

**West Baton Rouge Parish Council
Port Allen, Louisiana
December 31, 2017**

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Independent Auditor's Report

West Baton Rouge Parish Council
Port Allen, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, fiduciary fund, and the aggregate remaining fund information of West Baton Rouge Parish Council ("the Parish Council") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Parish Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

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

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Parish Council as of December 31, 2017, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, fiduciary fund, and the aggregate remaining fund information of West Baton Rouge Parish Council as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

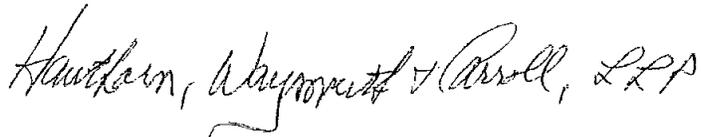
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Baton Rouge Parish Council's basic financial statements. The combining and individual nonmajor fund financial statements, accompanying budgetary schedules, capital assets used in the operations of governmental funds, and schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (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 nonmajor fund financial statements, accompanying budgetary schedules, capital assets used in the operations of governmental funds, schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, accompanying budgetary schedules, capital assets used in the operations of governmental funds, schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2018, on our consideration of West Baton Rouge Parish Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of West Baton Rouge Parish Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Baton Rouge Parish Council's internal control over financial reporting and compliance.



June 22, 2018

**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2017**

INTRODUCTION

Management's Discussion and Analysis provides a narrative discussion of the West Baton Rouge Parish Council's (referred to herein as "the Parish Council" or the "the Parish") financial activity as a whole for the year ended December 31, 2017 with comparisons to prior years, where appropriate. The information complements the data presented in the basic financial statements. We encourage readers to consider the information presented here in conjunction with information in the financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- West Baton Rouge Parish Council's assets exceeded its liabilities at December 31, 2017 by \$98,053,550 (net position). Of this amount, \$28,040,845 (unrestricted net position) may be used to meet the Parish Council's ongoing obligations to its citizens and creditors.
- The Parish's capital assets include \$72,841,004 for infrastructure, roads, construction in progress, land, equipment & buildings (net of depreciation).
- The Parish's total net position increased \$5,568,074 from the previous year.
- At December 31, 2017, West Baton Rouge Parish Council's governmental statements reported combined ending fund balances of \$35,294,848, an increase in total fund balance of \$445,299 from the previous year.
- The General Fund, the Parish's primary operating fund, reported an unassigned fund balance of \$15,237,824, which is a decrease of \$1,247,595 from the unassigned fund balance of the previous year.

OVERVIEW

This discussion and analysis is intended to serve as an introduction to the Parish Council's financial statements. The Parish Council's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. Changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accrued interest expenses, uncollected taxes).

**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2017**

OVERVIEW (Continued)

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Parish Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Parish, assets exceeded liabilities by \$98,053,550 at the close of the calendar year.

**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table reflects the condensed statement of net position for 2017, with comparative figures from 2016:

	Governmental Activities			
	2017		2016	
Assets:				
Current assets	\$ 46,151,959	39%	\$ 45,196,006	40%
Capital assets	72,841,004	61%	66,882,485	60%
Total assets	<u>118,992,963</u>	<u>100%</u>	<u>112,078,491</u>	<u>100%</u>
Deferred Outflows of Resources				
Resources related to pensions	2,827,924	100%	3,967,332	100%
Liabilities:				
Current liabilities	1,447,715	10%	1,188,973	9%
Noncurrent liabilities	10,176,058	73%	9,766,474	70%
Net pension liability	2,301,099	17%	2,949,736	21%
Total liabilities	<u>13,924,872</u>	<u>100%</u>	<u>13,905,183</u>	<u>100%</u>
Deferred Inflows of Resources:				
Resources related to pensions	433,069	4%	497,680	5%
Grant advances	361,789	4%	383,066	4%
Unavailable revenue-property taxes	9,047,607	92%	8,774,418	91%
Total deferred inflows of resources	<u>9,842,465</u>	<u>100%</u>	<u>9,655,164</u>	<u>100%</u>
Net Position:				
Net investment in capital assets	69,527,004	71%	63,309,486	68%
Restricted for:				
Debt service	370,007	-	451,566	1%
Poydras endowment	115,694	-	114,219	-
Unrestricted	28,040,845	29%	28,610,205	31%
Total net position	<u>\$ 98,053,550</u>	<u>100%</u>	<u>\$ 92,485,476</u>	<u>100%</u>

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

An additional portion of the Parish's net position (less than 1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$28,040,845, may be used to meet the government's ongoing obligations to citizens and creditors.

**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

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

The following table reflects the condensed statement of activities for 2017, with comparative figures from 2016:

**West Baton Rouge Parish Council
Condensed Statement of Activities
December 31, 2017 and 2016**

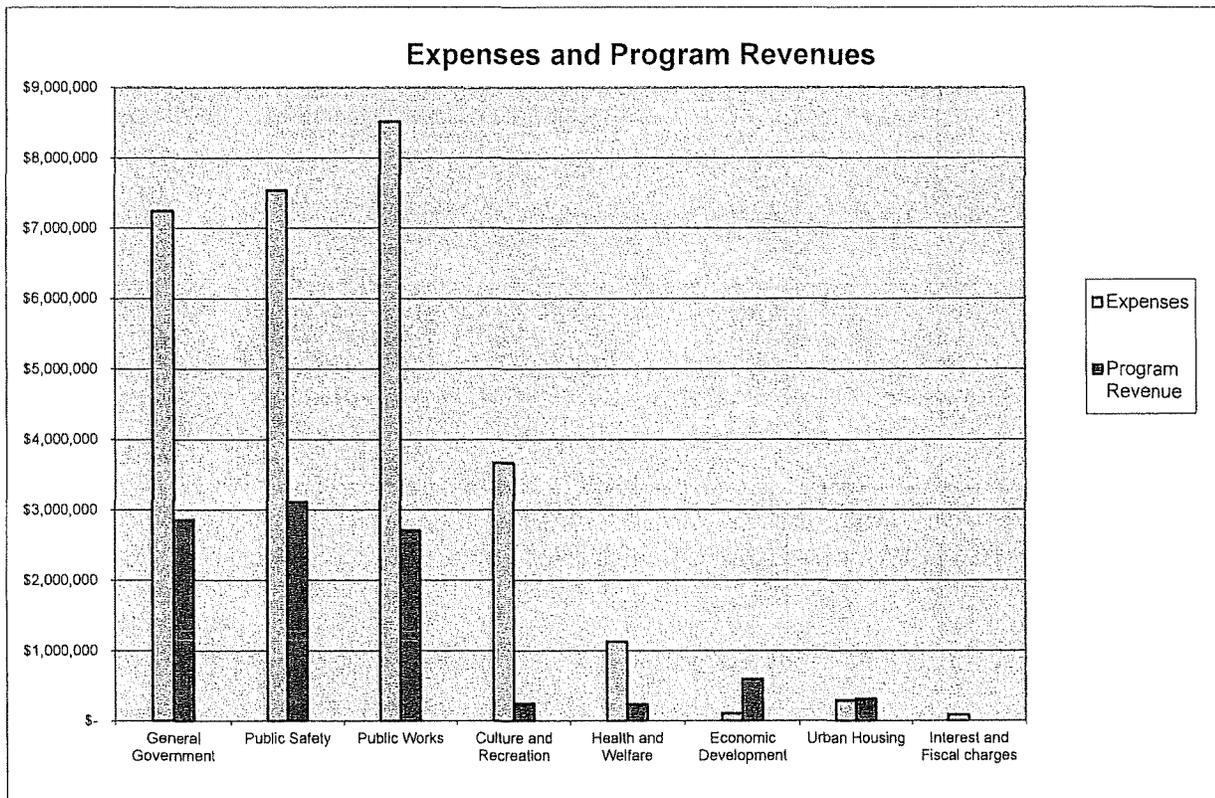
Revenue:	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Program Revenue:		
Charges for service	\$ 3,021,776	\$ 2,483,916
Operating grants and contributions	<u>7,066,864</u>	<u>6,266,680</u>
Total program revenue	<u>10,088,640</u>	<u>8,750,596</u>
General Revenue:		
Ad valorem taxes	8,835,822	9,093,016
Sales and use taxes	12,378,300	12,797,298
Video poker taxes	1,091,679	1,130,680
Other taxes	26,887	40,927
Licenses and permits	940,008	919,807
Interest	453,407	247,169
Rent	16,600	16,600
Miscellaneous	<u>327,357</u>	<u>276,162</u>
Total general revenue	<u>24,070,060</u>	<u>24,521,659</u>
Total revenue:	<u>34,158,700</u>	<u>33,272,255</u>
General Expenses:		
General government	7,242,275	6,960,772
Public safety	7,540,290	7,705,885
Public works	8,520,469	8,348,244
Culture and recreation	3,667,527	3,450,963
Health and welfare	1,131,159	1,063,132
Economic development	107,173	107,427
Urban housing	291,822	346,395
Interest and fiscal charges on long term debt	<u>89,911</u>	<u>95,811</u>
Total general expenses:	<u>28,590,626</u>	<u>28,078,629</u>
Change in Net Position	5,568,074	5,193,626
Net Position, Beginning of Year	<u>92,485,476</u>	<u>87,291,850</u>
Net Position, End of Year	<u>\$98,053,550</u>	<u>\$92,485,476</u>

**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2017**

Governmental Activities

Governmental activities account for 100% of the Parish's net position. One of the major components of the total revenue collected by governmental activities is taxes. In 2017, taxes accounted for 93% of total general revenue. Of the total taxes, sales taxes accounted for 55%. The sales taxes are centrally collected and disbursed based on population. The Parish also has a ½% correctional sales tax which is included in the total taxes above. Ad valorem is the second largest tax revenue and accounted for 40% of total taxes. In 2017, property taxes were assessed at 23.47 mills for all governmental activities. The remainder of the general revenue is derived from licenses, interest, rent and miscellaneous revenue.

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



Financial Analysis of the Parish's Funds

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

**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2017**

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

The combined ending fund balance for all governmental funds at December 31, 2017 was \$35,294,848. Of this amount, \$15,237,824 was included in unassigned fund balance with \$8,796,879 in restricted fund balance, \$4,232,388 in non-spendable fund balance, \$6,445,444 in committed fund balance, and \$582,313 in assigned fund balance. The combined ending fund balance at the end of 2017 was a net increase of \$445,299.

General Fund Budgetary Highlights

Differences between the final budgeted revenues and the actual revenues were \$10,431 (increase in revenues) and can be briefly summarized as follows:

- Total taxes were \$96 under budget
- Total licenses and permits were \$1,146 under budget
- Total inter-governmental revenue was \$3,408 under budget
- Total charges for services were \$8,459 over budget
- All other revenues were \$6,622 over budget

Differences between the final budgeted expenses and the actual expenses were \$1,364,840 (decrease in expenses).

Capital Assets and Debt Administration

Capital assets: The Parish's investment in capital assets for its governmental activities as of December 31, 2017 amounts to \$72,841,004 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, infrastructure, and roads.

Major capital asset events during calendar year 2017:

- Road overlays and road reconstruction (\$2,347,522)
- Purchase of equipment for various departments (\$1,658,462)
- Completed pavilion and bathroom upgrades at Alexander Park (\$48,027)
- Extended the walk trail at Erwinville Park (\$45,781)
- Backstop replacements and dugout improvements at Myhand Park (\$44,505)
- Started the second phase of the levee top trail from Brusly - Addis (\$838,050) funded with a grant from DOTD with 20% local match
- Upgraded all Parish Community Centers (\$281,428)
- Installed Generator and switch gear at the Multi-Purpose Arena (\$19,529)
- Completed the Rosedale Rd. sidewalk and drainage upgrades project (\$565,289)
- Replaced the Cypress Street bridge (\$524,653)
- Installed culverts throughout the parish (\$328,751)

**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2017**

Capital Assets and Debt Administration (Continued)

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

	<u>2017</u>	<u>2016</u>
Land	\$ 1,760,826	\$ 1,760,826
Construction in Progress	2,551,469	2,373,581
Construction in Progress - Sewer project	4,126,750	1,287,786
Buildings	25,341,847	25,520,009
Equipment	3,815,127	3,144,158
Infrastructure	<u>35,244,985</u>	<u>32,796,125</u>
Total	<u>\$72,841,004</u>	<u>\$66,882,485</u>

Long-Term Debt: At the end of 2017, the Parish had total debt outstanding of \$3,314,000 compared to \$3,573,000 in the prior year. Of the total debt, there are five separate issuances. Three are secured by excess revenue and one is secured by fund balance and one is secured by sales tax revenue.

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

Economic Factors and Next Year's Budget and Rates

- Return on investments for 2017 and the upcoming year have stabilized, and this is expected to continue.
- Parochial retirement will decrease for 2018 and will be at 11.5%.
- The current Consumer Price Index has stabilized and shows a slight 2.5% increase over last year at this time.
- Sales taxes are currently exceeding budgeted projections.
- Ad valorem taxes have started a slight upward trend due to new construction.
- The Parish will continue to try to find ways to reduce operating expenditures without a reduction in service.

Request for Information

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

Basic Financial Statements

West Baton Rouge Parish Council
Statement of Net Position
December 31, 2017

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
Assets	
Cash and cash equivalents	\$ 10,306,749
Investments	25,188,205
Investments - restricted	108,000
Taxes receivable	7,685,142
Restricted cash	243,860
Due from other governments	2,619,221
Other assets	782
Capital assets	
Non-depreciable	8,439,045
Depreciable, net	<u>64,401,959</u>
 Total assets	 <u>118,992,963</u>
 Deferred Outflows of Resources	
Resources related to pensions	<u>2,827,924</u>
 Liabilities	
Accounts payable	1,098,642
Accrued liabilities	349,073
Non-current liabilities	
Due in one year	561,000
Due in more than one year	9,615,058
Net pension liability	<u>2,301,099</u>
 Total liabilities	 <u>13,924,872</u>
 Deferred Inflows of Resources	
Resources related to pensions	433,069
Grant advances	361,789
Unavailable revenue - property taxes	<u>9,047,607</u>
 Total deferred inflows of resources	 <u>9,842,465</u>
 Net Position	
Net investment in capital assets	69,527,004
Restricted for:	
Debt service	370,007
Poydras endowment	115,694
Unrestricted	<u>28,040,845</u>
 Total net position	 <u>\$ 98,053,550</u>

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

West Baton Rouge Parish Council
Statement of Activities
Year Ended December 31, 2017

Function/Program	Program Revenue			Total Governmental Activities
	Expenses	Charges for Service	Operating Grants and Contributions	
Primary Government				
Governmental activities				
General government	\$ 7,242,275	\$ 2,798,437	\$ 66,986	\$ (4,376,852)
Public safety	7,540,290	-	3,115,313	(4,424,977)
Public works	8,520,469	-	2,708,669	(5,811,800)
Culture and recreation	3,667,527	223,339	26,928	(3,417,260)
Health and welfare	1,131,159	-	238,297	(892,862)
Economic development	107,173	-	594,919	487,746
Urban housing	291,822	-	315,752	23,930
Interest and fiscal charges on long-term debt	89,911	-	-	(89,911)
Total primary government	\$ 28,590,626	\$ 3,021,776	\$ 7,066,864	\$ (18,501,986)
General Revenue				
Taxes				
Ad valorem				\$ 8,835,822
Sales and use				12,378,300
Video poker				1,091,679
Other				26,887
Licenses and permits				940,008
Interest				453,407
Rent				16,600
Miscellaneous				327,357
Total general revenue				24,070,060
Change in net position				5,568,074
Net Position				
Beginning of year				92,485,476
End of year				\$ 98,053,550

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

West Baton Rouge Parish Council
Balance Sheet
Governmental Funds
December 31, 2017

	<u>General Fund</u>	<u>Drainage</u>	<u>Community Centers</u>	<u>Central Communi- cations</u>
Assets				
Cash and cash equivalents	\$ 4,261,363	\$ 1,147,801	\$ 268,017	\$ 634,406
Investments	10,790,074	1,250,000	1,550,000	1,300,000
Investments - restricted	108,000	-	-	-
Taxes receivable	1,152,608	2,357,607	982,336	982,336
Restricted cash and cash equivalents	7,694	-	-	-
Due from other governments	1,017,156	4,103	2,087	30,422
Other assets	782	-	-	-
Total assets	<u>\$ 17,337,677</u>	<u>\$ 4,759,511</u>	<u>\$ 2,802,440</u>	<u>\$ 2,947,164</u>
Liabilities				
Accounts payable	\$ 436,344	\$ 54,413	\$ 21,670	\$ 18,293
Accrued liabilities	190,867	36,074	18,210	-
Total liabilities	<u>627,211</u>	<u>90,487</u>	<u>39,880</u>	<u>18,293</u>
Deferred Inflows of Resources				
Grant advances	-	-	-	-
Unavailable revenue - property taxes	1,356,948	2,775,577	1,156,490	1,156,490
Total deferred inflows of resources	<u>1,356,948</u>	<u>2,775,577</u>	<u>1,156,490</u>	<u>1,156,490</u>
Fund Balances				
Nonspendable fund balance	115,694	-	-	-
Restricted fund balance	-	1,893,447	1,606,070	1,772,381
Committed fund balance	-	-	-	-
Assigned fund balance	-	-	-	-
Unassigned fund balance	15,237,824	-	-	-
Total fund balances	<u>15,353,518</u>	<u>1,893,447</u>	<u>1,606,070</u>	<u>1,772,381</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,337,677</u>	<u>\$ 4,759,511</u>	<u>\$ 2,802,440</u>	<u>\$ 2,947,164</u>

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

<u>Capital Projects Fund</u>	<u>Correctional Facility</u>	<u>Recreation</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ (311,857)	\$ 2,074,292	\$ 404,042	\$ 1,828,685	\$ 10,306,749
4,048,131	1,300,000	450,000	4,500,000	25,188,205
-	-	-	-	108,000
-	-	1,637,226	573,029	7,685,142
-	-	-	236,166	243,860
515,507	583,110	576	466,260	2,619,221
-	-	-	-	782
<u>\$ 4,251,781</u>	<u>\$ 3,957,402</u>	<u>\$ 2,491,844</u>	<u>\$ 7,604,140</u>	<u>\$ 46,151,959</u>
\$ 99,233	\$ 78,025	\$ 34,759	\$ 355,905	\$ 1,098,642
-	2,675	30,761	70,486	349,073
99,233	80,700	65,520	426,391	1,447,715
-	-	-	361,789	361,789
-	-	1,927,483	674,619	9,047,607
-	-	1,927,483	1,036,408	9,409,396
4,116,694	-	-	-	4,232,388
-	-	498,841	3,026,140	8,796,879
-	3,876,702	-	2,568,742	6,445,444
35,854	-	-	546,459	582,313
-	-	-	-	15,237,824
<u>4,152,548</u>	<u>3,876,702</u>	<u>498,841</u>	<u>6,141,341</u>	<u>35,294,848</u>
<u>\$ 4,251,781</u>	<u>\$ 3,957,402</u>	<u>\$ 2,491,844</u>	<u>\$ 7,604,140</u>	<u>\$ 46,151,959</u>

West Baton Rouge Parish Council
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 December 31, 2017

Fund balances - total governmental funds \$ 35,294,848

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

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

Governmental capital assets	\$ 114,055,332	
Less accumulated depreciation	<u>(41,214,328)</u>	72,841,004

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

Bonds payable	(1,680,000)	
Obligations payable	(1,634,000)	
Compensated absences payable	(417,916)	
Net other post-employment benefit obligation	<u>(6,444,142)</u>	(10,176,058)

Pension liability, deferred inflows and deferred outflows of resources

Net pension liability	(2,301,099)	
Net deferred amounts related to pension liability	<u>2,394,855</u>	<u>93,756</u>

Net position of governmental activities \$ 98,053,550

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

West Baton Rouge Parish Council
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2017

	<u>General Fund</u>	<u>Drainage</u>	<u>Community Centers</u>	<u>Central Communica- tions</u>
Revenue				
Taxes	\$ 9,676,456	\$ 2,733,859	\$ 1,139,108	\$ 1,134,737
Licenses and permits	940,008	-	-	-
Intergovernmental	66,986	30,511	26,928	-
Charges for services	2,090,051	118,316	113,595	-
Fines and forfeits	-	-	-	-
Interest	179,628	19,519	25,634	21,281
Rent	16,600	-	-	-
Miscellaneous	161,050	72,151	748	31,986
Total revenue	<u>13,130,779</u>	<u>2,974,356</u>	<u>1,306,013</u>	<u>1,188,004</u>
Expenditures				
Current				
General government				
Council	322,012	-	-	-
Finance and administration	1,839,833	-	-	-
Judicial	1,003,179	-	-	-
Elections	171,469	-	-	-
Government buildings	1,442,583	-	-	-
Planning and zoning	426,137	-	-	-
Public safety	293,598	-	-	890,081
Public works	1,899,942	1,908,293	-	-
Culture and recreation	-	-	941,582	-
Health and welfare	380,945	-	-	-
Economic development	107,173	-	-	-
Urban housing	-	-	-	-
Capital outlay	500,328	922,525	293,674	35,003
Debt service	-	-	-	-
Total expenditures	<u>8,387,199</u>	<u>2,830,818</u>	<u>1,235,256</u>	<u>925,084</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>4,743,580</u>	<u>143,538</u>	<u>70,757</u>	<u>262,920</u>
Other Financial Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(5,989,700)	(418,726)	-	-
Total other financing sources (uses)	<u>(5,989,700)</u>	<u>(418,726)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	(1,246,120)	(275,188)	70,757	262,920
Fund Balances				
Beginning of year	<u>16,599,638</u>	<u>2,168,635</u>	<u>1,535,313</u>	<u>1,509,461</u>
End of year	<u>\$ 15,353,518</u>	<u>\$ 1,893,447</u>	<u>\$ 1,606,070</u>	<u>\$ 1,772,381</u>

Capital Projects Fund	Correctional Facility	Recreation	Other Governmental Funds	Total
\$ 816,870	\$ 4,054,585	\$ 1,909,440	\$ 867,633	\$ 22,332,688
-	-	-	-	940,008
670,037	2,716,754	-	3,555,648	7,066,864
-	-	109,774	102,027	2,533,763
-	-	-	488,013	488,013
107,049	19,712	8,304	72,280	453,407
-	-	-	-	16,600
-	1,070	4,926	55,426	327,357
<u>1,593,956</u>	<u>6,792,121</u>	<u>2,032,444</u>	<u>5,141,027</u>	<u>34,158,700</u>
-	-	-	-	322,012
-	-	-	-	1,839,833
-	-	-	167,847	1,171,026
-	-	-	-	171,469
-	-	-	-	1,442,583
-	-	-	-	426,137
-	5,380,505	-	509,000	7,073,184
-	-	-	2,124,481	5,932,716
-	-	1,887,909	676,838	3,506,329
-	-	-	721,273	1,102,218
-	-	-	-	107,173
-	-	-	291,822	291,822
4,128,187	184,488	93,901	3,819,882	9,977,988
-	-	-	348,911	348,911
<u>4,128,187</u>	<u>5,564,993</u>	<u>1,981,810</u>	<u>8,660,054</u>	<u>33,713,401</u>
<u>(2,534,231)</u>	<u>1,227,128</u>	<u>50,634</u>	<u>(3,519,027)</u>	<u>445,299</u>
3,424,343	-	-	3,904,110	7,328,453
(890,692)	-	-	(29,335)	(7,328,453)
<u>2,533,651</u>	<u>-</u>	<u>-</u>	<u>3,874,775</u>	<u>-</u>
(580)	1,227,128	50,634	355,748	445,299
<u>4,153,128</u>	<u>2,649,574</u>	<u>448,207</u>	<u>5,785,593</u>	<u>34,849,549</u>
<u>\$ 4,152,548</u>	<u>\$ 3,876,702</u>	<u>\$ 498,841</u>	<u>\$ 6,141,341</u>	<u>\$ 35,294,848</u>

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

West Baton Rouge Parish Council
Reconciliation of the Statement of Revenue, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2017

Net change in fund balances - total governmental funds \$ 445,299

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	\$ 9,977,988	
Depreciation expense	<u>(3,410,421)</u>	6,567,567

The net effect of various transactions involving capital assets, such as sales and donations (609,049)

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:

Compensated absences	(28,069)
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Change in net pension liability and deferred inflows/outflows of resources (426,159)

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

Other post-employment benefit	(640,515)	
Principal payments	<u>259,000</u>	<u>(381,515)</u>

Change in net position of governmental activities \$ 5,568,074

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

**West Baton Rouge Parish Council
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2017**

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 3,580,865</u>
Total assets	<u><u>\$ 3,580,865</u></u>
Liabilities	
Unsettled deposits due to others	<u>\$ 3,580,865</u>
Total liabilities	<u><u>\$ 3,580,865</u></u>

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

West Baton Rouge Parish Council
Schedule of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2017

	<u>Agency Fund</u>
Unsettled Balances - Beginning of Year	<u>\$ 3,448,175</u>
 Additions:	
Deposits	
Sales taxes	40,060,463
Occupational licenses	759,137
Hotel/Motel	621,731
Interest	4,683
Collection fees	<u>23,637</u>
Total additions	<u>41,469,651</u>
 Deductions:	
Deposits Settled to-	
School Board	8,056,480
West Baton Rouge Parish	
WBR Parish Council	9,036,666
City of Port Allen	3,336,321
Town of Addis	2,761,401
Town of Brusly	1,737,736
WBR Parish Fire District No. 1	3,247,970
Correctional Facilities	4,028,240
Education Facilities District	7,906,686
Riverview EDD	1,606
Tourist Commission	622,148
Operating expenses	<u>601,707</u>
Total deductions	<u>41,336,961</u>
 Unsettled Balances - End of Year	 <u><u>\$ 3,580,865</u></u>

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Introduction

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

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

West Baton Rouge Parish covers 215 square miles and has a population of approximately 26,000. The West Baton Rouge Parish Council maintains 135 miles of roads and has approximately 190 employees.

Note 1-Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 1-Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

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

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

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

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

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

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

B. Basis of Presentation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 1-Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. This includes internally dedicated resources such as restricted property taxes.

FUND FINANCIAL STATEMENTS:

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

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

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

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

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

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 1-Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS: (Continued)

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. There are no major debt service funds. Debt Service Funds are included in the column, "Other Governmental Funds."

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities and is reported as a major fund.

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are budgeted. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 1-Summary of Significant Accounting Policies (Continued)

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

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

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

D. Budget Policies and Budgetary Accounting

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 1-Summary of Significant Accounting Policies (Continued)

E. Cash and Cash Equivalents and Investments

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

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

F. Restricted Cash and Cash Equivalents

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

G. Capital Assets

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

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

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

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

H. Revenue Susceptible to Accrual

Under the modified accrual basis of accounting, major revenues susceptible to accrual are sales taxes, property taxes, gross receipts business taxes, and certain state shared revenue such as tobacco tax, beer tax, and parish transportation funds. Since property tax levied in 2017 is recorded in the 2018 year, no allowance for doubtful accounts is recorded. Any adjustments will be made in the year collected.

**West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017**

Note 1-Summary of Significant Accounting Policies (Continued)

I. Long-Term Debt

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

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

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

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

J. Compensated Absences

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

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

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

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

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 1-Summary of Significant Accounting Policies (Continued)

J. Compensated Absences (Continued)

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

K. Short-Term Interfund Receivables/Payables

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

L. Net Position

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

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

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

M. Fund Balance

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 1-Summary of Significant Accounting Policies (Continued)

M. Fund Balance (Continued)

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

N. 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 until that time.

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

O. Use of Estimates

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

Note 2-Cash and Cash Equivalents and Investments

A. Deposits with Financial Institutions

Deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At year end, the carrying amount of the Parish Councils' deposits (including demand deposits and certificates of deposit) was \$34,265,293 and the bank balance was \$38,547,344.

For deposits, custodial credit risk is the risk that, in the event of the failure of the counter-party, the Parish Council will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. As of December 31, 2017, the Parish Council's bank balances were fully insured and collateralized with securities held in the name of the Parish Council by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

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

B. Investments

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

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

At December 31, 2017 the Parish Council held investments as follows:

Investment in Money Market	\$ 21,929
U.S. Government Agency Notes	1,966,276
Certificates of Deposit	<u>23,308,000</u>
	25,296,205
Less: restricted investments in certificates of deposit	<u>(108,000)</u>
 Total investments	 <u>\$25,188,205</u>

Interest rate risk is the risk applicable to debt instruments with fair values that are sensitive to changes in interest rate. One indicator of the measure of interest rate risk is the dispersion of maturity dates of debt instruments. The following table shows the Parish Council's domestic fixed-income investments and maturities in actively managed accounts at December 31, 2017.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

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

B. Investments (Continued)

At December 31, 2017, the Parish Council had the following investments and maturities:

<u>Type</u>	<u>Maturities in Years</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
U.S. Government Agency Notes	\$ 1,966,276	\$ —	\$ 1,966,276	\$ —	\$ —
	<u>\$ 1,966,276</u>	<u>\$ —</u>	<u>\$ 1,966,276</u>	<u>\$ —</u>	<u>\$ —</u>

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

The following table is provided for use in determining the Parish Council's level of exposure to credit risk as of December 31, 2017:

<u>S&P Rating</u>	<u>Fair Value at 12/31/17</u>
AA+	\$ 1,966,276
	<u>\$ 1,966,276</u>

C. Fair Value Measurements

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

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

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

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

C. Fair Value Measurements (Continued)

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

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

The following table sets forth by level, the investments reported at fair value as of December 31, 2017:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Money Market Funds	\$ 21,929	\$ -	\$ 21,929	\$ -
Debt Securities				
U.S. government agency notes	<u>1,966,276</u>	<u>-</u>	<u>1,966,276</u>	<u>-</u>
Total investments by fair value level	<u>\$1,988,205</u>	<u>\$ -</u>	<u>\$1,988,205</u>	<u>\$ -</u>

Note 3-Property Taxes

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 3-Property Taxes (Continued)

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

The 2017 property tax calendar was as follows:

Millage rates adopted	June 22, 2017
Board of Review	September 28, 2017
Tax bills mailed	October 17, 2017
Due date and collections	December 31, 2017
Certified delinquent notice	March 8, 2018

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

Therefore, 2016 property tax that was levied to finance the budget for 2017 is recorded as revenue for the 2017 fiscal year. The property taxes that are measurable, but not available, are recorded net of estimated uncollectible amounts. The 2017 tax levy, which was levied to finance the budget for 2018, is recorded net of adjustments, as deferred inflows of resources in the fund statements and government-wide statements.

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

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 4-Sales Taxes

West Baton Rouge Revenue Department collects taxes on behalf of other taxing authorities. Total collections for each jurisdiction may be different due to varying tax bases. Collections for 2017 were as follows:

		<u>Annual Totals - 2017 Tax Periods</u>		
		<u>Total</u>	<u>Collection</u>	<u>Final</u>
		<u>Collections</u>	<u>Cost</u>	<u>Distribution</u>
1.0%	School Board	\$ 8,173,281	\$ 116,801	\$ 8,056,480
1.0%	West Baton Rouge Parish			
	WBR Parish Council	52.24% 4,269,428	61,013	4,208,415
	City of Port Allen	21.78% 1,779,789	25,434	1,754,355
	Town of Addis	15.10% 1,234,517	17,642	1,216,875
	Town of Brusly	10.88% 889,547	12,712	876,835
		<u>8,173,281</u>	<u>116,801</u>	<u>8,056,480</u>
1.0%	Sales Tax District			
	WBR Parish Council	50.51% 4,128,066	58,979	4,069,087
	City of Port Allen	19.64% 1,604,885	22,919	1,581,966
	Town of Addis	19.16% 1,566,947	22,422	1,544,525
	Town of Brusly	10.69% 873,383	12,482	860,901
		<u>8,173,281</u>	<u>116,802</u>	<u>8,056,479</u>
0.5%	Fire Protection District	<u>3,306,371</u>	<u>58,401</u>	<u>3,247,970</u>
0.5%	Correctional Facilities	<u>4,086,641</u>	<u>58,401</u>	<u>4,028,240</u>
1.0%	Education Facilities District	<u>8,023,488</u>	<u>116,801</u>	<u>7,906,687</u>
0.5%	Riverview EDD	<u>3,270</u>	<u>63</u>	<u>1,606</u>
	Totals	<u>\$ 39,939,613</u>	<u>\$ 584,070</u>	<u>\$ 39,353,942</u>

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 5-Changes in Capital Assets

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

	<u>Balance December 31, 2016</u>	<u>Additions</u>	<u>Adjust- ments and Deletions</u>	<u>Balance December 31, 2017</u>
Capital assets not being depreciated:				
Land	\$ 1,760,826	\$ -	\$ -	\$ 1,760,826
Construction in progress	<u>3,661,367</u>	<u>5,266,160</u>	<u>(2,249,308)</u>	<u>6,678,219</u>
Total capital assets not being depreciated	<u>5,422,193</u>	<u>5,266,160</u>	<u>(2,249,308)</u>	<u>8,439,045</u>
Capital assets being depreciated:				
Buildings	41,253,355	805,147	-	42,058,502
Equipment	13,734,373	1,712,795	(336,694)	15,110,474
Infrastructure	<u>45,223,330</u>	<u>2,193,887</u>	<u>1,030,094</u>	<u>48,447,311</u>
Total capital assets being depreciated	<u>100,211,058</u>	<u>4,711,829</u>	<u>693,400</u>	<u>105,616,287</u>
Less accumulated depreciation for:				
Buildings	(15,733,346)	(983,309)	-	(16,716,655)
Equipment	(10,590,215)	(1,230,569)	525,437	(11,295,347)
Infrastructure	<u>(12,427,205)</u>	<u>(1,196,543)</u>	<u>421,422</u>	<u>(13,202,326)</u>
Total accumulated depreciation	<u>(38,750,766)</u>	<u>(3,410,421)</u>	<u>946,859</u>	<u>(41,214,328)</u>
Total capital assets being depreciated, net	<u>61,460,292</u>	<u>1,301,408</u>	<u>1,640,259</u>	<u>64,401,959</u>
Total capital assets	<u>\$66,882,485</u>	<u>\$ 6,567,568</u>	<u>\$ (609,049)</u>	<u>\$ 72,841,004</u>

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

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

Public Works	\$ 1,989,514
General Government	763,662
Public Safety	467,106
Health and Welfare	28,941
Culture and Recreation	<u>161,198</u>
Total depreciation expense - governmental activities	<u>\$3,410,421</u>

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 5-Changes in Capital Assets (Continued)

C. Commitments

The Parish Council entered into various contracts in 2017 for a variety of improvements around the parish. There were three major contracts in progress at December 31, 2017 with approximately \$919,000 remaining to be expended.

D. Donations

Assets in construction in progress for Lobdell Sewer with an approximate value of \$4.1 million will be transferred to West Baton Rouge Public Utilities upon completion.

Note 6-Pension Plan

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

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

Plan Descriptions

PAROCHIAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 6-Pension Plan (Continued)

Plan Descriptions (Continued)

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (Continued)

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

A. Eligibility Requirements:

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

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

B. Retirement Benefits:

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

C. Survivor Benefits:

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 6-Pension Plan (Continued)

Plan Descriptions (Continued)

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (Continued)

C. Survivor Benefits: (Continued)

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

D. Deferred Retirement Option Plan:

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

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

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

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

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

E. Disability Benefits:

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 6-Pension Plan (Continued)

Plan Descriptions (Continued)

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (Continued)

F. Cost of Living Increases:

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

G. Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2016, the actuarially determined contribution rate was 10.52% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2016 was 13.00% for Plan A. The Parish Council's contributions to the System under Plan A for the year ended December 31, 2017, was \$762,958, which was equal to the required contributions for the year.

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

DISTRICT ATTORNEYS' RETIREMENT SYSTEM

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 6-Pension Plan (Continued)

Plan Descriptions (Continued)

DISTRICT ATTORNEYS' RETIREMENT SYSTEM (Continued)

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

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

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

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

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 6-Pension Plan (Continued)

Plan Descriptions (Continued)

DISTRICT ATTORNEYS' RETIREMENT SYSTEM (Continued)

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

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

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

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

A. Employer Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 0%. The Parish Council's contributions to the System for the year ended December 31, 2017, was \$0, which was equal to the required contributions for the year.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 6-Pension Plan (Continued)

Plan Description (Continued)

DISTRICT ATTORNEYS' RETIREMENT SYSTEM (Continued)

B. Non-employer Contributions:

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2017 and excluded from pension expense.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM

The System was established on January 1, 1955 for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies and their permanent employees in each parish. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

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

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 6-Pension Plan (Continued)

Plan Description (Continued)

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM (Continued)

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

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

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

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 6-Pension Plan (Continued)

Plan Description (Continued)

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM (Continued)

Cost of living provisions for the System allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

A. Employer Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2017, the actual employer contribution rate was 20.00%. The Parish Council's contributions to the System for the year ended December 31, 2017, was \$20,930, which was equal to the required contributions for the year.

In accordance with state statute, the System also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2017.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

As of December 31, 2017, the Parish Council reported a total of \$2,301,099 for its proportionate shares of the net pension liability of the plans, as follows:

Parochial Employees' Retirement System of Louisiana (PERS)	\$2,059,044
District Attorneys' Retirement System (DARS)	64,790
Registrar of Voters Employees' Retirement System (ROVERS)	<u>177,265</u>
	<u>\$2,301,099</u>

The net pension liability for the District Attorneys' Retirement System and the Registrar of Voters Employees' Retirement System were measured as of June 30, 2017, and the net pension liability for the Parochial Employees' Retirement System of Louisiana was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Parish Council's proportion of the net pension liability was based on projections of the Parish Council's share of employer contributions to the plans relative to the employer contributions of all participating employers, actuarially determined.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 6-Pension Plan (Continued)

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

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

	Year Ended December 31,	
	<u>2017</u>	<u>2016</u>
Parochial Employees' Retirement System of Louisiana (PERS)	1.000%	1.019%
District Attorneys' Retirement System (DARS)	.240%	.258%
Registrar of Voters Employees' Retirement System (ROVERS)	.808%	.761%

For the year ended December 31, 2017, the Parish Council recognized pension expense as follows:

Parochial Employees' Retirement System of Louisiana (PERS)	\$ 381,285
District Attorneys' Retirement System (DARS)	3,733
Registrar of Voters Employees' Retirement System (ROVERS)	<u>(2,011)</u>
	<u>\$ 383,007</u>

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

	<u>PERS</u>	<u>DARS</u>	<u>ROVERS</u>	<u>Totals</u>
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$ 1,597,894	\$ 26,002	\$ 19,940	\$ 1,643,836
Changes in proportion	51	8,244	9,143	17,438
Difference between expected and actual experience	-	-	-	-
Changes in assumptions	390,921	29,048	17,029	436,998
Parish Council's contributions subsequent to the measurement date	<u>719,805</u>	<u>-</u>	<u>9,847</u>	<u>729,652</u>
Total deferred outflows of resources	<u>\$ 2,708,671</u>	<u>\$ 63,294</u>	<u>\$ 55,959</u>	<u>\$ 2,827,924</u>
Deferred Inflows of Resources				
Changes in proportion	\$ 2,189	\$ 7,013	\$ 189	\$ 9,391
Difference between expected and actual experience	360,313	17,033	32,957	410,303
Changes in assumptions	-	7,646	5,729	13,375
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>\$ 362,502</u>	<u>\$ 31,692</u>	<u>\$ 38,875</u>	<u>\$ 433,069</u>

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 6-Pension Plan (Continued)

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

The deferred outflows of resources related to pensions resulting from the Parish Council's contributions subsequent to the measurement date totaling \$729,652 will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and all amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending December 31,</u>	
2018	\$ 607,671
2019	668,546
2020	432,608
2021	(48,684)
2022	2,128
2023	<u>2,934</u>
Total	<u>\$1,665,203</u>

Actuarial Methods and Assumptions

The total pension liabilities in the December 31, 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	<u>PERS</u>	<u>DARS</u>	<u>ROVERS</u>
Valuation Date	12/31/16	6/30/17	6/30/17
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.00% (net of investment expense)	6.75% (net of investment expense)	6.75% (net of investment expense)
Expected Remaining Service Lives	4 years	7 Years	5 years
Projected Salary Increases	5.25% (2.75% Merit/2.50% Inflation)	5.50% (3.00% Merit/2.50% Inflation)	6.0% (3.50% Merit/2.50% Inflation)
Mortality			
Employed-	RP-2000 Employee Sex Distinct Table	RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables	RP-2000 Combined Healthy Mortality Table
Annuitant/Beneficiaries-	RP-2000 Healthy Annuitant Sex Distinct Table	RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables	RP-2000 Combined Healthy Mortality Table
Disabled Annuitants-	RP-2000 Disabled Lives Mortality Table	RP-2000 Disabled Lives Mortality Table	RP-2000 Disabled Lives Mortality Table

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 6-Pension Plan (Continued)

Actuarial Methods and Assumptions (Continued)

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

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

<u>PERS</u>	<u>DARS</u>	<u>ROVERS</u>
The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The resulting long-term rate of return is 9.06% for the year ended June 30, 2017.	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The resulting long-term rate of return is 8.39% for the year ended June 30, 2017.

The discount rate used to measure the total pension liability for PERS was 7.00% for Plan A, for DARS was 6.75%, and for ROVERS was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that the contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 6-Pension Plan (Continued)

Actuarial Methods and Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>			<u>Long-term Expected Portfolio Real Rate of Return</u>		
	<u>PERS</u>	<u>DARS</u>	<u>ROVERS</u>	<u>PERS</u>	<u>DARS</u>	<u>ROVERS</u>
Cash and cash equivalents	0%	.48%	0%	0%	0%	0%
Equities	52%	61.72%	55%	3.63%	3.68%	4.28%
Fixed income	35%	28.95%	30%	1.24%	2.34%	.85%
Alternative investments	11%	8.85%	5%	0.67%	0.52%	.31%
Real estate	<u>2%</u>	<u>0%</u>	<u>10%</u>	<u>0.12%</u>	<u>0.02%</u>	<u>.45%</u>
Totals	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>5.66%</u>	<u>6.56%</u>	<u>5.89%</u>
Inflation				<u>2.00%</u>	<u>2.50%</u>	<u>2.50%</u>
Expected arithmetic nominal return				<u>7.66%</u>	<u>9.06%</u>	<u>8.39%</u>

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
PERS (current rate 7.00%)	\$ 6,159,426	\$ 2,059,044	\$(1,407,954)
DARS (current rate 6.75%)	185,146	64,790	(37,483)
ROVERS (current rate 6.75%)	<u>270,947</u>	<u>177,265</u>	<u>96,937</u>
Totals	<u>\$ 6,615,519</u>	<u>\$ 2,301,099</u>	<u>\$(1,348,500)</u>

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 7-Other Post-Employment Benefits (OPEB)

Plan Description

The Parish Council's OPEB plan is a single-employer defined benefit plan. The OPEB plan does not issue a stand-alone financial report. All classified and unclassified employees of the West Baton Rouge Parish Council and certain employees of the Eighteenth Judicial District-Eighteenth Judicial Court, at their option, participate in the employee's group life and health insurance programs. The Parish currently offers a HDHP and a PPO plan to all full-time employees, as well as to retired and retirement eligible employees. All retirees age 65 and older that have Part A and Part B of Medicare must go on the Humana 65 Plan.

Additionally, a HSA is also offered to all participants in the HDHP. The Parish pays 100% of the premiums for all full-time employees, retirees, and retirement eligible employees that participate in the high deductible plan. The parish pays 85% of the premium for the PPO plan. The Parish also contributes to the participants that utilize the HSA as follows:

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

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

Funding Policy

Currently, the employees and retirees do not contribute to the premiums for health insurance. This is established after the yearly quotes have been awarded and addressed in the annual operating budget and may be amended in subsequent years. For 2017, the plan was funded by the Parish Council which paid 100% of the health insurance premiums and 50% of the life insurance premiums. Additionally, the Parish contributes to the HSA of all HDHP participants based on the schedule shown above.

The employer contribution to the OPEB plan for 2017 totaled \$472,092 or approximately 8% of gross payroll, as approved by the Parish Council in the 2017 operating budget. The only contributions required by the retirees were their 50% match on the life insurance.

Annual OPEB Cost and Net OPEB Obligations

The Parish Council's annual OPEB cost (expense) was calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement 45. 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 period. The ARC was calculated as part of the January 1, 2017 actuarial valuation performed by an outside consultant.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

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

Annual OPEB Cost and Net OPEB Obligations (Continued)

The following table shows the government's annual OPEB cost for the year and the amount estimated to be contributed to the plan during the year:

	Governmental Activities
Annual required contribution (ARC)	\$ 1,078,005
Interest on net OPEB obligation	261,163
ARC adjustment	<u>(226,561)</u>
Annual OPEB cost (expense)	1,112,607
Less contributions made	<u>(472,092)</u>
Increase in net OPEB obligation	640,515
Net OPEB obligation, beginning of year	<u>5,803,626</u>
Net OPEB obligation, end of year	<u>\$ 6,444,141</u>

Trend information for the OPEB plan is as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$1,112,607	42%	\$6,444,141
2016	939,588	37%	5,803,626
2015	939,588	32%	5,213,338

Funding Status and Funding Progress

As of January 1, 2017, the most current actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$14,224,681 with no valued assets, resulting in an unfunded accrued liability of the same amount. The covered payroll (annual payroll of active employees covered by the plan) was \$6,020,672, and the ratio of the UAAL to the covered payroll was 236.26 percent. The actuarial valuation of the plan is ongoing and is based on assumptions and probability of future events, such as employment, mortality and cost of all employee benefits (health insurance, etc.). The determination of the funding status of the plan is ongoing, and the annual required contributions by the employer are subject to continual revision. The results of the actual figures are compared with past expectations to meet future estimates. 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 plan as understood by the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

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

Actuarial Methods and Assumptions (Continued)

The projected unit cost was used for 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 investment that are expected to be used in financing the payment of benefits. The actuarial assumptions included a 4.50% investment rate of return. Life expectations were based on the RPH-2014 Total Table with Projection MP-2017.

The Plan assumes that 100% of all employees and their dependents who are eligible for retiree benefits participate in the post-retirement benefits plan. The assumed number of eligible spouses is based on the current census information; where spouse dates of birth were not provided, males were assumed to be 3 years older and 50% were assumed to be married. It is assumed that all future pre-Medicare retirees enroll in the HDHP plan. Employees that are currently enrolled are assumed to choose the same health coverage level upon retirement. The Health Care Cost Trend is assumed at an initial rate of 8.00% for 2017, grading down to a level rate of 5.00% in 2023 and after, level 5.00% for the Medicare Supplement. Salary increases are assumed at 3.50%.

The amortization method for the plan is a level percentage of projected payroll with thirty-year open amortization. The remaining amortization period at January 1, 2017 was 30 years.

Note 8-Parish Council Member's Compensation

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

Compensation for the year ended December 31, 2017 was as follows:

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 9-Long-Term Debt

A. Changes in General Long-Term Debt Obligations

	<u>Bonds Payable</u>	<u>Obligations Payable</u>	<u>Com- pensated Absences</u>	<u>Net Other Post- employment Benefit Obligation</u>	<u>Total</u>
Long-term obligations payable at December 31, 2016	\$ 1,820,000	\$ 1,753,000	\$ 389,848	\$ 5,803,626	\$ 9,766,474
Additions	-	-	289,916	1,112,607	1,402,523
Adjustments and deductions	(140,000)	(119,000)	(261,847)	(472,092)	(992,939)
Long-term obligations payable at December 31, 2017	<u>\$ 1,680,000</u>	<u>\$ 1,634,000</u>	<u>\$ 417,917</u>	<u>\$ 6,444,141</u>	<u>\$ 10,176,058</u>
Due within one year	<u>\$ 140,000</u>	<u>\$ 121,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 561,000</u>

B. Bonds and Obligations Payable

Bonds and obligations payable at December 31, 2017, are comprised of the following:

\$250,000 Certificate of Indebtedness (Series 2014), due in annual installments of \$22,000 to \$28,000 through December, 2024. Interest is payable semiannually at 3.06%. The certificate of indebtedness is secured and payable by funds from excess revenue.	\$ 183,000
\$1,090,000 Louisiana Revenue Refunding Bonds (Series 2015), due in annual installments of \$95,000 to \$115,000 through August, 2025. Interest is payable semiannually at 2.15%. The bonds are secured and payable from excess revenue.	870,000
\$750,000 Sales Tax Revenue Bonds (Series 2008A), due in annual installments of \$15,000 to \$50,000 through April, 2038. Interest is payable semiannually at 5.70%. The bonds are secured and payable from excess tax revenue.	635,000
\$350,000 Sales Tax Revenue Bonds (Series 2008B), due in annual installments of \$25,000 to \$35,000 through April, 2023. Interest is payable semiannually at 5.70%. The bonds are secured and payable from excess tax revenue.	175,000
\$2,000,000 Clean Water State Revolving Loan Fund due in annual installments of \$95,000 to \$122,000 through October, 2031. Interest rate is .45%. Loan is secured by sales tax.	<u>1,451,000</u>
Total bonds and obligations payable	<u>\$ 3,314,000</u>

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 9-Long-Term Debt (Continued)

B. Bonds and Obligations Payable

The following is a summary of principal and interest requirements:

<u>Year Ended</u> <u>December 31</u>	<u>Bonds Payable</u>			<u>Obligations Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 140,000	\$ 64,875	\$ 204,875	\$ 121,000	\$ 11,816	\$ 132,816
2019	150,000	60,445	210,445	122,000	10,645	132,645
2020	155,000	55,623	210,623	123,000	9,441	132,441
2021	160,000	50,515	210,515	125,000	8,233	133,233
2022 - 2026	630,000	177,448	807,448	593,000	22,790	615,790
2027 - 2031	150,000	110,865	260,865	550,000	5,911	555,911
2032 - 2036	200,000	62,415	262,415	-	-	-
2037 - 2038	95,000	8,265	103,265	-	-	-
	<u>\$1,680,000</u>	<u>\$ 590,451</u>	<u>\$2,270,451</u>	<u>\$1,634,000</u>	<u>\$ 68,836</u>	<u>\$1,702,836</u>

C. Bonds of Other Governmental Units

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

D. Port Authority Bonds

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

E. Industrial Development Revenue Bonds

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

**West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017**

Note 9-Long-Term Debt (Continued)

F. Bond Restrictions

1. Westport Sewer 2008-A; Westport Roads 2008-B:

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

The Parish Council was in compliance with all bond covenants in 2017.

Note 10-Interfund Transfers

Operating transfers by fund are as follows:

	<u>In</u>	<u>Out</u>
General Fund	\$ -	\$ 5,989,700
Special Revenue Funds		
Parish Roads	2,099,974	-
Federal Grants	1,426,356	-
Drainage	-	418,726
	<u>3,526,330</u>	<u>418,726</u>
Debt Service Funds		
2015 Revenue Refunding Bonds	120,855	-
2000 and 2002 Tourist Center Bonds	29,304	29,304
2008 Westport Sewer Bonds	52,215	19
2008 Westport Road Bonds	36,281	12
2010 Clean Water State Receiving Loan Fund	139,125	-
	<u>377,780</u>	<u>29,335</u>
Capital Project Funds		
Parish Road Trust	2,709,742	-
Recreation Special Project	325,775	-
Video Poker Capital Trust	-	890,692
Land, Building and Sewer Improvements	388,826	-
	<u>3,424,343</u>	<u>890,692</u>
	<u>\$ 7,328,453</u>	<u>\$ 7,328,453</u>

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

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2017

Note 11-Contingent Liabilities

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

Note 12-Budgetary - GAAP Reporting Reconciliation

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:

	<u>General Fund</u>	<u>Drainage</u>	<u>Com- munity Centers</u>	<u>Central Commun- ications</u>	<u>Correc- tional Facility</u>	<u>Recrea- tion</u>	<u>Other Special Revenue Funds</u>
Net change in fund balance (Budgetary Basis)	\$ (836,711)	\$ 165,655	\$ 249,405	\$ 388,538	\$ 1,170,947	\$ 362,335	\$ 681,591
Adjustments-to adjust for accruals	<u>(409,409)</u>	<u>(440,843)</u>	<u>(178,648)</u>	<u>(125,618)</u>	<u>56,181</u>	<u>(311,701)</u>	<u>(244,284)</u>
Net change in fund balance (GAAP basis)	<u>\$ (1,246,120)</u>	<u>\$ (275,188)</u>	<u>\$ 70,757</u>	<u>\$ 262,920</u>	<u>\$ 1,227,128</u>	<u>\$ 50,634</u>	<u>\$ 437,307</u>

Note 13-Tax Abatements

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

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated during the Year</u>
State of Louisiana: Louisiana Industrial Ad Valorem Tax Exemption Program	<u>\$5,324,581</u>

Note 14-Deficits in Individual Funds

The deficit in the Federal Grant fund will be funded by an intrafund transfer from the General Fund for the Parish's portion of a project.

Note 15-Subsequent Events

The Parish Council evaluated all subsequent events through June 22, 2018, the date the financial statements were available to be issued. As a result, the Parish Council noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

Required Supplementary Information

West Baton Rouge Parish Council
Schedule of Funding Progress (Unaudited)
December 31, 2017 *

<u>Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Unfunded (AAL) (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (b/c)</u>
12/31/17	1/1/2017	–	\$14,224,681	\$14,224,681	0.00%	\$6,020,672	236.26%
12/31/16	1/1/2015	–	11,475,048	11,475,048	0.00%	5,830,707	196.80%
12/31/15	1/1/2015	–	11,475,048	11,475,048	0.00%	6,118,366	187.55%
12/31/14	1/1/2012	–	9,874,000	9,874,000	0.00%	5,841,403	169.04%
12/31/13	1/1/2012	–	9,874,000	9,874,000	0.00%	5,695,918	173.35%
12/31/12	1/1/2012	–	9,874,000	9,874,000	0.00%	5,480,710	180.16%
12/31/11	1/1/2010	–	11,703,000	11,703,000	0.00%	5,436,606	215.26%
12/31/10	1/1/2010	–	11,703,000	11,703,000	0.00%	5,724,714	204.43%
12/31/09	1/1/2008	–	6,991,000	6,991,000	0.00%	5,022,418	139.20%

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

West Baton Rouge Parish Council
Schedule of Proportionate Share of Net Pension Liability
As of and for the Year Ended December 31, 2017 *

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

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

West Baton Rouge Parish Council
 Schedule of Contributions
 As of and for the Year Ended December 31, 2017*

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

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

West Baton Rouge Parish Council
General Fund
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Variance</u>
			<u>Basis)</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenue				
Taxes				
Ad valorem	\$ 1,288,320	\$ 1,521,320	\$ 1,521,576	\$ 256
Sales and use	6,373,846	8,277,632	8,277,825	193
Other	28,000	28,000	27,455	(545)
	<u>7,690,166</u>	<u>9,826,952</u>	<u>9,826,856</u>	<u>(96)</u>
Licenses and permits				
Occupational licenses	740,000	758,000	758,441	441
Motor vehicle	46,000	46,000	43,974	(2,026)
Building permits	115,000	181,000	181,439	439
	<u>901,000</u>	<u>985,000</u>	<u>983,854</u>	<u>(1,146)</u>
Charges for services				
Garbage collection	1,770,000	1,904,000	1,903,943	(57)
Court costs and other fees	144,500	155,500	164,016	8,516
	<u>1,914,500</u>	<u>2,059,500</u>	<u>2,067,959</u>	<u>8,459</u>
Intergovernmental	68,000	76,400	72,992	(3,408)
Interest	65,000	166,000	167,968	1,968
Rent	16,600	16,600	16,600	-
Miscellaneous	142,500	149,600	154,254	4,654
	<u>292,100</u>	<u>408,600</u>	<u>411,814</u>	<u>3,214</u>
Total revenue	<u>10,797,766</u>	<u>13,280,052</u>	<u>13,290,483</u>	<u>10,431</u>
Expenditures				
General government				
Legislative	332,510	332,510	316,835	15,675
General financial administration				
Salaries and benefits	881,430	881,430	839,456	41,974
Insurance	5,500	5,500	3,730	1,770
Fees, dues and services	561,000	561,000	263,626	297,374
Office supplies and services	105,500	105,500	139,210	(33,710)
Other	287,176	287,176	228,510	58,666
	<u>1,840,606</u>	<u>1,840,606</u>	<u>1,474,532</u>	<u>366,074</u>
Judicial				
District court	311,626	311,626	183,415	128,211
District attorney	451,356	453,556	424,160	29,396
Clerk of court	29,500	29,500	9,508	19,992
Coroner	290,497	292,797	273,773	19,024
City court	100,474	100,474	83,269	17,205
	<u>1,183,453</u>	<u>1,187,953</u>	<u>974,125</u>	<u>213,828</u>

(Continued)

West Baton Rouge Parish Council
General Fund
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Variance</u>
			<u>Basis)</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
Expenditures				
General government (continued)				
Elections				
Registrar of voters	\$ 207,378	\$ 208,678	\$ 195,158	\$ 13,520
Elections	28,500	28,500	3,030	25,470
	<u>235,878</u>	<u>237,178</u>	<u>198,188</u>	<u>38,990</u>
Other				
Planning and zoning	430,470	430,470	416,327	14,143
General government buildings	1,623,750	1,654,850	1,427,099	227,751
IT Department	390,760	390,760	223,597	167,163
	<u>2,444,980</u>	<u>2,476,080</u>	<u>2,067,023</u>	<u>409,057</u>
Total general government	<u>6,037,427</u>	<u>6,074,327</u>	<u>5,030,703</u>	<u>1,043,624</u>
Public safety				
Sheriff	12,000	12,000	7,276	4,724
Civil defense	127,441	127,441	116,981	10,460
Engineering	268,492	268,492	143,665	124,827
Ambulance service	3,600	3,600	3,700	(100)
Animal impound	221,533	221,533	161,147	60,386
	<u>633,066</u>	<u>633,066</u>	<u>432,769</u>	<u>200,297</u>
Public Works				
Sanitation	1,770,000	1,770,000	1,724,744	45,256
	<u>1,770,000</u>	<u>1,770,000</u>	<u>1,724,744</u>	<u>45,256</u>
Health and welfare	482,860	482,860	375,996	106,864
Economic development	111,850	111,850	107,165	4,685
	<u>594,710</u>	<u>594,710</u>	<u>483,161</u>	<u>111,549</u>
Capital outlay	393,800	419,800	466,117	(46,317)
Total expenditures	<u>9,429,003</u>	<u>9,491,903</u>	<u>8,137,494</u>	<u>1,354,409</u>
Excess of Revenue over Expenditures	<u>1,368,763</u>	<u>3,788,149</u>	<u>5,152,989</u>	<u>1,364,840</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(10,209,015)	(9,685,015)	(5,989,700)	3,695,315
Total other financing uses	<u>(10,209,015)</u>	<u>(9,685,015)</u>	<u>(5,989,700)</u>	<u>3,695,315</u>
Net Change in Fund Balance	(8,840,252)	(5,896,866)	(836,711)	5,060,155
Fund Balance				
Beginning of year	15,889,830	15,889,830	15,889,830	-
End of year	<u>\$ 7,049,578</u>	<u>\$ 9,992,964</u>	<u>\$ 15,053,119</u>	<u>\$ 5,060,155</u>

West Baton Rouge Parish Council
Special Revenue Fund - Drainage Maintenance
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	Budgeted Amounts		Actual (Budgetary Basis)	Final Variance Favorable (Unfavorable)
	Original	Final		
Revenue				
Property tax	\$ 2,635,200	\$ 3,135,200	\$ 3,134,199	\$ (1,001)
Intergovernmental	29,000	29,000	30,511	1,511
Interest	7,500	19,500	19,349	(151)
Miscellaneous	-	72,000	72,151	151
	<u>2,671,700</u>	<u>3,255,700</u>	<u>3,256,210</u>	<u>510</u>
Expenditures				
Current				
Public works				
Operations	2,128,598	2,128,598	1,866,050	262,548
Capital outlay	913,743	913,743	805,779	107,964
	<u>3,042,341</u>	<u>3,042,341</u>	<u>2,671,829</u>	<u>370,512</u>
Excess (Deficiency) of Revenue over (under) Expenditures	(370,641)	213,359	584,381	371,022
Other Financing Uses				
Operating transfers out	(500,000)	(500,000)	(418,726)	81,274
Net Change in Fund Balance	(870,641)	(286,641)	165,655	452,296
Fund Balance				
Beginning of year	2,232,145	2,232,145	2,232,145	-
End of year	<u>\$ 932,140</u>	<u>\$ 1,945,504</u>	<u>\$ 2,397,800</u>	<u>\$ 452,296</u>

West Baton Rouge Parish Council
Special Revenue Fund - Community Centers
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	Budgeted Amounts		Actual (Budgetary Basis)	Final Variance Favorable (Unfavorable)
	Original	Final		
Revenue				
Property tax	\$ 1,098,000	\$ 1,306,000	\$ 1,305,916	\$ (84)
Intergovernmental	26,000	26,000	26,928	928
Charges for service	101,445	109,195	118,380	9,185
Interest	9,251	32,251	32,059	(192)
Miscellaneous	-	-	748	748
	<u>1,234,696</u>	<u>1,473,446</u>	<u>1,484,031</u>	<u>10,585</u>
Total revenue				
Expenditures				
Current				
Culture and recreation				
Operations	1,040,775	1,040,775	940,952	99,823
Capital outlay	356,400	386,400	293,674	92,726
	<u>1,397,175</u>	<u>1,427,175</u>	<u>1,234,626</u>	<u>192,549</u>
Total expenditures				
Excess (Deficiency) of Revenue over (under) Expenditures				
	(162,479)	46,271	249,405	203,134
Fund Balance				
Beginning of year	<u>1,568,611</u>	<u>1,568,611</u>	<u>1,568,611</u>	<u>-</u>
End of year	<u>\$ 1,406,132</u>	<u>\$ 1,614,882</u>	<u>\$ 1,818,016</u>	<u>\$ 203,134</u>

West Baton Rouge Parish Council
Special Revenue Fund - Central Communications
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	Budgeted Amounts		Actual (Budgetary Basis)	Final Variance Favorable (Unfavorable)
	Original	Final		
Revenue				
Property tax	\$ 1,098,000	\$ 1,302,000	\$ 1,301,546	\$ (454)
Interest	5,000	28,000	27,833	(167)
Miscellaneous	-	-	3,212	3,212
	<u>1,103,000</u>	<u>1,330,000</u>	<u>1,332,591</u>	<u>2,591</u>
Expenditures				
Current				
Public safety				
Operations	1,053,313	1,053,313	909,049	144,264
Capital outlay	220,000	220,000	35,004	184,996
	<u>1,273,313</u>	<u>1,273,313</u>	<u>944,053</u>	<u>329,260</u>
Excess (Deficiency) of Revenue over (under) Expenditures	(170,313)	56,687	388,538	331,851
Fund Balance				
Beginning of year	<u>1,550,239</u>	<u>1,550,239</u>	<u>1,550,239</u>	<u>-</u>
End of year	<u>\$ 1,379,926</u>	<u>\$ 1,606,926</u>	<u>\$ 1,938,777</u>	<u>\$ 331,851</u>

West Baton Rouge Parish Council
Special Revenue Fund - Correctional Facility
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Final Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Sales tax	\$ 3,065,936	\$ 4,028,936	\$ 4,028,240	\$ (696)
Intergovernmental	2,100,000	2,100,000	2,683,526	583,526
Interest	800	21,900	21,941	41
Miscellaneous	-	-	1,070	1,070
	<u>5,166,736</u>	<u>6,150,836</u>	<u>6,734,777</u>	<u>583,941</u>
Total revenue				
Expenditures				
Current				
Public safety				
Operations	5,496,338	5,610,938	5,379,342	231,596
Capital outlay	103,000	103,000	184,488	(81,488)
	<u>5,599,338</u>	<u>5,713,938</u>	<u>5,563,830</u>	<u>150,108</u>
Total expenditures				
Excess (Deficiency) of Revenue over (under) Expenditures				
	(432,602)	436,898	1,170,947	734,049
Fund Balance				
Beginning of year	<u>2,211,645</u>	<u>2,211,645</u>	<u>2,211,645</u>	<u>-</u>
End of year	<u>\$ 1,779,043</u>	<u>\$ 2,648,543</u>	<u>\$ 3,382,592</u>	<u>\$ 734,049</u>

West Baton Rouge Parish Council
Special Revenue Fund - Recreation
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	Budgeted Amounts		Actual (Budgetary Basis)	Final Variance Favorable (Unfavorable)
	Original	Final		
Revenue				
Property tax	\$ 1,830,000	\$ 2,188,000	\$ 2,187,454	\$ (546)
Interest	4,623	4,623	8,168	3,545
Charges for services	122,601	122,601	110,034	(12,567)
Miscellaneous	-	-	4,926	4,926
	<u>1,957,224</u>	<u>2,315,224</u>	<u>2,310,582</u>	<u>(4,642)</u>
Total revenue				
Expenditures				
Current				
Culture and recreation				
Operations	1,964,335	1,964,335	1,854,345	109,990
Capital outlay	82,250	82,250	93,902	(11,652)
	<u>2,046,585</u>	<u>2,046,585</u>	<u>1,948,247</u>	<u>98,338</u>
Total expenditures				
Excess (Deficiency) of Revenue over (under) Expenditures				
	(89,361)	268,639	362,335	93,696
Fund Balance				
Beginning of year	480,780	480,780	480,780	-
End of year	<u>\$ 391,419</u>	<u>\$ 749,419</u>	<u>\$ 843,115</u>	<u>\$ 93,696</u>

Supplementary Information

**Combining and Individual
Fund Statements and Schedules**

**West Baton Rouge Parish Council
Non-Major Governmental Funds
December 31, 2017**

Special Revenue Funds

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

Parish Roads:

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

Health Unit:

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

Community Alert Network:

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

911:

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

Criminal Court:

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

Juvenile Detention:

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

Parish Lighting:

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

Federal Grants:

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

Miscellaneous:

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

West Baton Rouge Parish Council
Non-Major Governmental Funds
December 31, 2017

Debt Service Funds

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

2015 Revenue Refunding Bonds:

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

2000 and 2002 Tourist Center Bonds:

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

2008 Westport Sewer Bonds:

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

2008 Westport Road Bonds:

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

2010 Clean Water State Revolving Loan Fund:

To record monies for payments of the Westport Sewer Loan.

Fiduciary Funds

Agency Fund

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

West Baton Rouge Parish Council
Non-Major Governmental Funds
Combining Balance Sheet
December 31, 2017

	<u>Parish Roads</u>	<u>Health Unit</u>	<u>Community Alert Network</u>	<u>911</u>	<u>Criminal Court</u>	<u>Juvenile Detention</u>	<u>Parish Lighting</u>	<u>Federal Grants</u>
Assets								
Cash and								
cash equivalents	\$ 45,302	\$ 362,190	\$ 9,372	\$ 129,510	\$ 544,034	\$ 3,160	\$ 217,629	\$ 420,954
Investments	-	950,000	-	350,000	-	1,500,000	1,700,000	-
Taxes receivable	-	573,029	-	-	-	-	-	-
Restricted cash and								
cash equivalents	-	-	-	-	-	-	-	-
Due from other								
governments	195,074	1,231	-	60,697	2,530	1,960	49,987	20,940
Other receivables	-	-	-	-	-	-	-	-
	<u>\$ 240,376</u>	<u>\$ 1,886,450</u>	<u>\$ 9,372</u>	<u>\$ 540,207</u>	<u>\$ 546,564</u>	<u>\$ 1,505,120</u>	<u>\$ 1,967,616</u>	<u>\$ 441,894</u>
Liabilities								
Accounts payable	\$ 32,268	\$ 4,015	\$ -	\$ 3,833	\$ 105	\$ -	\$ -	\$ 315,684
Accrued liabilities	27,735	9,692	-	31,782	-	-	-	1,277
Total liabilities	<u>60,003</u>	<u>13,707</u>	<u>-</u>	<u>35,615</u>	<u>105</u>	<u>-</u>	<u>-</u>	<u>316,961</u>
Deferred Inflows of Resources								
Grant advances	-	-	-	-	-	-	-	361,789
Unavailable revenue - property								
taxes	-	674,619	-	-	-	-	-	-
	<u>-</u>	<u>674,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,789</u>
Fund Balance								
Restricted fund balance	180,373	1,198,124	9,372	-	-	1,505,120	-	(236,856)
Committed fund balance	-	-	-	504,592	-	-	1,967,616	-
Assigned fund balance	-	-	-	-	546,459	-	-	-
	<u>180,373</u>	<u>1,198,124</u>	<u>9,372</u>	<u>504,592</u>	<u>546,459</u>	<u>1,505,120</u>	<u>1,967,616</u>	<u>(236,856)</u>
Total liabilities, deferred inflows								
of resources and fund balance	<u>\$ 240,376</u>	<u>\$ 1,886,450</u>	<u>\$ 9,372</u>	<u>\$ 540,207</u>	<u>\$ 546,564</u>	<u>\$ 1,505,120</u>	<u>\$ 1,967,616</u>	<u>\$ 441,894</u>

Debt Service

Miscel- laneous	Special Revenue Total	2015 Revenue Refunding Bonds	2000 and 2002 Tourist Center Bonds	2008 Westport Sewer Bonds	2008 Westport Road Bonds	Clean Water State Revolving Loan Fund	Debt Service Total	Total Non Major Governmental Funds
\$ 96,534	\$ 1,828,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,828,685
-	4,500,000	-	-	-	-	-	-	4,500,000
-	573,029	-	-	-	-	-	-	573,029
-	-	-	30,028	55,701	35,141	115,296	236,166	236,166
-	332,419	-	133,841	-	-	-	133,841	466,260
-	-	-	-	-	-	-	-	-
<u>\$ 96,534</u>	<u>\$ 7,234,133</u>	<u>\$ -</u>	<u>\$ 163,869</u>	<u>\$ 55,701</u>	<u>\$ 35,141</u>	<u>\$ 115,296</u>	<u>\$ 370,007</u>	<u>\$ 7,604,140</u>
\$ -	\$ 355,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355,905
-	70,486	-	-	-	-	-	-	70,486
-	426,391	-	-	-	-	-	-	426,391
-	361,789	-	-	-	-	-	-	361,789
-	674,619	-	-	-	-	-	-	674,619
-	1,036,408	-	-	-	-	-	-	1,036,408
-	2,656,133	-	163,869	55,701	35,141	115,296	370,007	3,026,140
96,534	2,568,742	-	-	-	-	-	-	2,568,742
-	546,459	-	-	-	-	-	-	546,459
<u>96,534</u>	<u>5,771,334</u>	<u>-</u>	<u>163,869</u>	<u>55,701</u>	<u>35,141</u>	<u>115,296</u>	<u>370,007</u>	<u>6,141,341</u>
<u>\$ 96,534</u>	<u>\$ 7,234,133</u>	<u>\$ -</u>	<u>\$ 163,869</u>	<u>\$ 55,701</u>	<u>\$ 35,141</u>	<u>\$ 115,296</u>	<u>\$ 370,007</u>	<u>\$ 7,604,140</u>

West Baton Rouge Parish Council
Non-Major Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2017

	Parish Roads	Health Unit	Community Alert Network	911	Criminal Court	Juvenile Detention	Parish Lighting	Federal Grants
Revenue								
Taxes	\$ -	\$ 592,824	\$ -	\$ -	\$ -	\$ -	\$ 274,809	\$ -
Intergovernmental	461,152	19,347	11,375	348,476	-	-	7,559	2,112,820
Charges for service	102,027	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	488,013	-	-	-
Interest	1,593	12,684	18	3,702	1,160	21,796	27,777	2,617
Miscellaneous	9,715	-	-	1,493	-	-	-	4,218
Total revenue	574,487	624,855	11,393	353,671	489,173	21,796	310,145	2,119,655
Expenditures								
Judicial	-	-	-	-	167,847	-	-	-
Public safety	-	-	15,300	393,641	-	30,839	-	60,615
Public works	1,928,082	-	-	-	-	-	196,399	-
Culture and recreation	-	-	-	-	-	-	-	-
Health and welfare	-	496,171	-	-	-	-	-	225,102
Urban housing	-	-	-	-	-	-	-	291,822
Capital outlay	610,400	-	-	-	-	-	-	3,199,339
Debt service								
Principal payments	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Fees and refunding costs	-	-	-	-	-	-	-	-
Total expenditures	2,538,482	496,171	15,300	393,641	167,847	30,839	196,399	3,776,878
Excess (Deficiency) of Revenue								
Over (Under) Expenditures	(1,963,995)	128,684	(3,907)	(39,970)	321,326	(9,043)	113,746	(1,657,223)
Other Financing Sources (Uses)								
Operating transfers in	2,099,974	-	-	-	-	-	-	1,426,356
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	2,099,974	-	-	-	-	-	-	1,426,356
Net Change in Fund Balances	135,979	128,684	(3,907)	(39,970)	321,326	(9,043)	113,746	(230,867)
Fund Balance								
Beginning of year	44,394	1,069,440	13,279	544,562	225,133	1,514,163	1,853,870	(5,989)
End of year	\$ 180,373	\$ 1,198,124	\$ 9,372	\$ 504,592	\$ 546,459	\$ 1,505,120	\$ 1,967,616	\$ (236,856)

Debt Service								
Miscellaneous	Special Revenue Total	2015 Revenue Refunding Bonds	2000 and 2002 Tourist Center Bonds	2008 Westport Sewer Bonds	2008 Westport Road Bonds	2010 Clean Water State Revolving Loan Fund	Debt Service Total	Total Non Major Governmental Funds
\$ -	\$ 867,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 867,633
-	2,960,729	-	594,919	-	-	-	594,919	3,555,648
-	102,027	-	-	-	-	-	-	102,027
-	488,013	-	-	-	-	-	-	488,013
107	71,454	-	164	254	158	250	826	72,280
40,000	55,426	-	-	-	-	-	-	55,426
40,107	4,545,282	-	595,083	254	158	250	595,745	5,141,027
-	167,847	-	-	-	-	-	-	167,847
8,605	509,000	-	-	-	-	-	-	509,000
-	2,124,481	-	-	-	-	-	-	2,124,481
-	-	-	676,838	-	-	-	676,838	676,838
-	721,273	-	-	-	-	-	-	721,273
-	291,822	-	-	-	-	-	-	291,822
10,143	3,819,882	-	-	-	-	-	-	3,819,882
-	-	100,000	23,000	15,000	25,000	96,000	259,000	259,000
-	-	20,855	6,304	36,623	10,688	6,746	81,216	81,216
-	-	-	-	600	600	7,495	8,695	8,695
18,748	7,634,305	120,855	706,142	52,223	36,288	110,241	1,025,749	8,660,054
21,359	(3,089,023)	(120,855)	(111,059)	(51,969)	(36,130)	(109,991)	(430,004)	(3,519,027)
-	3,526,330	120,855	29,304	52,215	36,281	139,125	377,780	3,904,110
-	-	-	(29,304)	(19)	(12)	-	(29,335)	(29,335)
-	3,526,330	120,855	-	52,196	36,269	139,125	348,445	3,874,775
21,359	437,307	-	(111,059)	227	139	29,134	(81,559)	355,748
75,175	5,334,027	-	274,928	55,474	35,002	86,162	451,566	5,785,593
<u>\$ 96,534</u>	<u>\$ 5,771,334</u>	<u>\$ -</u>	<u>\$ 163,869</u>	<u>\$ 55,701</u>	<u>\$ 35,141</u>	<u>\$ 115,296</u>	<u>\$ 370,007</u>	<u>\$ 6,141,341</u>

West Baton Rouge Parish Council
Special Revenue Fund - Parish Roads
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Final Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Intergovernmental	\$ 460,000	\$ 353,000	\$ 340,934	\$ (12,066)
Interest	-	-	1,593	1,593
Miscellaneous	-	-	9,715	9,715
	<u>460,000</u>	<u>353,000</u>	<u>352,242</u>	<u>(758)</u>
Total revenue				
	460,000	353,000	352,242	(758)
Expenditures				
Current				
Public works				
Operations	1,997,150	1,997,150	1,844,090	153,060
Capital outlay	563,000	563,000	562,825	175
	<u>2,560,150</u>	<u>2,560,150</u>	<u>2,406,915</u>	<u>153,235</u>
Total expenditures				
	2,560,150	2,560,150	2,406,915	153,235
Deficiency of Revenue under Expenditures	(2,100,150)	(2,207,150)	(2,054,673)	152,477
Other Financing Sources				
Operating transfers in	2,100,150	2,100,150	2,099,974	(176)
	<u>2,100,150</u>	<u>2,100,150</u>	<u>2,099,974</u>	<u>(176)</u>
Net Change in Fund Balance	-	(107,000)	45,301	152,301
Fund Balance				
Beginning of year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ (107,000)</u>	<u>\$ 45,301</u>	<u>\$ 152,301</u>

West Baton Rouge Parish Council
Special Revenue Fund - Health Unit
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Final Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Property tax	\$ 640,500	\$ 690,500	\$ 690,594	\$ 94
Intergovernmental	18,000	18,000	19,347	1,347
Interest	5,000	13,500	13,489	(11)
	<u>663,500</u>	<u>722,000</u>	<u>723,430</u>	<u>1,430</u>
Expenditures				
Current				
Health and welfare				
Operations	571,660	571,660	481,497	90,163
Capital outlay	20,000	20,000	-	20,000
	<u>591,660</u>	<u>591,660</u>	<u>481,497</u>	<u>110,163</u>
Excess of Revenue over Expenditures	71,840	130,340	241,933	111,593
Fund Balance				
Beginning of year	<u>1,070,256</u>	<u>1,070,256</u>	<u>1,070,256</u>	<u>-</u>
End of year	<u>\$ 1,142,096</u>	<u>\$ 1,200,596</u>	<u>\$ 1,312,189</u>	<u>\$ 111,593</u>

West Baton Rouge Parish Council
Special Revenue Fund - Community Alert Network
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	Budgeted Amounts		Actual (Budgetary Basis)	Final Variance Favorable (Unfavorable)
	Original	Final		
Revenue				
Intergovernmental	\$ 13,500	\$ 11,400	\$ 11,375	\$ (25)
Interest	-	-	18	18
Total revenue	<u>13,500</u>	<u>11,400</u>	<u>11,393</u>	<u>(7)</u>
Expenditures				
Current				
Public safety				
Operations	<u>13,840</u>	<u>15,340</u>	<u>15,300</u>	<u>40</u>
Total expenditures	<u>13,840</u>	<u>15,340</u>	<u>15,300</u>	<u>40</u>
Deficiency of Revenue under Expenditures	(340)	(3,940)	(3,907)	33
Fund Balance				
Beginning of year	<u>13,279</u>	<u>13,279</u>	<u>13,279</u>	-
End of year	<u>\$ 12,939</u>	<u>\$ 9,339</u>	<u>\$ 9,372</u>	<u>\$ 33</u>

West Baton Rouge Parish Council
Special Revenue Fund - 911
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Final Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Intergovernmental	\$ 304,000	\$ 331,000	\$ 328,098	\$ (2,902)
Interest	1,400	1,400	3,697	2,297
Miscellaneous	-	-	1,493	1,493
	<u>305,400</u>	<u>332,400</u>	<u>333,288</u>	<u>888</u>
Expenditures				
Current				
Public safety				
Operations	339,531	362,531	386,099	(23,568)
Capital outlay	25,000	25,000	-	25,000
	<u>364,531</u>	<u>387,531</u>	<u>386,099</u>	<u>1,432</u>
Deficiency of Revenue under Expenditures	(59,131)	(55,131)	(52,811)	2,320
Fund Balance				
Beginning of year	<u>532,321</u>	<u>532,321</u>	<u>532,321</u>	<u>-</u>
End of year	<u>\$ 473,190</u>	<u>\$ 477,190</u>	<u>\$ 479,510</u>	<u>\$ 2,320</u>

West Baton Rouge Parish Council
Special Revenue Fund - Criminal Court
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Final Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Court costs	\$ 325,000	\$ 513,000	\$ 512,689	\$ (311)
Interest	50	50	1,160	1,110
Total revenue	<u>325,050</u>	<u>513,050</u>	<u>513,849</u>	<u>799</u>
Expenditures				
Current				
Judicial				
Operations	<u>207,381</u>	<u>234,381</u>	<u>171,506</u>	<u>62,875</u>
Total expenditures	<u>207,381</u>	<u>234,381</u>	<u>171,506</u>	<u>62,875</u>
Excess of Revenue over Expenditures	117,669	278,669	342,343	63,674
Fund Balance				
Beginning of year	<u>201,691</u>	<u>201,691</u>	<u>201,691</u>	<u>-</u>
End of year	<u>\$ 319,360</u>	<u>\$ 480,360</u>	<u>\$ 544,034</u>	<u>\$ 63,674</u>

West Baton Rouge Parish Council
Special Revenue Fund - Juvenile Detention
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Final Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Interest	\$ 18,000	\$ 21,500	\$ 21,556	\$ 56
Total revenue	<u>18,000</u>	<u>21,500</u>	<u>21,556</u>	<u>56</u>
Expenditures				
Current				
Public safety				
Operations	<u>175,000</u>	<u>31,000</u>	<u>30,839</u>	<u>161</u>
Total expenditures	<u>175,000</u>	<u>31,000</u>	<u>30,839</u>	<u>161</u>
Deficiency of Revenue under Expenditures	(157,000)	(9,500)	(9,283)	217
Fund Balance				
Beginning of year	<u>1,512,443</u>	<u>1,512,443</u>	<u>1,512,443</u>	<u>-</u>
End of year	<u>\$ 1,355,443</u>	<u>\$ 1,502,943</u>	<u>\$ 1,503,160</u>	<u>\$ 217</u>

West Baton Rouge Parish Council
Special Revenue Fund - Parish Lighting
Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2017

	Budgeted Amounts		Actual (Budgetary Basis)	Final Variance Favorable (Unfavorable)
	Original	Final		
Revenue				
Taxes	\$ 260,000	\$ 281,000	\$ 280,653	\$ (347)
Intergovernmental	10,079	10,079	7,559	(2,520)
Interest	12,267	34,267	34,045	(222)
Total revenue	<u>282,346</u>	<u>325,346</u>	<u>322,257</u>	<u>(3,089)</u>
Expenditures				
Current				
Public safety				
Operations	<u>270,000</u>	<u>206,000</u>	<u>204,242</u>	<u>1,758</u>
Total expenditures	<u>270,000</u>	<u>206,000</u>	<u>204,242</u>	<u>1,758</u>
Excess of Revenue over Expenditures	12,346	119,346	118,015	(1,331)
Fund Balance				
Beginning of year	<u>1,799,614</u>	<u>1,799,614</u>	<u>1,799,614</u>	<u>-</u>
End of year	<u>\$ 1,811,960</u>	<u>\$ 1,918,960</u>	<u>\$ 1,917,629</u>	<u>\$ (1,331)</u>

Community Development Block Grant *

	<u>Total Budget</u>	<u>Expended in Prior Years</u>	<u>Expended in Current Year</u>	<u>Remaining Budget for Future Years</u>
Revenue				
Intergovernmental	\$ 8,174,525	\$ 5,573,744	\$ 2,257,018	\$ 343,763
Miscellaneous	-	-	3	-
Total revenue	<u>8,174,525</u>	<u>5,573,744</u>	<u>2,257,021</u>	<u>343,763</u>
Expenditures				
Current				
General government				
Operations	-	-	-	-
Public safety				
Operations	-	-	-	-
Health and welfare				
Operations	-	-	-	-
Urban housing				
Operations	-	-	-	-
Capital outlay				
Federal operations	8,174,525	5,905,484	2,257,018	12,023
Parish operations	2,184,239	117,294	1,111,150	955,795
Total expenditures	<u>10,358,764</u>	<u>6,022,778</u>	<u>3,368,168</u>	<u>967,818</u>
Excess (Deficiency) of Revenue over (under) Expenditures	(2,184,239)	(449,034)	(1,111,147)	(624,055)
Other Financing Sources				
Operating transfers in	<u>1,625,796</u>	<u>117,294</u>	<u>1,426,356</u>	<u>82,146</u>
Net Change in Fund Balance	(558,443)	(331,740)	315,209	(541,909)
Fund Balance				
Beginning of year	<u>(331,740)</u>	<u>(331,740)</u>	<u>(331,740)</u>	-
End of year	<u>\$ (890,183)</u>	<u>\$ (663,480)</u>	<u>\$ (16,531)</u>	<u>\$ (541,909)</u>

Other Federal Grants

Budgeted Amounts		Actual (Budgetary Basis)	Final Variance
Original	Final		Favorable (Unfavorable)
\$ 474,698	\$ 422,998	\$ 568,357	\$ 145,359
-	-	2,616	2,616
474,698	422,998	570,973	147,975
13,000	13,000	12,014	986
62,566	62,566	60,615	1,951
64,132	64,132	66,779	(2,647)
335,000	297,000	291,882	5,118
-	-	-	-
-	-	-	-
474,698	436,698	431,290	5,408
-	(13,700)	139,683	153,383
544,368	86,657	86,657	-
544,368	72,957	226,340	153,383
107,696	107,696	107,696	-
<u>\$ 652,064</u>	<u>\$ 180,653</u>	<u>\$ 334,036</u>	<u>\$ 153,383</u>

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

West Baton Rouge Parish Council
Schedule of General Capital Assets
December 31, 2017

General Capital Assets	
Land	\$ 1,760,826
Buildings	42,058,502
Equipment	15,110,474
Infrastructure	48,447,311
Construction in progress	<u>6,678,219</u>
Total general capital assets	<u><u>\$ 114,055,332</u></u>
 Investment in General Capital Assets	
General fund	\$ 87,851,679
Capital projects fund	
Community center	1,776,082
Sewer projects	4,126,750
Special revenue funds	
Correctional facility	11,920,953
Roads	3,565,679
Drainage	4,746,219
Health unit	<u>67,970</u>
Total investment in general capital assets	<u><u>\$ 114,055,332</u></u>

West Baton Rouge Parish Council
Schedule of General Capital Assets
By Function and Activity
December 31, 2017

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
Assets						
Culture and recreation	\$ 600,614	\$ 17,821,377	\$ 1,914,122	\$ -	\$ -	\$ 20,336,113
Economic development	-	2,099,376	-	-	-	2,099,376
General government						
Administrative	73,250	2,548,336	667,644	-	-	3,289,230
Elections	7,200	10,140	5,849	-	-	23,189
Judicial	210,631	4,140,922	94,153	-	-	4,445,706
Legislative	-	-	684,512	-	-	684,512
Other	11,601	305,973	29,253	-	-	346,827
Health and welfare	-	1,201,459	335,836	-	-	1,537,295
Public safety						
Fire	224,900	106,950	-	-	-	331,850
Central communications	-	739,531	-	-	-	739,531
Correctional facility	146,156	11,801,342	252,830	-	-	12,200,328
Sheriff	-	-	24,017	-	-	24,017
911 service	282,446	-	1,654,069	-	-	1,936,515
Other	131,863	942,956	1,156,954	-	-	2,231,773
Public works	72,165	340,140	8,291,235	48,447,311	6,678,219	63,829,070
	<u>\$ 1,760,826</u>	<u>\$ 42,058,502</u>	<u>\$ 15,110,474</u>	<u>\$ 48,447,311</u>	<u>\$ 6,678,219</u>	<u>\$ 114,055,332</u>

West Baton Rouge Parish Council
Schedule of Changes in General Capital Assets
By Function and Activity
Year Ended December 31, 2017

	General Capital Assets January 1, 2017	Additions	Adjustments and Deletions	General Capital Assets December 31, 2017
Culture and recreation	\$ 19,629,035	\$ 709,213	\$ (2,135)	\$ 20,336,113
Economic development	2,099,376	-	-	2,099,376
General government				
Administrative	3,105,918	183,312	-	3,289,230
Elections	23,189	-	-	23,189
Judicial	4,447,696	-	(1,990)	4,445,706
Legislative	195,950	289,008	199,554	684,512
Other	368,763	-	(21,936)	346,827
Health and welfare	1,528,295	22,900	(13,900)	1,537,295
Public safety				
Fire	331,850	-	-	331,850
Central communications	739,531	-	-	739,531
Correctional facility	12,067,109	133,219	-	12,200,328
Sheriff	24,017	-	-	24,017
911 service	1,936,515	-	-	1,936,515
Other	2,205,228	26,545	-	2,231,773
Public works	56,930,779	8,613,792	(1,715,501)	63,829,070
	<u>\$ 105,633,251</u>	<u>\$ 9,977,989</u>	<u>\$ (1,555,908)</u>	<u>\$ 114,055,332</u>

**West Baton Rouge Parish Council
Schedule of Compensation, Benefits and Other
Payments to Agency Head or Chief Executive Officer
Year Ended December 31, 2017**

Agency Head Name: Riley Berthelot, Parish President

Purpose	Amount
Salary	\$133,418
Benefits - insurance	13,692
Benefits - retirement	17,352
Car allowance	5,400
Reimbursements	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	940
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	125



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

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

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

West Baton Rouge Parish Council
Port Allen, Louisiana

Council Members:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, fiduciary fund, and the aggregate remaining fund information of West Baton Rouge Parish Council, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise West Baton Rouge Parish Council's basic financial statements, and have issued our report thereon dated June 22, 2018.

Internal Control over Financial Reporting

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

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

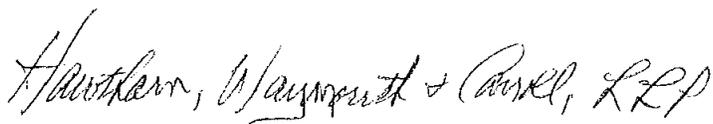
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



June 22, 2018



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

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Brittany B. Thames, CPA

**Independent Auditor's Report on Compliance for Each Major
Program and on Internal Control over Compliance Required
by the Uniform Guidance**

West Baton Rouge Parish Council
Port Allen, Louisiana

Council Members:

Report on Compliance for Each Major Federal Program

We have audited West Baton Rouge Parish Council's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on West Baton Rouge Parish Council's major federal program for the year ended December 31, 2017. West Baton Rouge Parish Council's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, West Baton Rouge Parish Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

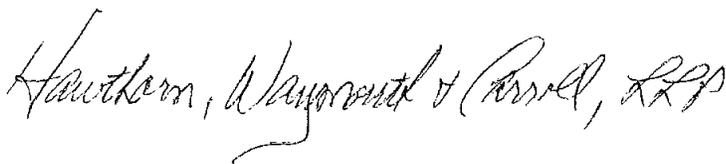
Report on Internal Control over Compliance

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

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

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

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



June 22, 2018

West Baton Rouge Parish Council
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

<u>Federal Grantor/Pass Through Grantor/ Program Title or Cluster Title</u>	<u>CFDA</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security			
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
Homeland Security Grant Program	97.067		\$ 32,673
Emergency Management Performance Grants	97.042		23,876
Total U.S. Department of Homeland Security			<u>56,549</u>
U.S. Department of Health and Human Services			
Passed through Louisiana Workforce Commission			
Community Services Block Grant	93.569		58,502
Passed through Louisiana Housing Finance			
Low-Income Home Energy Assistance	93.568		160,209
Total U.S. Department of Health and Human Services			<u>218,711</u>
U.S. Department of Transportation			
Passed through Louisiana Department of Transportation and Development			
Highway Planning and Construction	20.205		<u>670,037</u>
U.S. Department of Housing and Urban Development			
Passed through Louisiana Office of Community Development			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii*	14.228		2,257,018
Section 8 Housing Choice Vouchers	14.871		291,822
Total U.S. Department of Housing and Urban Development			<u>2,548,840</u>
Total expenditures of federal awards			<u>\$ 3,494,137</u>

*Denotes major program

See accompanying notes to the schedule of expenditures of federal awards.

West Baton Rouge Parish Council
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

Note 1-Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of West Baton Rouge Parish Council under programs of the federal government for the year ended December 31, 2017. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of West Baton Rouge Parish Council, it is not intended to and does not present the financial position or change in net position of West Baton Rouge Parish Council.

Note 2-Summary of Significant Accounting Policies

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

Note 3-Indirect Cost Rate

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

Note 4-Loans and Loans Guarantee Program

West Baton Rouge Parish Council has no loans or loan guarantee programs outstanding as of December 31, 2017 for those loans described in 2 CFR 200.502(b).

Note 5-Subrecipients

West Baton Rouge Parish Council did not pass through any of its federal awards to a subrecipient during the fiscal year 2017.

Note 6-Non-cash Assistance

No federal awards were expended in the form of non-cash assistance during the fiscal year 2017.

West Baton Rouge Parish Council
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017

Part I. Summary of Audit Results

- 1) An unmodified opinion has been expressed on the financial statements of West Baton Rouge Parish Council, as of and for the year ended December 31, 2017, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) An unmodified opinion has been expressed on compliance for West Baton Rouge Parish Council's major federal program as of and for the year ended December 31, 2017.
- 5) No deficiencies in internal control over compliance that we consider to be material weaknesses were identified.
- 6) No instances of noncompliance that are required to be reported under *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* were identified.
- 7) The major federal program is the Community Development Block Grants/States' Program and Non-Entitlement Grants in Hawaii.
- 8) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- 9) The auditee did not qualify as a low-risk auditee.
- 10) A management letter was not issued.

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

No findings were noted.

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

No findings were noted.

**West Baton Rouge Parish Council
Schedule of Prior Year Findings
Year Ended December 31, 2017**

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

No findings were noted.

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

No findings were noted.

Part III. Management Letter

Not applicable

**West Baton Rouge Parish Council
Agreed-Upon Procedures Report
December 31, 2017**



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

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

We have performed the procedures enumerated below, which were agreed to by West Baton Rouge Parish Council and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those control and compliance areas identified in the SAUPs.

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

The procedures performed and the associated findings are listed below. The procedures performed are stated first, followed by the associated findings presented in italics.

Written Policies and Procedures

1. Obtained the entity's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or reported 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; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions noted.

- 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.

The Entity's policy on contracting does not specifically address criteria (3) legal review and (5) monitoring process.

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

The Entity's policy on travel and expense reimbursement does not specifically address criterion (4) required approvers.

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

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

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

The Entity's policy on debt service does not specifically address criteria (3) debt reserve requirements and (4) debt service requirements.

Board (or Finance Committee, if applicable)

- 2. Obtained and reviewed the board/committee minutes for the fiscal period, and:

- a) Reported 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) Reported whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis). If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, reported 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, reported whether the

meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

None of the board minutes referenced or included monthly budget-to-actual comparisons.

- c) Reported 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. Obtained 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, selected six of the entity's bank accounts. For each of the bank accounts selected, obtained bank statements and reconciliations for all months in the fiscal period and reported whether:

- a) Bank reconciliations have been prepared;

No exceptions noted.

- 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;

For one of the six bank accounts selected, there was no evidence of review by a member of management or a board member having no involvement in the transactions associated with the bank 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.

For three of the six bank accounts selected, there were reconciling items outstanding for more than six months as of the end of the fiscal period with no documentation reflecting research on the reconciling items.

Collections

5. Obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

No exceptions noted.

6. Using the listing provided by management, selected all four of the entity's cash collection locations. For each cash collection location selected:

- a) Obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported 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 an outside party), and (3) not required to share the same cash register or drawer with another employee.

No exceptions noted.

- b) Obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and reported 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 collection location selected.

No exceptions noted.

- c) Selected 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, traced daily collections to the deposit date on the corresponding bank statement and reported whether the deposits were made within one day of collection. If deposits were not made within one day of collection, reported the number of days from receipt to deposit for each day at each collection location.

Sixteen collections were not deposited within one day of receipt. One collection was deposited three days after receipt, and 15 collections were deposited two days after receipt.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verified that daily cash collections are completely supported by documentation and reported any exceptions.

No exceptions noted.

- 7. Obtained existing written documentation (e.g. policy manual, written procedure) and reported 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 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.

The Entity does not have a process specifically defined to determine completeness of all collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

- 8. Obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. Obtained management’s representation that the listing or general ledger population is complete.

No exceptions noted.

- 9. Using the disbursement population from #8 above, randomly selected 25 disbursements, excluding credit card, debit card, fuel card, and P-card purchases or payments. Obtained supporting

documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrates 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.

There were no requisitions or purchase orders issued for 10 disbursements.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

There were no purchase orders issued for 10 disbursements.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

c) (1) – 10 payments did not have an approved purchase order.

c) (2) – None of the disbursements had a receiving report.

c) (3) – Three payments did not have an approved invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), reported 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), reported 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. Inquired of management and observed 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 reported any exceptions. Alternately, if the checks are electronically printed on blank check stock, reviewed entity documentation (electronic system control documentation) and reported 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, inquired 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. Inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtained 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. Obtained management's representation that the listing is complete.

No exceptions noted.

15. Using the listing prepared by management, randomly selected 10 cards that were used during the fiscal period. Obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Selected the monthly statement or combined statement 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) Reported 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.

No exceptions noted.

- b) Reported 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, obtained 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, reported whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased).

No exceptions noted.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Thirty-seven transactions were not supported by documentation of the business/public purpose.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Not applicable

- b) For each transaction, compared 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 reported any exceptions.

No exceptions noted.

- c) For each transaction, compared 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 reported 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.

For the thirteen transactions that were supported by documentation of the business/public purpose, no exceptions were noted.

Travel and Expense Reimbursement

17. Obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for travel reimbursements. Obtained management's representation that the listing or general ledger is complete.

No exceptions noted.

18. Obtained the entity's written policies related to travel and expense reimbursements. Compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and reported any amounts that exceed GSA rates.

No exceptions noted.

19. Using the listing or general ledger from #17 above, selected the three persons who incurred the most travel costs during the fiscal period. Obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compared expense documentation to written policies and reported 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, compared to the GSA rates (#18 above) and reported each reimbursement that exceeds those rates.

No exceptions noted.

- b) Reported whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

No exceptions noted.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions noted.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Not applicable

- c) Compared 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 reported 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) Reported 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. Obtained a listing of all contracts in effect during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for contract payments. Obtained management's representation that the listing or general ledger is complete.

No exceptions noted.

- 21. Using the listing above, selected 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). Obtained the related contracts and paid invoices and:

- a) Reported whether there is a formal/written contract that supports the services arrangement and the amount paid.

Of the five service arrangements selected for testing, one was not supported by a formal/written contract.

- b) Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. Reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtained/compared supporting contract documentation to legal requirements and reported whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

No exceptions noted.

- If no, obtained supporting contract documentation and reported whether the entity solicited quotes as a best practice.

Two of the five service arrangements selected for testing were not subject to the Louisiana Public Bid Law. One of these service arrangements was subject to a contract that was initiated in a prior year. The Entity did not solicit quotes for the other service arrangement.

- c) Reported whether the contract was amended. If so, reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Of the four service arrangements that were supported by a formal/written contract, two of the contracts were amended.

One construction contract was amended to add components that were determined to be needed and to remove components that were determined not to be needed. The changes resulted in an increase of \$118,009. The original contract terms provided for such an amendment.

Another construction contract was amended to add components that were determined to be needed to address issues that were discovered after work was started. The changes resulted in an increase of \$239,467. The original contract terms provided for such an amendment.

- d) Selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions noted.

- e) Obtained/reviewed contract documentation and board minutes and reported whether there is documentation of board approval, if required by policy or law.

No exceptions noted.

Payroll and Personnel

- 22. Obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. Randomly selected five employees/officials, obtained their personnel files, and:

- a) Reviewed compensation paid to each employee during the fiscal period and reported whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and reported whether those changes were approved in writing and in accordance with written policy.

No exceptions noted.

- 23. Obtained attendance and leave records and randomly selected one pay period in which leave was taken by at least one employee. Within that pay period, randomly selected 25 employees/officials, and:

- a) Reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

No exceptions noted.

- b) Reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

The attendance and leave records for four employees were not supported by supervisor approval for the pay period tested.

- c) Reported 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. Obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. Selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. Reported whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No exceptions noted.

25. Obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Reported 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.

No exceptions noted.

Ethics

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtained ethics compliance documentation from management and reported whether the entity maintained documentation to demonstrate that required ethics training was completed.

The Entity was not able to provide documentation to demonstrate that required ethics training was completed for one of the five employees tested.

27. Inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, reviewed 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. Reported whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Management asserted that no alleged ethics violations were reported to the Entity during the fiscal period.

Debt Service

28. If debt was issued during the fiscal period, obtained supporting documentation from the entity, and reported whether State Bond Commission approval was obtained.

Not applicable

29. If the entity had outstanding debt during the fiscal period, obtained supporting documentation from the entity and reported whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

No exceptions noted.

30. If the entity had tax millages relating to debt service, obtained supporting documentation and reported whether millage collections exceeded debt service payments by more than 10% during the fiscal period. Also, reported any millages that continue to be received for debt that has been paid off.

Not applicable

Other

31. Inquired of management whether the entity had any misappropriations of public funds or assets. If so, obtained/reviewed supporting documentation and reported whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management asserted it is not aware of any misappropriations of public funds or assets.

32. Observed and reported 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 observed or otherwise identified any exceptions regarding management's representations in the procedures above, reported the nature of each exception.

No exceptions noted.

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

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

Hawthorn, Wagnon & Carvel, LLP

June 22, 2018

WEST BATON ROUGE PARISH GOVERNMENT

Parish Governmental Authority

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CHRIS KERSHAW, DISTRICT II
NAOMI FAIR, DISTRICT III
RICKY LOUPE, DISTRICT IV
CHARLENE GORDON, DISTRICT V

Management's Response to Independent Accountant's Report on Applying Agreed-upon Procedures

Written Policies and Procedures

- 1.f) The written policies and procedures have been revised to state that no legal review is required unless a grantor agency has language requiring it.
- 1.h) The written policies and procedures have been revised to add language requiring supervisor approval.
- 1.i) The written policies and procedures have been revised to add language requiring signature verification which will be tracked by the human resource office through a check list roll of employees.
- 1.j) The written policies and procedures have been revised to add language required by bond indenture documents as it relates to debt service and debt reserve requirements.

Board

- 2.b) Monthly budget-to-actual comparisons will be presented to the Council going forward.

Bank Reconciliations

- 4.b) The Parish President will start approving the main bank account reconciliations as a second reviewer.
- 4.c) Outstanding items on the bank account reconciliations will be reviewed and either be voided or handled in accordance with state law.

Collections

- 6.c) Deposits will be made daily going forward.
- 7. West Baton Rouge Parish Council actually does use control numbers for all invoiced receivables; none of the examples applied to West Baton Rouge Parish Council.

Disbursements

- 9.a),b),c) The written policies and procedures have been revised to add language to clarify that purchase orders are not required for reoccurring, budgeted, monthly transactions. Also, our River Bend account will begin using purchase orders. When available, receiving reports will be attached to supporting documentation.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 16.a) Card transactions will include written documentation of the business/public purpose going forward.

Contracts

21.a) The one service arrangement mentioned was for professional services which are dictated by state law.

Payroll and Personnel

23.b) This has been corrected.

Ethics

26. The written policies and procedures have been revised to add language requiring the human resource office to verify all employees will be certified.