	\$ 72,945,706	\$ 6,277,516	\$ 467,789,399
14,543,630	51,576,450	178,553,748	67,202,720	69,651,440	5,994,020	434,364,161
14,341,912	49,394,826	175,282,745	66,270,628	68,685,384	6,139,988	427,124,106
14,095,497	48,546,154	172,553,638	63,218,080	67,505,273	6,034,494	418,022,234
13,710,753	47,221,059	168,092,732	61,492,507	65,662,678	5,869,779	406,847,100
13,321,455	45,880,282	163,119,091	59,746,512	63,798,277	5,703,115	395,407,303
12,731,033	45,148,390	156,255,861	58,827,132	60,970,664	5,613,043	382,327,401
12,535,916	44,456,394	154,151,395	57,924,991	60,036,218	5,527,001	377,093,889
12,409,879	44,009,402	152,687,297	57,342,564	59,432,583	5,471,431	373,271,813
11,928,356	42,301,728	147,001,498	55,117,514	57,126,469	5,259,125	361,766,296

- (1) Not included are the following: Consolidated Road Lighting District No. 1, St. George Fire Protection District, Chaneyville Fire Protection District, Alsen Fire Protection District, Brownsfield Fire Protection District No. 3, Central Fire Protection District No. 4, Eastside Fire Protection District No. 5, East Baton Rouge Parish Fire Protection District No. 6, Pride Fire District No. 8, Zachary Fire District No. 1, Downtown Development District, Pontchartrain Levee District, Comite Diversion Canal, City of Baker, City of Central, City of Zachary and BR Capital Area Transit System. These represent isolated areas that affect less than a majority of City-Parish residents.
- (2) Parishwide debt

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO
 (UNAUDITED)

EXHIBIT G - 9

Taxpayer	Type of Business	2017			2008		
		Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation	Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
ExxonMobil Corporation	Petroleum Products	\$332,225,840	1	6.83 %	\$283,188,860	1	7.43 %
Entergy, Inc.	Electric and Gas Utility	114,408,820	2	2.35	68,680,060	2	1.80
Georgia-Pacific Corporation	Pulp and Paper Products	77,733,570	3	1.60	52,336,280	3	1.37
J P Morgan/Chase	Bank	53,912,180	4	1.11	45,747,700	5	1.20
Genesis Marine	Import/Export Terminal	23,938,350	5	0.49	--	--	--
Bellsouth Communications	Telephone Utility	16,911,980	6	0.36	46,545,760	4	1.22
State Farm Insurance	Insurance	16,547,810	7	0.34	19,017,750	7	0.50
Baton Rouge Water Company	Water Utility	16,567,420	8	0.34	--	--	--
Dixie Electric Membership	Electric and Gas Utility	13,886,180	9	0.29	--	--	--
Capital One/Hibernia	Bank	14,564,720	10	0.30	18,411,200	8	0.48
Wal-Mart	Retail Store	--	--	--	19,883,760	6	0.52
Regions Bank	Bank	--	--	--	17,804,150	9	0.47
Formosa Plastics	Plastics Manufacturer	--	--	--	16,689,950	10	0.44
		<u>\$680,696,870</u>		<u>14.01 %</u>	<u>\$588,305,470</u>		<u>15.43 %</u>

(1) Source: East Baton Rouge Parish Assessor's Office

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(UNAUDITED)

EXHIBIT G - 10

<u>Year</u>	<u>Total Tax Levy</u>	<u>Collections</u>	<u>Percent of Levy Collected</u>	<u>Prior Year Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>
<u>City of Baton Rouge</u>						
2017	\$ 13,997,176					
2016	13,455,539	\$ 13,191,567	98.04 %	\$ 263,012	\$ 13,454,579	99.99 %
2015	13,609,103	13,439,133	98.75	133,983	13,573,116	99.74
2014	13,255,235	13,042,284	98.39	159,067	13,201,351	99.59
2013	12,782,590	12,624,364	98.76	142,536	12,766,900	99.88
2012	12,588,453	12,354,225	98.14	89,328	12,443,553	98.85
2011	12,432,005	12,372,584	99.52	88,846	12,461,430	100.24
2010	12,427,786	12,253,689	98.60	68,041	12,321,730	99.15
2009	12,238,488	12,045,618	98.42	114,192	12,159,810	99.36
2008	11,929,569	11,654,039	97.69	75,959	11,729,998	98.33
<u>Parish of East Baton Rouge</u>						
2017	\$ 13,876,659					
2016	13,177,704	\$ 12,920,330	98.05 %	\$ 133,893	\$ 13,054,223	99.06 %
2015	13,417,386	13,257,437	98.81	87,060	13,344,497	99.46
2014	13,156,222	12,957,191	98.49	84,151	13,041,342	99.13
2013	12,741,045	12,594,487	98.85	67,889	12,662,376	99.38
2012	12,310,364	12,107,642	98.35	50,208	12,157,850	98.76
2011	12,033,121	11,872,313	98.66	24,454	11,896,767	98.87
2010	11,819,400	11,628,549	98.39	36,387	11,664,936	98.69
2009	11,703,631	11,435,255	97.71	41,457	11,476,712	98.06
2008	11,165,622	10,903,757	97.65	30,995	10,934,752	97.93

"Total Tax Levy" represents the taxpayer portion of the original levy of the Assessor and is the amount to be paid by the taxpayer. The amounts to be paid by the taxpayer are ultimately collected in full except for adjustments due to assessment errors or delayed homestead exemptions.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SALES TAX REVENUES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands, except percentages)
(UNAUDITED)

EXHIBIT G - 11

	2% City-Parish General	2% City-Parish Dedicated to Economic Development	2% City-Parish General	1/2 % Roads Improvement and Maintenance	1/2 % Sewerage Improvement and Maintenance	Total
2017	\$ 197,523	\$ 2,126	\$ 47,921	\$ 47,924	\$ 295,494	
2016	196,799	1,882	47,564	47,563	293,808	
2015	185,021	1,674	44,793	44,791	276,279	
2014	179,144	1,053	43,582	43,582	267,361	
2013	176,475	154	42,997	42,997	262,623	
2012	174,430	114	42,145	42,145	258,834	
2011	162,488	132	39,431	39,431	241,482	
2010	155,467	118	37,439	37,439	230,463	
2009	160,524	129	39,424	39,424	239,501	
2008	164,418	121	42,372	42,367	249,278	

The following is a summary by area of sales and use taxes being levied within the Parish of East Baton Rouge as of December 31, 2017.

Entity/Area	Parish	School Board Operating	School Board Capital Improvement	Municipal	State	Total
East Baton Rouge	3.00%	1.00%	1.00%	-	5.00%	10.00%
Baton Rouge	1.00%	1.00%	1.00%	2.00%	5.00%	10.00%
Baker	1.00%	2.00%	-	2.50%	5.00%	10.50%
Zachary	1.00%	1.00%	1.00%	2.00%	5.00%	10.00%
Central	1.00%	1.00%	1.50%	2.00%	5.00%	10.50%



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
TAXABLE SALES BY CATEGORY - GENERAL SALES AND USE TAX
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands)
(UNAUDITED)

North American Industry Classification	FISCAL YEAR			
	2017	2016	2015	2014
Agriculture, Forestry, and Fishing	\$ 1,949	\$ 1,954	\$ 1,850	\$ 1,800
Mining	974	1,954	1,850	--
Construction	155,892	155,379	140,606	148,517
Manufacturing	855,457	843,345	843,637	830,797
Transportation and Public Utilities	52,614	46,907	49,027	36,004
Wholesale Trade	435,523	420,207	405,168	416,749
Other Retail Trade	4,555,944	4,483,508	4,237,608	4,105,379
Vehicle	826,228	1,008,496	796,459	760,589
Food Stores	562,186	563,859	555,024	542,763
Finance, Insurance, and Real Estate	278,657	281,441	299,713	298,835
Services	2,017,826	1,965,200	1,919,458	1,859,617
Total	<u>\$ 9,743,250</u>	<u>\$ 9,772,250</u>	<u>\$ 9,250,400</u>	<u>\$ 9,001,050</u>

Source: City-Parish Finance Revenue Division
Collector of EBR Parish-wide Sales & Use Taxes
Based on 2% general sales and use tax with no exemptions for food and drugs.

FISCAL YEAR					
<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1,750	\$ 1,729	\$ 1,627	\$ 1,565	\$ 2,182	\$ 2,466
875	--	814	3,129	818	822
156,627	154,729	155,418	133,783	133,890	151,265
866,260	934,427	805,568	724,461	941,631	876,348
38,500	42,356	52,077	43,030	51,560	64,945
389,379	366,510	351,521	332,501	348,700	411,867
4,003,171	3,969,371	3,876,491	3,599,615	3,865,624	4,102,229
725,383	644,850	580,985	836,337	533,427	374,051
500,506	482,341	444,283	483,495	514,500	420,088
252,003	267,967	225,396	218,277	254,056	282,799
<u>1,815,646</u>	<u>1,779,820</u>	<u>1,642,870</u>	<u>1,447,357</u>	<u>1,450,666</u>	<u>1,534,020</u>
<u>\$ 8,750,100</u>	<u>\$ 8,644,100</u>	<u>\$ 8,137,050</u>	<u>\$ 7,823,550</u>	<u>\$ 8,097,054</u>	<u>\$ 8,220,900</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)
(UNAUDITED)

Year	Governmental Activities			Business - Type Activities	
	Excess Revenue Contracts Loans and Notes	Revenue Bonds	Capital Leases	Excess Revenue Contracts Loans and Notes	Revenue Bonds
2017	\$ 102,099	\$ 203,690	\$ --	\$ 429,300	\$ 1,029,380
2016	108,366	217,322	--	431,051	1,037,995
2015	114,511	232,165	--	431,757	1,031,195
2014	84,712	229,662	--	433,404	1,029,618
2013	89,263	237,762	--	225,976	995,995
2012	93,712	238,490	--	12,083	1,007,089
2011	59,929	249,604	--	2,291	1,018,218
2010	60,514	261,990	--	2,679	837,562
2009	62,371	271,490	--	3,551	471,359
2008	64,463	165,091	--	3,677	323,569

Source:

- (1) Long-term debt note disclosures, Audited Comprehensive Annual Financial Reports. See Note 10.
- (2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(1) Total Primary Government	(2) Percentage of Personal Income	(2) (in dollars) Debt Per Capita
\$ 1,764,469	8.86%	\$ 3,954
1,794,734	8.25%	4,015
1,809,628	8.83%	4,051
1,777,396	9.24%	3,985
1,548,996	7.94%	3,479
1,351,374	7.09%	3,042
1,330,042	7.39%	3,012
1,162,745	6.58%	2,637
808,771	4.65%	1,848
556,800	3.19%	1,284

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)
(UNAUDITED)

EXHIBIT G - 14

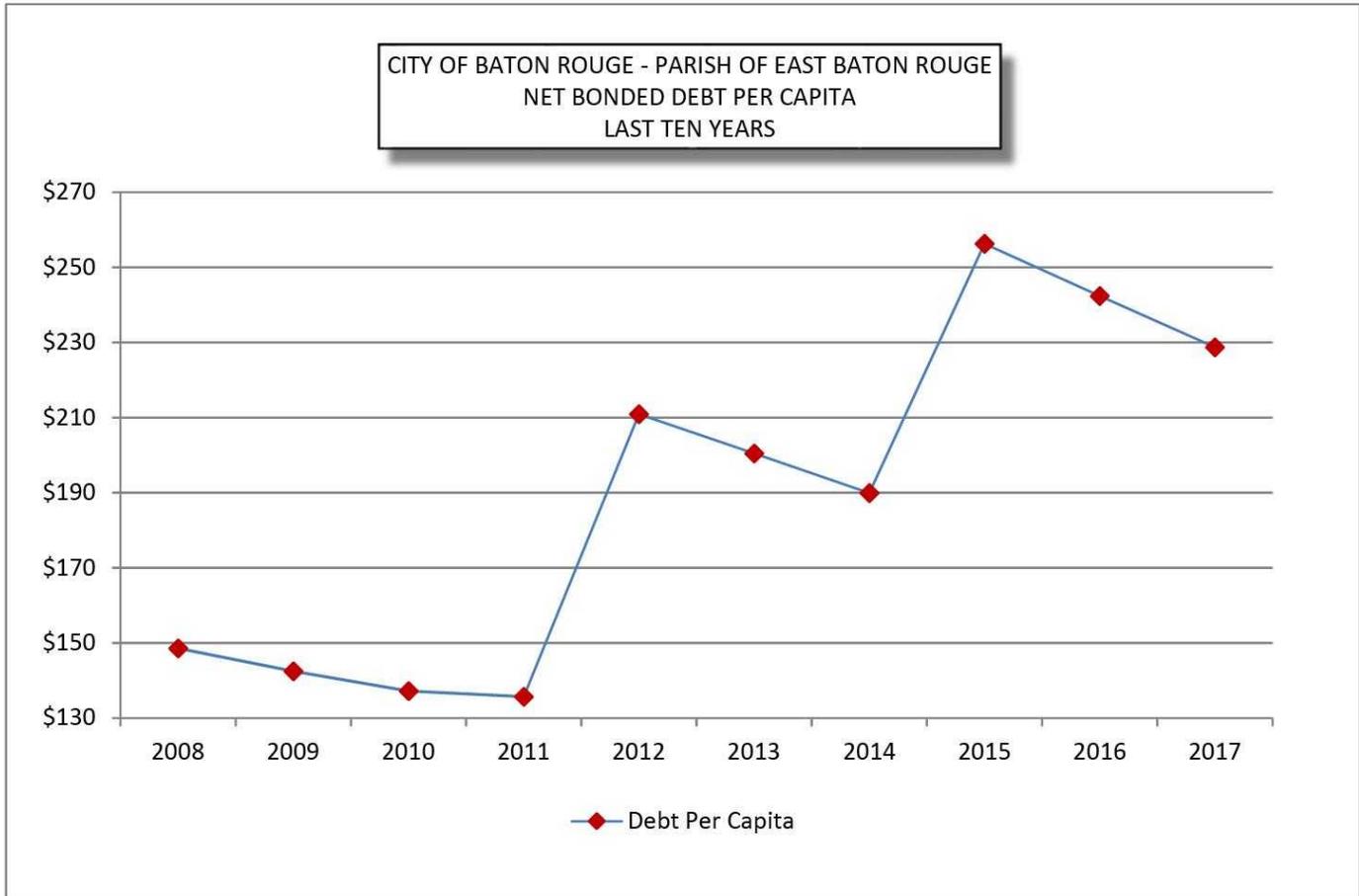
Year	Excess Revenue Contracts Loans and Notes (1)	Less: Amount Available In Debt Service Fund (4)	Total	Percentage of Estimated Actual Value of Property (2)	<i>(in dollars)</i> Debt Per Capita (3)
2017	\$102,099	\$ --	\$102,099	0.55%	\$229
2016	108,366	--	108,366	0.61%	242
2015	114,511	--	114,511	0.66%	256
2014	84,712	--	84,712	0.50%	190
2013	89,263	--	89,263	0.55%	200
2012	93,712	--	93,712	0.58%	211
2011	59,929	--	59,929	0.39%	136
2010	60,514	--	60,514	0.40%	137
2009	62,371	--	62,371	0.42%	143
2008	64,463	--	64,463	0.44%	149

Note: Details regarding outstanding debt can be found in the notes to the financial statements (Note 10).

- (1) Excess revenue contracts, loans and notes of governmental activities.
- (2) See the Schedule of Assessed and Estimated Actual Value of Taxable Property.
- (3) Population data can be found in the Schedule of Demographic and Economic Statistics.
- (4) There is no general reserve fund requirement for excess revenue bonds in the State of Louisiana.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)
(UNAUDITED)

EXHIBIT G - 14
(Continued)



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2017
(UNAUDITED)**

EXHIBIT G - 15

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to Primary Government</u>
<u>Overlapping Debt:</u>			
Baton Rouge Recreation and Park Commission	\$ 32,795,000	100.00%	\$ 32,795,000
Central Community School System	36,075,000	5.00%	1,803,750
City of Zachary	17,808,632	1.00%	178,086
East Baton Rouge Parish School System	25,061,058	88.00%	22,053,731
Hospital Service District No. 1 (Lane Memorial Hospital)	19,200,000	100.00%	19,200,000
Nineteenth Judicial District Court	95,790,000	100.00%	95,790,000
Zachary Community School Board	77,735,669	6.00%	<u>4,664,140</u>
Total overlapping debt			176,484,707
City of Baton Rouge/Parish of EBR direct debt			305,789,505
Total direct and overlapping debt			<u><u>\$ 482,274,212</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the East Baton Rouge Parish Assessor.
Debt outstanding provided by staff of the separate governmental organizations and their audited financial statements.

Net Overlapping Debt is computed to demonstrate the total property tax burden on the taxpayers within the reporting governments' geographic jurisdiction and the total debt that their property taxes will be expected to repay.

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
LEGAL DEBT MARGIN CALCULATION
GENERAL OBLIGATION DEBT
LAST TEN YEARS
(UNAUDITED)**

EXHIBIT G - 16

CITY OF BATON ROUGE

Year	Any One Purpose	Sewerage Purposes	Aggregate All Purposes	Debt Outstanding	Legal Debt Margin
2017	\$202,857,630	\$304,286,445	\$710,001,706	\$ --	\$710,001,706
2016	195,007,813	292,511,719	682,527,345	--	682,527,345
2015	191,139,089	286,708,633	668,986,810	--	668,986,810
2014	186,169,031	279,253,547	651,591,609	--	651,591,609
2013	179,530,760	269,296,141	628,357,661	--	628,357,661
2012	176,804,116	265,206,174	618,814,406	--	618,814,406
2011	167,547,232	251,320,848	586,415,312	--	586,415,312
2010	167,490,381	251,235,572	586,216,334	--	586,216,334
2009	164,939,185	247,408,777	577,287,147	--	577,287,147
2008	160,775,869	241,163,803	562,715,541	--	562,715,541

PARISH OF EAST BATON ROUGE

Year	Any One Purpose	Sewerage Purposes	Aggregate All Purposes	Debt Outstanding	Legal Debt Margin
2017	\$486,629,124	\$729,943,686	no limit	\$ --	\$729,943,686
2016	464,652,700	696,979,050	no limit	--	696,979,050
2015	458,208,035	687,312,053	no limit	--	687,312,053
2014	450,335,379	675,503,069	no limit	--	675,503,069
2013	438,043,217	657,064,825	no limit	--	657,064,825
2012	425,605,585	638,408,377	no limit	--	638,408,377
2011	406,742,254	610,113,381	no limit	--	610,113,381
2010	400,508,930	600,763,395	no limit	--	600,763,395
2009	396,481,999	594,722,999	no limit	--	594,722,999
2008	381,097,556	571,646,334	no limit	--	571,646,334

The Louisiana Constitution gives East Baton Rouge Parish, any municipal corporation in the parish and any sewerage district in the parish the power to incur debt and issue bonds for sewerage purposes up to a maximum of 15% of the assessed valuation of the taxable property in such subdivision. Louisiana Revised Statutes limit the Parish's bonded debt for other purposes to 10% of the assessed valuation of the taxable property for a single purpose. The City's limit includes a 35% maximum for all purposes.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY OF REVENUE BOND COVERAGE
LAST TEN YEARS
(UNAUDITED)

EXHIBIT G - 17

SCHEDULE A - CITY SALES TAX (2%)

Year	Gross Revenue (3)	Expenses (4)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2017	\$ 111,616,795	\$ --	\$ 111,616,795	\$ 3,590,000	\$ 2,941,460	\$ 6,531,460	17.09
2016	109,938,263	--	109,938,263	5,285,000	2,740,156	8,025,156	13.70
2015	104,103,683	--	104,103,683	5,525,000	3,494,067	9,019,067	11.54
2014	97,843,371	--	97,843,371	5,275,000	3,727,284	9,002,284	10.87
2013	93,493,918	--	93,493,918	5,060,000	3,922,851	8,982,851	10.41
2012	90,799,213	--	90,799,213	11,530,000	4,463,711	15,993,711	5.68
2011	87,494,793	--	87,494,793	10,270,000	4,861,233	15,131,233	5.78
2010	85,137,892	--	85,137,892	10,260,000	5,605,661	15,865,661	5.37
2009	87,038,718	--	87,038,718	9,740,000	5,951,439	15,691,439	5.55
2008	97,069,860	--	97,069,860	10,185,000	5,153,870	15,338,870	6.33

SCHEDULE B - PARISH SALES TAX (2%)

Year	Gross Revenue (3)	Expenses (4)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2017	\$ 85,933,027	\$ --	\$ 85,933,027	\$ 970,000	\$ 276,059	\$ 1,246,059	68.96
2016	86,891,134	--	86,891,134	935,000	296,403	1,231,403	70.56
2015	80,939,830	--	80,939,830	905,000	316,048	1,221,048	66.29
2014	81,322,908	--	81,322,908	525,000	266,855	791,855	102.70
2013	82,987,383	--	82,987,383	--	--	--	--
2012	83,663,827	--	83,663,827	--	--	--	-- (9)
2011	75,032,120	--	75,032,120	--	--	--	-- (9)
2010	70,524,675	--	70,524,675	--	--	--	-- (9)
2009	73,640,958	--	73,640,958	--	--	--	-- (9)
2008	67,839,512	--	67,839,512	620,000	26,040	646,040	105.01

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY OF REVENUE BOND COVERAGE
LAST TEN YEARS
(UNAUDITED)**

EXHIBIT G - 17
(Continued)

SCHEDULE C - ROAD AND STREET IMPROVEMENT SALES TAX (1/2%)

Year	Gross Revenue (5)	Expenses (2)	Available for Debt Service	Total Senior Lien Debt Service (6)	Senior Lien Coverage	Total Sub Lien Debt Service	Sub Lien Coverage (11)
2017	\$ 31,602,182	\$ 281,327	\$ 31,320,855	\$ 18,304,145	1.71	\$ 5,757,106	1.30
2016	30,802,061	282,399	30,519,662	17,737,753	1.72	5,758,756	1.30
2015	29,126,895	249,575	28,877,320	17,052,382	1.69	3,147,517	1.43
2014	28,320,339	255,767	28,064,572	17,807,013	1.58	2,626,506	1.37
2013	28,149,513	274,249	27,875,264	18,018,977	1.55	2,629,156	1.35
2012	27,680,742	245,166	27,435,576	17,991,217	1.52	2,189,898	1.36
2011	25,902,059	274,698	25,627,361	18,070,793	1.42	--	--
2010	24,662,586	231,255	24,431,331	17,792,521	1.37	--	--
2009	27,045,372	--	27,045,372	13,947,352	1.94	--	--
2008	32,575,454	--	32,575,454	10,846,689	3.00	--	--

SCHEDULE D - EAST BATON ROUGE SEWERAGE COMMISSION

Year	Gross Revenue (7)	Expenses (8)	Available for Debt Service	Total Senior Lien Debt Service (10)	Senior Lien Coverage	Total Sub Lien Debt Service	Sub Lien Coverage
2017	\$ 139,473,125	\$ 45,513,710	\$ 93,959,415	\$ 49,969,382	1.88	\$ 15,947,731	1.43
2016	129,552,440	44,387,591	85,164,849	47,454,341	1.79	10,680,326	1.46
2015	123,941,562	40,419,170	83,522,392	43,356,611	1.93	5,172,899	1.72
2014	119,056,182	38,507,830	80,548,352	54,988,340	1.46	5,147,212	1.34
2013	115,113,327	38,233,744	76,879,583	54,483,549	1.41	575,720	1.40
2012	112,655,153	36,840,298	75,814,855	53,731,684	1.41	--	--
2011	104,462,337	38,414,107	66,048,230	40,157,122	1.64	--	--
2010	100,325,918	35,992,997	64,332,921	23,542,882	2.73	--	--
2009	100,957,375	36,691,655	64,265,720	14,398,273	4.46	--	--
2008	102,154,884	38,223,916	63,930,968	12,605,190	5.07	--	--

- (1) Fiscal charges included
- (2) Total sales tax collection costs
- (3) Total general sales and use taxes in the general and debt service funds plus interest earnings on sales tax revenues in the City and Parish Sales Tax Bonds Debt Service Funds and operating transfers in
- (4) Refunding bond issuance costs
- (5) Total general sales and use taxes in the Road and Street Improvement capital projects and debt service funds interest earnings and SWAP related revenue - Road and Street pledged revenues
- (6) Includes liquidity fees, remarketing fees and transactions associated with the SWAP on the variable rate bonds
- (7) Total operating revenues plus interest earnings on these revenues, Sewer Sales Tax Revenues pledged from the Parish
- (8) Total operating expenses less depreciation, sales tax collection costs, change in net OPEB obligation, and net pension liability.
- (9) There were no outstanding Parish 2% Sales Tax Bonds.
- (10) Debt service calculations are done on a cash basis rather than the accrual basis used in preparation of the financial statements and include a reduction for Build America Bond direct subsidy payments received.
- (11) These Bonds are secured on a junior and subordinate lien basis by the Road and Street pledged revenues. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish as defined in the Bond documents.

The City-Parish is in compliance with all legal debt covenants at December 31, 2017.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS
 (UNAUDITED)

EXHIBIT G - 18

Year	Popu- lation (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (1)	Public School Enrollment (3)	EBR Parish Unemploy- ment Rate (4)	Labor Market Area Unemploy- ment Rate (5)
2017	446,268	19,907,569,212 (6)	44,609 (6)	32.8 (6)	52,306	4.4	4.5
2016	447,037	20,227,581,000	45,248	33.3	52,540	5.1	5.2
2015	446,753	20,499,964,000	45,887	33.2	53,602	5.4	5.5
2014	446,042	19,227,032,000	43,106	32.9	54,055	5.7	5.8
2013	445,227	19,518,293,000	43,839	32.7	53,881	6.2	6.2
2012	444,275	19,047,316,000	42,873	32.7	54,439	6.7	6.8
2011	441,523	18,004,796,000	40,779	32.5	53,981	7.2	7.4
2010	440,856	17,660,971,000	40,061	32.6	53,790	7.1	7.4
2009	437,623	17,396,917,000	39,753	32.8	52,671	6.0	6.2
2008	433,723	17,456,948,000	40,249	32.8	53,849	4.2	4.3

Source: All information is parish-wide.

- (1) Estimate - U.S. Census
- (2) Estimates - Bureau of Economic Analysis, Regional Economic Accounts
- (3) Louisiana Department of Education
- (4) U.S. Department of Labor, Bureau of Labor Statistics (Estimated figures 2017) average annual unemployment rate, not seasonally adjusted. Figures for East Baton Rouge Parish only.
- (5) U.S. Department of Labor, Bureau of Labor Statistics (Estimated figures 2017) average annual unemployment rate, not seasonally adjusted. Figures for Baton Rouge Metropolitan Statistical Area (MSA).
- (6) Finance Department Estimate

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

EXHIBIT G - 19

<u>Employer</u>	<u>2017 *</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Parish Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Parish Employment</u>
Louisiana State Government	18,841	1	7.39 %	31,688	1	13.55 %
Turner Industries	9,875	2	3.87	7,625	2	3.26
Louisiana State University	6,250	3	2.45	5,600	4	2.40
East Baton Rouge Parish School System	6,129	4	2.40	6,369	3	2.72
Performance Contractors	5,500	5	2.16	3,300	9	1.41
City-Parish Government	4,547	6	1.78	4,544	5	1.94
Our Lady of the Lake Regional Medical Center	4,500	7	1.76	4,009	8	1.71
ExxonMobil Corporation	4,214	8	1.65	4,275	6	1.83
Baton Rouge General Medical Center	4,000	9	1.57	3,000	10	1.28
Parish Water Company	3,196	10	1.25	--		--
The Shaw Group	--		--	4,243	7	1.81
	<u>67,052</u>		<u>26.28 %</u>	<u>74,653</u>		<u>31.91 %</u>

* Source 2017: Baton Rouge Area Chamber estimates
Louisiana Department of State Civil Service
East Baton Rouge Parish School System
Estimates - U.S. Bureau of Census (mid-year estimate)
Estimates - U.S. Bureau of Labor Statistics (Annual average data)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
FULL-TIME EQUIVALENT CITY-PARISH EMPLOYEES
BY FUND/DEPARTMENT
LAST TEN FISCAL YEARS
(UNAUDITED)

	Full-time Equivalent Employees Allotted in Annual Budget			
	2017	2016	2015	2014
<u>GENERAL FUND:</u>				
Building & Grounds (1)	100.00	106.00	106.00	--
Business Operations & Capital Programs (1)	36.00	36.00	36.00	--
City Constable	40.00	40.00	40.00	40.00
City Court and City Court Judicial	154.63	155.63	155.63	156.63
Community Centers	21.30	20.55	20.55	20.55
Metropolitan Council and Administration	41.00	41.00	41.00	41.00
Emergency Preparedness	7.00	7.00	7.00	7.00
Development (1)	108.00	108.00	109.00	--
EMS - Prison Medical Services	--	36.00	36.00	36.00
Finance	121.00	121.00	121.00	121.00
Fire - (City Fire Department Only)	610.00	610.00	610.00	610.00
Human Development & Services	7.62	8.12	8.37	8.62
Human Resources	38.00	38.00	38.00	38.00
Information Services	57.00	57.00	47.00	47.00
Juvenile Services	84.00	84.00	84.00	84.00
Maintenance (1)	289.00	319.00	319.00	--
Mayor-President	16.00	16.00	16.00	16.00
Municipal Fire & Police Civil Service	1.00	1.00	1.00	1.00
Parish Attorney	95.50	95.50	95.50	96.50
Planning Commission	24.00	24.00	27.00	27.00
Police (City Police Only)	883.00	881.00	886.00	886.00
Public Information Office	3.00	3.00	3.00	3.00
Public Works (1)	--	--	--	681.00
Purchasing	13.00	13.00	13.00	13.00
Transportation & Drainage (1)	107.00	110.00	111.00	--
TOTAL GENERAL FUND	<u>2,857.05</u>	<u>2,930.80</u>	<u>2,931.05</u>	<u>2,933.30</u>
<u>SPECIAL FUNDS:</u>				
Major Funds:				
Library Board of Control Fund	403.75	402.25	401.75	400.75
Grants Fund	331.57	357.07	367.82	377.57
Comprehensive Sewerage System Fund	293.20	315.20	318.20	327.40
G. B. R. Airport District Fund	81.00	81.00	81.00	81.00
Solid Waste Collection Fund	6.00	6.00	6.00	6.00
Solid Waste Disposal Facility	20.80	20.80	20.80	22.60
Non-Major Funds:				
Animal Control and Rescue Center	22.00	22.00	22.00	22.00
Central Garage	45.00	45.00	45.00	45.00
City Constable Court Costs Fund	5.00	5.00	5.00	5.00
City Court Sobriety Court (2)	1.00	1.00	1.00	--
Downtown Development District	5.00	5.00	5.00	5.00
Emergency Medical Services	169.00	169.00	170.00	170.00
Employees' Retirement System	13.00	13.00	13.00	13.00
E.B.R. Parish Communications District	52.00	52.00	52.00	52.00
Gaming Enforcement Division	2.50	2.50	2.50	2.50
G. B. R. Parking Authority	--	9.00	9.00	9.00
Mosquito Abatement and Rodent Control	37.00	37.00	37.00	33.00
Parish Street Maintenance	3.00	3.00	3.00	3.00
TOTAL SPECIAL FUNDS	<u>1,490.82</u>	<u>1,545.82</u>	<u>1,560.07</u>	<u>1,574.82</u>
TOTAL ALL FUNDS	<u>4,347.87</u>	<u>4,476.62</u>	<u>4,491.12</u>	<u>4,508.12</u>

- (1) Public Works was divided into multiple new departments in 2015 and all positions were allocated to each new department (Building & Grounds, Business Operations & Capital Programs, Development, Maintenance, and Transportation & Drainage)
- (2) The City Court Sobriety Court Fund was established pursuant to the provisions of R.S. 13:1894.2 passed by Act 810 of the 2014 Legislative Session, which became effective August 1, 2014.

Full-time Equivalent Employees Allotted in Annual Budget

2013	2012	2011	2010	2009	2008
--	--	--	--	--	--
--	--	--	--	--	--
40.00	40.00	40.00	40.00	40.00	40.00
156.63	156.63	157.63	157.63	157.63	152.63
20.55	20.55	20.55	20.55	20.55	20.55
41.00	41.00	41.00	41.00	41.00	41.00
6.00	6.00	5.00	5.00	5.00	5.00
--	--	--	--	--	--
36.00	36.00	36.00	36.00	35.00	35.00
121.00	125.00	125.00	125.00	125.00	119.00
610.00	610.00	610.00	610.00	610.00	610.00
8.62	8.62	8.75	8.75	8.75	8.75
38.00	38.00	38.00	38.00	39.00	39.00
45.00	45.00	45.00	45.00	44.00	44.00
84.00	84.00	84.00	84.00	84.00	84.00
--	--	--	--	--	--
15.00	15.00	15.00	15.00	16.00	16.00
1.00	1.00	1.00	1.00	1.00	1.00
96.50	95.50	95.50	95.00	94.50	100.00
27.00	27.00	27.00	27.00	27.00	27.00
886.00	886.00	886.00	886.00	886.00	885.00
3.00	3.00	3.00	3.00	3.00	3.00
691.00	691.00	692.00	692.00	697.40	699.10
13.00	13.00	13.00	13.00	13.00	13.00
--	--	--	--	--	--
<u>2,939.30</u>	<u>2,942.30</u>	<u>2,943.43</u>	<u>2,942.93</u>	<u>2,947.83</u>	<u>2,943.03</u>
388.00	379.75	335.00	335.00	319.25	318.25
377.57	382.82	401.77	407.23	375.48	428.94
326.40	326.40	326.40	326.40	328.20	329.40
80.00	82.00	84.00	84.00	93.00	91.00
6.00	6.00	6.00	6.00	6.00	21.10
22.60	22.60	22.60	22.60	15.40	13.40
22.00	22.00	22.00	32.00	31.00	31.00
45.00	45.00	45.00	45.00	45.00	45.00
5.00	5.00	5.00	5.00	5.00	5.00
--	--	--	--	--	--
4.00	4.00	4.00	4.00	4.00	4.00
170.00	166.00	166.00	166.00	165.00	164.00
12.00	12.00	12.00	12.00	12.00	12.00
51.00	47.00	47.00	47.00	47.00	47.00
2.50	2.50	2.50	2.00	2.00	1.00
9.00	9.00	9.00	9.00	9.00	9.00
33.00	33.00	33.00	33.00	31.00	31.00
3.00	3.00	3.00	3.00	3.00	3.00
<u>1,557.07</u>	<u>1,548.07</u>	<u>1,524.27</u>	<u>1,539.23</u>	<u>1,491.33</u>	<u>1,554.09</u>
<u>4,496.37</u>	<u>4,490.37</u>	<u>4,467.70</u>	<u>4,482.16</u>	<u>4,439.16</u>	<u>4,497.12</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Function:	FISCAL YEAR			
	2017	2016	2015	2014
Public Safety:				
Police				
Physical arrests	12,829	13,320	15,244	15,620
Parking violations	6,613	5,507	5,471	3,176
Traffic violations (1)	33,198	43,186	49,630	66,453
Fire				
Number of responses	33,157	33,157	32,769	31,384
Inspections	21,241	21,241	19,883	20,216
Emergency Medical Services				
Number of emergency responses	62,749	62,067	59,627	55,946
Number of patient transports	36,001	36,819	35,663	33,865
Communications district				
Number of 911 calls (in thousands)	355,343	450,431	432,119	457,870
Transportation:				
Parish street maintenance program				
Number of miles of new streets	125	126	1	6
Rehab streets and roads	16	14	14	17
Number of potholes repaired	2,567	1,164	1,620	1,173
Airport				
Number of enplanements	386,987	373,069	378,772	394,772
Sanitation:				
Wastewater				
Average daily sewerage treatment (millions of gallons)	24,997	26,591	24,546	24,978
Solid Waste Disposal				
Average daily tonnage accepted at Landfill (2)	1,652	1,548	1,428	1,337
Administration Office and Boards				
Construction Permits				
Total Number of Permits issued	24,937	28,651	24,553	22,985
Total Valuation	994,503,563	902,656,342	776,909,600	794,214,720
Culture-Recreation				
Libraries				
Total registered borrowers	296,417	294,505	373,481	346,363
Total items circulated	2,924,461	2,729,254	2,761,471	2,563,226
Total reference questions answered	1,003,595	847,860	1,007,100	898,255
New branch libraries opened	0 (5)	0	0	0 (4)

Notes:

- (1) Moving violations only
- (2) Tonnage without recycling. No adjustment for unscheduled closings of the landfill.
- (3) Projected from data thru Nov 2010. 25,614 adults, 2,500 juveniles
- (4) New Main Library at Goodwood is not included
- (5) Greenwell Springs Library reopening not included

FISCAL YEAR						
2013	2012	2011	2010	2009	2008	
16,458	20,913	25,829	28,114 (3)	27,158	26,158	
7,662	14,442	20,424	19,554	19,759	22,649	
72,562	65,200	87,643	75,677	87,509	84,882	
29,434	30,097	29,869	29,939	28,723	28,280	
20,558	16,254	18,885	15,174	15,689	19,199	
51,875	52,689	51,467	49,184	48,490	50,453	
31,095	31,170	30,720	29,712	28,081	26,431	
416,231	387,583	385,970	340,000	353,169	365,850	
1	1	3	0	2	4	
22	25	19	25	17	24	
1,337	1,457	1,666	1,731	2,707	2,791	
407,235	413,873	404,735	390,847	356,140	433,135	
25,158	23,696	22,819	23,211	23,603	21,610	
1,243	1,457	1,491	1,526	1,562	1,562	
22,569	21,698	21,759	22,565	21,649	24,835	
679,202,454	603,507,068	729,876,485	710,536,043	375,597,425	666,743,993	
325,303	304,431	425,540	410,109	393,812	386,181	
2,434,723	2,338,802	2,340,208	2,392,827	2,284,918	2,231,974	
885,764	868,222	971,205	879,514	811,166	731,213	
1	0	0	0	0	0	

Sources:

City only:

Baton Rouge Police Department - Crime Stat & Traffic Records

Baton Rouge Fire Department

Parish-wide:

EBR Parish Emergency Medical Services

EBR Parish Communications District

City-Parish Public Works

GBR Airport District

EBR Parish Library

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Major Programs	FISCAL YEAR			
	2017	2016	2015	2014
General Government				
Number of general government buildings	10	10	10	10
Public Safety				
Number of police stations	5	5	5	5
Police patrol units	753	632	520	536
Number of fire stations	19	19	19	19
Fire trucks	41	41	41	41
Number of EMS stations	13	13 (2)	13	12
Ambulances	25	24 (3)	25	23
Correction facilities	2	2	2	2
Transportation				
Miles of streets	2,076	1,997	1,956 (1)	1,783
Number of streetlights	36,019	35,423	34,523	35,200
Number of traffic signals	505	502	499	499
Sanitation				
Miles of sanitary sewers	2,161	2,036 (1)	1,786	1,784
Miles of storm sewers	117	580 (1)	105	104
Culture and Recreation				
Number of library branches	14	14	14	14
Number of community centers	6	6	6	6
Conservation and Development				
Number of Headstart centers	7	7	7	7
Health and Welfare				
Number of Health and Welfare buildings	7	7	7	7

(1) Beginning in 2015, the Geographic Information System (GIS) was utilized to determine the total miles of streets, miles of sanitary sewers and storm (drainage) sewers.

(2) Two EMS stations were lost during 2016 flood.

(3) Two ambulances were involved in motor vehicle accidents and unable to be repaired. Purchased a new one in 2016.

Sources:

City only:

Baton Rouge Fire Department

Parish-wide:

EBR Parish Emergency Medical Services

EBR Parish Communications District

City-Parish Public Works

EBR Parish Library

City Parish Capital Asset Records

FISCAL YEAR					
2013	2012	2011	2010	2009	2008
10	10	10	10	10	10
5	5	5	5	5	5
509	513	511	467	467	455
19	19	19	19	19	19
41	41	41	41	41	40
13	13	13	12	12	12
21	21	21	21	21	21
2	2	2	2	2	2
1,775	1,774	1,772	1,771	1,771	1,766
35,136	35,134	35,006	34,725	34,725	34,725
489	489	482	472	472	465
1,783	1,781	1,780	1,778	1,778	1,773
103	102	100	98	98	93
14	13	13	13	13	13
6	6	6	6	6	6
7	7	7	7	7	7
7	7	7	7	7	7



CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
REPORTS ON COMPLIANCE AND INTERNAL CONTROL
DECEMBER 31, 2017



**INDEPENDENT AUDITORS' 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**

The Honorable Mayor-President
and Members of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City-Parish's basic financial statements and have issued our report thereon dated June 26, 2018. Our report includes a reference to other auditors who audited the financial statements of certain discretely presented component units, as described in our report on the City-Parish's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City-Parish'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 the City-Parish's internal control. Accordingly, we do not express an opinion on the effectiveness of the City-Parish'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies identified as items 2017-002 and 2017-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City-Parish's financial statements are free of 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2017-001.

City-Parish's Response to Findings

The City-Parish's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City-Parish's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 the City-Parish'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.

Postthornik + Nettemille

Baton Rouge, Louisiana
June 26, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Mayor-President
And Members of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge:

Report on Compliance for Each Major Federal Program

We have audited the City of Baton Rouge and Parish of East Baton Rouge's (the City-Parish) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City-Parish's major federal programs for the year ended December 31, 2017. The City-Parish's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City-Parish's basic financial statements include the operations of the District Attorney of the Nineteenth Judicial District (the District Attorney), the Capital Area Transit System (the Transit System), and the East Baton Rouge Redevelopment Authority (the Authority), which received \$1,948,734, \$5,214,995, and \$2,847,215, respectively, of federal awards during their most recent respective fiscal years ending during 2017, which is not included in the accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2017. Our audit, described below, does not include the federal award activity of the District Attorney, the Transit System, or the Authority because the component units of the City-Parish separately engaged those audits in accordance with the Uniform Guidance.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City-Parish's major federal programs 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 the City-Parish'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 the City-Parish's compliance.

Basis for Qualified Opinion on CFDA No. 14.218 Community Development Block Grant/Entitlement Grants (CDBG-E), CFDA No. 14.239 – Home Investment Partnership Program (HOME), CFDA No. 14.241 – Housing Opportunities for People with Aids (HOPWA)

As described in the accompanying schedule of findings and questioned costs, the City-Parish did not comply with requirements regarding CFDA No. 14.218 CDBG-E as described in finding numbers 2017-005 for Sub-recipient monitoring, 2017-009 for Reporting and 2017-010 Special Test and Provisions. Compliance with such requirement is necessary, in our opinion, for the City-Parish to comply with the requirements applicable to that program.

As described in the accompanying schedule of findings and questioned costs, the City-Parish did not comply with requirements regarding CFDA No. 14.239 HOME as described in finding numbers 2017-005 for Sub-recipient monitoring, 2017-009 for Reporting and 2017-10 Special Tests and Provisions. Compliance with such requirement is necessary, in our opinion, for the City-Parish to comply with the requirements applicable to that program.

As described in the accompanying schedule of findings and questioned costs, the City-Parish did not comply with requirements regarding CFDA No. 14.241 HOPWA as described in finding numbers 2017-005 for Sub-recipient monitoring, and 2017-009 for Reporting. Compliance with such requirement is necessary, in our opinion, for the City-Parish to comply with the requirements applicable to that program.

Qualified Opinion on CFDA No. 14.218 Community Development Block Grant/Entitlement Grants (CDBG-E), CFDA No. 14.239 – Home Investment Partnership Program (HOME), CFDA No. 14.241 – Housing Opportunities for People with Aids (HOPWA)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City - Parish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA No. 14.218 – Community Development Block Grant/Entitlement Grants for the year ended December 31, 2017.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City - Parish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA No. 14.239 – Home Investment Partnership Program for the year ended December 31, 2017.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City - Parish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA No. 14.241 – Housing Opportunities for People with Aids for the year ended December 31, 2017.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City-Parish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2017.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-004, 2017-006, 2017-007, 2017-008, 2017-011, 2017-012 and 2017-013. Our opinion on each major federal program is not modified with respect to these matters.

The City-Parish's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City-Parish's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of City-Parish 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 City-Parish'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 City-Parish's internal control over compliance.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 combination of deficiencies, in internal control over compliance, such that there is 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2017-004, 2017-005, 2017-009 and 2017-010 to be material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2017-006, 2017-007, 2017-008, 2017-011, 2017-012 and 2017-013 to be significant deficiencies.

The City-Parish's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City-Parish's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

Postlethwaite & Netterville
Baton Rouge, Louisiana
June 26, 2018



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>FEDERAL EXPENDITURES</u>	<u>AMOUNTS PROVIDED TO SUBRECIPIENTS</u>
<u>FEDERAL AGENCY - SCHEDULE A</u>		
U.S. Department of Housing and Urban Development	\$ 29,417,380	\$ 12,256,733
U.S. Department of Education	323,731	-
U.S. Department of Health and Human Services	18,239,091	4,702,356
U.S. Department of Homeland Security	13,894,604	-
U.S. Department of Transportation	7,460,094	-
U.S. Department of Agriculture	1,235,952	-
U.S. Department of Labor	3,107,510	-
U.S. Department of Justice	1,385,427	576,855
U.S. Environmental Protection Agency	178,483	-
U.S. Department of the Treasury	12,000	-
U.S. Institute of Museum and Library Services	893	-
	<u>\$ 75,255,165</u>	<u>\$ 17,535,944</u>
<u>FEDERAL AGENCY - SCHEDULE B</u>		
U.S. Department of Transportation	\$ 7,618,584	\$ --
U.S. Environmental Protection Agency	2,762,467	--
	<u>\$ 10,381,051</u>	<u>\$ --</u>
<u>TOTAL FEDERAL AGENCY - SCHEDULE A AND B</u>		
	<u>\$ 85,636,216</u>	<u>\$ 17,535,944</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 GOVERNMENTAL ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE A

Names of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Amounts Provided to Subrecipients
<u>FEDERAL GRANTS</u>					
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
<u>Direct Programs:</u>					
	131013				
Community Development Block Grants/Entitlement Grants	2800.431013	14.218	B-08-MC-22-0002	\$ 180	\$ --
Community Development Block Grants/Entitlement Grants	2800.431013	14.218	B-09-MC-22-0002	(31,208)	--
Community Development Block Grants/Entitlement Grants	2800.431013	14.218	B-10-MC-22-0002	(365,820)	--
Community Development Block Grants/Entitlement Grants	2800.431013	14.218	B-12-MC-22-0002	(23,633)	--
Community Development Block Grants/Entitlement Grants	2800.431013	14.218	B-13-MC-22-0002	39,270	--
Community Development Block Grants/Entitlement Grants	2800.431013	14.218	B-14-MC-22-0002	243,462	--
Community Development Block Grants/Entitlement Grants	2800.431013	14.218	B-15-MC-22-0002	175,494	--
Community Development Block Grants/Entitlement Grants	2800.431013	14.218	B-16-MC-22-0002	1,438,153	618,085
Community Development Block Grants/Entitlement Grants	2800.431013	14.218	B-17-MC-22-0002	77,367	--
Prior Years Outstanding Loans With Continuing Compliance Requirements	2800.431013	14.218	Various	3,852,138	2,321,179
SUBTOTAL CFDA NUMBER 14.218 (1)				<u>5,405,403</u>	<u>2,939,264</u>
Home Investment Partnerships Program	2810.431013	14.239	M-07-MC-22-0204	5,000	--
Home Investment Partnerships Program	2810.431013	14.239	M-11-MC-22-0204	31,966	31,861
Home Investment Partnerships Program	2810.431013	14.239	M-12-MC-22-0204	96,869	96,869
Home Investment Partnerships Program	2810.431013	14.239	M-13-MC-22-0204	92,254	92,254
Home Investment Partnerships Program	2810.431013	14.239	M-15-MC-22-0204	1	--
Home Investment Partnerships Program	2810.431013	14.239	M-16-MC-22-0204	249,271	127,651
Home Investment Partnerships Program	2810.431013	14.239	M-17-MC-22-0204	52,686	--
Current Year Loans Disbursements	2810.431013	14.239	Various	1,786,943	--
Prior Years Outstanding Loans With Continuing Compliance Requirements	2810.431013	14.239	Various	10,064,264	5,704,084
SUBTOTAL CFDA NUMBER 14.239				<u>12,379,254</u>	<u>6,052,719</u>
Continuum of Care Program	2820.431013	14.267	LA-48-B140-40	7,221	7,221
Continuum of Care Program	2820.431013	14.267	LA-48-B150-40	833,475	826,255
SUBTOTAL CFDA NUMBER 14.267				<u>840,696</u>	<u>833,476</u>
Housing Opportunities for Persons with AIDS	2830.431013	14.241	LAH12F002	16,113	16,113
Housing Opportunities for Persons with AIDS	2830.431013	14.241	LAH13F002	401,348	401,348
Housing Opportunities for Persons with AIDS	2830.431013	14.241	LAH15F002	809,858	336,052
Housing Opportunities for Persons with AIDS	2830.431013	14.241	LAH16F002	1,282,012	1,253,593
Housing Opportunities for Persons with AIDS	2830.431013	14.241	LAH17F002	12,366	--
SUBTOTAL CFDA NUMBER 14.241				<u>2,521,697</u>	<u>2,007,106</u>
Emergency Solutions Grant Program	2800.431013	14.231	S-15-MC-22-0002	82,794	82,794
Emergency Solutions Grant Program	2800.431013	14.231	S-16-MC-22-0002	180,028	171,648
Emergency Solutions Grant Program	2800.431013	14.231	S-17-MC-22-0002	9,871	--
<u>Passed through Louisiana Housing Corporation</u>					
	132401				
Emergency Solutions Grant Program	2500.432401	14.231	11/13	1,054	1,054
Emergency Solutions Grant Program	2500.432401	14.231	15/17	113,122	113,122
SUBTOTAL CFDA NUMBER 14.231				<u>386,869</u>	<u>368,618</u>
<u>Passed through Louisiana Office of Community Development Disaster Recovery Unit</u>					
	132495				
Community Development Block Grants/State's program	2710.432495	14.228	CEA #684377	6,262,312	55,550

(1) CDBG-Entitlement Grants Cluster

\$ 5,405,403

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE A
(Continued)

Names of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Amounts Provided to Subrecipients
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)</u>					
<u>Direct Programs:</u>					
	131013				
Section 8 Housing Choice Vouchers	2500.431013	14.871	LA-48-E0003-001/004	\$ 51,440	\$ --
Section 8 Housing Choice Vouchers	2500.431013	14.871	LA-219 CEO-001-015	1,569,709	--
SUBTOTAL CFDA NUMBER 14.871 (2)				1,621,149	--
Total U. S. Department of Housing and Urban Development				29,417,380	12,256,733
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<u>Direct Programs:</u>					
	131022				
Performance Partnership Pilots for Disconnected Youth	2500.431022	84.420	V420A150039	323,731	--
Total U. S. Department of Education				323,731	--
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
<u>Direct Programs:</u>					
	131012				
Substance Abuse and Mental Health Services Projects	2500.431012	93.243	1H79SM080227-01	13,072	--
Head Start	2600.431012	93.600	06CH7167-02	85,898	--
Head Start	2600.431012	93.600	06CH7167-03	10,622,556	--
SUBTOTAL CFDA NUMBER 93.600				10,708,454	--
HIV Emergency Relief Project Grants	2600.431012	93.914	H89HA11432-08	1,729,404	1,587,758
HIV Emergency Relief Project Grants	2600.431012	93.914	H89HA11432-09	3,667,242	3,114,598
SUBTOTAL CFDA NUMBER 93.914				5,396,646	4,702,356
<u>Passed through Louisiana Housing Corporation</u>					
	132401				
Low-Income Home Energy Assistance Program	2600.432401	93.568	2015/2017	187,646	--
Low-Income Home Energy Assistance Program	2600.432401	93.568	2016/2018	289,696	--
SUBTOTAL CFDA NUMBER 93.568				477,342	--
<u>Passed through Louisiana Workforce Commission</u>					
	132604				
Temporary Assistance for Needy Families	2600.432604	93.558 (3)	2000249095	105,015	--
Community Services Block Grant	2600.432604	93.569	2016P0019	427,706	--
Community Services Block Grant	2600.432604	93.569	2017P0019	957,801	--
SUBTOTAL CFDA NUMBER 93.569				1,385,507	--
<u>Passed through Louisiana Department of Public Safety & Corrections Office of Juvenile Services</u>					
	132104				
Foster Care Title IV-E	2501.432104	93.658	031-LA-1401	153,055	--
Total U. S. Department of Health and Human Services				18,239,091	4,702,356
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
<u>Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness</u>					
	132103				
Disaster Grants-Public Assistance(Presidentially Declared Disasters)	2704.432103	97.036	FEMA-DR-4277	13,738,243	--
(2) Housing Voucher Cluster	1,621,149				
(3) TANF Cluster	105,015				

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE A
(Continued)

<u>Names of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY (Continued)</u>					
<u>Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness (Continued)</u>					
	132103				
Hazard Mitigation Grant	2500.432103	97.039	HMGP 1786-022-0002	\$ 20,998	\$ --
Hazard Mitigation Grant	2500.432103	97.039	HMGP 1786-033-0006	22,395	--
SUBTOTAL CFDA NUMBER 97.039				43,393	--
Emergency Management Performance Grants	1000.432103	97.042	EMT-2016-EP-00009-S01	59,535	--
<u>Passed through Capital Area United Way</u>					
	111072				
Emergency Food and Shelter National Board Program	2600.434602	97.024	33-3614-00-001	31,557	--
Emergency Food and Shelter National Board Program	2600.434602	97.024	34-3614-00-001	21,876	--
SUBTOTAL CFDA NUMBER 97.024				53,433	--
Total U. S. Department of Homeland Security				13,894,604	--
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
<u>Passed through Louisiana Department of Transportation and Development-Office of Highways</u>					
	132100				
Highway Planning and Construction	4650.432100	20.205	H.4077.5 H.1609.6	261,936	--
Signal Synchronization System-Phase IV & V					
Highway Planning and Construction	4650.432100	20.205	H.4343.5 H.007137.6	4,437,069	--
Jones Creek Rd (Tiger Bend to Coursey)					
Highway Planning and Construction	4650.432100	20.205	H007163	1,040	--
Signal Synchronization System-College/Highland/Sherwood					
Highway Planning and Construction	4650.432100	20.205	H.007147	13,435	--
Central Thruway-Choctaw to Greenwell Springs					
Highway Planning and Construction	4650.432100	20.205	H.002344	89,282	--
Perkins Rd/Siegen To Pecue					
Highway Planning and Construction	4650.432100	20.205	H.010648	501,973	--
Acadian Thruway/N. Acadian Thruway Overlay					
Highway Planning and Construction	5490.432100	20.205	H.007137.6	1,052,048	--
RMAP2 SSO Capacity Projects					
Highway Planning and Construction	4751.432100	20.205	H.010723.6	216,692	--
TCSP North Blvd Promenade-Downtown Greenway					
SUBTOTAL CFDA NUMBER 20.205 (4)				6,573,475	--
<u>National Highway Traffic Safety Administration (NHTSA)</u>					
<u>Passed through the Louisiana Highway Safety Commission (LHSC)</u>					
	132101				
State and Community Highway Safety	2500.432101	20.600	2016-30-13	145,798	--
State and Community Highway Safety	2500.432101	20.600	2018-30-13	33,074	--
SUBTOTAL CFDA NUMBER 20.600 (5)				178,872	--
Alcohol Impaired Driving Countermeasures Incentive Grants I	2500.432101	20.601	2017-10-26	55,000	--
Alcohol Impaired Driving Countermeasures Incentive Grants I	2500.432107	20.601	2017-10-26	12,325	--
SUBTOTAL CFDA NUMBER 20.601 (5)				67,325	--
Alcohol Open Container Requirements	2500.432101	20.607	2018-30-13	78,760	--
Alcohol Open Container Requirements	2500.432101	20.607	2018-10-30	21,308	--
SUBTOTAL CFDA NUMBER 20.607				100,068	--

(4) Highway Planning and Construction Cluster \$ 6,573,475
(5) Highway Safety Cluster \$ 339,555

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE A
(Continued)

Names of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Amounts Provided to Subrecipients
<u>U.S. DEPARTMENT OF TRANSPORTATION (Continued)</u>					
<u>National Highway Traffic Safety Administration (NHTSA) (Continued)</u>					
<u>Passed through the Louisiana Highway Safety Commission (LHSC) (Continued)</u>					
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	2500.432101	20.608	2016-30-13	\$ 446,996	\$ --
National Priority Safety Program	2500.432101	20.616 (5)	2017-10-30	93,358	--
Total U. S. Department of Transportation				7,460,094	--
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<u>Passed through Louisiana Department of Education</u>					
School Breakfast Program	132607 1000.432106	10.553 (6)	N/A	23,596	--
National School Lunch Program	1000.432106	10.555 (6)	N/A	37,107	--
Child and Adult Care Food Program	2600.432607	10.558	93-188	756,854	--
Child and Adult Care Food Program	2600.432607	10.558	93-188	412,552	--
SUBTOTAL CFDA NUMBER 10.558				1,169,406	--
	132105				
Cooperative Forestry Assistance	2500.432105	10.664	N/A	5,843	--
Total U. S. Department of Agriculture				1,235,952	--
<u>U.S. DEPARTMENT OF LABOR</u>					
<u>Passed through Louisiana Workforce Commission</u>					
WIOA Adult Program	132604 2610.432604	17.258	FY2017	857,863	--
WIOA Adult Program	2610.432604	17.258	FY2018	63,732	--
WIOA Adult Program	2610.432604	17.258	PY2016	20,423	--
WIOA Adult Program	2610.432604	17.258	PY2017	161,037	--
SUBTOTAL CFDA NUMBER 17.258 (7)				1,103,055	--
WIOA Youth Activities	2610.432604	17.259	PY2015	493,909	--
WIOA Youth Activities	2610.432604	17.259	PY2016	855,132	--
SUBTOTAL CFDA NUMBER 17.259 (7)				1,349,041	--
WIOA Dislocated Worker Formula Grants	2610.432604	17.278	FY2016	149,086	--
WIOA Dislocated Worker Formula Grants	2610.432604	17.278	FY2017	348,657	--
WIOA Dislocated Worker Formula Grants	2610.432604	17.278	FY2018	10,783	--
WIOA Dislocated Worker Formula Grants	2610.432604	17.278	PY2016	129,615	--
WIOA Dislocated Worker Formula Grants	2610.432604	17.278	PY2017	17,273	--
SUBTOTAL CFDA NUMBER 17.278 (7)				655,414	--
Total U. S. Department of Labor				3,107,510	--
<u>U.S. DEPARTMENT OF JUSTICE</u>					
<u>Direct Programs:</u>					
Community-Based Violence Prevention Program	131003 2500.431003	16.123	2012-PB-FX-K001	802,576	376,839
Innovations in Community-Based Crime Reduction	2500.431003	16.817	2013-AJ-BX-0002	389,081	200,016
(5) Highway Safety Cluster	\$	339,555			
(6) Child Nutrition Cluster	\$	60,703			
(7) WIOA Cluster	\$	3,107,510			

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE A
(Continued)

Names of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Amounts Provided to Subrecipients
<u>U.S. DEPARTMENT OF JUSTICE (Continued)</u>					
<u>Passed through East Baton Rouge Parish Sheriff's Office</u>					
	134007				
Edward Byrne Memorial Justice Assistance Grant Program	2500.434007	16.738	2014-DJ-BX-0712	\$ 4,068	\$ --
Edward Byrne Memorial Justice Assistance Grant Program	2500.434007	16.738	2016-DJ-BX-0831	78,922	--
Edward Byrne Memorial Justice Assistance Grant Program	2500.434007	16.738	2015-DJ-01-3051	930	--
Edward Byrne Memorial Justice Assistance Grant Program	2500.434007	16.738	2016-DJ-01-3550	4,247	--
<u>Passed through Louisiana Commission on Law Enforcement</u>					
	132102				
Edward Byrne Memorial Justice Assistance Grant Program	2500.432102	16.738	2016-DJ-01-3460	24,636	--
Edward Byrne Memorial Justice Assistance Grant Program	2500.432102	16.738	2014-DJ-01-3293	6,024	--
SUBTOTAL CFDA NUMBER 16.738				<u>118,827</u>	<u>--</u>
<u>Direct Programs</u>					
	131003				
Violence Against Women Formula Grants	2500.432102	16.588	2016-WF-06-3639	37,750	--
Violence Against Women Formula Grants	2500.432102	16.588	2014-WF-06-3422	7,835	--
Violence Against Women Formula Grants	2500.432102	16.588	2016-WF-06-3641	14,280	--
SUBTOTAL CFDA NUMBER 16.588				<u>59,865</u>	<u>--</u>
<u>Juvenile Mentoring Program</u>					
	114030				
Juvenile Mentoring Program	2500.434006	16.726	2017-NPAL-BR-146	15,078	--
Total U. S. Department of Justice				<u>1,385,427</u>	<u>576,855</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u>					
<u>Direct Programs:</u>					
	131016				
Brownfields Assessment and Cleanup Cooperative Agreements	2500.431016	66.818	BF-01F07401-0	94,136	--
Brownfields Assessment and Cleanup Cooperative Agreements	2500.431016	66.818	BF-01F07301-0	82,696	--
SUBTOTAL CFDA NUMBER 16.818				<u>176,832</u>	<u>--</u>
<u>Passed through Louisiana State University Agricultural Center</u>					
	134032				
Solid Waste Management Assistance Grants	2500.434032	66.808	83566501-0	1,651	--
Total U. S. Environmental Protection Agency				<u>178,483</u>	<u>--</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>					
<u>Passed through Capital Area United Way</u>					
	121432				
Volunteer Income Tax Assistance (VITA) Matching Grant Program	2500.434602	21.009	FY2017	12,000	--
Total U. S. Department of the Treasury				<u>12,000</u>	<u>--</u>
<u>U.S. INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>					
<u>Passed through Internet Archive</u>					
	114040				
Laura Bush 21st Century Librarian Program	2500.434602	45.313	RE-85-17-0060-17	893	--
Total U. S. Institute of Museum and Library Services				<u>893</u>	<u>--</u>
TOTAL FEDERAL GRANTS - SCHEDULE A				<u>\$ 75,255,165</u>	<u>\$ 17,535,944</u>

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 BUSINESS-TYPE ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE B

<u>Names of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<u>FEDERAL GRANTS</u>					
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
<u>Direct Programs:</u>					
<u>Federal Aviation Administration:</u>	131006				
Airport Improvement Program	5821..431006	20.106	3-22-0006-104	\$ 69,047	\$ --
Airport Improvement Program	5821..438101	20.106	3-22-0006-099	548,780	--
Airport Improvement Program	5821..438101	20.106	3-22-0006-101	(123,873)	--
Airport Improvement Program	5821..438101	20.106	3-22-0006-105	(2,666)	--
Airport Improvement Program	5821..438101	20.106	3-22-0006-106	6,200,553	--
Airport Improvement Program	5821..431006	20.106	3-22-0007-107-2017	764,735	--
Airport Improvement Program	5821..438101	20.106	3-22-0006-108-217	162,008	--
SUBTOTAL CFDA NUMBER 20.106				<u>7,618,584</u>	<u>--</u>
Total U. S. Department of Transportation- FAA				<u>7,618,584</u>	<u>--</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u>					
<u>Passed through Louisiana Department of Environmental Quality</u>					
Capitalization Grants for Clean Water State Revolving Funds	5440	66.458		2,001,310	--
Capitalization Grants for Clean Water State Revolving Funds	5437	66.458		761,157	--
SUBTOTAL CFDA NUMBER 66.458 (8)				<u>2,762,467</u>	<u>--</u>
Total U. S. Environmental Protection Agency				<u>2,762,467</u>	<u>--</u>
TOTAL FEDERAL GRANTS - SCHEDULE B				<u>\$ 10,381,051</u>	<u>\$ --</u>

(8) Clean Water State Revolving Fund Cluster \$ 2,762,467

See Notes to Schedule of Expenditures of Federal Awards

**CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note A – General

The City-Parish Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal financial assistance programs of the primary government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, (City-Parish). All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed through other agencies.

Note B – Basis of Accounting

The City-Parish Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City-Parish's financial statements for the year ended December 31, 2017. Schedule A details federal awards recorded in governmental fund types wherein revenues are recognized to the extent of expenditures. Schedule B details federal awards for proprietary fund types where government subsidies or contributions are recorded.

Note C – Indirect Cost Rate

The City-Parish has a negotiated indirect cost rate. The City-Parish did not elect to use the 10% de minimis cost rate as allowed by 2 CFR 200.414 Indirect (F&A) costs.

Note D – Relationship to Financial Statements

The Schedule of Expenditures of Federal Awards (SEFA) was prepared from the same accounting records as were used to prepare the financial statements. Differences between amounts reported in the SEFA and the financial statements may exist due to different accounting bases used for financial reporting.

**Note E – Disaster Grants-Public Assistance (Presidentially Declared Disaster)
CFDA # 97.036**

Non-Federal entities must record expenditures on the SEFA when: (1) Federal Emergency Management Agency (FEMA) has approved the non-Federal entity's project worksheet (PW), and (2) the non-Federal entity has incurred the eligible expenditures.

In 2017, FEMA approved \$8,005,583.96 of eligible expenditures that were incurred in the prior year and are included on the Schedule.

**CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note F – Loan Assistance

The City-Parish had outstanding loans with continuing compliance requirements at December 31, 2017 in the following programs:

<u>Program</u>	<u>CFDA Number</u>	<u>Loan Balance</u>
HOME Investment Partnerships Program	14.239	\$ 10,227,918
Community Development Block Grant (CDBG)	14.218	<u>3,702,348</u>
Total gross loans		13,930,266
Allowance for loan losses		<u>(11,144,213)</u>
Total net loans with continuing compliance requirements		<u>\$ 2,786,053</u>

In addition to the net loans with continuing compliance requirements shown above, the City-Parish had loans funded under the Home Investment Partnerships Program (CFDA#14.239) that are outside of the period of affordability and no longer require monitoring under the terms of the grant award. Outstanding loans of \$6,134,737 with a corresponding allowance for loan losses of \$4,907,789 are included in the loans receivable recorded in the City-Parish’s financial statements at a net amount of \$1,226,948.

Note G – Loan Assistance Received

The City-Parish received loan assistance for the following program:

<u>Program</u>	<u>CFDA Number</u>	<u>Outstanding Balance as of 12/31/2017</u>	<u>New Loans Made During the Year Ended 12/31/17</u>
Capitalization Grants for Clean Water State Revolving Funds	66.458	\$6,217,744	\$2,762,467

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

A. Summary of Auditors' Results

Financial Statements –

Type of auditors' report issued: Unmodified

- Material weakness (es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? x yes _____ none reported

Noncompliance material to financial statements noted? _____ yes x no

Other matter reported? x yes _____ no

Federal Awards

Internal controls over major programs:

- Material weakness (es) identified? x yes _____ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? x yes

Type of auditors' report issued on compliance for major programs:

Qualified - CFDA No. 14.218, 14.239, and 14.241

Unmodified - CFDA No. 14.228, 20.205, 17.258, 17.259, 17.278, and 66.458

Any audit findings disclosed that are required

to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
	<u>CDBG Entitlement Grants Cluster:</u>
14.218	Community Development Block Grants/Entitlement Grants (CDBG-E)
14.228	Community Development Block Grants/Non-Entitlement Grants (CDBG-NE)
14.239	Home Investment Partnerships Program (HOME)
14.241	Housing Opportunities for Persons with AIDS (HOPWA)
	<u>WIOA Cluster:</u>
17.258	WIOA Adult Program (WAP)
17.259	WIOA Youth Program (WYP)
17.278	WIOA Dislocated Worker Formula Grants (DW)
20.205	Highway Planning and Construction Cluster (HPC)
	<u>Clean Water State Revolving Fund Cluster:</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds (CGCWSRF)

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$2,569,086.
- The City of Baton Rouge and Parish of East Baton Rouge did not qualify as a low-risk auditee.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

B. Findings – Financial Reporting

2017-001) Underfunded Retirement Plan

Criteria: The City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System - Police Guarantee Trust (CPERS-PGT) Retirement Plan was established in 2000 to provide for payment of certain guaranteed lifetime benefits for eligible police employees who transferred membership to the Municipal Employees' Police Retirement System (MPERS) while retaining certain rights in the CPERS. In cases where the CPERS benefit exceeds the MPERS benefit in aggregate, the benefits paid or to be paid from the CPERS-PGT trust equal the difference between the benefit the employee would have received from CPERS had the transfer not occurred, and the benefit paid or to be paid from MPERS. Section 9.15 of the Plan of Government requires the Retirement Systems be funded on actuarially sound basis.

Condition: At December 31, 2017, the CPERS-PGT plan was significantly underfunded. The plan fiduciary net position as a percentage of the total pension liability at December 31, 2017 was 40.81% and the net pension liability was \$24,782,046 based on the most recent actuarial valuation. Although initially believed funded on an actuarially sound basis when established, changes in conditions have since occurred that resulted in its unfunded status. Contributions have not been made to the plan to restore it to an actuarially sound status.

This finding is repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2016-001.

Cause: The stock market decline of 2008 combined with other demographic conditions such as an aging workforce and longevity of retirement have caused required contribution levels to increase. Additionally, the rate of return accruing to deferred retirement option program "DROP" participant accounts is 8.5%, which exceeds the long term expected rate of return on the trust's investments.

Effect: The assets held in trust are deficient of the amount needed to pay the pension benefits promised to these police department employees over the long term.

Recommendation: The City-Parish should develop a plan to ensure that the CPERS-PGT retirement plan is actuarially funded in accordance with the Plan of Government. Additional contributions to the plan from the general fund, benefit changes or both may be required.

View of Responsible Official:

As plan sponsor, the City-Parish has made efforts to increase funding to the PGT, such as ear - marking contribution savings from MPERS,

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

B. Findings – Financial Reporting (Continued)

2017-001) Underfunded Retirement Plan (Continued)

View of Responsible Official: (Continued)

employer rate reductions and budgeting additional dollars in excess of the approved employer rate. The City-Parish and the Retirement Board will continue to explore ways and methods to increase the funded level of the PGT in order to timely meet obligations to our retirees and survivors.

2017-002) Accounting Estimates

Criteria: Accounting estimates are required to be made in order to prepare financial statements in accordance with generally accepted accounting principles. The year-end financial statement accounts receivable balances should be reported net of allowance estimates to reflect the amount that is reasonably collectible. Also, estimates of tax refunds should be determined and applied against tax revenue recognized. Accounting procedures and controls should be in existence to require these estimates and supporting documentation.

Condition: The City-Parish has many accounts receivable balances recorded in its accounting records that are reported on the financial statements. In some circumstances, some of these accounts receivable balances will not be collected in full which is why an estimated allowance balance should be recorded. The City from time to time makes refunds of sales tax collections, and an estimate on future refunds should be applied. We noted the City lacks a systematic process or policy to determine these estimates as part of their financial reporting process.

Effect: Without determining estimates and maintaining proper documentation to support the estimates, the financial statements could contain a material misstatement.

Cause: A policy or a consistent practice for determining estimates for accounts receivable balances and sales tax refunds to be determined and supporting documentation was not in existence or being followed. This is due to historically low accounts receivable charge-offs and refunds.

Recommendation: We recommend for accounting procedures and controls to be adopted over requiring estimates of uncollectible accounts receivable balances and sales tax refunds be determined during the preparation of the financial statements.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017

B. Findings – Financial Reporting (Continued)

2017-002) Accounting Estimates (Continued)

View of Responsible Official:

The tax receivable recorded at year-end represents actual collections for the December tax period collected in January of the following year by the Finance-Revenue Division. The tax refund payable account includes amounts from individual taxpayer overpayments on original returns and amended returns. Refund requests are included in this balance upon approval of the request by either the Finance Department or the Metro Council as applicable. All refunds to the taxpayer are charged against this account. In addition to this payable account, the City-Parish maintains an assignment of fund balance for tax refunds to ensure adequate resources to cover potential large refund requests.

2017-003) Timely Reconciliation of Accounts

Criteria:

A key internal control over cash reported in the financial statements is the timely reconciliation of book balances of general ledger cash accounts to the monthly bank statements. The timely preparation of the bank reconciliation is necessary to make sure transactions recorded in the accounting records match transactions recorded on the bank statement and the bank notified timely of any inappropriate activity that may exist. Similarly, a key internal control over accounts receivable reported in the financial statements is the reconciliation of book balances of the general ledger to subsidiary ledgers.

Condition:

We noted that the City-Parish's bank reconciliations for the last quarter of the calendar year were not completed timely. In addition, reconciliation of several proprietary funds accounts receivable, sewer and solid waste, were not reconciled timely to underlying subsidiary ledgers of customer balances.

Effect:

Timely reconciliation is a means to detect inappropriate activity and also ensure that all transactions are recorded. Without reconciling by set established due dates, financial data could be incomplete for decision-making along with inappropriate activity occurring and not being detected.

Cause:

On October 1, 2017, the City-Parish went live with its new accounting system. This required the establishment of new processes and procedures over posting of transactions in various departments resulting in unfamiliar reconciliation challenges not experienced with the previous accounting system.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

B. Findings – Financial Reporting (Continued)

2017-003) Timely Reconciliation of Accounts (Continued)

Recommendation: We recommend for accounting procedures and controls to be amended to reflect the necessary changes to the reconciliation procedures to ensure the timely completion, review, and approval of cash and accounts receivable reconciliations.

View of Responsible Official:

Methods have been developed for timely reconciliation in the new system. Procedures will be updated to incorporate the new reconciliation processes for the new system. Processes will be fine-tuned to make reconciliations more efficient as we learn more about the system.

C. Findings – Federal Award Programs

2017-004) Preparation of Schedule of Expenditures and Federal Awards Questioned Costs: None

Criteria: The Uniform Guidance Subpart F section 200.510 requires the preparation of the Schedule of Expenditures of Federal Awards (SEFA) that includes an accurate reporting of federal awards expended based on the terms and conditions of the grants along with the amount of funds disbursed to sub-recipients. In order for the SEFA to be prepared accurately and properly report the amounts expended for federal awards, a system of controls should be in existence that includes the timely preparation and review of the amounts reported on the SEFA.

Condition: The City-Parish's initial SEFA prepared included non-federal expenditures and also did not properly report disbursement to sub-recipients for certain federal programs reported in the SEFA.

Effect: The SEFA provided to us for audit did not contain the correct amounts of federal expenditures based on the terms of the grant awards on some of the federal programs reported.

Cause: The grant awards or agreements with sub-recipients were not properly interpreted or reviewed to determine the proper amount to be reported as expenditures or disbursements to sub-recipients on the SEFA.

Recommendation: The City-Parish should strengthen its controls including its review and approval processes over the information and balances that is accumulated and reported on the SEFA to make sure the expenditures reported are an accurate representation of federal costs and the amounts of disbursements to sub-recipients is properly reported.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

C. Findings – Federal Award Programs (Continued)

2017-004) Preparation of Schedule of Expenditures and Federal Awards (Continued)

View of Responsible Official:

It was discovered that the Federal expenditures were not reported correctly on two Department of Highway and Transportation grant programs. These specific projects had multiple funding sources and the Federal funding is a pass through from the State of LA combined with the State's funding. Separate Federal and State funding is not indicated when funds are received from the State for these programs. After contacting the State for additional information, the City-Parish was able to identify amounts received from the different funding types. This request for additional information will be incorporated into the updated policy and procedures.

The Finance Department will work with the individual departments over the grant programs to identify contracts that are for sub-recipients.

2017-005) Sub-recipient Monitoring

Questioned Costs: None

Department of Housing and Urban Development

14.218 Community Development Block Grant/Entitlement Grants (CDBG-E)

Grant No(s): B- (13-17)- MC-22-0002

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M- (07) - MC-22-0204; M-(11-17) -MC-22-0204

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H12-H13, H15-H17) F002

Criteria:

The Uniform Guidance Subpart D indicates that a pass-through entity is responsible for monitoring the activities of its sub-recipients to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and performance goals are achieved. The pass-through entity's monitoring process should include desktop monitoring, a risk assessment of the sub-recipients, and on-site monitoring, if warranted.

The pass-through agency is also responsible for reviewing financial and programmatic reports required to be submitted under the terms of the grant

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

C. Findings – Federal Award Programs (Continued)

2017-005) Sub-recipient Monitoring (Continued)

Criteria: (Continued)

award, following-up and ensuring timely and appropriate actions on deficiencies pertaining to Federal awards detected through audits, on-site reviews, and other means, as well as ensuring that sub-recipients expending \$750,000 or more in Federal awards during the sub-recipient's fiscal year as required under Uniform Guidance Subpart F have met the audit requirements.

Condition:

The City-Parish's Office of Community Development (OCD) administers the HOME, HOPWA, and CDBG-E programs. In considering the OCD's compliance with its sub-recipient monitoring requirements, we noted the following with respect to the 5 sub-recipients of the HOME program, 6 sub-recipients of the HOPWA, and 12 sub-recipients of the CDBG-E programs:

- The OCD did not provide a complete listing or documentation for a method for tracking its sub-recipients under the HOME, HOPWA, or CDBG-E programs to ensure these sub-recipients met audit requirements and did not provide evidence of a review or retention of these audit reports of the sub-recipients,
- Risk assessment evaluations or documentation did not exist of program sub-recipients of the HOME program. However, a risk assessment evaluation was prepared for HOPWA and CDBG-E programs as required by the OCD policy manual but lacked the appropriate level of review,
- Although claiming to have performed on-site monitoring for its HOME sub-recipients and desktop monitoring of its HOPWA program sub-recipients, OCD did not provide documentation to evidence completion of on-site monitoring of its HOME or CDBG-E program sub-recipients or evidence of desktop monitoring or on-site monitoring of its HOPWA program sub-recipients. On the HOPWA program, OCD staff does complete detailed reviews and evaluation of the invoices submitted for reimbursement from sub-recipients; however, completed forms evidencing desk or on-site monitoring was not provided.

Parts of this finding are repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2016-002.

Cause:

The monitoring of sub-recipients and borrowers (developers) of HOME, HOPWA and CDBG-E funds became more difficult due to resource constraints and personnel turnover. A centralized process for tracking and monitoring the receipt of sub-recipient audit reports does not exist. In

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

C. Findings – Federal Award Programs (Continued)

2017-005) Sub-recipient Monitoring (Continued)

Cause: (Continued) addition, no documentation of whether sub-recipients have met the audit requirements is maintained or whether sub-recipients have taken appropriate corrective actions on all audit findings identified in the audit reports.

Effect: The City-Parish is non-compliant with sub-recipient monitoring requirements for the HOME, HOPWA and CDBG-E programs. In addition, without implementing a risk assessment process, appropriate levels of sub-recipient monitoring may not occur and therefore the City-Parish may not be complying with all of its sub-recipient pass-through monitoring responsibilities.

Recommendation: The City-Parish should establish a centralized process for tracking and obtaining, on an annual basis, sub-recipient audit reports and completion of on-site monitoring. The OCD should also establish procedures for ensuring appropriate sub-recipient follow-up on corrective actions. The OCD should also develop a process to ensure the preparation, documentation, review, and approval of risk assessment and document monitoring steps completed on sub-recipients.

View of Responsible Official:

The OCD has revised the policy requiring two audited financial statements completed within the past 36 months. However, written financial and grants management procedures from all HOME and HOPWA program applicants are required and risk assessment points are higher to include quarterly financial management along with a signed compliance management agreement that outlines the sub-recipient agreement.

City-Parish entered into a cooperative endeavor agreement with the East Baton Rouge Parish Redevelopment Authority (RDA) to administer HOME monitoring in accordance with the OCD's HOME project monitoring schedule. HOME projects subject to the affordability period submit rental remittances for review by the OCD Grants Administrator.

The OCD implemented risk assessment evaluations for the 2018 Action Plan resulting in all project sponsors that were deemed high risk being defunded or funding reduced according to their performance and capacity.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

C. Findings – Federal Award Programs (Continued)

2017-006) Reporting

Questioned Costs: None

Department of Housing and Urban Development

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H12-H13, H15-H17) F002

Criteria: Federal regulations require the preparation and reporting annually of the Consolidated Annual Performance and Evaluation Report (CAPER) HUD-40110-D. The report is required to be submitted within 90 days of the federal fiscal year end of September 30th and is used by the Department of Housing and Urban Development (HUD) for competitive renewals of formula grants. The CAPER report includes financial data of each HUD funded program administered by OCD in Part 3 of the report. The CAPER was filed on time but it was returned for edits and an extension granted by HUD. A final CAPER was submitted to HUD.

Condition: The Federal Office of Management and Budget Compliance Supplement for federal programs for the HOPWA program requires Part 3 financial data to be subjected to audit procedures. We noted errors with the completion of Part 3 for the HOPWA program as the totals reported did not agree with the City-Parish financial records for the program. This error totaled approximately \$312,000 in expenditures that was not included in the CAPER report for the HOPWA program.

Effect: The OCD is non-compliant with Federal reporting requirements as the information submitted to HUD was inaccurate.

Cause: The non-compliance is due to a lack of procedures requiring follow through to ensure the reports are completed and filed with the accurate information reported.

Recommendation: The OCD should take steps to ensure accurate preparation and reporting of information on federal reports required to be filed. Written policies and procedures should be prepared by OCD that includes instructions on information to be included in the federal report and review and approval processes to ensure accuracy in reporting.

View of Responsible Official:

The OCD will review the error in expenditures to determine if an amended CAPER is necessary. In its partnership with the East Baton Rouge Redevelopment Authority (RDA), the OCD and RDA prepared a work management plan to ensure all federal funds granted under HUD programs are spent in accordance with all program requirements. In the work management plan submitted to HUD, the RDA is responsible for

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

C. Findings – Federal Award Programs (Continued)

2017-006) Reporting (Continued)

View of Responsible Official: (Continued)

submitting the CAPERs on behalf of City-Parish OCD going forward. Policies and procedures for the accurate preparation and reporting of information are being drafted and should be finalized by October 1, 2018.

2017-007) Allowable Costs

Department of Housing and Urban Development

14.241 Housing Opportunities for Persons with AIDS (HOPWA) Questioned Costs: \$54,000

Grant No(s): LA (H12-H13, H15-H17) F002

Criteria: Costs charged to Federal grants must meet the provisions of the standards for documentation of personnel expenses contained in 2 CFR 200.400(i) which requires that charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and these records must be supported by a system of internal controls which provide a reasonable assurance that the charges are accurate, allowable, and properly allocated.

Part of this finding is repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2016-004.

Condition: Salaries and wages of employees charged to HOPWA program were not accurately supported by the time records for 5 of the 21 employees totaling approximately \$54,000 for the work performed. The time charged to the program was based on an estimated allocation amount per pay-period instead of the actual time and effort spent on the program. The 5 employees work in the City-Parish’s Division Human Development and Services and allocate their time to the HOPWA grant.

Effect: The City-Parish is not in compliance with the provisions and standards of documentation as the cost allocation was based on an estimated percentage instead of actual time as reflected in the employees’ timesheets.

Cause: Costs allocated to these programs were not adjusted to the actual time and effort records on a periodic basis throughout the year.

Recommendation: The Division of Human Development and Services must implement written policies and procedures to ensure that all salaries and wages and related benefit costs are charged to the Federal program based on records that reflect the work performed.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

C. Findings – Federal Award Programs (Continued)

2017-007) Allowable Costs (Continued)

View of Responsible Official:

In reviewing the Division of Human Development and Services policy implemented in 2016, a Personnel Action Report (PAR) form was developed that staff were required to complete. The report detailed specific tasks associated with duties for each program area in which staff salaries were allocated. The PAR served as a projection of staff time rather than actual time spent in various program areas.

A new policy, form, and process will be developed, implemented, and monitored monthly to ensure salaries, wages, and related benefits appropriately reflect the work performed in the various program areas.

2017-008) Suspension and Debarment

Department of Housing and Urban Development

14.241 Housing Opportunities for Persons with AIDS (HOPWA) Questioned Costs: None

Grant No(s): LA (H12-H13, H15-H17) F002

Criteria: Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred. “Covered transactions” include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000.

Part of this finding is repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2016-005.

Condition: While testing compliance with the Federal program criteria regarding suspension and debarment, out of a population of 10 vendors, 3 were sampled and haphazardly selected for testing, we were unable to obtain documentation to support that the Office of Community Development verified that 2 of these vendors were not suspended, debarred, or otherwise excluded from doing business on federally funded contracts. However, based on a search on sam.gov these 2 vendors were not identified as being debarred from federal programs.

Effect: Without verification and documentation of the procedures over these requirements inadvertent payments to vendors who are not allowed to contract with the federal government may occur.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

C. Findings – Federal Award Programs (Continued)

2017-008) Suspension and Debarment (Continued)

Cause: The OCD did not implement newly established policies and procedures to ensure compliance with the Federal requirements.

Recommendation: The Office of Community Development should implement processes so that established written policies and procedures are followed to ensure that Federal compliance requirements are adhered to.

View of Responsible Official:

The OCD maintains records of debarment review of all four HOPWA project sponsors funded under the Fiscal Year 2018 Action Plan.

2017-009) Reporting

Questioned Costs: None

Department of Housing and Urban Development

14.218 Community Development Block Grants/Entitlement Grants (CDBG-E)

Grant No(s): B- (13 – 17)- MC-22-0002

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M- (07) - MC-22-0204; M-(11-17) -MC-22-0204

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H12-H13, H15-H17) F002

Criteria: The Federal Funding Accountability and Transparency Act (FFATA) requires information on Federal awards (Federal financial assistance and expenditures) be made available to the public via a single, searchable website. As defined in the act, prime awardees awarded a Federal grant are required to file a FFATA sub-award report by the end of the month following the month in which the prime awardee awards any sub-grant equal to or greater than \$25,000.

Part of this finding is repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2016-006.

Condition: Sub-grants in excess of the \$25,000 made during the calendar year were funded through the CDBG-E, HOME, and HOPWA as the prime awardee. A summary by program of the total number of sub-grants provided and the dollar value associated with those agreements are below:

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

C. Findings – Federal Award Programs (Continued)

2017-009) Reporting (Continued)

Condition: (Continued)

<u>Program</u>	<u># of Awards</u>	<u>Dollar Value</u>
CDBG-E	14	\$ 11,856,018
HOME	3	\$ 2,756,000
HOPWA	7	\$ 2,753,063

The associated monthly reports required to be filed under the Federal Funding Accountability and Transparency Act were not submitted.

Effect: The OCD is non-compliant with federal award terms.

Cause: The non-compliance is a result of staff turnover, the lack of training, and the lack of written policies and procedures to ensure compliance with Federal reporting requirements.

Recommendation: The OCD should implement written policies and procedures and a process for training to ensure that all reporting requirements are met and documentation maintained in accordance with grant terms.

View of Responsible Official:

The OCD has provided Federal Funding Accountability and Transparency Act sub-award reports for the CDBG, HOME, ESG and HOPWA programs for 2015 and 2016 and will submit sub award reports for 2017. The process will continue for the 2018 sub-awards with updated policies and procedures along with the help of consultants.

2017-010) Special Tests and Provisions

Questioned Costs: Not Determined

Department of Housing and Urban Development

14.218 Community Development Block Grants/Entitlement Grants (CDBG-E)

Grant No(s): B- (13 – 17)- MC-22-0002

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M- (07) - MC-22-0204; M-(11-17) -MC-22-0204

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

C. Findings – Federal Award Programs (Continued)

2017-010) Special Tests and Provisions (Continued)

Criteria: The CDBG-E is able to provide homeowners with rehabilitation assistance. The City-Parish is required to maintain certain documentation to support determination of this assistance including estimates, completion inspections or environmental reviews. The HOME program includes rental properties that received assistance. The Office of Community Development (OCD) personnel is required by the grant to perform onsite inspections of these rental units to determine if the units continue to meet certain property standards. The inspections are required after a certain number of years based on the number of units in the property.

Condition: On the CDBG-E rehabilitation assistance projects, the OCD was unable to produce a complete listing of projects that included expenditures during the year. Without a complete listing of all projects, we were unable to perform the necessary audit test to determine if OCD complied with the required documentation requirements, inspections or environmental reviews. On the HOME program, the OCD did not perform the required onsite inspections of the rental units as required by the grant.

Effect: The OCD did not provide sufficient documentary evidence to demonstrate compliance with the requirements of the grant.

Cause: The OCD did not keep a listing or log of the rehabilitation projects being worked on or completed during the year. Also, the OCD did not devote personnel to complete the required inspections on the HOME rental units. OCD management explained that personnel were assigned to assist with other matters related to the August 2016 flood.

Recommendation: The OCD should maintain a listing of all rental rehabilitation projects and implement policies and procedures to ensure the documentation of inspections is maintained and personnel is appropriately assigned to ensure compliance with federal guidelines.

View of Responsible Official:

In its partnership with the East Baton Rouge Redevelopment Authority (RDA), the OCD and RDA prepared a work management plan to ensure all federal funds granted under HUD programs are spent in accordance with all program requirements. In the work management plan submitted to HUD, the RDA is responsible for compliance with program requirements and recordkeeping, including ensuring that all HOME program requirements are followed in the administration of grant funds. Policies and procedures for the accurate preparation and reporting of information are being drafted and should be finalized by October 1, 2018. The OCD maintains the responsibility to monitor the performance of the RDA, including RDA's monitoring strategy and monthly reports.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

C. Findings – Federal Award Programs (Continued)

2017-011) Allowable Costs

Questioned Costs: None

Department of Labor

Passed through the Louisiana Workforce Commission

17.258 WIOA Adult Program (WAP)

17.259 WIOA Youth Program (WYP)

17.278 WIOA Dislocated Worker Formula Grants (DW)

Grant No(s): WAP - FY2017, FY2018, PY2016, PY2017; WYP – PY2015, PY2016;
DW – FY2016, FY2017, FY2018, PY2016, PY2017

Criteria: The WIOA program provides eligible participants various types of training services. The participants receiving assistance were identified and approved by case workers who also monitor the participant’s progress in the program. A system of strong internal controls would require invoices from job training institutions under the WIOA program to be reviewed and approved by case workers who are knowledgeable about the progress of participants in the program prior to payment.

Condition: We noted that the case workers are not required to review and approve invoices for payment from job training institutions providing services to participants in the program. Instead, the invoices are reviewed and approved for payment by the administration personnel of the program who match attendance records from job training institutions. The administration personnel do not verify with the case worker that the participant still actively attends courses or has completed the required courses.

Effect: Lack of approval by the personnel who are directly knowledgeable about the progress of participants in the program could result in payment to job training institutions for participants who are inactive or who have dropped from the program.

Cause: The administrative personnel do not communicate with the case workers who are familiar with and keep track of the participant’s progress in the program.

Recommendation: We recommend for policies and procedures to be adopted or modified to require that case workers review and approve invoices from job training institutions providing services to verify that services are being provided to active participants.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

C. Findings – Federal Award Programs (Continued)

2017-011) Allowable Costs (Continued)

View of Responsible Official:

The WIOA program provided eligible participants access to various types of training programs and services. Caseworkers who approved enrollment in training programs also monitored participant's progress. However, the lack of internal controls did not allow caseworkers to review and approve request(s) for payments submitted from training institutions thereby creating the opportunity for payments for participants who may have been inactive or who might have dropped.

Internal controls, including new policies and procedures, will be developed requiring case managers to review and verify participants' attendance and progress in training programs. Caseworkers will be required to verify and sign off on each request for payment submitted by training institutions before submitting to management for approval and fiscal for processing payment. Caseworkers and other appropriate staff will be trained on the new policies and procedures.

2017-012) Earmarking

Questioned Costs: None

Department of Labor

Passed through the Louisiana Workforce Commission

17.259 WIOA Youth Program (WYP)

Grant No(s): PY2016

Criteria: The WIOA Youth Program requires that 20% of the Youth Program expenditures, exclusive of administrative funds, be used for work experience activities.

Condition: The City's WIOA Youth Program's budget was only 13% of the total Youth expenditure budget (exclusive of administrative costs) instead of 20%.

Effect: Although the program actually expended more than the 20% of its Youth Program amounts for work experience, when mandated earmarking levels are not properly budgeted, risk of non-compliance is heightened.

Cause: This is a relatively new requirement.

Recommendation: The WIOA program should include in its budget a level of work experience expenditures equal to 20% of total Youth Program costs.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

C. Findings – Federal Award Programs (Continued)

2017-012) Earmarking (Continued)

View of Responsible Official:

WIOA Youth Program budget will include a level of work experience expenditures equal to 20% of the total youth program costs. All appropriate staff will be trained to ensure compliance.

2017-013) Allowable Costs – Excess Insurance Reserves

Questioned Costs: \$30,846

Department of Health and Human Services

93.600 HeadStart

Grant No(s): 06CH7167-03

Criteria: Under the Uniform Guidance (the Guidance), working capital reserve funds are allowed with respect to central service costs. A working capital reserve as a part of fund balance of up to 60 calendar days for normal operating purposes is considered reasonable. In exceptional cases, a working capital reserve exceeding 60 calendar days may be approved by the cognizant agency. In addition, with respect to allowable fringe benefit costs, specifically, post-retirement health care costs are allowable if they are funded for that year within six months after the end of that year. Costs funded after the six-month period are allowable in the year funded (when claims are paid).

Condition: The City-Parish is self-insured for health care claims of both active and retired employees, and all programs and activities (including federal grant programs) pay premiums into separate funds. Our analysis of fund balances (reserves) of the funds that account for the self-insurance activities identified that the reserves now exceed the maximum amount the Guidance considers reasonable for several federal programs with the largest impact to the HeadStart program by approximately \$31,000.

Effect: The City-Parish was reimbursed for costs which were not allowable since they exceeded the working capital reserve balance.

Cause: Employer contributions and employee/retiree premiums are set each year during the budgeting process. Due to volatility with health care claims it is difficult to accurately predict the exact funding needed to satisfy claims.

Recommendation: The City-Parish should monitor the fund balances (reserves) of its self-insurance health fund and its retiree health insurance fund to ensure that the reserves do not exceed the amounts considered reasonable under the

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

C. Findings – Federal Award Programs (Continued)

2017-013) Allowable Costs – Excess Insurance Reserves (Continued)

Recommendation: (Continued)

Guidance. If reserves exceed reasonable levels, health care premium costs charged to federal grant programs may become unallowable.

View of Responsible Official:

Employer contributions and employee/retiree premiums for the City-Parish self-insured insurance program are set each year during the budget process and approved by the Metropolitan Council. Given the volatility experienced with health care claims it is difficult to accurately predict the exact funding needed to satisfy claims. Since this is a self-insured plan, rates must be established at an amount that will sustain the program throughout the year. The reserve balance is analyzed each year and rates are adjusted accordingly and set for the following budget year. Given the increase of health care costs, we do not anticipate having a reserve balance in excess of the allowable amount at the end of the current year.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2017**

A. Findings Related to the Financial Statements

2017-001 Underfunded Retirement Plan

Management's response and corrective action is as follows:

The City-Parish continues its efforts to increase funding to the PGT and did increase the employer contributions by approximately 10 percent in 2017. In addition, the 2018 Budget includes an additional \$200,000. The Retirement Board continues to explore all possibilities and recently changed the PGT amortization of accrued liability to a 4-year open amortization method more appropriately suited to the member profile in the PGT closed defined benefit plan. This method more clearly demonstrates the funding requirements of the system than the method employed by the previous system actuary. PGT investments will continue to be more defensively postured in order to hedge against market volatility. Due to the contractual nature of the voluntary transfer, adjustments to benefits are not permissible. Therefore, the City-Parish has committed to increasing employer contributions a minimum of \$200,000 each year. In the year 2029, the bonded indebtedness that funded the transfer of assets to MPERS will mature. In addition, there should be no more active employees so liabilities will be more clearly defined. A decision as to the funding needs of the system, which may include Pension Obligation Bonds coupled with a strategy to lessen risk, will be made.

Expected Implementation Date: December 2029

Contact person: Marsha J. Hanlon, Chairman of the City-Parish Employees' Retirement System Board

2017-002 Accounting Estimates

Management's response and corrective action is as follows:

The Finance-Revenue Division is reviewing the balances currently in the payable account to ensure that all balances are accurate and that any prescribed balances are cleared. The account will be reconciled monthly to determine any additional action needed. A list of refund requests currently under review by Revenue-Auditing or under litigation will be reviewed annually to determine if a payable should be recorded for those amounts at year-end.

Expected Implementation Date: August 2018

Contact person: Tiffani Delapasse, Revenue Manager

2017-003 Timely Reconciliation of Accounts

Management's response and corrective action is as follows:

The City-Parish will apply reconciliation methods developed after implementation of the new financial system. The City-Parish will also continue to research, develop and improve procedures to make reconciliations more efficient. A review will be completed on a monthly basis to ensure reconciliations are completed accurately and timely.

Expected Implementation Date: July 1, 2018

Contact person: Tammy Morgan, Assistant Accounting Manager

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2017**

B. Findings and Questioned Costs Related to Federal Awards

2017-004 Preparation of Schedule of Expenditures and Federal Awards

Management's response and corrective action is as follows:

The Finance Department will update the policies and procedures for submitting information to the Grant Manager to complete the Schedule of Expenditures of Federal Awards (SEFA). This will include procedures on how to identify Federal expenditures for projects that have multiple funding sources.

Expected Implementation Date: October 2018

Contact person: Shalanda Nalencz, Assistant Accounting Manager

2017-005 Sub-recipient Monitoring

Management's response and corrective action is as follows:

The OCD will work with its program administrators to ensure they are monitoring the performance of the sub-recipients. The program administrators will perform a project risk analysis which will include analysis of grant management, financial management, service and satisfaction, and physical property. A work plan, to include actions that will be taken to performance, identifying projects to be monitored and identifying the type of monitoring to be performed, expected monitoring dates and required resources, and a written monitoring strategy will be drafted. After monitoring is completed, the program administrators will conduct an evaluation and draft a formal written letter, provide notice of significant achievements, list any concerns that may require attention, outline any technical assistance that may be provided or needed and recommend corrective actions.

Expected Implementation Date: October 2018

Contact person: Rowdy J. Gaudet, Assistant Chief Administrative Officer

2017-006 Reporting

Management's response and corrective action is as follows:

Through its management agreements, the OCD will ensure all reporting requirements are carried out. The administrator will be responsible for maintaining all required documentation in its administration of grant funds and will provide the OCD with appropriate documentation to ensure all reporting requirements under the Federal program are met.

Expected Implementation Date: October 1, 2018

Contact person: Rowdy J. Gaudet, Assistant Chief Administrative Officer

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2017**

B. Findings and Questioned Costs Related to Federal Awards (Continued)

2017-007 Allowable Costs

Management's response and corrective action is as follows:

The Division of Human Development and Services implemented a new policy in 2016 requiring staff to complete a Personnel Action Report (PAR). The report detailed specific tasks for each program area in which staff salaries were allocated. The PAR served as a projection of staff time rather than actual time spent in various program areas.

A new policy, form and process will be developed, implemented and monitored monthly to ensure salaries and related benefits appropriately reflect the work performed in the various program areas.

Expected Implementation Date: July 31, 2018

Contact person: Vernadine Mabry, Director, Division of Human Development and Services

2017-008 Suspension and Debarment

Management's response and corrective action is as follows:

The OCD maintains records of debarment review for the 2018 Action Plan. This will correct the deficiencies in this area.

Expected Implementation Date: June 2018

Contact person: Rowdy J. Gaudet, Assistant Chief Administrative Officer

2017-009 Reporting

Management's response and corrective action is as follows:

Reports have been submitted for 2015, 2016 and 2017, and staff have been trained on these requirements. This will correct the deficiencies in this area.

Expected Implementation Date: June 2018

Contact person: Rowdy J. Gaudet, Assistant Chief Administrative Officer

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2017**

B. Findings and Questioned Costs Related to Federal Awards (Continued)

2017-010 Special Tests and Provisions

Management's response and corrective action is as follows:

The OCD is working with its partners at the RDA to ensure that a listing of all rental rehabilitation projects is maintained.

Expected Implementation Date: October 1, 2018

Contact person: Rowdy J. Gaudet, Assistant Chief Administrative Officer

2017-011 Allowable Costs

Management's response and corrective action is as follows:

The WIOA program provided eligible participants access to various types of training programs and services. Caseworkers approved enrollment in training programs and monitored participants' progress. However, caseworkers were not required to review and approve requests for payments submitted from training institutions due to a lack of internal controls. This created the opportunity for payments for participants who may have been inactive or who might have dropped.

New policies and procedures will be implemented requiring case managers to review and verify participants' attendance and progress in training programs. Caseworkers will be required to sign off on each request for payment submitted by training institutions before submitting to management for approval and fiscal for processing for payment. Caseworkers and other appropriate staff will be trained on the new policy and procedures.

Expected Implementation Date: July 31, 2018

Contact person: Vernadine Mabry, Director, Division of Human Development & Services

2017-012 Earmarking

Management's response and corrective action is as follows:

The WIOA Youth Program requires that 20% of the Youth Program expenditures be used for work experience activities. Although more than 20% was actually expended on work experience, the WIOA Youth Program budget reflected only 13% was budgeted for work experience activities.

The WIOA Youth Program budget will include work experience expenditures equal to 20% of the total youth program costs. All appropriate staff will be trained to ensure compliance.

Expected Implementation Date: July 31, 2018

Contact person: Vernadine Mabry, Director, Division of Human Development & Services

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2017**

B. Findings and Questioned Costs Related to Federal Awards (Continued)

2017-013 Allowable Costs – Excess Insurance Reserves

Management's response and corrective action is as follows:

Employer contributions and employee/retiree premiums for the City-Parish self-insured insurance program are set each year during the budget process and approved by the Metropolitan Council in September of each year. Given the volatility experienced with health care claims, it is difficult to accurately predict the exact funding needed to satisfy claims. Since this is a self-insured plan, rates must be established at an amount that will sustain the program throughout the year. The reserve balance is analyzed each year and rates are adjusted accordingly and set for the following budget year. Given the increase of health care costs, we do not anticipate having a reserve balance in excess of the allowable amount at the end of the current year.

Expected Implementation Date: September 2018

Contact person: Brian Bernard, Human Resources Director

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

A. Findings – Financial Reporting

2016-001) Underfunded Retirement Plan

Criteria: The City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System - Police Guarantee Trust (CPERS-PGT) Retirement Plan was established in 2000 to provide for payment of certain guaranteed lifetime benefits for eligible police employees who transferred membership to the Municipal Employees' Police Retirement System (MPERS) while retaining certain rights in the CPERS. In cases where the CPERS benefit exceeds the MPERS benefit in aggregate, the benefits paid or to be paid from the CPERS-PGT trust equal the difference between the benefit the employee would have received from CPERS had the transfer not occurred, and the benefit paid or to be paid from MPERS. Section 9.15 of the Plan of Government requires the Retirement Systems be funded on actuarially sound basis.

Condition: At December 31, 2016, the CPERS-PGT plan was significantly underfunded. The plan fiduciary net position as a percentage of the total pension liability at December 31, 2016 was 42.10% and the net pension liability was \$23,745,416 based on the most recent actuarial valuation. Although initially believed funded on an actuarially sound basis when established, changes in conditions have since occurred that resulted in its unfunded status. Contributions have not been made to the plan to restore it to an actuarially sound status.

Cause: The stock market decline of 2008 combined with other demographic conditions such as an aging workforce and longevity of retirement have caused required contribution levels to increase. Additionally, the rate of return accruing to deferred retirement option program "DROP" participant accounts is 8.5%, which exceeds the long term expected rate of return on the trust's investments.

Effect: The assets held in trust are deficient of the amount needed to pay the pension benefits promised to these police department employees over the long term.

Recommendation: The City-Parish should develop a plan to ensure that the CPERS-PGT retirement plan is actuarially funded in accordance with the Plan of Government. Additional contributions to the plan from the general fund, benefit changes or both may be required.

View of Responsible Official:

As plan sponsor, the City-Parish has made efforts to increase funding to the PGT, such as ear-marking contribution savings from MPERS, employer rate reductions and budgeting additional dollars in excess of the approved employer rate. The Retirement Board is currently seeking legal guidance regarding what actions could be taken to close the funding gap in the PGT. The City-Parish and the Retirement Board will continue to

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

A. Findings – Financial Reporting (Continued)

2016-001) Underfunded Retirement Plan (Continued)

View of Responsible Official (Continued):

explore ways and methods to increase the funded level of the PGT in order to timely meet obligations to our retirees and survivors.

Updated Response: The City-Parish continues its efforts to increase funding to the PGT and, in fact, did increase the employer contributions by about 10 percent in 2017. City-Parish officials are aware of the funding deficit and continue to discuss ways to step up funding more in line with the recommendations of the Retirement System's actuary. The Retirement Board continues to explore all possibilities, and recently changed the PGT amortization of accrued liability to a 4-year open amortization method more appropriately suited to the member profile in the PGT closed defined benefit plan. The PGT investments are more defensively postured in order to better preserve the market value from market volatility.

B. Findings – Federal Award Programs

2016-002) Sub-recipient Monitoring

Questioned Costs: None

Department of Housing and Urban Development

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M- (01) - MC-22-0204; M-(06-10) -MC-22-0204; M- (13-16) –MC-22-0204

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H11-H16) F002

Criteria:

The Uniform Guidance Subpart D indicates that a pass-through entity is responsible for monitoring the activities of its sub-recipients to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and performance goals are achieved. The pass-through entity's monitoring process should include desktop monitoring, a risk assessment of the sub-recipients, and on-site monitoring, if warranted.

The pass-through agency is also responsible for reviewing financial and programmatic reports required to be submitted under the terms of the grant award, following-up and ensuring timely and appropriate actions on deficiencies pertaining to Federal awards detected through audits, on-site

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

B. Findings – Federal Award Programs (Continued)

2016-002) Sub-recipient Monitoring (Continued)

Criteria: (Continued)

reviews, and other means, as well as ensuring that sub-recipients expending \$750,000 or more in Federal awards during the sub-recipient's fiscal year as required under Uniform Guidance Subpart F have met the audit requirements.

Condition:

The City-Parish's Office of Community Development (OCD) administers the HOME and HOPWA programs. In considering the OCD's compliance with its sub-recipient monitoring requirements, we noted the following with respect to the 12 sub-recipients of the HOME program and 7 sub-recipients of the HOPWA:

- The OCD did not provide documentation for a method for tracking its sub-recipients under the HOME or HOPWA programs to ensure these sub-recipients met audit requirements and did not provide evidence of a review or retention of these audit reports of the sub-recipients,
- Risk assessment evaluations or documentation did not exist of program sub-recipients of the HOME and HOPWA programs as required by the OCD policy manual,
- Although claiming to have performed on-site monitoring for its HOME sub-recipients and desktop monitoring of its HOPWA program sub-recipients, OCD did not provide documentation to evidence completion of on-site monitoring of its HOME program sub-recipients or evidence of desktop monitoring or on-site monitoring of its HOPWA program sub-recipients. On the HOPWA program, OCD staff does complete detailed reviews and evaluation of the invoices submitted for reimbursement from sub-recipients; however, completed forms evidencing desk or on-site monitoring was not provided.

Parts of this finding are repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2015-002.

Cause:

The monitoring of sub-recipients and borrowers (developers) of HOME and HOPWA funds became more difficult for the OCD due to resource constraints and personnel turnover.

A centralized process for tracking and monitoring the receipt of sub-recipient audit reports does not exist. In addition, no documentation of whether sub-recipients have met the audit requirements is maintained or whether sub-recipients have taken appropriate corrective actions on all audit findings identified in the audit reports. Risk assessments were not prepared to evaluate if further monitoring was necessary on sub-recipients including on-site visits if necessary.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

B. Findings – Federal Award Programs (Continued)

2016-002) Sub-recipient Monitoring (Continued)

Effect: The City-Parish is non-compliant with sub-recipient monitoring requirements for the HOME and HOPWA programs. In addition, without implementing a risk assessment process, appropriate levels of sub-recipient monitoring may not occur and therefore the City-Parish may not be complying with all of its sub-recipient pass-through monitoring responsibilities.

Recommendation: The City-Parish should establish a centralized process for tracking and obtaining, on an annual basis, sub-recipient audit reports. The OCD should also establish procedures for ensuring appropriate sub-recipient follow-up on corrective actions. The OCD should also develop a process to ensure the preparation, documentation, review and approval of risk assessment and document monitoring steps completed on sub-recipients.

View of Responsible Official:

The OCD maintains audited financial statements for all of its current sub-recipients as received through its application process. The OCD does not accept applications for funding or fund applicants under the HOME or HOPWA programs without two audited financial statements that were completed within the past 36 months and written financial and grants management procedures.

The OCD will expand its CDBG risk assessment evaluations to sub-recipients of the HOME and HOPWA programs by October 2017.

OCD invoice review provides for regular desktop monitoring of HOPWA sub-recipients, including detailed reviews and evaluation. OCD will work to expand its oversight of HOPWA funded activities to include on-site monitoring by October 2017.

Updated Response: The OCD has revised the policy requiring two audited financial statements completed within the past 36 months. However, written financial and grants management procedures from all HOME and HOPWA program applicants are required and risk assessment points are higher to include quarterly financial management along with a signed compliance management agreement that outlines the subrecipient agreement.

City-Parish entered into a cooperative endeavor agreement with the East Baton Rouge Redevelopment Authority (RDA) to administer HOME monitoring in accordance with the OCD's HOME project monitoring schedule. HOME projects subject to the affordability period submit rental remittances for review by the OCD Grants Administrator.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

B. Findings – Federal Award Programs (Continued)

2016-002) Sub-recipient Monitoring (Continued)

Updated Response: (Continued)

The OCD implemented risk assessment evaluations for the 2018 Action Plan resulting in all project sponsors that were deemed high risk being defunded or funding reduced according to their performance and capacity.

In October 2017, the OCD implemented a transition plan to improve and expand staffing resources for all programs. This included training responsible DHDS staff and RDA staff members for the preparation and review of risk assessments and the development of desktop and on-site monitoring plans.

2016-003) Reporting Questioned Costs: None

14.218 Community Development Block Grants/Entitlement Grants (CDBG-E)

Grant No(s): B- (08) -MC-22-0002, B- (10) -MC-22-0002; B- (07-16) -MC-22-0002

14.228 Community Development Block Grants/Entitlement Grants (CDBG-NE)

Grant No(s): CEA #684377

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M- (01) - MC-22-0204; M-(06-10) -MC-22-0204; M- (13-16) –MC-22-0204

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H11-H16) F002

Criteria: Federal regulations require the annual reporting of the Section 3 Annual Submission Report (Form HUD 60002). The report is required to be submitted through the Section 3 Performance Evaluation and Registration System (SPEARS). Both the 2013 and the 2014 report submissions were extended by HUD due to technical problems with the system; however, HUD sent a notice in October 2015 to require these reports to be submitted by December 31, 2015. The December 31, 2015 report was due 60 days after the fiscal year end and was not filed. In addition, the 2016 report was required to be filed within 90 days after September 30 and was not filed.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

B. Findings – Federal Award Programs (Continued)

2016-003) Reporting (Continued)

Parts of this finding are repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2015-003.

Condition: Sub-grant awards granted by the OCD under those programs administered by their office which included CDBG-E, CDBG-NE, HOME and HOPWA during the calendar year were not submitted in accordance with the established deadline.

Effect: The OCD is non-compliant with Federal award terms.

Cause: The non-compliance is a result of staff being unable to use the Federal reporting system, lack of procedures requiring follow through to ensure the reports are completed and filed, and lack of responses to requests for technical assistance from the Federal agency on the reporting system remain pending.

Recommendation: The OCD should take steps to ensure appropriate knowledge transfer and retention through written policies and procedures, cross training and other methods to ensure that all reporting requirements are met and documentation maintained in accordance with grant terms.

View of Responsible Official:

The OCD has worked to expand its Section 3 compliance considerably, including outreach at public meetings and events, through documents and materials available on the OCD's website, and through partner organizations. The OCD has requested technical assistance from HUD on barriers to filing completion which can only be done online and only through a HUD contracted provider. The OCD has apprised the HUD field office of these technical barriers to completion and awaits technical assistance from the provider.

Updated Response: Section 3 Annual Submission Reports have been submitted for the CDBG, HOME, HOPWA and ESG programs for 2015, 2016, and 2017.

2016-004) Allowable Costs

Department of Housing and Urban Development and Department of Health and Human Services

14.241 Housing Opportunities for Persons with AIDS (HOPWA) Questioned Costs: \$54,000

Grant No(s): LA (H11-H16) F002

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

B. Findings – Federal Award Programs (Continued)

2016-004) Allowable Costs (Continued)

93.600 Head Start Questioned Costs: \$28,000

Grant No(s): 06CH0065/ (38-39)

Criteria: Costs charged to Federal grants must meet the provisions of the standards for documentation of personnel expenses contained in 2 CFR 200.400(i) which requires that charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and these records must be supported by a system of internal controls which provide a reasonable assurance that the charges are accurate, allowable, and properly allocated.

Part of this finding is repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2015-004.

Condition: Salaries and wages of employees charged to the following programs were not accurately supported by the time records of each employee for the work performed:

- Out of a total population of 22 employees who charged salaries and wages to the HOPWA program, 6 employees' charges, with wages totaling approximately \$54,000, were not accurately supported by actual time and effort records. These 6 employees are assigned to this grant but work in the Division of Human Development and Services.
- One administrative employee's salaries and wages totaling approximately \$28,000 were charged to the Head Start program without being supported by actual time and effort records.

Effect: The City-Parish is not in compliance with the provisions and standards of documentation as the cost allocated was based on an estimated percentage instead of actual time as reflected in the employees' timesheets.

Cause: Costs allocated to these programs were not adjusted to the actual time and effort records on a periodic basis throughout the year.

Recommendation: The Division of Human Development and Services must implement written policies and procedures to ensure that all salaries and wages and related benefit costs are charged to the Federal program based on records that reflect the work performed.

View of Responsible Official:

In 2016, the Division of Human Development and Services developed a policy requiring all Head Start Program, Office of Social Services and Fiscal Unit staff to complete Personnel Activity Reports which detail specific tasks for each program area. The staff lists the projected amount

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

B. Findings – Federal Award Programs (Continued)

2016-004) Allowable Costs (Continued)

View of Responsible Official: (Continued)

of time and actual amount of time spent on each grant on a daily basis and attaches the report to the timesheet for supervisory review and approval. Payroll allocations for administrative staff were based on the historical projected time spent on various grant programs.

Updated Response: In reviewing the Division of Human Development and Services (DHDS) policy implemented in 2016, a Personnel Action Report (PAR) form was developed that staff were required to complete. The report detailed specific tasks associated with duties for each program area in which staff salaries were allocated. The PAR served as a projection of staff time rather than actual time spent in various program areas.

A new policy, form and process will be developed, implemented and monitored monthly to ensure salaries, wages and related benefits appropriately reflect the work performed in the various program areas.

2016-005) Suspension and Debarment

Department of Housing and Urban Development

14.241 Housing Opportunities for Persons with AIDS (HOPWA) Questioned Costs: None

Grant No(s): LA (H11-H16) F002

Criteria: Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred. “Covered transactions” include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000.

Condition: While testing compliance with the Federal program criteria regarding suspension and debarment, out of a sample of 5 vendor contracts, we were unable to obtain documentation to support that the Office of Community debarred, or otherwise excluded from doing business on federally funded contracts. However, based on a search on sam.gov these 2 vendors were not on the excluded parties listing.

Effect: Without verification and documentation of the procedures over these requirements inadvertent payments to vendors who are not allowed to contract with the federal government may occur.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

B. Findings – Federal Award Programs (Continued)

2016-005) Suspension and Debarment (Continued)

Cause: The OCD did not implement newly established policies and procedures to ensure compliance with the Federal requirements.

Recommendation: The Office of Community Development should implement processes so that established written policies and procedures are followed to ensure that Federal compliance requirements are adhered to.

*View of Responsible Official:
The OCD will fully implement written policies and procedures by October 2017.*

Updated Response: The OCD maintains records of debarment review of all four HOPWA project sponsors funded under the Fiscal Year 2018 Action Plan.

2016-006) Reporting

Questioned Costs: None

14.218 Community Development Block Grants/Entitlement Grants (CDBG-E)

Grant No(s): B- (08) -MC-22-0002, B- (10) -MC-22-0002; B- (07-16) -MC-22-0002

14.228 Community Development Block Grants/Entitlement Grants (CDBG-NE)

Grant No(s): CEA #684377

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M- (01) - MC-22-0204; M-(06-10) -MC-22-0204; M- (13-16) –MC-22-0204

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H11-H16) F002

Criteria: The Federal Funding Accountability and Transparency Act (FFATA) requires information on Federal awards (Federal financial assistance and expenditures) be made available to the public via a single, searchable website. As defined in the act, prime awardees awarded a Federal grant are required to file a FFATA sub-award report by the end of the month following the month in which the prime awardee awards any sub-grant equal to or greater than \$25,000.

Condition: Sub-grant awards granted by the OCD under those programs administered by their office which included CDBG-E, CDBG-NE, HOME and

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

B. Findings – Federal Award Programs (Continued)

2016-006) Reporting (Continued)

Condition: (Continued)

HOPWA during the calendar year were not reported in accordance with the Federal Funding Accountability and Transparency Act.

Effect:

The OCD is non-compliant with federal award terms.

Cause:

The non-compliance is a result of staff turnover and the lack of written policies and procedures to ensure compliance with Federal reporting requirements.

Recommendation:

The OCD must implement written policies and procedures to ensure that all reporting requirements are met and documentation maintained in accordance with grant terms.

View of Responsible Official:

The OCD Action Plan, which is publicly available through the City-Parish website, provides a detailed sub-award report. The OCD will file the FFATA sub-award report by the required deadlines, no later than October 2017, and by the end of the month following the month in which the OCD awards any sub-grant contracts equal to or greater than \$25,000.

Updated Response: The OCD has provided Federal Funding Accountability and Transparency Act sub-award reports for the CDBG, HOME, ESG and HOPWA programs for 2015 and 2016 and will submit sub-award reports for 2017. The process will continue for the 2018 sub-awards with updated policies and procedures along with the help of consultants.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE**

The Honorable Mayor-President
and Members of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge:

Report on Compliance

We have audited the compliance of the City of Baton Rouge and the Parish of East Baton Rouge (the City-Parish) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration in September 2000 (the Guide), for its Passenger Facility Charge Program for the year ended December 31, 2017.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and terms and conditions of the Passenger Facility Charge Program (the Program).

Auditors' Responsibility

Our responsibility is to express an opinion on the City-Parish's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Program occurred. An audit includes examining, on a test basis, evidence about the City-Parish'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. However, our audit does not provide a legal determination of the City-Parish's compliance with those requirements.

Opinion on the Passenger Facility Charge Program

In our opinion, the City-Parish complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance. In planning and performing our audit, we considered the City-Parish's internal control over compliance with program regulations that could have a direct and material effect on compliance in order to determine the auditing procedures that are appropriate under the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Guide but not for the purpose of expressing an opinion on the effectiveness of the City-Parish's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City-Parish's internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance 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 will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, that is less severe than a material weakness yet important enough to merit attention of 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 significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Schedule of Passenger Facility Charges Revenues and Disbursements

We have audited the basic financial statements of the City of Baton Rouge and the Parish of East Baton Rouge as of and for the year ended December 31, 2017, and have issued our report thereon dated June 26, 2018, which includes a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Passenger Facility Charge Revenues and Disbursements for the year ended December 31, 2017 as required by the Guide is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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



Baton Rouge, Louisiana
June 26, 2018



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF PASSENGER FACILITY CHARGES (PFC)
REVENUES AND DISBURSEMENTS
BATON ROUGE METROPOLITAN AIRPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>FY 2016</u> <u>Program Total</u>	<u>Quarter 1</u> <u>Jan - Mar</u>
Revenue		
Passenger Facility Charge Net Collections	\$ 33,603,312	\$ 368,684
Interest Earned on Investments	1,446,459	699
Claim settlement	1,371,035	-
Total Revenue	<u>36,420,806</u>	<u>369,383</u>
Disbursements		
93-02-U-00-BTR Noise mitigation	1,315,124	-
96-03-C-00-BTR Terminal building and plan specifications	1,290,899	-
97-04-C-00-BTR Terminal development with financing	20,959,216	56,520
00-05-C-00-BTR Airport access road	1,617,517	9,184
00-05-C-00-BTR Acquire A/C loading bridges	805,138	13,576
05-06-C-00-BTR Expand general aviation apron	288,900	1,917
05-06-C-00-BTR Extend runway 4L/22R	4,089,787	45,816
09-07-C-00-BTR Terminal atrium expansion	4,189,561	95,092
09-07-C-00-BTR Acquisition of property for development	567,648	12,884
09-07-C-00-BTR Taxiway fillet construction	288,782	6,555
09-07-C-00-BTR Ticket lobby expansion	380,268	8,631
Total Disbursements	<u>35,792,840</u>	<u>250,175</u>
Net PFC Revenue		119,208
PFC Account Balance (cash basis)	\$ 627,966	\$ 747,174

	Quarter 2 <u>Apr - Jun</u>	Quarter 3 <u>Jul - Sep</u>	Quarter 4 <u>Oct - Dec</u>	FY 2017 <u>Total</u>	FY 2017 <u>Program Total</u>
\$	393,776	\$ 241,974	\$ 417,225	\$ 1,421,659	\$ 35,024,971
	754	229	221	1,903	1,448,362
	-	-	-	-	1,371,035
	<u>394,530</u>	<u>242,203</u>	<u>417,446</u>	<u>1,423,562</u>	<u>37,844,368</u>
	-	-	-	-	1,315,124
	-	-	-	-	1,290,899
	893	473,542	181,354	712,309	21,671,525
	-	35,920	-	45,104	1,662,621
	-	53,097	-	66,673	871,811
	-	7,499	-	9,416	298,316
	-	179,185	-	225,001	4,314,788
	-	371,899	-	466,991	4,656,552
	-	50,389	-	63,273	630,921
	-	25,635	-	32,190	320,972
	-	33,755	-	42,386	422,654
	<u>893</u>	<u>1,230,921</u>	<u>181,354</u>	<u>1,663,343</u>	<u>37,456,183</u>
	393,637	(988,718)	236,092	(239,781)	388,185
\$	1,140,811	\$ 152,093	\$ 388,185	\$ 388,185	388,185
			Accrued PFC revenues		237,378
			Accrued interest revenues		-
			Accrued interest payable		(25,209)
			Accrued project expenses		<u>(59,503)</u>
			Total Net Position Restricted for PFC included in EXHIBIT A-10		<u>\$ 540,851</u>

SPECIAL ACKNOWLEDGMENTS

Finance - Accounting

Sharon Campbell
Accounting Manager

Tammy Morgan
Shalanda Nalencz
Mary Ourso
Assistant Accounting Managers

Shannon Hargrave
Debt Management Officer

Chief Financial Analyst

Jonathan Alford
Kay Ellzey
Chelsea Faulk
Lauren Foster
Tiffany Jukkola
Kathleen Kreko
Jeanine Romero
Ted Stephens
Nick Vidrine

Senior Fiscal Specialist

Angela Banks
Rhonda Bankston
Valerie Brown
Charez Edwards
Linda Hickerson
Adrica Nelson-
Druel
Oma Ringe
Gregory Spears
Shanberly Spears

Senior Financial Analyst

Tran Van
Daniel Hutton
Leah LaFleur

Financial Analyst

T.J. Fleig
DeAnna Mitchell

Accounting Associate II

Marlene Allen

Accounting Associate I

Latisha Cannon

Student Intern

Carrigan Robinson

Cover Design and Production

The Image Source

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

REPORT TO MANAGEMENT

DECEMBER 31, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

REPORT TO MANAGEMENT

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June 26, 2018

Members of the Metropolitan Council
City of Baton Rouge, Parish of East Baton Rouge
Baton Rouge, Louisiana

We have audited the financial statements of the City of Baton Rouge-Parish of East Baton Rouge (City-Parish), for the year ended December 31, 2017 and have issued our report thereon. As part of our audit, we evaluated the system of internal accounting control to the extent we considered necessary as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City-Parish's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls or operating efficiency and other matters. Our comments and suggestions regarding those matters are set forth below. This letter does not affect our reports dated June 26, 2018, on the financial statements of the City-Parish and the City-Parish's internal control over financial reporting.

2017-1

Adherence and Update to Procurement Policies over Leases/ Suspension and Debarment Documentation

Condition:

The City-Parish's Department of Human Development & Services Employ BR / WIOA division manages the federal WIOA Adult, Youth and Dislocated Worker programs. As part of audit of this major program cluster, we noted a building lease that the Employ BR entered into with another entity. The City-Parish's purchasing manual requires certain minimum documentation which includes a competitive proposal process or an informal survey to determine availability of appropriate space within the required geographical. In addition, Uniform Guidance (UG) requires a periodic review to determine if circumstances have changed and other options are available. UG also requires that when entering into an agreement consideration of the reasonableness of the rates should be given in light of factors which include rental costs of comparable property, market conditions in the area, alternatives available, and the type, life expectancy, condition, and value of the property leased. The documentation to support this lease and showing the lessor was not suspended or debarred from being paid with federal grant funds could not be provided to us.

Recommendation:

We recommend that proper documentation be obtained and kept on file for all leases of buildings that meet the requirements of the City-Parish's purchasing manual and the manual be updated to reflect the requirements under Uniform Guidance when leases are funded with federal awards. In addition, the City-Parish must obtain documentation that the lessor was not suspended or debarred for those leases funded with federal awards.

Management's Response:

The Division of Human Development and Services will adhere to the established Purchasing Department policies and procedures to ensure compliance with Uniform Guidance for all leases funded with federal funds.

The Division of Human Development and Services' internal controls will include the completion of a checklist for all lease agreements that require verification and documentation of clearance with System for Award Management (SAM) and in good standing with the Louisiana Secretary of State.

The City-Parish Purchasing Department accesses the sam.gov site for all contracts entered into and maintains a copy of this information in all contract files. For all recurring operating contracts, City-Parish Purchasing conducts a market analysis to determine the feasibility of continuing these contracts on an annual basis. Purchasing will incorporate this process into the procedure manual for federally funded contracts.

2017-2

Documentation of Approval and Review of Monitoring Reports

Condition: The City-Parish’s Department of Human Development & Services Employ BR / WIOA division manages the federal WIOA Youth, Adult, and Dislocated Workers programs. As part of its management of the program, monitoring is conducted of the vendors who provide services and reports are submitted to management. We noted there was no indication that management reviewed or approved the monitoring reports being submitted.

Recommendation: We recommend that a process be developed and implemented to document management’s review and approval of the monitoring reports that are prepared and submitted.

Management’s Response:
The City-Parish Department of Human Development & Services will implement a process that shows that WIOA management has reviewed and approved monitoring reports submitted by vendors.

2017-3

Sale of Property in Accordance with State Law

Condition: A recent audit report released by the Louisiana Legislative Auditor identified the City-Parish sold two parcels of land at auction which violated state regulations. State law requires the Government to introduce an ordinance that gives its reasons for the sale and that fixes a minimum price for the property. Governments must also publish notices of the proposed ordinance three times in 15 days in their official journal. The City-Parish did not set a minimum price for the property and did establish an ordinance or publish the required notices.

Recommendation: We recommend that the City-Parish review its current policies and procedures to ensure compliance with state regulations and employees reminded about their responsibilities in ensuring compliance with established regulations.

Management’s Response:
The audit report indicated that the City-Parish violated its Ordinances (not state laws which do not apply to us) by not advertising a proposed ordinance and requiring a minimum bid and that the sale may have violated the Constitutional prohibition on donations because it was sold for less than fair market value. The City-Parish has revised its policies to provide for appraisal prior to all surplus property sales so as to determine fair market value. Additionally, all future ordinances governing auctioned surplus property will be modified to reference only applicable laws and include a minimum bid. The entire text of the City-Parish’s response is included in the Louisiana Legislative Auditor’s audit issued May 30, 2018.

2017-4

BRAVE Contracts

Condition: A recent audit report released by the Louisiana Legislative Auditor questioned the support for payments made under several smaller contracts entered into by the City-Parish under the BRAVE anti-gang program. The investigation identified lack of support for transportation and consulting services under the established agreements.

Recommendation: We recommend that the City-Parish remind its employees of the current policies and procedures to maintain documentation to support payments made to vendors and establish the appropriate procedures to determine if the documentation received complies with these policies and contract terms.

Management's Response:

The City-Parish concurred with the Legislative Auditor's recommendations on contracts and invoices. All future contract terms will be clearly written and structured in a manner that clearly defines the deliverables and the payments associated with the deliverables. City-Parish staff will carefully review invoices before payment to ensure services were performed as agreed and that the City-Parish has sufficient documentation. The entire text of the City-Parish's response is included in the Louisiana Legislative Auditor's audit issued May 30, 2018.

2017-5

Baton Rouge Police Department Extra Duty Pay While on Paid or Administrative Leave Enhancement to Policies and Procedures

Condition: A report issued by the Legislative Auditor, which reviewed policies and procedures over extra duty assignments and payments, identified additional matters to be addressed by the Department to fully comply with applicable state laws and regulations.

Recommendation: We recommend that the City-Parish review the matters identified in the Legislative Auditor's report and establish policies and procedures to ensure compliance with all applicable laws and regulations.

Management's Response:

Because the policy prior to August, 1, 2017, may have been vague about whether officers on administrative leave were exempt from performing administrative extra duty functions, BRPD established a new policy which clearly prevents any officer on administrative leave from performing either on-site or administrative functions of extra duty employment. The entire text of the City-Parish's response is included in the Louisiana Legislative Auditor's audit issued April 24, 2018.

2017-6

Information Technology and Security

Condition: In our consideration of the City's IT environment and applications, we noted the following matters:

- Passwords required for access to the Galaxy System (used for Sales Tax Collections) do not meet complexity standards of best practice
- Non-IS department employees have administrative access to the payroll, general ledger, and Galaxy systems
- User reviews of the Open VMS and Payroll applications, normally done annually by the internal audit department, were not conducted during 2017

Recommendation: Password standards for access to the Galaxy System, Open VMS application, and Active Directory should be updated to conform to best practices. User reviews of all systems should be performed annually. With respect to administrative access to systems, it is recommended that management consider conducting a review to validate each user's assigned administrative access within the financial systems for necessity and appropriateness.

Management's Response:

The Finance-Revenue Division will contact the system administrator for the Galaxy System regarding an upgrade to password requirements. The Administrative function within the Galaxy System is not limited to setting employee user rights. There are multiple other functions limited to administrators such as opening batches, certain levels of waivers, and authorization to change reports that need to stay within the Revenue Division management.

The payroll and financial legacy systems were managed by non-IS employees. This is not the case in the new Munis system as only IS employees manage security. Galaxy is a third party system and IS would need to review the system to determine if the security structure would allow IS to manage and still allow the Revenue users the appropriate access to the system.

Payroll security and access will be reviewed by the Bridge Team during the Fall 2018 implementation of the new timekeeping and Human Resources systems. User reviews of the Open VMS and Payroll applications have not been on the Internal Auditing Division's annual audit plan for several years. The Internal Auditing Division will present these reviews to the City-Parish Audit Committee for the development of the 2019 audit plan.

2017-7

Theft of Public Assets

Condition: Louisiana Revised Statute 14:67 defines theft as the misappropriation or taking anything of economic value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. Eight instances, or likely instances, of misappropriation were identified by the City-Parish and reported to the Legislative Auditor which are presented in attachment A to this letter.

Recommendation: Employees are to be reminded of the proper procedures and their ethical responsibilities as public servants. We recommend the City-Parish continue their prosecution of these matters and that the internal controls of the City be reviewed and potentially revised to deter such instances from occurring in the future.

Management's Response:

The City-Parish is fully committed to protecting public resources. We will continue to report instances of misappropriation and refer them to law enforcement. The departments will also strengthen internal controls and monitoring in the areas where a misappropriation occurred. Immediate action will be taken to recover public monies and assets. Finally, the City-Parish will continue educating employees on their ethical responsibilities through the annual Ethics Training for Public Servants by the Louisiana Board of Ethics.

We have already discussed these matters with the City-Parish's management. Their views on these matters and plans for corrective action are identified herein. This letter does not affect our report dated June 26, 2018 on the financial statements of the City-Parish, and furthermore, this letter is intended for use only by the City-Parish's management and audit committee and is not intended to be used, and should not be used, by anyone other than these specified parties.

Sincerely,

Postlethwaite & Netterville

Status of Prior Year Management Letter Comments

2016-1

Work Order System and Employee Monitoring

Condition: The City-Parish’s Blight Enforcement Division of the Public Works-Department of Development (the Department) assigns blight crews to perform maintenance work on blighted and neglected properties upon issuance of a “blight court” order. Grass cutting is one of the more common services performed. Internal audits conducted in 2016 in response to a citizen complaint revealed several instances where GPS records showed blight crews to be spending time outside of the areas where their assigned properties (authorized locations) were located. Additionally, these audits showed weaknesses in the daily crew work assignment and monitoring processes, by revealing instances where work was assigned for properties not included on the blight court order listing, and a lack of monitoring of the blight crews with available GPS.

Recommendation: Without proper management and oversight, employee time and equipment is at risk for misuse and violation of Article 7, Section 14 of the Louisiana Constitution could occur. We understand that the Department is currently developing an automated work order process whereby blight court orders will be the basis for the daily assignment logs. We encourage the Department to finalize that process and fully implement. Also, policies and/or procedures should be adopted to ensure appropriate monitoring of blight crews occurs. Such policies and procedures should include requirements for review of GPS records, grounds for disciplinary actions, and potential fraud indicators.

Management’s Response:
The Department will work towards implementing the use of a work order system to manage daily assignments. Additionally, the Department will develop policies and procedures for periodically reviewing GPS records and completed work orders for discrepancies and for applying disciplinary action with the discrepancies identified during the review.

Status of Management’s Response:
The Code Enforcement Manager of the Department of Development has received training on how to better utilize the Work Order System as well as the GPS module. Work orders are being assigned electronically through the database to provide time and date documentation for verification with the GPS. The field crew is now required to indicate the location of all work assignments on their daily report.

2016-2

Political Contributions

Condition: Article XI, section 4 of the Louisiana Constitution states that no public funds shall be used to urge any elector to vote for or against any candidate or proposition, or be appropriated to a candidate or political organization. Additionally, Louisiana AG opinion 96-421 confirms that payment of expenses associated with attending events of a political party is a prohibited use of public funds. A metro-council person attended a political fundraising event and charged it to a City-Parish purchase card. The total cost of the event was \$800, including ticket and travel costs. This matter was detected internally and reported to the Legislative auditor in accordance with LA R.S. 24:523. Additionally, the amounts were repaid in full by the Councilperson.

Recommendation: The City-Parish should remind all employees and elected officials of the prohibition against political contributions and activity. Additionally, the City-Parish should revisit its use and distribution of P-cards to include possession by only essential personnel.

Management's Response:

The travel procedures were amended in November 2016 to prevent improper use of public funds. The Council Administrator's Office receives the travel request and prepares a cost estimate which is forwarded to the Council Budget Officer. The Council Budget Officer ensures funds are available and, if the request is outside the normal procedure, requests an opinion from the Parish Attorney's Office on the proper use of public funds. If the expenses are deemed appropriate and funds are available, travel plans are made.

Status of Management's Response:

New travel procedures were implemented in November 2016 to prevent improper use of public funds. The procedures include a review by the Council Budget Officer and, if outside the normal procedure, the Parish Attorney's Office to determine if the expense is a proper use of public funds. The Council Administrator's Office has been following these procedures since they were implemented.

2016-3

Appearance Bonds

Condition: The Baton Rouge City Court holds a number of appearance bonds to ensure defendants appear in court. In reviewing the listing of bonds outstanding, we noted a number of unclaimed cash bonds related to cases whose court dates occurred over a year prior to the City-Parish's December 31, 2016 fiscal year end.

Recommendation: State laws govern the treatment and distribution of the bonds depending on the disposition or status of the case, which includes possible distribution to the general fund. The City Court should research all outstanding appearance bonds in excess of one year to ensure appropriate disposition has occurred.

Management's Response:

City Court will implement controls to assign accountability for research and processing of unclaimed appearance bond monies. The City Court Accounting Bond Section Supervisor will request a list, on a quarterly basis, of outstanding unclaimed cash bonds in excess of one year from City-Parish Finance for review. Depending on the case disposition, the Bond Section Supervisor will forward appropriate cases to the Accounting Cashier Supervisor to process refunds for the cash bonds. The City Court Accounting Bond Section Supervisor will notify City-Parish Finance of all adjudicated cases that are older than one year to assure they are processed as unclaimed property.

Status of Management's Response:

City Court Administration is implementing controls and procedures to reduce the number of unclaimed appearance bonds. Controls will be implemented to assign accountability for research and processing of unclaimed appearance bond monies. The City Court Accounting Bond Section Supervisor will review the outstanding cash bonds in excess of one year on a quarterly basis and will forward appropriate cases to the Accounting Cashier Supervisor to process refunds. The City Court Accounting Bond Section Supervisor will notify City-Parish Finance of all adjudicated cases older than one year to assure they are processed as unclaimed property.

Attachment A to Management Letter

The following 18 elements of the instances of misappropriation are presented below:

Element of Finding	Misappropriation #1 (Phishing email fraud)	Misappropriation #2 (Theft of Evidence)	Misappropriation #3 (Payroll Fraud)	Misappropriation #4 (theft of inventory)	Misappropriation #5 (Fuel Card)	Misappropriation #6 (Stolen Trailer)	Misappropriation #7 (Payroll Fraud)	Misappropriation #8 (Payroll Fraud)	
1	A general statement describing the fraud or misappropriation that occurred.	Phishing email. Phony email purportedly from an existing vendor, to change method of payment used for that vendor.	Seized evidence was withheld by an arresting police officer and a false report filed.	Two employees were paid for overtime they may not have worked	Employee purchased parts for personal vehicle using City-parish funds.	Theft of fuel using a misplaced City-Parishes fuel card by a non-employee	Environmental Services Division Employee used a trailer for non-City-parish purposes without prior authorization	Two BRPD officers claimed hours worked, but GPS records indicate that they were at home during these periods of time. This is in the process of being investigated.	Two employees were clocking in another employee who was not actually at work on several occasions.
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Misdirected payments for services upon fraudulent request from scammer to change payment method from check payment to EFT	marijuana cigarette	Payroll	Auto Parts - Central Garage	Fuel Card	Trailer	Payroll	Payroll
3	The amount of funds or approximate value of assets involved.	\$20,000; \$200 net of recovery	unknown	\$1,290	\$350	\$1,650	Unknown	\$1860 (\$562.40 + \$1297.35 = 1859.75)	\$200
4	The department or office in which the fraud or misappropriation occurred.	Administration	BRPD	Environmental Services	Fleet Management	Department of Development	Environmental Services Division	BRPD	Head start
5	The period of time over which the fraud or misappropriation occurred.	Jan-18	Nov-17	January February 2017	Sep-17	November-17	Oct-17	Aug-17	Feb-17
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	Outside party whose identity is unknown	BRPD	Department of Environmental Services - Clerical and Fiscal Specialist	Fleet Manager	Unknown	Environmental Services Division Employee used a trailer for non-City-parish purposes without prior authorization. Trailer initially reported stolen, but was returned to the worksite the next day	BRPD	Employee level
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	Outside party whose identity is unknown	Police Officer	One person dismissed, the other suspended	No charges filed	Unknown	No charges filed	2 police officers	No charges filed
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	Suspect not employed by the City-Parish	No	One of the two suspected employees were terminated	No, retired September 2017	No	Yes	Yes	No
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	N\A	N\A	The one person that was suspended is still in the same position.	N\A	No	Yes	No	N\A
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Yes. BRPD case # 23239-18; Sheriff's Case # is 22658-18.	Yes. BRPD case # 17-110101	No	Yes. Case # 2757-18.	Yes. McKinney TX Police Dept. - 17-009201.	Yes; BRPD 17-106918; once trailer was returned the case was closed.	Yes	Yes

Attachment A to Management Letter

The following 18 elements of the instances of misappropriation are presented below:

Element of Finding	Misappropriation #1 (Phishing email fraud)	Misappropriation #2 (Theft of Evidence)	Misappropriation #3 (Payroll Fraud)	Misappropriation #4 (theft of inventory)	Misappropriation #5 (Fuel Card)	Misappropriation #6 (Stolen Trailer)	Misappropriation #7 (Payroll Fraud)	Misappropriation #8 (Payroll Fraud)
11 What is the status of the investigation at the date of the auditor's/accountant's report?	No resolution.	Open	N/A	Closed.	Closed. No suspect identified.	The City Parish tried to dismiss this employee in December and personnel board reinstated him in February 2018. Termination was not upheld by the Civil Service board.	No charges filed. Officer discipline handled internally.	Closed
12 If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	N/A	Yes	N/A	No charges pursued.	N/A	No charges pursued	N/A	No charges were pursued.
13 What is the status of any related adjudication at the date of the auditor's/accountant's report?	N/A	Pending - No decision has been made.	N/A	N/A	No suspect identified.	No charges pursued	N/A	N/A
14 Has restitution been made or has an insurance claim been filed?	Funds were recovered from the bank account to which funds were EFT'd	N/A	N/A	The amount in question was repaid to the City-Parish by the suspected perpetrator	No	Yes	No	No
15 Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
16 Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	Yes	yes	Yes	Yes	Yes	Yes	Yes	Yes
17 If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
18 Management's plan to ensure that the fraud or misappropriation does not occur in the future	Internal Auditing is working on an internal control report with recommendations to prevent a future occurrence.	Management will continue to use body cameras for officers.	Internal Auditing recommended ways to strengthen controls. The supervisor was transferred to another division.	Fleet Management will strengthen controls to ensure that ordered parts are linked to open work orders.	Management will work with the Fueltrac Administrator to cancel cards and PINs for terminated employees and decommissioned vehicles. Additionally, management will continue to review usage reports to identify exceptions.	Management increased the physical security of the asset by adding tongue locks to the trailers. Employees must now "sign out" the trailer in order to receive the key.	GPS installed in vehicles will allow Management to determine the officer's location. Additionally, the implementation of the new time keeping system will identify the location of an officer when then sign in.	Management will continue to strengthen controls related to time keeping and continue the use of security cameras.

Independent Accountants' Report
On Applying Agreed-Upon Procedures

To the Honorable Mayor-President
and Members of the Metropolitan Council
City of Baton Rouge
Parish of East Baton Rouge
Baton Rouge, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the City of Baton Rouge / Parish of East Baton Rouge (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs. 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 procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues, or we will report what is requested by the procedure, or we will report if the step was not applicable.

Procedures related to Cash Collections items 5 through 7 listed below were performed by the Entity's Internal Auditor. A separate report has been issued for the results of those procedures. We take no responsibility for the sufficiency of those procedures or the results reported.

Written Policies and Procedures

1. Obtain the Entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Entity does not have any written policies and procedures), as applicable:

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

- 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 or state purchasing rules and regulations; and (5) documentation required to be maintained for all bids and price quotes.

We performed the above procedures and noted the following exception:

- *The documentation provided to us did not contain policies or procedures regarding how vendors are added to the vendor list.*

- c) **Disbursements**, including processing, reviewing, and approving.

No exceptions noted.

- d) **Receipts**, including receiving, recording, and preparing deposits.

No exceptions noted.

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

No exceptions noted.

- 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

We performed the above procedures and noted the following exceptions:

- *The documentation provided to us did not contain policies or procedures regarding (2) standard terms and conditions or (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, and (5) monitoring card usage

No exceptions noted

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

No exceptions noted.

- 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.

No exceptions noted.

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

No exceptions noted.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

No exceptions noted.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and other major funds. If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The minutes did not include or reference budget-to-actual comparisons on the General Fund and other major funds.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

No exceptions noted.

Bank Reconciliations-

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

No exceptions noted.

4. Using the listing provided by management, select all of the Entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

One of the sixteen bank accounts selected for this procedure did not have bank reconciliations prepared on the account. The bank statement was provided on this account and each month reflected a zero bank balance on the account. No other exceptions noted other than the one bank account missing a monthly reconciliation.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation;

One of the sixteen bank accounts selected for this procedure did not have bank reconciliations prepared and had no evidence that a member of management or a board member has reviewed the bank reconciliation on this account.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Three of the sixteen bank accounts selected for this procedure had outstanding checks that were older than 6 months as of the end of the fiscal period with no documentation provided to us that management has researched these reconciling items.

Collections- Procedures 5 through 7 were performed by the Entity's Internal Auditor. See separate report.

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the Entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each cash collection location selected:
- a. Obtain existing documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is 1) bonded, 2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by a board member or an outside party) and 3) not required to share the same cash register or drawer.
- b. Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the Entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash location selected.
- c. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using Entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the Entity has a process specifically defined (identified as such by the Entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued) by a person who is not responsible for collections.

Disbursements – Other General

8. Obtain a listing of Entity disbursements from management or, alternately, obtain the general ledger and sort/filter for Entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

No exception noted.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

We performed the above procedures and noted the following exception:

It is noted that the Entity's purchasing policy requires a requisition to be prepared for purchases over \$5,000. In addition, certain other purchases, including utility services, rental, service agreements, books, and subscriptions do not require a requisition. Of the 25 transactions selected for testing, 22 did not have a requisition but met the requirements as established by the Entity's policy to not require a requisition. All 25 transactions were paid through the use of a payment voucher which requires proper authorization and support for payment.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

We performed the above procedures and noted the following exception:

As noted in step 9a) above, the Entity's purchasing policy requires a requisition to be prepared for purchases over \$5,000. In addition, certain other purchases, including utility services, rental, service agreements, books, and subscriptions do not require a requisition. Of the 25 transactions selected for testing, 22 did not have a requisition but met the requirements as established by the Entity's policy to not require a requisition. All 25 transactions were paid through the use of a payment voucher which requires proper authorization and support for payment.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order (P.O.), or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

We performed the above procedures and noted the following exception:

As noted in step 9a) above, the Entity's purchasing policy requires a requisition to be prepared for purchases over \$5,000. In addition, certain other purchases, including utility services, rental, service agreements, books, and subscriptions do not require a requisition. Of the 25 transactions selected for testing, 22 did not have a requisition but met the requirements as established by the Entity's policy to not require a requisition. All 25 transactions were paid through the use of a payment voucher which requires proper authorization and support for payment.

10. Using Entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the Entity's purchasing/disbursement system.

No exceptions noted.

11. Using Entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

No exceptions noted.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review Entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

No exceptions noted.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

No exceptions noted.

15. Using the listing prepared by management, randomly select ten cards (or at least one-third if the Entity has less than ten cards) that were used during the fiscal period. Obtain the monthly statements, or combined statements with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

We selected 6 P-card and 4 fuel cards, for a total of 10. The fuel cards do not have a monthly statement so instead the Entity provided an electronic report that included all transaction for the year for the fuel cards selected. We noted documentation on the 6 P-card statements that evidenced someone other than the card holder reviewed and approved the statement. The documentation we were provided for the fuel cards did not contain evidence that someone reviewed or approved the document.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

No exceptions noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the cards selected (i.e. each of the cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased).

We performed the above procedures and noted the following exception:

- *The 6 P-cards and 4 fuel cards included 109 transactions in total. For 34 of the 109 transactions selected, we were not able to observe a supporting receipt. These 34 transactions totaled \$5,045. 16 of the 34 transactions with no receipt were fuel card purchases where the Entity does not require receipts to be submitted for these purchases. These 16 fuel card transactions totaled \$614.*

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

We performed the above procedures and noted the following exceptions:

- *Only 2 of the 109 transactions selected contained an explicitly stated business or public purpose written on the supporting documents. These 2 transactions were for meal purchases that included the business purpose. 16 of the transactions were fuel card transactions and the Entity's policy does not require the submission of the receipt.*

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

No exceptions noted.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions noted.

- c) For each transaction, compare the Entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

We performed the above procedures and noted the following exceptions:

- *107 of the 109 transactions selected did not contain an explicitly stated business or public purpose written on the supporting documents with 16 of the 107 being for fuel cards that don't require a receipt per the Entity's policy. Without the documentation of a business/public purpose written on the documentation, we are unable to determine compliance in all cases with Article 7, Section 14 of the Louisiana Constitution. We did observe a payment voucher for the 6 P-card monthly statements containing these transactions signifying a level of approval by someone other than the card holder.*

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

No exceptions noted.

18. Obtain the Entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (GSA) and report any rates that exceed the GSA rates.

No exceptions noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Entity does not have written policies, compare to the PPM 49 rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions noted.

b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased.
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

No exceptions noted.

c) Compare the Entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

No exceptions noted.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner or the Louisiana Legislative Auditor). Obtain the related contracts and paid invoices and:

a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions noted.

b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code (bid law) and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the Entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

4 of the 5 contracts selected were subject to the bid law. No exceptions were noted.

- If no, obtain supporting contract documentation and report whether the Entity solicited quotes as a best practice.

One of the five contracts selected was not subject to the bid law. The Entity did not provide documentation that quotes were solicited as a best practice on this contract. This contract was for solid waste collection services, and while no quotes were obtained, the Entity did provide documentation demonstrating how price competitiveness of the existing contractor in comparison to similar Parishes was considered.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Three of the five contracts were amended for \$118,357, \$194,327, and \$517,340 respectively on the three contracts and these amendments were contemplated or provided for in the original contract terms.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

No exceptions noted.

Payroll and Personnel

- 22. Obtain a listing of employees with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No exceptions noted.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, select 25 employees and:

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

We performed the above procedure and noted the following exceptions:

- *Two 2 of the 25 employees for the pay periods selected were on protected leave and a timesheet was not available. One of the 25 employees for the pay periods selected was a fire fighter, fire-fighting personnel use a roster system instead of timesheets.*

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.

No exceptions noted.

- c) Report whether there is written documentation that the Entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions noted.

24. Obtain from management a list of those employees that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No exceptions noted.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

The Entity participates in three public pension plans which are the City of Baton Rouge / Parish of East Baton Rouge Employees' Retirement System (CPERS), the Municipal Police Employees' Retirement System of Louisiana (MPERS), and the Louisiana State Employees' Retirement System (LASERS).

The Entity did not provide us with a policy or a required deadline to submit payment or reports to CPERS. As such, we were unable to determine if the payments or reporting forms were submitted to CPERS by a required deadline.

Ethics

26. Using the five selected employees from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the Entity maintained documentation to demonstrate that required annual ethics training was completed.

No exceptions noted.

27. Inquire of management whether any alleged ethics violations were reported to the Entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the Entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

No exceptions noted. No allegations were identified by the Entity.

Debt Service

28. If debt was issued during the fiscal period, obtain supporting documentation from the Entity, and report whether State Bond Commission approval was obtained.

Step is not applicable since the Entity did not issue debt during the fiscal period.

29. If the Entity had outstanding debt during the fiscal period, obtain supporting documentation from the Entity and report whether the Entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

We performed the above procedure and noted that the Entity made all scheduled debt service payments and maintained debt reserves as required by debt covenants.

30. If the Entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Step is not applicable since the Entity had no tax millages relating to debt service.

Other

31. Inquire of management whether the Entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the Entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the Entity is domiciled.

No exceptions noted.

32. Observe and report whether the Entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

Corrective Action

34. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

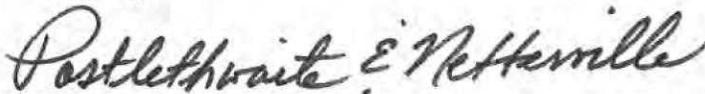
See management's response and corrective action plan attached.

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*. 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 a conclusion, respectively, on those C/C 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.

Additionally, a separate report has been prepared by the Entity's Internal Auditor, dated June 26, 2018, to reflect the results of that auditor's performance of certain of the Statewide Agreed Upon Procedures. We were not engaged to perform, and have not performed, any of the State-wide Agreed Upon Procedures performed by the Internal Auditor, and we take no responsibility for the sufficiency of those procedures or results reported.

The purpose of this report is solely to describe the scope of testing performed on those C/C 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.

Sincerely,



June 26, 2018



Department of Finance
Internal Auditing Division

City of Baton Rouge
Parish of East Baton Rouge

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June 26, 2018

To the Honorable Mayor-President
and the Members of the Metropolitan Council
City of Baton Rouge, Parish of East Baton Rouge
and the Louisiana Legislative Auditor

**REFERENCE: Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures—
Collections (Numbers 5, 6 & 7) - 2017**

We have performed the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUP) for Collections (numbers 5, 6, & 7) for the period of January 1, 2017 through December 31, 2017. The procedures and the results of the review are presented below:

Collections - Test

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the list provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collections locations on a three-year rotating basis (if more than five locations).

Results

Using a list of 35 collection sites, compiled from Finance-Accounting's list of deposit locations and a review of bank deposits, a sample of twelve collection sites, or one-third of the total, were selected for testing.

The sample sites are as follows: Airport-Administration; Office of Business Operations & Capital Programs; Coroner's Office; Council Administrator-Treasurer; Development-Subdivisions; DHDS; EMS; Finance-Accounting; Finance-Service Fee; Jewel J. Newman Community Center; North Landfill; and Parish Attorney-Gaming Enforcement.

Collections - Test

For each cash collection location selected:

- 6a. Obtain existing written documentation (e. g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Results

6a(1). *No exceptions.*

6a(2). *Eleven of the twelve locations had segregation of duties issues in their processes for collection, deposit, and/or recording of revenues.*

- *For nine of the locations, either the primary employee or an employee who serves as a backup, performs incompatible duties such as collecting payments, preparing deposits, making deposits, and/or updating records.*
- *For the other two locations, the cashiers' supervisor reviews and reconciles her own cashiering system report and cash drawer after serving as a cashier.*

6a(3). *No exceptions.*

Collections - Test

- 6b. Obtain existing written documentation (e. g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash locations selected.

Results

Nine locations had no reconciliation or review. In one of the locations, the agency had a process to review deposits however the documentation lacked evidence of review. For the other eight locations, the lack of reconciliations included the following:

- *No comparison of receipt books or the check log to the stamped bank deposit slip;*
- *No reconciliation of revenues to the general ledger and/or subsidiary ledgers; and*
- *No visible indication of review on deposit documentation.*

Collections - Test

- 6c. Select the highest dollar week of cash collections from the general ledger or other accounting records during the fiscal period and:
- i. Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report

- whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
- ii. Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results

6.c *Using the banks' department identification numbers and bank statements, we created a spreadsheet of the 2017 deposits. We selected the highest (dollar) week of collections for the selected sample locations.*

6.c(i) *Seven locations had lag times in the sample that exceeded one business day. In some instances, we could not determine the exact lag time because the department did not use a check log or date received stamp. A lag time for one check received is estimated at 177 business days.*

6.c(ii) *Seven locations had no sequentially numbered receipts or reports to support the completeness of all collections. Five locations did not prepare a check log or the log was incomplete. One \$35 receipt was deposited to an incorrect revenue account (charge code). Two locations had multiple errors on receipts.*

Nine locations made a range of other errors including the following: errors in recording dates; not immediately endorsing checks or money orders; delays in inputting deposits into the Munis system or inputting deposits before they were taken to the bank; errors on logs, tickets, and applications; improper categorization of monies on cash receipt deposit slips; accepting cash payments when prohibited by the department's policy; and failure to limit access to the safe.

One location waived a \$30 summer camp application fee for one family but over charged the family by \$50 for a summer camp attendance fee resulting in a net overcharge of \$20. There is no provision in their policy to waive application fees as part of a multiple attendance discount. In this case, there was no loss of public funds, however, the practice of waiving fees could result in a violation of Article 7, Section 14, of the Louisiana Constitution.

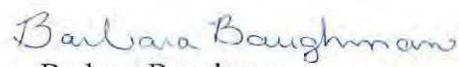
Collections - Test

7. Obtain existing written documentation (e. g. policy manual, written procedure) and report whether the entity has a process specifically defined to determine the completeness of all collections, including electronic transfers, for each revenue source and agency fund addition, (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) by a person who is not responsible for collections.

Results

Nine locations had no written procedures, the procedures only included portions of their collection process, or the procedures were outdated. The City-Parish changed financial systems in October 2017 and no locations had updated their procedures for the new system.

The Internal Auditing Division has informed the applicable departments of the noted issues. If you want more information, you may contact me at 389-5159 x232 or at bbaughman@brla.gov.


Barbara Baughman
Auditing Manager

E:\P&N\Collections\Report to P&N and Departmental Memos\Report - Final LLA SAUP - Collections.docx

cc: Marsha Hanlon, Finance Director
Linda Hunt, Assistant Finance Director
Sharon Campbell, Accounting Manager
Darryl Gissel, Chief Administrative Officer



Department of Finance

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Parish of East Baton Rouge

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June 27, 2018

Honorable Mayor-President and
Members of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge
and the Louisiana Legislative Auditor

RE: Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures – 2017

In response to the exceptions noted in the Independent Accountants' Report on Applying Agreed-Upon Procedures, I offer the following response:

The City-Parish will address each exception with the applicable department and will work with them to implement corrective action. The following comments are offered for the noted exceptions:

Written Policies and Procedures

The City-Parish Audit Committee will inform the applicable department of the need to revise their written policies and/or procedures to address these exceptions.

Board

The Finance Department will work with the Council Administrator and Council Budget Officer to meet the requirements in the Plan of Government, Section 8.16.

Bank Reconciliation

Finance-Accounting will reconcile the noted bank account monthly. The Accounting Manager or an Assistant Accounting Manager will review the reconciliation. Finance-Accounting will document research of reconciling items which have been outstanding for more than six months.

Collections

The Internal Auditing Division notified the applicable departments and the departments will be responsible for corrective action.

Disbursements

As noted, City-Parish policy does not require all payments to be processed with a requisition. All were processed according to policy and were properly approved, as stated.

Response to Louisiana Legislative Auditor's
Statewide Agreed Upon Procedures, 2017
June 27, 2018
Page 2

Credit Cards/Debit Cards/Fuel Cards/P-Cards

The City-Parish Audit Committee will reissue the Fuel Card Departmental Policies to ensure that all departments are aware of their responsibility to monitor fuel usage reports.

The Purchasing Department will notify the departments with the 18 undocumented procurement card purchases of their responsibility to submit receipts with every purchase. The Finance Department will monitor for undocumented procurement card purchases.

At this time, the City-Parish will not immediately implement a policy requiring receipts for fuel card purchases due to the inability of the current equipment to print receipts.

The City-Parish Expenditure Policy does not require documentation of the business or public purpose on individual receipts unless the purchase was charged to a Special Expense object. The Cardholder Purchasing Log has a description column for each purchase which serves as documentation of the purpose. Additionally, each cardholder signs a User Agreement which states, "I will follow Louisiana Law, City Parish purchasing policies and policies of my employing agency and the established guidelines for using the Purchasing Card."

Contracts

The City-Parish ensured pricing was reasonable and satisfied the requirement of State law by comparing prices with those obtained by a similar Louisiana entity.

Payroll and Personnel

As stated, the Fire Department uses a roster system and therefore, a "time sheet" would not be available. Additionally, employees on extended leave would not be available to prepare a time sheet.

The Finance Department will work with the City-Parish Employees' Retirement System (CPERS) to develop a policy on payment and report deadlines.

If you have questions or want additional information, please contact me at 389-3061 or at mhanlon@brla.gov.



Marsha J. Hanlon
Finance Director