

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For The Year Ended
December 31, 2015**

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

**Prepared by
Finance Department
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Department of Finance

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Parish of East Baton Rouge

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June 22, 2016

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

Dear Mayor-President and Council Members:

Pursuant to Louisiana State Statutes and The Plan of Government, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the consolidated government of the City of Baton Rouge and Parish of East Baton Rouge (City-Parish) for the fiscal year ended December 31, 2015. The Accounting Division of the City-Parish Finance Department prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City-Parish as measured by the financial activities of its various funds and the entity-wide presentation; and that disclosures necessary to enable readers to gain an understanding of City-Parish financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the local government.

The City-Parish financial statements have been audited by Postlethwaite & Netterville, APAC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, financial statements for the fiscal year ended December 31, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first document of the financial section of this report.

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

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

Profile of the Government



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

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



A determination of the financial reporting entity to be included in this CAFR is made through the application of criteria established by section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* (as revised by GASB Statement No. 61 – The Financial Reporting Entity: Omnibus). A complete explanation of the financial reporting entity is included in the Summary of Significant Accounting Policies in the Notes to the Financial Statements.

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

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

The financial statements included in this CAFR are as follows:

| <u>Name of Organization</u> | <u>Type of Unit</u> |
|---|-------------------------|
| ➤ The City-Parish | Primary Government |
| ➤ City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System | Blended Component Unit |
| ➤ District Attorney of the Nineteenth Judicial District | Discrete Component Unit |
| ➤ Nineteenth Judicial District Court | Discrete Component Unit |
| ➤ Nineteenth Judicial District Court Building Commission | Discrete Component Unit |
| ➤ East Baton Rouge Parish Family Court | Discrete Component Unit |
| ➤ East Baton Rouge Parish Juvenile Court | Discrete Component Unit |
| ➤ East Baton Rouge Parish Clerk of Court | Discrete Component Unit |
| ➤ East Baton Rouge Parish Redevelopment Authority | Discrete Component Unit |
| ➤ Cytreniks Group/King Hotel Special Taxing District | Discrete Component Unit |
| ➤ Bluebonnet Convention Hotel Taxing District | Discrete Component Unit |
| ➤ EBRATS Building Special Taxing | Discrete Component Unit |
| ➤ Capital Area Transit System | Discrete Component Unit |

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

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the General Fund, Library Board of Control Special Revenue Fund, and Grants Special Revenue Fund, this comparison is presented in Exhibits A-7 through A-9. The Capital Projects Fund budget statement is presented on a project length basis as legally adopted by the Metropolitan Council on Exhibit B-3. For other governmental funds, the annual budget comparison is presented in the Combining and Individual Fund Statements and Schedules, Exhibits B-4 through B-33.

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



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

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

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

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

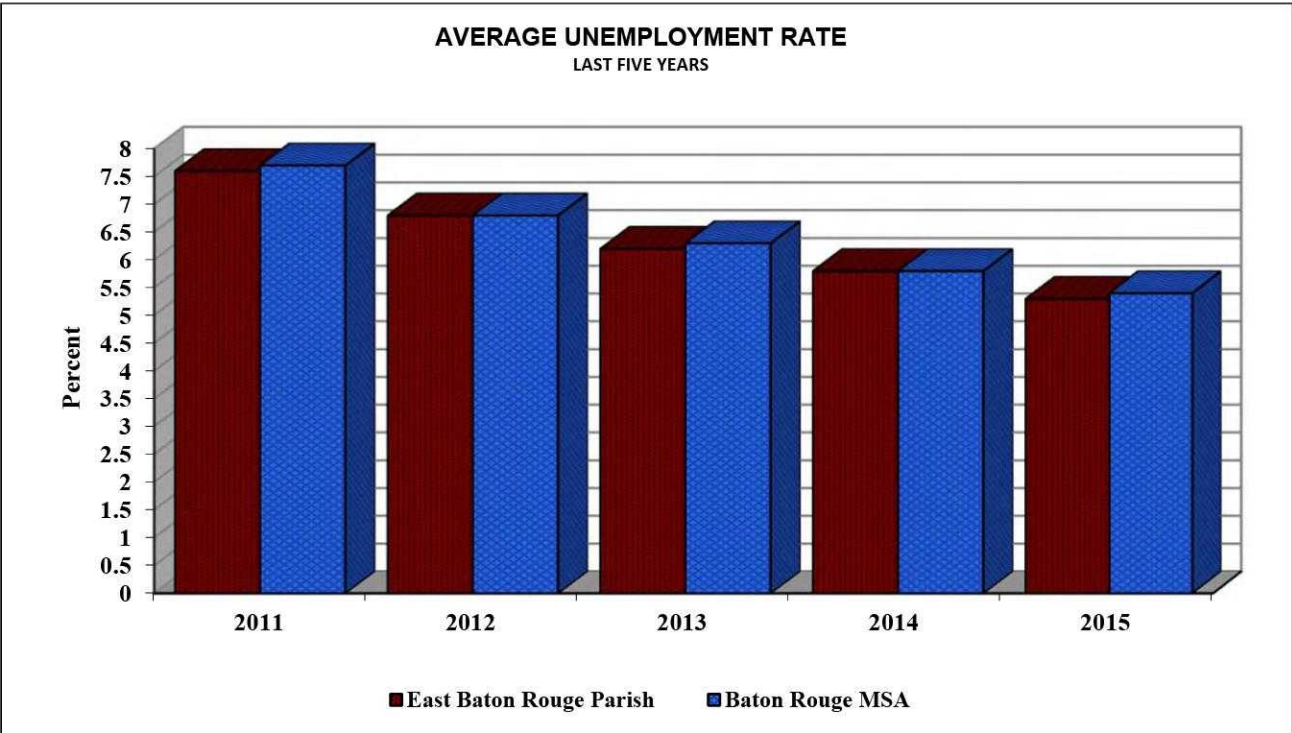


A number of significant companies engaged in oil refining, petrochemical processing, and wood products are found in the industrial corridor along the Mississippi River near Baton Rouge. These industries are major employers of Baton Rouge's labor force. Other important industries include government, construction,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

According to the United States Department of Labor, Bureau of Labor Statistics, the annual average rate of local unemployment decreased 0.5% in East Baton Rouge Parish and decreased 0.4% in the Baton Rouge MSA in 2015, as reflected in the following chart:

| | <u>East Baton Rouge Parish</u> | <u>Baton Rouge MSA ⁽¹⁾</u> |
|------|------------------------------------|---------------------------------------|
| 2011 | 7.6 | 7.7 |
| 2012 | 6.8 | 6.8 |
| 2013 | 6.2 | 6.3 |
| 2014 | 5.8 | 5.8 |
| 2015 | 5.3 | 5.4 |

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



Local economists are predicting job growth in 2016 and 2017 for our region. In October 2015, Dr. James A. Richardson, John Rhea Alumni Professor of Economics at Louisiana State University, and Dr. Loren C. Scott, Professor Emeritus of Economics at Louisiana State University, issued *Louisiana Economic Outlook* (LEO) on Louisiana’s major metropolitan statistical areas. Following are their predictions of economic growth in East Baton Rouge Parish and the Baton Rouge MSA for 2016-2017.

“Baton Rouge’s five very strong years of growth in a row is largely due to the record industrial expansions in the area...the great majority of the announcements are under construction...natural gas prices have fallen sharply in the U.S. but are significantly higher in Europe. Chemical firms are prodigious users of natural gas. The price advantage in the U.S. has been translated into a price advantage for our chemicals over those produced in Europe. Consequently, U.S. firms are cutting into Europe’s share of the world chemical market.

The Baton Rouge MSA is ideally situated to capitalize on this boom. There are numerous pipelines already in place to deliver natural gas to the plants. There is an abundance of available water (the Mississippi River), and there is an

excellent waterway for transporting the bulk production of this industry by barge (the Mississippi River). These are the drivers behind the \$8 billion in industrial announcements in the region.

These announcements include:

- *Honeywell is spending \$80 million on expansions at two of its sites in Baton Rouge and one in Geismar. The firm will retain 200 jobs and add another 10 to its workforce.*
- *Gensis Energy is nearing completion of a \$150 million, 1.1 million barrel storage terminal for oil, intermediates, and refined products at the Port of Baton Rouge.*
- *Two new glass-oriented companies are coming to Baton Rouge. ClearEdge Wholesale Glass is relocating from New Orleans and will spend \$2.65 million to renovate a 41,000 square foot building...Glaz-Tech is building a new \$4 million glass manufacturing plant...*

All this new industrial activity in the Baton Rouge region has spurred a non-trivial boom in the rail sector. For example:

At the Port of Baton Rouge, Union Pacific Railroad has started an 18-month, \$19.6 million rail expansion project. The company will spend \$7 million on longer receiving tracks and power switches to accommodate unit trains (trains with 100 railcars), and it will spend \$12.6 million on a chambering yard from railcars waiting to be loaded or unloaded.

Industrial construction is not the only construction sector booming. The Baton Rouge MSA economy is savoring a bump from non-industrial projects as well. In February 2016, Our Lady of the Lake broke ground on a new \$200 million Children's Hospital. This 2-year project will result in inpatient beds, an emergency room, a surgical unit, and a hematology/oncology unit. Construction began in November 2014 on a \$110 million project to renovate the Patrick Taylor Hall at LSU. The project is scheduled for completion in June 2017. Construction is underway on the 3-building, \$45 million Water Resources Institute (funded by fines resulting from the BP spill).

Baton Rouge continues to experience modest revenue growth. General sales and use tax (2 percent) collections for General Fund operations and debt service dedications of the City and Parish combined were \$185.0 million, net of Tax Increment Financing District adjustments, an increase of \$5.9 million over 2014 revenues, a 3.28 percent increase. Sales tax collections for the ½ percent sewerage tax and the ½ percent road and street improvement tax both increased by 2.77 and 2.78 percent, respectively, during fiscal year 2015. The general sales and use tax plays a significant role in financing the operations of the General Fund.

Major Initiatives in 2015

Employee Compensation

In 2015, major revisions to the compensation package for City-Parish employees were approved. The revisions were based upon the results of the Total Compensation Study, released in October of 2013. The study was commissioned to review the current compensation system as it compared to other public- and private-sector employers and make changes to move towards an employee-compensation system that was competitive, while remaining financially pragmatic. These changes were needed in order for the City-Parish to be able to attract and retain the caliber of talent needed to provide services to the public.

The study analyzed the existing pay plan for non-municipal police and fire employees, benchmarked City-Parish positions against various ranges of pay for comparable positions in other areas, and examined the benefits structure against those of peer cities. Each element of compensation was examined including base pay, longevity pay, overtime, paid leave, health-care benefits, retirement benefits, and other post-employment benefits. The study concluded that base pay is lower for many classifications in the early years of employment, but becomes more competitive with the addition of merit and longevity pay. Benefit costs such as paid leave, health care, and retirement were higher than the benchmark data from other peer cities. Internal studies were done to examine the pay and benefits for municipal fire and police employees.

Changes to pay and benefits that took effect on April 4, 2015, are summarized below:

- A one-time across-the-board pay raise of 2% was implemented with an annual minimum guarantee of \$500;
- City longevity and State longevity were incorporated into the pay scales resulting in a 19-step pay plan for regular and municipal police employees and a 21-step pay plan for municipal fire employees;
- The minimum pay rate for full-time employees was increased from \$8.05 per hour to \$9.30 per hour;
- Employees hired on or after April 4, 2015, will receive 12 days (hours proportionate to a 40-hour workweek) of sick leave annually throughout their career limited to a maximum of 480 hours;
- The birthday holiday was eliminated after December 31, 2015; and
- Sick hours taken will not be included as hours worked for the computation of overtime pay and/or compensatory time.

In addition, changes to retirement benefits for employees hired on or after September 1, 2015, included the following:

- Requiring a minimum retirement age of 50 for public safety employees and 55 for all others;
- Changing the time period used to calculate retirement benefits from the 36 highest consecutive months to the 60 highest consecutive months;
- Eliminating automatic spousal benefits and requiring they be purchased based on the actuarial value of the benefit; and
- Imposing penalties associated with early retirement benefits based on an actuarial calculation that will be cost neutral to the system.

The impact of the retirement benefit changes, as calculated by the system's actuary, is a reduction in required employer contributions of \$96.9 million over the next 30 years.

Public Works Reorganization

In 2014, the citizens of East Baton Rouge Parish approved changes to the *Plan of Government* to reorganize the functions of the formerly centralized Department of Public Works into six new departments. An internal team was formed to assist in developing self-contained budget units, clear functional responsibilities, and performance metrics. The new departments became operational in April of 2015. The following new departments have been established as separate budgetary units:

- Department of Environmental Services
- Department of Transportation & Drainage
- Department of Maintenance
- Department of Development
- Department of Buildings and Grounds
- Department of Fleet Management

In addition, an Office of Business Operations and Capital Programs was established to provide essential financial and programmatic support to each department. In 2016, the Directors of each new department began work on baseline measurements for performance metrics. They have also been tasked with clarifying roles and responsibilities, streamlining operations, and developing internal and external communications plans to ensure efficient processes as functions and service delivery cross new departmental lines.

Other

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



Currently under final design, City Hall Plaza will be renovated to accommodate larger event crowds and provide ADA accessibility to the areas directly west of City Hall and between Town Square, the River Center, and Repentance Park. It will involve the removal of harsh hardscapes, replacing them with a large shaded lawn that will partially close the gap between Galvez Stage and City

Hall Plaza over the underground parking area. The redesign allows for the Galvez Stage to be used from the north and south sides. The 2016 budget includes \$3.9 million for construction funded from the proceeds of the state sales tax rebate dedicated for riverfront development.

The East Baton Rouge Parish Library system has several ongoing projects. Abatement activities and demolition of the old River Center Branch has begun, with construction of the new building commencing immediately thereafter. A budget of \$19 million has been previously approved for this project that should take approximately two years to complete. Funding for major renovation and repurposing of the Jones Creek and Greenwell Springs Branches is included in the 2016 budget.

Long-Term Financial Planning

Sewer Improvement Program

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

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



With a customer base over 147,000, the Parish's sanitary sewer system serves a population of approximately 425,000. The system is extremely complex, consisting of 500 pump stations, 10.5 million feet of separate gravity and pressure sewer system pipes and three major treatment plants. Like many other cities, Baton Rouge has encountered many overflow problems with this aging system which has led to the inception of the Sanitary Sewer Overflow (SSO) Improvement Program. The SSO Improvement Plan is progressing at a steady pace. Seventy-three projects have been completed, twenty-five are under construction and twelve are under design. The approximate value of these projects, either completed, in the design phase, or under construction at the end of the first quarter of 2016 was \$1.6 billion.

A comprehensive financing model has been developed and is being utilized by the Departments of Finance and Environmental Services to manage the finances of the Sanitary Sewer Improvement Program. The first annual 4% sewer user fee increase was implemented on January 1, 2004. Annual 4% sewer user fee increases will continue to be levied throughout the life of this program. In order to mitigate additional increases in the sewer user fee, the City-Parish will continue to seek low interest loans, federal grants, and state grants. As of December 31, 2015, the City-Parish had appropriated over \$2 billion for sewer capital improvements, including funding from long-term bonds, impact fees, EPA grants, and pay-as-you-go funding. This \$2 billion represents all capital appropriations since the inception of the Comprehensive Sewerage System Enterprise Fund in 1985.

One-Half Percent Road and Street Improvement Program

On October 15, 2005, the citizens of East Baton Rouge Parish approved an extension of the current one-half percent (½%) sales and use tax for road and street improvements. The proposition offered to voters extended the so-called "pot-hole" tax for an additional 23 years until 2030, and allowed for 70% of the proceeds to be used for the construction of new roads, widening of existing roads, intersection and signalization improvements, as well as



other transportation improvements. In this new road construction program, called the “Green Light Plan”, the long-term issuance of debt was authorized, which over time will allow for an accelerated road construction schedule and alleviate the effects of inflation on project costs. As of December 31, 2015, twenty-one “Green Light” projects were in an “active” status ranging from corridor survey/design study through construction. The following projects were capitalized in 2015: Fairchild-Badley Road, Stumberg Lane Extension Phase 2, and Sullivan Road.

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

It is estimated that over the 25-year period from January 1, 2006, through December 31, 2030, the tax will fund \$626 million in road improvement projects. The remainder of the tax will provide \$314 million for the rehabilitation and beautification components of the program.

AWARDS AND ACKNOWLEDGMENTS



The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Baton Rouge and Parish of East Baton Rouge for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City-Parish has received this award each year for the 27-year period ending December 31, 2014. I believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

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

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

Respectfully submitted,

Marsha J. Hanlon
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2015



Mayor-President
Melvin "Kip" Holden



District 1
Trae Welch



District 2
Chauna Banks-Daniel



District 4
Scott Wilson



District 5
Ronnie Edwards



District 6
Donna Collins-Lewis



District 7
C. Denise Marcelle

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2015



President Pro-Tempore
District 3
Chandler Loupe



District 8
Buddy Amoroso



District 10
Tara Wicker



District 9
Joel Boe

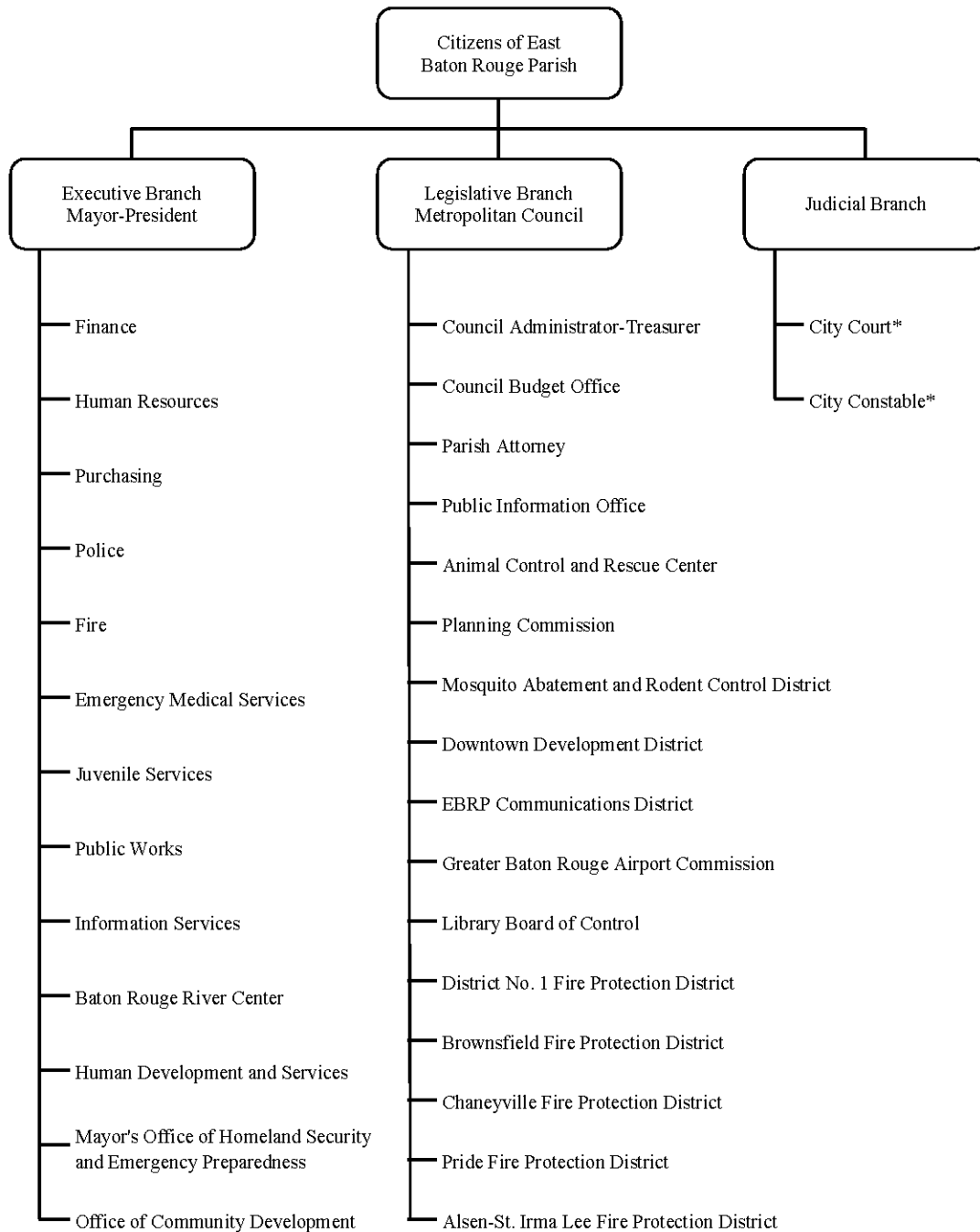


District 11
Ryan Heck



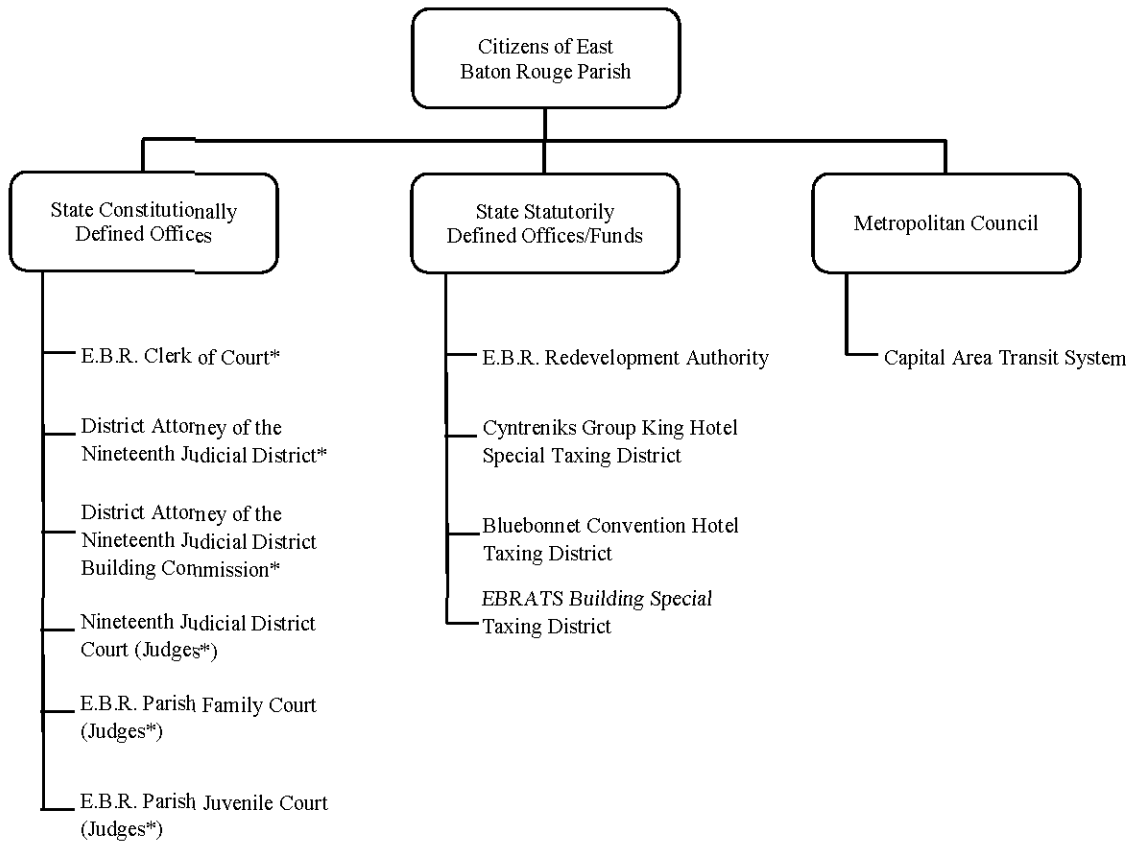
District 12
John Delgado

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



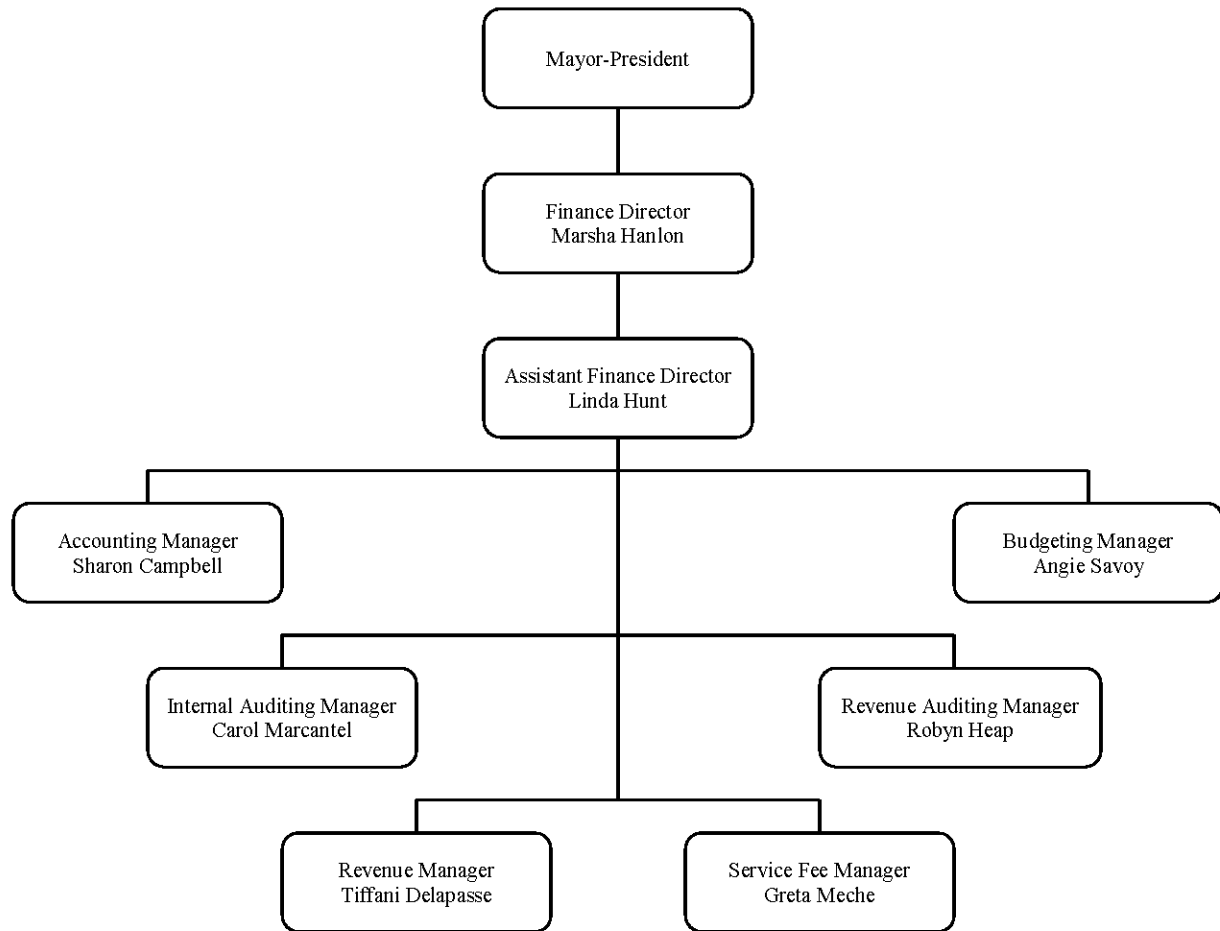
* Designates Elected Officials

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



* Designates Elected Officials

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



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison information for each major fund, and the aggregate remaining fund information of the City of Baton Rouge and Parish of East Baton Rouge, Louisiana (City-Parish) as of and for the year ended December 31, 2015, which collectively comprise the City-Parish's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City-Parish's non-major governmental, non-major enterprise, internal service funds, and fiduciary funds as displayed in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2015 listed in the table of contents as exhibits B-1 through E-4.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain component units discretely presented as described in note 1(a) to the financial statements which represent 93%, 303% and 80%, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon were furnished to us, and our opinion, herein, insofar as it relates to the amounts included for these entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Auditors' Responsibility (continued)

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison information for each major fund, and the aggregate remaining fund information of the City of Baton Rouge-Parish of East Baton Rouge as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental, non-major enterprise, internal service, and fiduciary fund of the City-Parish as of December 31, 2015, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 18, the Schedules of Funding Progress and Employer Contributions of the City-Parish's Postemployment Benefit Plan, exhibit A-18, and the Schedules of Cost Sharing Proportionate Share of the Net Pension Liability, Cost Sharing Plan Contributions, Changes in Net Pension Liability and Related Ratios for the Police Guarantee Trust and Single Employer Plan Contributions for the Police Guarantee Trust, exhibit A-19 through A-22, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters (continued)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City-Parish's basic financial statements. The accompanying financial information listed in the Table of Contents as exhibits F-1 and F-2 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards presented on Schedules A and B, pages 269-278 in the Single Audit Section, is also presented for purposes of additional analysis, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The financial information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying financial information listed in the Table of Contents as Exhibits F-1 and F-2 and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2016 on our consideration of the City-Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City-Parish's internal control over financial reporting and compliance.

Postlethwaite + Netterville

Baton Rouge, Louisiana
June 22, 2016





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

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

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

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of resources of the City-Parish primary government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,005.0 million (*net position*). Unrestricted net position for governmental activities is a deficit of \$650.0 million, while unrestricted net position for business-type activities is approximately \$35.3 million. The deficit in governmental unrestricted net position is the result of the recognition of \$368.8 million in other postemployment benefit liabilities and \$465.7 million in net pension liability for governmental activities.
- The primary government's total net position decreased by \$48.1 million during 2015 after restatement of 2014 by \$437.7 million. See Note 1(f) for additional information regarding this restatement.
- Governmental activities' net position decreased \$20.2 million during 2015 primarily as a result of other postemployment benefits in excess of contributions (\$40.6 million), increase in compensated absences (\$3.0 million) and other miscellaneous decreases (\$2.3 million) offset by increase in revenues from sales tax (\$7.7 million) and contributions for capital assets from capital grants and donated infrastructure (\$18.0 million).
- Net Position of business type activities decreased \$27.9 million during 2015. Increases in collections of sales tax and user fees in the sewerage fund and capital contributions received by the airport district were offset by increases in depreciation and bond interest expense.
- As of the close of the current fiscal year, the City-Parish's governmental funds reported combined ending fund balances of \$456.2 million, an increase of \$33.5 million in comparison with the prior year. Approximately 2.9% of the fund balances, \$13.1 million, is *available for spending* at the City-Parish's discretion (*unassigned fund balance*). The remainder of the fund balances are not available for discretionary spending because they are either nonspendable restricted, committed or assigned for specific purposes.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

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

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

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

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

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

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

Capital Assets

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

Notes to the Financial Statements

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

Other Information

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

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

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

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

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

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position for 2015, with comparative figures from 2014:

City of Baton Rouge, Parish of East Baton Rouge
Condensed Statement of Net Position
December 31, 2015 & 2014
(in millions)

| | Governmental Activities | | Business- Type Activities | | Total | |
|----------------------------------|----------------------------|-----------------|---------------------------------|-----------------|------------------|------------------|
| | <u>2015</u> | <u>2014*</u> | <u>2015</u> | <u>2014*</u> | <u>2015</u> | <u>2014*</u> |
| Assets: | | | | | | |
| Current and Other Assets | \$ 520.1 | \$ 524.9 | \$ 217.2 | \$ 208.6 | \$ 737.3 | \$ 733.5 |
| Restricted Assets | -- | -- | 368.2 | 492.9 | 368.2 | 492.9 |
| Capital Assets | <u>891.3</u> | <u>878.6</u> | <u>1,880.6</u> | <u>1,785.1</u> | <u>2,771.9</u> | <u>2,663.7</u> |
| Total Assets | <u>1,411.4</u> | <u>1,403.5</u> | <u>2,466.0</u> | <u>2,486.6</u> | <u>3,877.4</u> | <u>3,890.1</u> |
| Deferred Outflow of Resources | <u>96.2</u> | <u>57.1</u> | <u>138.0</u> | <u>134.0</u> | <u>234.2</u> | <u>191.1</u> |
| Liabilities: | | | | | | |
| Current Liabilities | 49.1 | 87.3 | 81.7 | 79.4 | 130.8 | 166.7 |
| Non-current Liabilities | <u>1,269.2</u> | <u>1,149.9</u> | <u>1,697.9</u> | <u>1,688.4</u> | <u>2,967.1</u> | <u>2,838.3</u> |
| Total Liabilities | <u>1,318.3</u> | <u>1,237.2</u> | <u>1,779.6</u> | <u>1,767.8</u> | <u>3,097.9</u> | <u>3,005.0</u> |
| Deferred Inflow of Resources | <u>8.1</u> | <u>22.0</u> | <u>0.6</u> | <u>1.1</u> | <u>8.7</u> | <u>23.1</u> |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 665.2 | 650.4 | 652.4 | 668.6 | 1,317.6 | 1,319.0 |
| Restricted | 166.0 | 195.9 | 136.1 | 160.5 | 302.1 | 356.4 |
| Unrestricted | <u>(650.0)</u> | <u>(644.9)</u> | <u>35.3</u> | <u>22.6</u> | <u>(614.7)</u> | <u>(622.3)</u> |
| Total Net Position | <u>\$ 181.2</u> | <u>\$ 201.4</u> | <u>\$ 823.8</u> | <u>\$ 851.7</u> | <u>\$1,005.0</u> | <u>\$1,053.1</u> |

*Restated

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

As of December 31, 2015, \$1,317.6 million of the City-Parish's net position reflects the government's investment in capital assets (land, buildings, noise mitigation costs, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The City-Parish government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Restricted net position represents those assets subject to external restrictions on how those assets may be used such as a property tax approved by the electorate for a specific purpose. Restricted net position decreased by \$29.9 million from the previous year for governmental activities, because of the expenditure of dedicated funds as part of the continuation of construction projects for library capital improvements. Restricted net position decreased by \$24.4 million for business-type activities, due to decreases in amounts restricted for debt service and a decrease in required collateral posted for swap agreements. Unrestricted net position decreased by \$5.1 million from the previous year for governmental activities. This decrease was primarily due to an increase in expenses for public safety and health insurance claims offset by an increase in sales tax collections. Unrestricted net position increased by \$12.7 million for business-type activities. This increase was primarily due to a decrease in collateral posted for swap agreements.

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

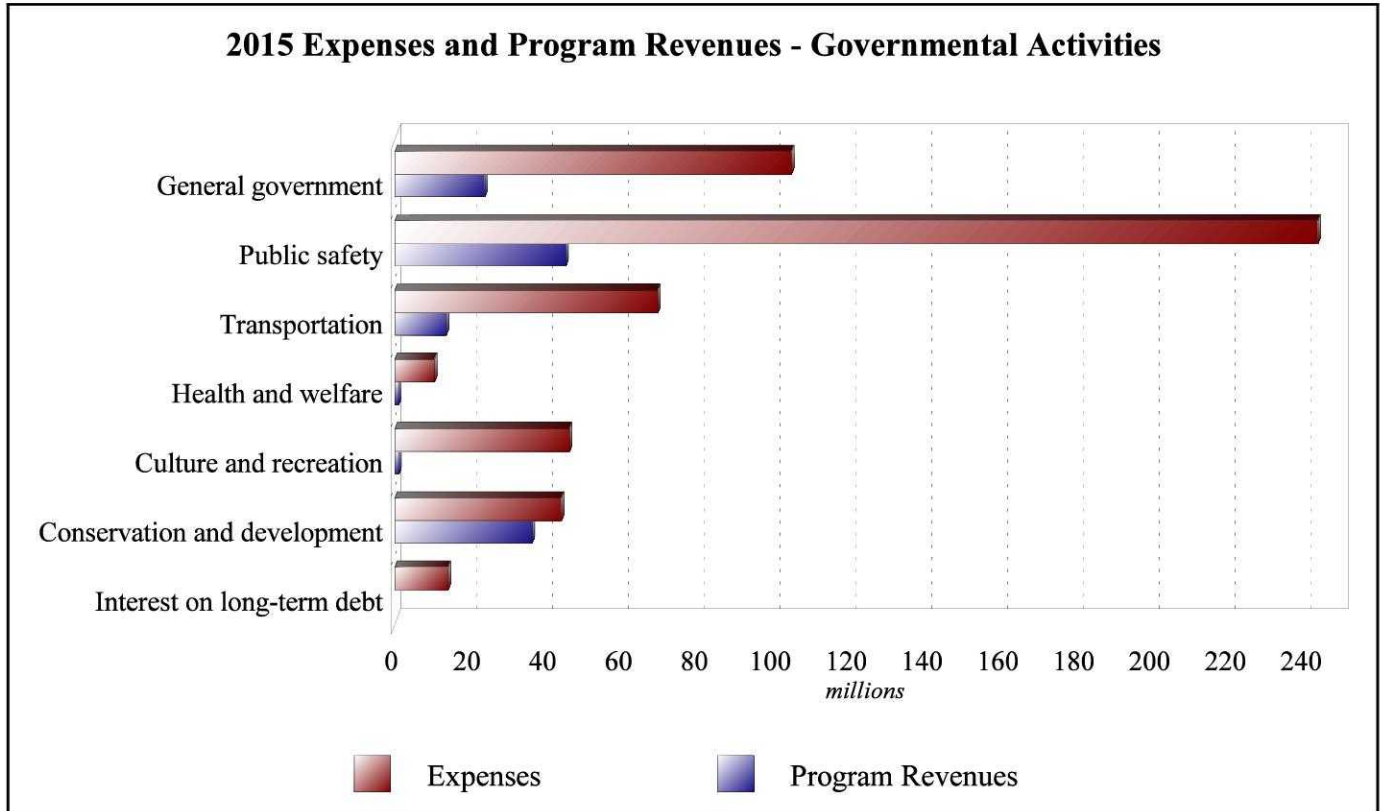
The table below provides a summary of the changes in net position for the year ended December 31, 2015, with comparative figures from 2014:

City of Baton Rouge, Parish of East Baton Rouge
Condensed Statement of Changes in Net Position
For the Years Ended December 31, 2015 & 2014
(in millions)

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|---|------------------------------------|-----------------|-------------------------------------|----------------|------------------|------------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 57.8 | \$ 54.7 | \$142.6 | \$137.6 | \$ 200.4 | \$ 192.3 |
| Operating Grants and Contributions | 45.1 | 44.3 | 7.4 | 7.7 | 52.5 | 52.0 |
| Capital Grants and Contributions | 17.9 | 24.4 | 17.0 | 10.3 | 34.9 | 34.7 |
| General Revenues: | | | | | | |
| Sales Taxes | 231.5 | 223.8 | 44.8 | 43.6 | 276.3 | 267.4 |
| Other Taxes | 151.8 | 150.3 | -- | -- | 151.8 | 150.3 |
| Grants and Contributions Not Restricted to Specific Programs | 6.1 | 5.5 | -- | -- | 6.1 | 5.5 |
| Other | <u>1.1</u> | <u>1.2</u> | <u>1.4</u> | <u>1.2</u> | <u>2.5</u> | <u>2.4</u> |
| Total Revenues | <u>511.3</u> | <u>504.2</u> | <u>213.2</u> | <u>200.4</u> | <u>724.5</u> | <u>704.6</u> |
| Expenses: | | | | | | |
| General Government | 104.6 | 99.1 | 0.7 | 2.7 | 105.3 | 101.8 |
| Public Safety | 243.5 | 233.0 | -- | -- | 243.5 | 233.0 |
| Transportation | 69.4 | 66.9 | 27.8 | 28.5 | 97.2 | 95.4 |
| Sanitation | -- | -- | 198.0 | 197.2 | 198.0 | 197.2 |
| Health and Welfare | 10.5 | 9.8 | -- | -- | 10.5 | 9.8 |
| Culture and Recreation | 46.1 | 43.8 | 13.9 | 13.4 | 60.0 | 57.2 |
| Conservation and Development | 44.0 | 46.1 | -- | -- | 44.0 | 46.1 |
| Interest on Long-Term Debt | <u>14.1</u> | <u>13.4</u> | <u>--</u> | <u>--</u> | <u>14.1</u> | <u>13.4</u> |
| Total Expenses | <u>532.2</u> | <u>512.1</u> | <u>240.4</u> | <u>241.8</u> | <u>772.6</u> | <u>753.9</u> |
| Decrease in Net Position Before Transfers | (20.9) | (7.9) | (27.2) | (41.4) | (48.1) | (49.3) |
| Transfers | <u>0.7</u> | <u>0.9</u> | <u>(0.7)</u> | <u>(0.9)</u> | <u>--</u> | <u>--</u> |
| Decrease In Net Position | (20.2) | (7.0) | (27.9) | (42.3) | (48.1) | (49.3) |
| Net Position, January 1 | <u>201.4</u> | <u>614.6</u> | <u>851.7</u> | <u>925.5</u> | <u>1,053.1</u> | <u>1,540.1</u> |
| Net Position, December 31 | <u>\$181.2</u> | <u>\$ 607.6</u> | <u>\$823.8</u> | <u>\$883.2</u> | <u>\$1,005.0</u> | <u>\$1,490.8</u> |
| Adjust capitalization of construction costs | | -- | | 4.7 | | 4.7 |
| Effects of GASB 68 and 71 implementation | | <u>(406.2)</u> | | <u>(36.2)</u> | | <u>(442.4)</u> |
| Net Position, December 31, restated | | <u>\$ 201.4</u> | | <u>\$851.7</u> | | <u>\$1,053.1</u> |

See Note 1(f) for more information regarding the restatement of net position.

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



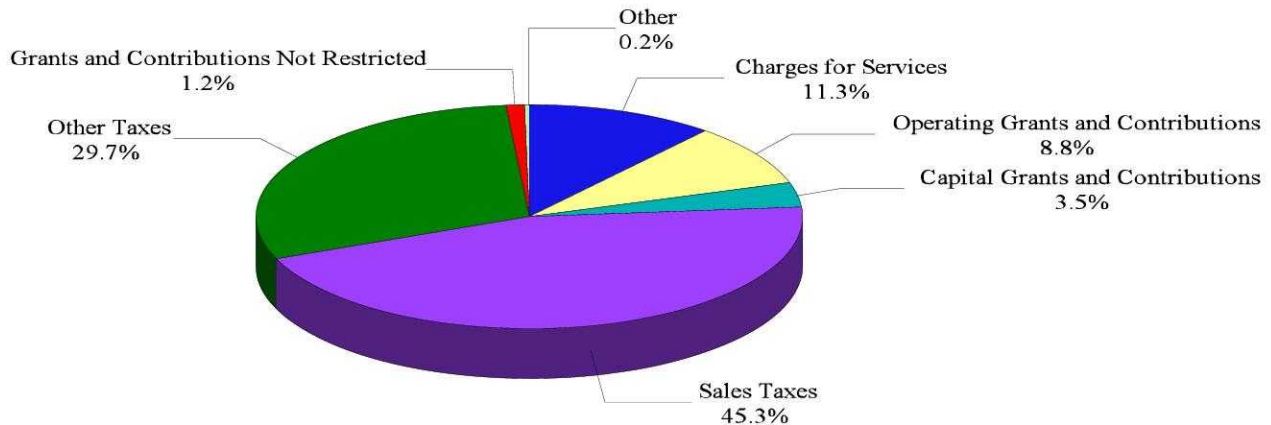
The government's net position decreased by \$48.1 million during the current fiscal year.

Governmental Activities' net position decreased \$20.2 million in 2015 primarily due to:

- (1) Continued reduction in net position resulting from other postemployment benefits costs in excess of contributions (\$40.6 million).
- (2) Increased expenses for compensated absences (\$3.0 million) due to an increase in the value of accumulated leave.
- (3) The decrease in net position from the change above was offset by:
 - Increased sales tax (\$7.7 million) primarily due to the improving economy.
 - Capital grants and contributions of \$18.0 million capitalized during the year from the following external sources: Capital grants from the State of Louisiana for transportation (\$9.6 million) and conservation and development (\$4.3 million) purposes, donated infrastructure from developers and private sources (\$3.2 million), and miscellaneous capital grants for public safety, health and welfare, and conservation and development from the federal and state governments (\$0.9 million).
 - Other miscellaneous decreases in net position (\$2.3 million).

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

2015 Revenues by Source - Governmental Activities
\$511.3 million

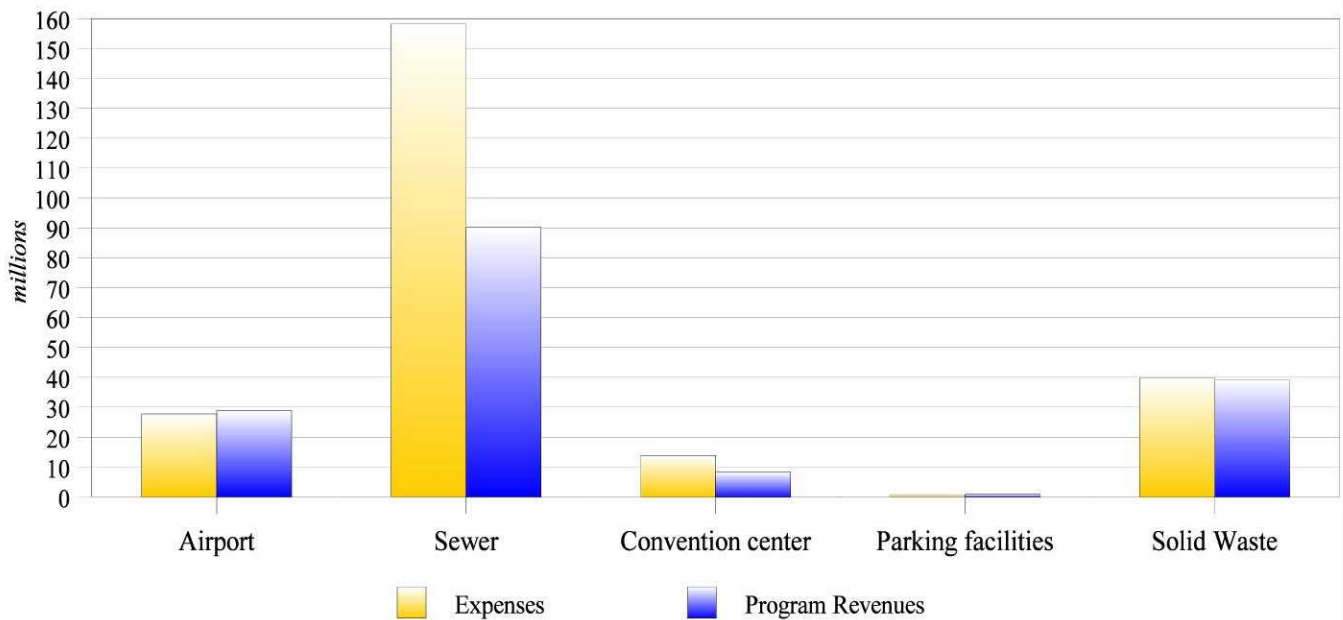


Business-Type Activities' net position decreased by \$27.9 million in 2015. The decrease in net position is a result of expenses exceeding revenues for the year. This decrease in net position was \$14.4 million less than the previous year. An analysis of major revenues and expenses is as follows:

- (1) The current year increase in net position for the Greater Baton Rouge Airport District compared to the decrease in net position in the previous year was primarily due to the increase in fees paid from airlines and capital contributions received.
- (2) The current year decrease in net position for the Comprehensive Sewerage System Fund was less than the previous year. The sewerage system experienced increases in collections of sales tax and user fees and a decrease in bond issuance costs from the issuance of bonds in the previous year offset by an increase in depreciation and interest expense.
- (3) The current year decrease in net position for the Solid Waste Collection and Disposal Fund was less than the previous year. A decrease in the current year for landfill closure and postclosure care expense was the result of an update of cost estimate in the previous year.

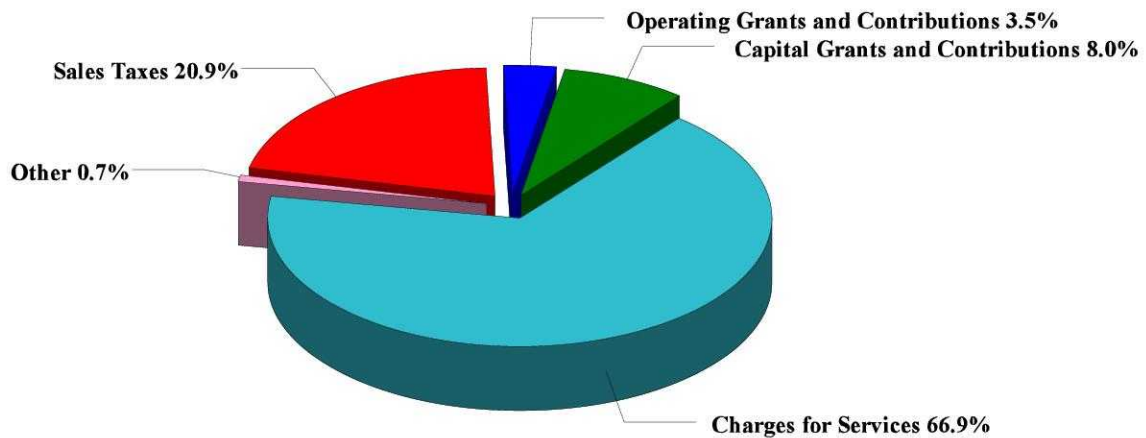
**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

2015 Expenses and Program Revenues - Business-Type Activities



2015 Revenues by Source - Business Type Activities

\$213.2 million



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

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$456.2 million, an increase of \$33.5 million in comparison with the prior year. Approximately 2.9% of total governmental funds fund balance (\$13.1 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Of the remaining fund balance, \$0.7 million is *nonspendable* and is not in spendable form, \$322.0 million is *restricted* and has limitations imposed on its use by external parties, \$92.1 million is *committed* for specific purposes imposed by the Metropolitan Council, and \$28.3 million has been assigned for various purposes by the Finance Director. Additional information on governmental fund balance can be found in Note 14 of the Notes to the Financial Statements including information on the specific purpose for amounts restricted, committed and assigned.

The General Fund is the chief operating fund of the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana. At the end of the current fiscal year, unassigned fund balance of the General Fund was approximately \$13.1 million, while total fund balance was \$101.8 million. Compared with total fund balance of \$112.3 million at the end of 2014, fund balance had a decrease of approximately \$10.5 million during 2015. This decrease in fund balance was primarily due to increased General Fund expenditures for public safety and health insurance claims which exceeded employee premiums.

The Library Board of Control Fund collected revenues that exceeded expenditures by \$4.9 million in 2015. The primary source of revenue for this fund is a 10.78 mill property tax, which provides funding for all operating expenses of the library system and a pay-as-you-go capital improvement program. All revenues remaining after operational expenditures are funded are applied to the capital improvement program.

Fund balance in the Grants Fund increased \$2.5 million in 2015. This was primarily due to a reimbursement of \$1.4 million from the Governor's Office of Homeland Security and Emergency Preparedness for allowable costs of Hurricane Gustav. During 2015, several loans were disbursed from the Community Development Block Grant and HOME Program, resulting in an increase to the loan receivable and a decrease in expenditures of approximately \$0.9 million. In addition, \$0.5 million was transferred from the General Fund to the Grants Fund to support the operations of the Office of Community Development and for capital and other improvements needed for the relocation of the Office of Community Development.

Fund balance in the Capital Projects Fund increased \$27.5 million in 2015. This was primarily due to the sale of \$34.4 million of Series 2015 LCDA Road Improvements Project Bonds. In addition, funds were transferred from the General Fund and Special Revenue Funds for construction of a new facility for the Mosquito Abatement and Rodent Control District (\$3.9 million) as well as improvements to public buildings and infrastructure projects (\$4.6 million). Outlays during 2015, of \$43.6 million, were primarily for the acquisition of right-of-way and construction of major street and intersection improvements funded by the one-half percent sales and use tax for Road and Street Improvements. Fund balance in the Capital Projects Fund will fluctuate year-to-year based on the status of projects and the progression of financing to fund those projects.

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

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

Unrestricted net position of the Greater Baton Rouge Airport District was a negative \$6.8 million at December 31, 2015. Most of this major fund's assets are capital assets with a net investment in capital assets of \$217.2 million. The fund reported a net loss of \$9.8 million before capital contributions and transfers for the year ended December 31, 2015.

Unrestricted net position of the Comprehensive Sewerage System Fund was \$36.8 million at December 31, 2015. This fund encompasses all assets associated with sewerage operations, maintenance, and capital improvements held by the City, the Parish, the Consolidated Sewerage District, and the East Baton Rouge Parish Sewerage Commission. The net investment in capital assets portion of net position totaled approximately \$377.8 million, reflecting a heavy investment in capital assets. The fund realized a net loss of approximately \$26.7 million before capital contributions and transfers for the year ended December 31, 2015.

Unrestricted net position of the Solid Waste Collection and Disposal Fund was \$2.2 million at December 31, 2015. Most of this major fund's assets are capital assets with a net investment in capital assets of \$13.8 million. The fund reported a net loss before transfers of less than \$1.0 million for the year ended December 31, 2015.

General Fund Budgetary Highlights

The 2015 general fund originally budgeted expenditures of \$329.1 million (inclusive of transfers out) was increased by a net \$12.1 million during 2015 to reflect a final amended budget of approximately \$341.2 million. The additional appropriations were funded by increases in sales taxes and excess funds in fund balance - unassigned and assigned. Committed fund balances were generally used as a source for the risk management appropriations and assigned fund balances for the community center allocations.

Additional appropriations were made in the following areas:

| | <u>(in millions)</u> |
|---|----------------------|
| Medical treatment and housing of inmates | \$ 2.5 |
| Other public safety costs | 3.6 |
| Risk management from fund balance committed to self-insurance purposes | 1.7 |
| Community center expenses funded from center revenue and fund balance assigned to culture and recreation | 0.1 |
| Other general fund operational costs | 2.5 |
| Community development | 0.5 |
| Economic development initiatives | 0.3 |
| Constitutional offices operational costs | <u>0.9</u> |
| Total additional general fund appropriations | <u>\$12.1</u> |

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

- Subrogation recovery and restitution revenues were collected in excess of budget by \$1.7 million primarily due to a settlement received from BP for economic loss suffered after the 2010 deepwater horizon spill.
- Traffic safety fees were collected in excess of budget by \$1.1 million primarily due to increased collection efforts on prior year violations.
- The risk management budget was overspent by approximately \$2.1 million when net self-insured health care claims were higher than projected in the operating budget.

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

- Approximately \$19.1 million of the appropriations for departmental budgets were not spent during 2015. The Plan of Government allows for the carry-forward of funds that are allocated to one-time projects to subsequent years. These appropriations carried forward, in the amount of \$17.1 million, are included in assigned fund balance on the General Fund balance sheet. The majority of these funds are appropriated for needed police vehicles and other public safety equipment, to upgrade information services network systems and computers, provide for replacement of departmental office equipment, fund needed economic development and urban restoration programs, and provide funds for public works projects such as drainage, street improvements, and repairs and renovations to City-Parish buildings.

Capital Asset and Debt Administration

Capital Assets: The City of Baton Rouge, Parish of East Baton Rouge Consolidated Government's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$2,771.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, airport facilities, parking facilities, a convention center, a landfill, wastewater treatment facilities, roads, highways, bridges, and drainage systems. The total increase in the City-Parish's investment in capital assets for the current fiscal year was \$108.2 million, a 1.4 percent increase for governmental activities and a 5.3 percent increase for business-type activities.

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

- Planning, design, right-of-way acquisition, and construction on approximately twenty-one major street or intersection improvements funded by the one-half percent sales and use tax dedicated for street and road improvements (\$2.1 million).
- Completion and capitalization of several infrastructure projects:
 - Fairchild-Badley road (\$6.5 million)
 - Stumberg lane extension phase 2 (\$11.5 million)
 - Sullivan road (\$16.6 million)
 - Essen lane at I-10 (\$3.6 million)
 - Antioch extension (\$5.2 million)
 - Florida street gateway corridor (\$1.5 million)
- Purchase or completion and capitalization of facility improvements:
 - Public safety complex renovations (\$4.9 million)
 - Library - consolidated non-public service building (\$1.0 million)
- Capital improvements to the sewerage system, including upgrades to treatment plants and rehabilitation of major sewer lines (\$171.3 million).

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

- Renovations and improvements to Airport buildings, runways, and other Airport improvements (\$11.7 million).
- Depreciation expense of \$45.3 million for governmental activities and \$83.8 million for business-type activities offset the above increases.

City of Baton Rouge, Parish of East Baton Rouge
Capital Assets
(Net of Depreciation)
December 31, 2015 & 2014
(in millions)

| | <u>Governmental</u> <u>Activities</u> | | <u>Business-Type</u> <u>Activities</u> | | <u>Total</u> | |
|---|--|----------------|---|------------------|------------------|------------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| Land and right-of-way | \$162.1 | \$160.2 | \$ 94.5 | \$ 91.5 | \$ 256.6 | \$ 251.7 |
| Buildings | 133.8 | 134.4 | 110.3 | 117.1 | 244.1 | 251.5 |
| Noise Mitigation Costs | -- | -- | 58.4 | 58.4 | 58.4 | 58.4 |
| Improvements (Other Than Buildings) and Infrastructure | 533.0 | 510.5 | 1,419.2 | 1,397.9 | 1,952.2 | 1,908.4 |
| Machinery and Equipment | 25.5 | 24.9 | 1.5 | 0.7 | 27.0 | 25.6 |
| Construction Work-In-Progress | <u>36.9</u> | <u>48.6</u> | <u>196.7</u> | <u>119.5</u> | <u>233.6</u> | <u>168.1</u> |
| Total | <u>\$891.3</u> | <u>\$878.6</u> | <u>\$1,880.6</u> | <u>\$1,785.1</u> | <u>\$2,771.9</u> | <u>\$2,663.7</u> |

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

Long-Term Debt: At the end of the current fiscal year, the City-Parish had total bonded debt outstanding of \$1,740.7 million. Of this amount, \$117.7 million comprises debt backed by the full faith and credit of the government. The remainder of the debt represents bonds secured solely by specified revenue sources such as sales tax and user fees. There were no general obligation bonds outstanding for the City of Baton Rouge or the Parish of East Baton Rouge at the end of the fiscal year.

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

City of Baton Rouge, Parish of East Baton Rouge
Summary of Excess Revenue and Revenue Bonds
December 31, 2015 & 2014
(in millions)

| | <u>Governmental</u> <u>Activities</u> | | <u>Business-Type</u> <u>Activities</u> | | <u>Total</u> | |
|---|--|----------------|---|------------------|------------------|------------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| Excess Revenue Contracts, Loans and Notes | \$114.5 | \$ 84.7 | \$ 431.7 | \$ 433.0 | \$ 546.2 | \$ 517.7 |
| Sales Tax Revenue Bonds | <u>210.9</u> | <u>224.1</u> | <u>983.6</u> | <u>979.3</u> | <u>1,194.5</u> | <u>1,203.4</u> |
| Total All Bonds, Contracts, Loans and Notes | <u>\$325.4</u> | <u>\$308.8</u> | <u>\$1,415.3</u> | <u>\$1,412.3</u> | <u>\$1,740.7</u> | <u>\$1,721.1</u> |

On April 9, 2015, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority"), a political subdivision of the State of Louisiana, issued \$34,415,000 Revenue Bonds (Parish of East Baton Rouge Road Improvements Project), Series 2015. The proceeds of the bonds were loaned by the Authority to the Parish of East Baton Rouge pursuant to a Loan Agreement dated April 1, 2015, to be used for the purpose of (1) providing funds to finance the construction of new public roads and streets and/or the widening of existing public roads and streets within the Parish and (2) paying the costs of issuance of the bonds. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of seventy percent (70%) of the net proceeds of the one-half of one percent (½%) road and street sales and use tax. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish. The Bonds will mature on August 1 of each year beginning 2016 through 2030 with interest from 2.00 to 5.00 percent.

On April 9, 2015, the Parish of East Baton Rouge issued \$59,430,000 Road and Street Public Improvement Sales Tax Revenue Refunding Bonds, Series 2015 for the purpose of (1) providing funds to advance refund a portion of the Parish's \$110,000,000 Sales Tax Revenue Bonds, Series 2009A bonds in the aggregate principal amount of \$59,695,000 maturing August 1, 2022 to and including August 1, 2030, excluding the Series 2009A bonds maturing August 1, 2023, and bearing interest at a rate of 4.75%; and (2) paying the costs of issuance. The bonds will mature on August 1 of each year beginning 2022 through 2030 with interest of 5.00 percent.

On October 8, 2015, the East Baton Rouge Sewerage Commission issued \$20,000,000 Taxable Revenue Bonds, Series 2015A. The bonds were issued through a loan and pledge agreement with the Louisiana Department of Environmental Quality (DEQ) for the purpose of upgrading, rehabilitating, extending and improving the sewerage disposal system. Outstanding principal will carry a 0.45% interest rate and an administrative fee of 0.50% for a total of 0.95%. Funds will be drawn on a reimbursement basis from DEQ. Interest will be payable only on the amount drawn from the date reimbursed. The bonds will mature on February 1 of each year beginning 2017 through 2036.

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

As of December 31, 2015, City-Parish bonds were rated by three major rating services as follows:

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

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

Economic Factors and Next Year's Budget and Rates

The City-Parish's General Fund receives over 59 percent of its revenues from the 2 percent general sales and use tax levied by the City of Baton Rouge or the Parish of East Baton Rouge; therefore, economic indicators are very important in forming the General Fund budget estimates. Dr. James A. Richardson and Dr. Loren C. Scott, expert economists, prepare an econometric model for Louisiana and its major metropolitan areas each year. Statistics on personal income growth and employment growth are generated. From these numbers, a range of potential sales and use tax growth is estimated. Based upon the advice of these experts, the 2016 operating budget assumes a 1.5 percent growth rate for sales and use tax revenues in 2016 over the 2015 anticipated collections.

The proposed budget for the year 2016 for all funds, exclusive of operating transfers between funds, totals \$880.4 million. This is an increase of approximately \$50.0 million or 6.02 percent over the 2015 budget. The General Fund budget increased by approximately \$5.5 million mainly attributed to the appropriation of additional funds for salaries and related benefits associated with the employee pay raise implemented in April of 2015. Other items requiring additional funds included employer health insurance, operational needs for the Coroner and District Attorney, and prison expenses. The increase of \$6.8 million in the Special Revenue Funds budgets and \$9.9 million in the Capital Project Funds is due to one-time funding for capital projects budgeted for in 2016. Enterprise Fund Budgets increased \$30.5 million due to depreciation of assets in the sewerage system. Debt Service Fund Budgets increased \$2.9 million as a result of debt incurred in 2015 to continue road and street improvements under the Green Light Plan.

Requests For Information

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET POSITION
DECEMBER 31, 2015

EXHIBIT A - 1

| | Primary Government | | | |
|--|------------------------------------|-------------------------------------|-------------------------|----------------------------|
| | Governmental Activities | Business-Type Activities | Total | Component Units |
| ASSETS | | | | |
| Cash and cash equivalents (Note 3) | \$ 166,127,175 | \$ 79,289,820 | \$ 245,416,995 | \$ 16,982,146 |
| Investments (Note 3) | 211,759,186 | 118,482,692 | 330,241,878 | -- |
| Receivables - net (Note 13) | 52,535,997 | 16,288,427 | 68,824,424 | 16,655,099 |
| Due from other governments (Note 11) | 84,333,564 | 2,817,878 | 87,151,442 | 1,994,446 |
| Prepaid items | 383,370 | 207,466 | 590,836 | 79,566 |
| Loans receivable | 4,115,590 | -- | 4,115,590 | 2,138,660 |
| Inventory | 896,044 | 93,352 | 989,396 | 5,295,059 |
| Other assets | -- | -- | -- | 404,912 |
| Restricted assets: | | | | |
| Cash and cash equivalents (Note 3) | -- | 135,635,134 | 135,635,134 | 13,552,638 |
| Investments (Note 3) | -- | 232,187,796 | 232,187,796 | -- |
| Receivables - net (Note 13) | -- | 423,264 | 423,264 | -- |
| Prepaid items | -- | 5,880 | 5,880 | -- |
| Capital assets (Note 6): | | | | |
| Non-depreciable | 198,991,410 | 349,628,460 | 548,619,870 | -- |
| Depreciable, net | 692,284,458 | 1,530,952,497 | 2,223,236,955 | 105,830,990 |
| Total assets | <u>1,411,426,794</u> | <u>2,466,012,666</u> | <u>3,877,439,460</u> | <u>162,933,516</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred amount on refunding | 14,606,047 | 39,737,972 | 54,344,019 | -- |
| Deferred outflows on derivative instruments | 14,755,836 | 92,452,209 | 107,208,045 | -- |
| Deferred outflow for pensions | 66,874,233 | 5,853,183 | 72,727,416 | 9,366,140 |
| Total deferred outflows of resources | <u>96,236,116</u> | <u>138,043,364</u> | <u>234,279,480</u> | <u>9,366,140</u> |
| LIABILITIES | | | | |
| Accounts payable and other current liabilities | 27,771,571 | 50,174,496 | 77,946,067 | 2,709,410 |
| Internal balances (Note 11) | (1,418,884) | 1,418,884 | -- | -- |
| Due to other governments | 490,429 | -- | 490,429 | 189,168 |
| Accrued payables | 9,680,296 | 28,401,015 | 38,081,311 | 1,490,511 |
| Unearned revenue | 1,095,601 | 1,767,570 | 2,863,171 | -- |
| Deposits and escrow accounts | 11,480,091 | -- | 11,480,091 | -- |
| Other liabilities | -- | -- | -- | 59,366 |
| Non-current liabilities (Note 10): | | | | |
| Due within one year | 32,509,330 | 14,070,175 | 46,579,505 | 3,611,296 |
| Due in more than one year | 1,236,678,992 | 1,683,809,809 | 2,920,488,801 | 154,960,366 |
| Total liabilities | <u>1,318,287,426</u> | <u>1,779,641,949</u> | <u>3,097,929,375</u> | <u>163,020,117</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Resources received before time requirements | 668,996 | -- | 668,996 | -- |
| Deferred inflow for pensions | 7,458,464 | 566,897 | 8,025,361 | 6,207,313 |
| Total deferred inflows of resources | <u>8,127,460</u> | <u>566,897</u> | <u>8,694,357</u> | <u>6,207,313</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 665,194,789 | 652,390,880 | 1,317,585,669 | 14,842,088 |
| Restricted for (Note 14): | | | | |
| Capital projects | 78,237,843 | 8,306,503 | 86,544,346 | -- |
| Debt service | 9,169,416 | 57,375,662 | 66,545,078 | 10,322,023 |
| Passenger facility charges | -- | 440,848 | 440,848 | -- |
| External legal constraints | 78,661,575 | 70,000,000 | 148,661,575 | 4,024,483 |
| Unrestricted | (650,015,599) | 35,333,291 | (614,682,308) | (26,116,368) |
| Total net position | <u>\$ 181,248,024</u> | <u>\$ 823,847,184</u> | <u>\$ 1,005,095,208</u> | <u>\$ 3,072,226</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

| | | Program Revenues | | |
|---|-----------------------|-----------------------|--------------------------|--------------------------|
| | | Charges for | Operating | Capital |
| | Expenses | Services | Grants and Contributions | Grants and Contributions |
| Function/Programs | | | | |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 104,654,595 | \$ 23,308,904 | \$ 452,361 | \$ -- |
| Public safety | 243,512,332 | 29,477,883 | 15,372,714 | 282,964 |
| Transportation | 69,402,396 | 150,763 | 626,015 | 12,797,514 |
| Health and welfare | 10,462,631 | 952,325 | 28,722 | -- |
| Culture and recreation | 46,112,594 | 315,687 | 241,981 | 550,000 |
| Conservation and development | 43,997,876 | 3,577,639 | 28,350,865 | 4,326,527 |
| Interest and fiscal charges on long-term debt | 14,073,884 | -- | -- | -- |
| Total governmental activities | <u>532,216,308</u> | <u>57,783,201</u> | <u>45,072,658</u> | <u>17,957,005</u> |
| Business-type activities: | | | | |
| Airport | 27,753,748 | 17,632,837 | 326,308 | 10,869,861 |
| Sewer | 158,218,577 | 78,673,549 | 6,789,055 | 4,698,309 |
| Solid waste collection and disposal | 39,820,771 | 39,028,955 | -- | -- |
| Convention center | 13,902,491 | 6,465,664 | 333,158 | 1,444,303 |
| Parking facilities | 699,527 | 854,388 | -- | -- |
| Total business-type activities | <u>240,395,114</u> | <u>142,655,393</u> | <u>7,448,521</u> | <u>17,012,473</u> |
| Total primary government | <u>\$ 772,611,422</u> | <u>\$ 200,438,594</u> | <u>\$ 52,521,179</u> | <u>\$ 34,969,478</u> |
| Component units: | | | | |
| Judicial court services | \$ 52,928,780 | \$ 24,983,777 | \$ 18,726,356 | \$ -- |
| Economic development districts | 2,029,899 | 298,066 | 255,470 | 4,000 |
| Mass transit | 28,641,657 | 2,326,845 | -- | 3,092,156 |
| Total component units | <u>\$ 83,600,336</u> | <u>\$ 27,608,688</u> | <u>\$ 18,981,826</u> | <u>\$ 3,096,156</u> |

General revenues:

Taxes:

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

Miscellaneous

Grants and contributions not restricted to specific programs

Investment earnings

Gain on sale of capital assets

Transfers (to) from other funds

Total general revenues and transfers

Change in net position

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

Net position - end of year

The accompanying notes are an integral part of this statement.

| Net (Expense) Revenue and Changes in Net Position | | | |
|--|-----------------------------|------------------|--------------------|
| Primary Government | | | Component Units |
| Governmental Activities | Business-type Activities | Total | |
| \$ (80,893,330) | \$ -- | \$ (80,893,330) | \$ -- |
| (198,378,771) | -- | (198,378,771) | -- |
| (55,828,104) | -- | (55,828,104) | -- |
| (9,481,584) | -- | (9,481,584) | -- |
| (45,004,926) | -- | (45,004,926) | -- |
| (7,742,845) | -- | (7,742,845) | -- |
| (14,073,884) | -- | (14,073,884) | -- |
| (411,403,444) | -- | (411,403,444) | -- |
| -- | 1,075,258 | 1,075,258 | -- |
| -- | (68,057,664) | (68,057,664) | -- |
| -- | (791,816) | (791,816) | -- |
| -- | (5,659,366) | (5,659,366) | -- |
| -- | 154,861 | 154,861 | -- |
| -- | (73,278,727) | (73,278,727) | -- |
| (411,403,444) | (73,278,727) | (484,682,171) | -- |
| -- | -- | -- | (9,218,647) |
| -- | -- | -- | (1,472,363) |
| -- | -- | -- | (23,222,656) |
| -- | -- | -- | (33,913,666) |
| 99,623,352 | -- | 99,623,352 | 16,467,310 |
| 23,909,807 | -- | 23,909,807 | -- |
| 231,487,574 | 44,791,791 | 276,279,365 | -- |
| 2,410,408 | -- | 2,410,408 | 2,248,251 |
| 10,655,515 | -- | 10,655,515 | -- |
| 3,917,392 | -- | 3,917,392 | -- |
| 9,849,962 | -- | 9,849,962 | -- |
| 1,467,496 | -- | 1,467,496 | -- |
| 16,560 | -- | 16,560 | 1,145,054 |
| 6,111,572 | -- | 6,111,572 | 9,065,300 |
| 753,956 | 1,318,035 | 2,071,991 | 381,466 |
| 339,136 | 41,302 | 380,438 | -- |
| 686,037 | (686,037) | -- | -- |
| 391,228,767 | 45,465,091 | 436,693,858 | 29,307,381 |
| (20,174,677) | (27,813,636) | (47,988,313) | (4,606,285) |
| 201,422,701 | 851,660,820 | 1,053,083,521 | 7,678,511 |
| \$ 181,248,024 | \$ 823,847,184 | \$ 1,005,095,208 | \$ 3,072,226 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

| | General Fund | Library Board of Control | Grants |
|---|-------------------------|---|----------------------|
| ASSETS | | | |
| Cash and cash equivalents (Note 3) | \$ 29,552,975 | \$ 28,706,421 | \$ 3,722,634 |
| Investments (Note 3) | 40,811,250 | 39,642,201 | 5,140,781 |
| Property taxes receivable - net (Note 4) | 6,227,741 | 8,851,423 | -- |
| Gross receipts business taxes receivable | 4,106,161 | -- | -- |
| Sales taxes receivable | 17,539,310 | -- | -- |
| Interest and penalties receivable on taxes | 98,251 | -- | -- |
| Accounts receivable - net (Note 13) | 1,609,221 | 718 | 2,642 |
| Accrued interest receivable | 80,788 | 57,925 | 6,593 |
| Due from other funds (Note 11) | 9,472,834 | -- | -- |
| Due from other governments (Note 11) | 20,961,465 | 31,408,708 | 6,202,760 |
| Loans receivable | -- | -- | 4,115,590 |
| Inventory | 656,653 | -- | -- |
| Total assets | <u>\$ 131,116,649</u> | <u>\$ 108,667,396</u> | <u>\$ 19,191,000</u> |
| LIABILITIES | | | |
| Accounts and contracts payable | \$ 13,921,373 | \$ 1,745,687 | \$ 3,690,951 |
| Due to other funds (Note 11) | -- | 27,796,921 | -- |
| Due to other governments | 167,662 | -- | -- |
| Accrued payables | 2,914,916 | 298,014 | 218,814 |
| Unearned revenue | -- | -- | 697,022 |
| Deposits and escrow accounts | 11,142,962 | -- | 337,129 |
| Total liabilities | <u>28,146,913</u> | <u>29,840,622</u> | <u>4,943,916</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue - property taxes | 552,818 | 726,595 | -- |
| Unavailable revenue - revenue sharing | 613,417 | -- | -- |
| Resources received before time requirements | -- | -- | 668,996 |
| Total deferred inflows of resources | <u>1,166,235</u> | <u>726,595</u> | <u>668,996</u> |
| FUND BALANCES (Note 14): | | | |
| Nonspendable | 656,653 | -- | -- |
| Restricted | 517,487 | 78,100,179 | 13,578,088 |
| Committed | 59,144,527 | -- | -- |
| Assigned | 28,346,341 | -- | -- |
| Unassigned | 13,138,493 | -- | -- |
| Total fund balances | <u>101,803,501</u> | <u>78,100,179</u> | <u>13,578,088</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 131,116,649</u> | <u>\$ 108,667,396</u> | <u>\$ 19,191,000</u> |

The accompanying notes are an integral part of this statement.

| Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|--------------------------------------|---|---|
| \$ 55,732,890 | \$ 41,188,097 | \$ 158,903,017 |
| 76,046,568 | 40,142,167 | 201,782,967 |
| -- | 7,173,814 | 22,252,978 |
| -- | -- | 4,106,161 |
| 2,595,295 | 1,652,437 | 21,787,042 |
| -- | -- | 98,251 |
| 60,870 | 2,271,963 | 3,945,414 |
| 102,824 | 47,178 | 295,308 |
| 37,818,068 | -- | 47,290,902 |
| 1,828,373 | 23,092,159 | 83,493,465 |
| -- | -- | 4,115,590 |
| -- | -- | 656,653 |
| <u>\$ 174,184,888</u> | <u>\$ 115,567,815</u> | <u>\$ 548,727,748</u> |
| | | |
| \$ 4,433,058 | \$ 2,545,180 | \$ 26,336,249 |
| -- | 18,075,097 | 45,872,018 |
| -- | 322,767 | 490,429 |
| 4,094 | 475,835 | 3,911,673 |
| 398,579 | -- | 1,095,601 |
| -- | -- | 11,480,091 |
| <u>4,835,731</u> | <u>21,418,879</u> | <u>89,186,061</u> |
| | | |
| -- | 675,093 | 1,954,506 |
| -- | 71,042 | 684,459 |
| -- | -- | 668,996 |
| <u>--</u> | <u>746,135</u> | <u>3,307,961</u> |
| | | |
| -- | -- | 656,653 |
| 145,151,310 | 84,686,576 | 322,033,640 |
| 24,197,847 | 8,716,225 | 92,058,599 |
| -- | -- | 28,346,341 |
| -- | -- | 13,138,493 |
| <u>169,349,157</u> | <u>93,402,801</u> | <u>456,233,726</u> |
| | | |
| <u>\$ 174,184,888</u> | <u>\$ 115,567,815</u> | <u>\$ 548,727,748</u> |

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF POSITION
DECEMBER 31, 2015**

EXHIBIT A - 4

| | | |
|---|----------------------|------------------------------|
| Fund balances - total governmental funds | | \$ 456,233,726 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | |
| Governmental capital assets | 1,569,752,738 | |
| Less accumulated depreciation | <u>(687,015,012)</u> | 882,737,726 |
| Assets used in governmental activities that are not financial resources, and, therefore, are not reported in the governmental funds. | | |
| Prepaid items | | 383,370 |
| Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures. | | |
| Property tax revenue | 1,954,506 | |
| Louisiana revenue sharing | 684,459 | |
| U.S. Health and Human Services | 790,239 | |
| East Baton Rouge Parish Sheriff - criminal jury receipts | 38,417 | |
| East Baton Rouge Parish Sheriff - prison medical charges | <u>49,860</u> | 3,517,481 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. | | |
| Accrued interest payable | (5,741,571) | |
| Bonds payable | (325,422,379) | |
| Deferred premium and discount | (21,252,903) | |
| Deferred amount on refunding | 14,606,047 | |
| Obligation payable | (5,368,002) | |
| Compensated absences payable | (27,067,090) | |
| Claims and judgments payable | (35,458,853) | |
| Employee benefits payable | (5,151,535) | |
| Net other post employment benefit obligation | (368,830,905) | |
| Net pension liability | <u>(465,718,048)</u> | (1,245,405,239) |
| Deferred inflows and outflows of resources for pension plans are not due and payable in the current period and, therefore, are not reported in the governmental funds. | | |
| | | 59,415,769 |
| Internal service funds are used by management to charge the costs of fleet management and maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | | |
| | | <u>24,365,191</u> |
| Net position of governmental activities | | <u><u>\$ 181,248,024</u></u> |



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | General Fund | Library Board of Control | Grants |
|--|-------------------------|---|----------------------|
| REVENUES | | | |
| Taxes: | | | |
| Property | \$ 26,962,366 | \$ 41,904,944 | \$ -- |
| Gross receipts business taxes | 23,909,807 | -- | -- |
| Sales | 179,640,162 | -- | -- |
| Occupancy | 1,486,384 | -- | -- |
| Occupational | 10,655,515 | -- | -- |
| Insurance premiums | 3,917,392 | -- | -- |
| Gaming admissions | 9,849,962 | -- | -- |
| Interest and penalties - delinquent | 1,467,496 | -- | -- |
| Licenses and permits | 4,906,635 | -- | -- |
| Intergovernmental revenues | 14,197,839 | -- | 37,465,888 |
| Charges for services | 24,258,703 | 84,743 | -- |
| Fines and forfeits | 1,785,104 | 202,723 | -- |
| Investment earnings | 200,401 | 152,464 | 9,644 |
| Miscellaneous revenues | 3,351,982 | 13,374 | 3,522,476 |
| Total revenues | <u>306,589,748</u> | <u>42,358,248</u> | <u>40,998,008</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 74,914,700 | -- | 257,214 |
| Public safety | 167,655,299 | -- | 2,391,246 |
| Transportation | 28,955,926 | -- | 36,000 |
| Health and welfare | 4,619,874 | -- | 370,461 |
| Culture and recreation | 1,618,769 | 37,181,287 | 49,046 |
| Conservation and development | 6,032,246 | -- | 31,150,458 |
| Debt service: | | | |
| Principal retirement | -- | -- | -- |
| Interest and fiscal charges | -- | -- | -- |
| Bond issuance costs | -- | -- | -- |
| Capital outlay | -- | 267,293 | 5,321,831 |
| Intergovernmental | 16,173,417 | -- | -- |
| Total expenditures | <u>299,970,231</u> | <u>37,448,580</u> | <u>39,576,256</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>6,619,517</u> | <u>4,909,668</u> | <u>1,421,752</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in (Note 12) | 2,655,470 | -- | 1,122,775 |
| Transfers out (Note 12) | (19,908,472) | (31,000) | -- |
| Issuance of long-term debt | -- | -- | -- |
| Premium on debt issuance | -- | -- | -- |
| Refunding bonds issued | -- | -- | -- |
| Payment to refunded bond escrow agent | -- | -- | -- |
| Proceeds of capital asset disposition | 104,443 | 180 | 622 |
| Total other financing sources and uses | <u>(17,148,559)</u> | <u>(30,820)</u> | <u>1,123,397</u> |
| Net change in fund balances | (10,529,042) | 4,878,848 | 2,545,149 |
| Fund balances, January 1 | <u>112,332,543</u> | <u>73,221,331</u> | <u>11,032,939</u> |
| Fund balances, December 31 | <u>\$ 101,803,501</u> | <u>\$ 78,100,179</u> | <u>\$ 13,578,088</u> |

The accompanying notes are an integral part of this statement.

| Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|--------------------------------------|---|---|
| \$ -- | \$ 31,269,709 | \$ 100,137,019 |
| -- | -- | 23,909,807 |
| 7,651,969 | 44,195,443 | 231,487,574 |
| -- | 924,024 | 2,410,408 |
| -- | -- | 10,655,515 |
| -- | -- | 3,917,392 |
| -- | -- | 9,849,962 |
| -- | -- | 1,467,496 |
| -- | -- | 4,906,635 |
| 5,317,670 | 3,665,067 | 60,646,464 |
| -- | 19,864,593 | 44,208,039 |
| -- | 133,291 | 2,121,118 |
| 234,443 | 128,337 | 725,289 |
| 1,314,793 | 345,374 | 8,547,999 |
| <u>14,518,875</u> | <u>100,525,838</u> | <u>504,990,717</u> |
| -- | 1,683,219 | 76,855,133 |
| -- | 39,626,222 | 209,672,767 |
| -- | 8,493,742 | 37,485,668 |
| -- | 4,495,271 | 9,485,606 |
| -- | -- | 38,849,102 |
| -- | 3,258,526 | 40,441,230 |
| -- | 17,866,486 | 17,866,486 |
| -- | 13,311,697 | 13,311,697 |
| 1,082,020 | -- | 1,082,020 |
| 43,577,115 | 2,456,431 | 51,622,670 |
| -- | 550,000 | 16,723,417 |
| <u>44,659,135</u> | <u>91,741,594</u> | <u>513,395,796</u> |
| <u>(30,140,260)</u> | <u>8,784,244</u> | <u>(8,405,079)</u> |
| 16,590,026 | 5,997,459 | 26,365,730 |
| (26,521) | (5,713,700) | (25,679,693) |
| 34,415,000 | -- | 34,415,000 |
| 17,240,820 | -- | 17,240,820 |
| 59,430,000 | -- | 59,430,000 |
| (69,984,229) | -- | (69,984,229) |
| -- | 2,641 | 107,886 |
| <u>57,665,096</u> | <u>286,400</u> | <u>41,895,514</u> |
| 27,524,836 | 9,070,644 | 33,490,435 |
| <u>141,824,321</u> | <u>84,332,157</u> | <u>422,743,291</u> |
| <u>\$ 169,349,157</u> | <u>\$ 93,402,801</u> | <u>\$ 456,233,726</u> |

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

EXHIBIT A - 6

Net change in fund balances - total governmental funds \$ 33,490,435

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

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

| | | |
|----------------------|---------------------|-----------|
| Capital outlay | 51,622,670 | |
| Depreciation expense | <u>(42,513,505)</u> | 9,109,165 |

| | | |
|--|--|-----------|
| The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donations, is to increase net position. | | 3,172,524 |
|--|--|-----------|

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

| | | |
|--|---------------|----------|
| Property tax revenue | (513,667) | |
| Louisiana revenue sharing | (50,240) | |
| Emergency Medical Services transport charges | (130,093) | |
| U.S. Health and Human Services | 711,557 | |
| Severance tax revenue | (151,065) | |
| East Baton Rouge Parish Sheriff - criminal jury receipts | 38,417 | |
| East Baton Rouge Parish Sheriff - prison medical charges | <u>49,860</u> | (45,231) |

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

| | | |
|--|------------------|--------------|
| Long-term debt issued | (93,845,000) | |
| Premium on debt issuance | (17,240,820) | |
| Payment to refunded bond escrow agent | 69,984,229 | |
| Amortization of bond insurance costs | (73,273) | |
| Amortization of premium and discount | 978,622 | |
| Amortization of amount on refunding | (876,798) | |
| Principal payments | 17,866,486 | |
| Adjustment for debt recorded in business type activities | <u>(334,167)</u> | (23,540,721) |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | | |
|--|-----------------|--------------|
| Net other post employment benefit obligation | (40,648,402) | |
| Accrued interest payable | 202,457 | |
| Compensated absences payable | (2,934,939) | |
| Claims and judgments payable | 756,219 | |
| Employee benefits payable | (263,095) | |
| Net pension liability and deferred inflows and outflows for pensions | <u>(92,759)</u> | (42,980,519) |

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

| | | |
|---|--|-------------------------------|
| Change in net position of governmental activities | | <u><u>\$ (20,174,677)</u></u> |
|---|--|-------------------------------|

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT A - 7

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|---------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes | \$ 26,540,890 | \$ 26,790,890 | \$ 26,962,366 | \$ 171,476 |
| Gross receipts business taxes | 24,633,000 | 23,776,305 | 23,909,807 | 133,502 |
| General sales and use taxes | 176,071,760 | 179,125,190 | 179,640,162 | 514,972 |
| Occupancy taxes | 1,200,000 | 1,200,000 | 1,486,384 | 286,384 |
| Occupational taxes | 10,500,000 | 10,675,000 | 10,655,515 | (19,485) |
| Insurance premiums taxes | 3,800,000 | 3,800,000 | 3,917,392 | 117,392 |
| Gaming admissions taxes | 9,000,000 | 9,200,000 | 9,849,962 | 649,962 |
| Interest and penalties - delinquent taxes | 1,527,000 | 1,527,000 | 1,467,496 | (59,504) |
| Total taxes | 253,272,650 | 256,094,385 | 257,889,084 | 1,794,699 |
| Licenses and permits: | | | | |
| Use of streets: | | | | |
| Public conveyances | 20,000 | 20,000 | 54,229 | 34,229 |
| Bicycle registration fees | 32,000 | 32,000 | 24,540 | (7,460) |
| Occupational and professional: | | | | |
| Air conditioning and heating | 38,000 | 38,000 | 40,915 | 2,915 |
| Electrical contractors | 45,000 | 45,000 | 45,990 | 990 |
| Plumbers | 40,000 | 40,000 | 35,760 | (4,240) |
| House moving | 500 | 500 | -- | (500) |
| Garbage collectors | 43,800 | 43,800 | 54,800 | 11,000 |
| Classified employees | 180,000 | 180,000 | 172,850 | (7,150) |
| Retail clerks | 118,000 | 118,000 | 111,135 | (6,865) |
| Entertainers | 6,000 | 6,000 | 6,450 | 450 |
| Liquor and beer | 575,400 | 575,400 | 588,249 | 12,849 |
| Restaurant | 28,900 | 28,900 | 33,698 | 4,798 |
| Gaming | 6,000 | 6,000 | 5,660 | (340) |
| Chauffeurs | 3,900 | 3,900 | 3,575 | (325) |
| Second hand dealers | 1,000 | 1,000 | 755 | (245) |
| Construction permits: | | | | |
| Air conditioning and heating | 275,000 | 300,000 | 231,685 | (68,315) |
| Electrical | 375,000 | 406,080 | 430,516 | 24,436 |
| Building | 1,550,000 | 1,750,000 | 1,830,287 | 80,287 |
| Plumbing and gas | 360,000 | 391,060 | 395,010 | 3,950 |
| House moving | 1,500 | 1,500 | 300 | (1,200) |
| Fence | 1,000 | 1,000 | 1,400 | 400 |
| Special events | 37,000 | 37,000 | 63,360 | 26,360 |
| Alarm user | 50,000 | 50,000 | 43,825 | (6,175) |
| Animal control and rescue center licenses | 657,000 | 657,000 | 688,459 | 31,459 |
| Other permits | 40,800 | 40,800 | 43,187 | 2,387 |
| Total licenses and permits | 4,485,800 | 4,772,940 | 4,906,635 | 133,695 |
| Intergovernmental revenues: | | | | |
| State grants: | | | | |
| Public safety: | | | | |
| Traffic signal maintenance | 653,920 | 653,920 | 653,920 | -- |
| Department of Military Affairs | 78,000 | 78,000 | 77,479 | (521) |
| Juvenile meal reimbursement | 55,000 | 55,000 | 65,874 | 10,874 |

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

EXHIBIT A - 7
(Continued)

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-------------------|---|---|
| | Original | Final | | |
| REVENUES (continued) | | | | |
| Intergovernmental revenues (continued): | | | | |
| State grants (continued): | | | | |
| Transportation: | | | | |
| Street maintenance | \$ 536,320 | \$ 536,320 | \$ 538,057 | \$ 1,737 |
| Culture and recreation: | | | | |
| Hotel/motel sales tax | 393,530 | 393,530 | 105,016 | (288,514) |
| State shared revenues: | | | | |
| Beer taxes | 410,000 | 410,000 | 371,878 | (38,122) |
| Insurance company taxes | 900,000 | 900,000 | 1,041,163 | 141,163 |
| Louisiana revenue sharing | 1,106,750 | 1,106,750 | 1,105,361 | (1,389) |
| Mineral royalties | 92,000 | 92,000 | 18,696 | (73,304) |
| Severance taxes | 850,000 | 1,080,000 | 1,109,612 | 29,612 |
| On-behalf payments for salaries and benefits | 9,363,460 | 9,076,790 | 9,015,608 | (61,182) |
| Retiree drug subsidy | -- | -- | 78,682 | 78,682 |
| Southern University | -- | -- | 15,000 | 15,000 |
| Payments in lieu of taxes - Federal government | 1,640 | 1,640 | 1,493 | (147) |
| Total intergovernmental revenues | <u>14,440,620</u> | <u>14,383,950</u> | <u>14,197,839</u> | <u>(186,111)</u> |
| Charges for services: | | | | |
| General government: | | | | |
| City court civil fees | 1,295,000 | 1,295,000 | 1,217,093 | (77,907) |
| Judiciary court costs | 900,000 | 900,000 | 714,980 | (185,020) |
| City court school fees | 180,000 | 180,000 | 159,800 | (20,200) |
| City court bench warrant fees | 1,100,000 | 1,100,000 | 960,063 | (139,937) |
| City court miscellaneous fees | 479,000 | 479,000 | 495,509 | 16,509 |
| City court credit card payment fees | 35,000 | 35,000 | 28,753 | (6,247) |
| City court expungement | 35,000 | 35,000 | 25,430 | (9,570) |
| City court home incarceration monitoring | 6,000 | 6,000 | 3,530 | (2,470) |
| City court mortgage recordation fees | 8,000 | 8,000 | 10,530 | 2,530 |
| City court pre-trial administrative fee | 65,000 | 65,000 | 50,015 | (14,985) |
| City constable civil fees | 900,000 | 900,000 | 899,028 | (972) |
| City prosecutor bond posting fee | 22,000 | 22,000 | 76,073 | 54,073 |
| Misdemeanor detention fund - warrant recall | -- | -- | 722,775 | 722,775 |
| Central services support | 7,950,000 | 7,950,000 | 8,115,928 | 165,928 |
| Central services support - inventory | 32,800 | 32,800 | 56,632 | 23,832 |
| Central services support - auction facility | 40,000 | 40,000 | 17,011 | (22,989) |
| Sales tax collection charges | 2,700,000 | 2,700,000 | 2,641,327 | (58,673) |
| Occupancy tax collection charges | 33,000 | 33,000 | 32,500 | (500) |
| NSF check fees | 3,000 | 3,000 | 493 | (2,507) |
| Credit card processing fees | 45,000 | 45,000 | 86,971 | 41,971 |
| Online permitting technology fees | 50,000 | 50,000 | 55,033 | 5,033 |
| Bench advertising | 20,000 | 20,000 | 29,119 | 9,119 |
| Board of adjustment fees | 6,000 | 6,000 | 5,375 | (625) |
| Sale of construction codes and plans | 8,000 | 8,000 | 3,450 | (4,550) |
| Adult DWI pretrial fees | 100,000 | 100,000 | 67,590 | (32,410) |
| Pre-trial diversion fees | 490,000 | 490,000 | 495,017 | 5,017 |
| Notice of intent | 50,000 | 50,000 | 66,834 | 16,834 |
| Adjudicated property | 30,000 | 30,000 | 70,965 | 40,965 |

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

EXHIBIT A - 7
(Continued)

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|-------------------|---|---|
| | Original | Final | | |
| REVENUES (continued) | | | | |
| Charges for services (continued): | | | | |
| General government (continued): | | | | |
| Zoning fees | \$ 105,000 | \$ 105,000 | \$ 77,125 | \$ (27,875) |
| Planning assistance | 96,000 | 96,000 | 121,985 | 25,985 |
| Planning advertising fees | 30,000 | 30,000 | 31,750 | 1,750 |
| Miscellaneous | 10,210 | 10,210 | 14,592 | 4,382 |
| Public safety: | | | | |
| Subdivision inspection, testing and plan review | 26,000 | 26,000 | 29,925 | 3,925 |
| Flood determination fees | 22,000 | 22,000 | 23,725 | 1,725 |
| Commercial and residential plan review | 410,000 | 410,000 | 452,991 | 42,991 |
| Sale of reports and photos | 250,000 | 250,000 | 279,393 | 29,393 |
| Sobriety test | 40,000 | 40,000 | 35,026 | (4,974) |
| False alarm fees | 250,000 | 250,000 | 233,960 | (16,040) |
| Reimbursements for overtime | 400,000 | 400,000 | 621,743 | 221,743 |
| Traffic safety fees | 2,300,000 | 3,000,000 | 4,077,035 | 1,077,035 |
| Prison medical charges | 55,000 | 55,000 | 2,477 | (52,523) |
| Coroners fees | 431,000 | 606,000 | 704,419 | 98,419 |
| Juvenile services fees | 600 | 600 | 210 | (390) |
| Miscellaneous | 16,000 | 16,000 | 51,142 | 35,142 |
| Transportation: | | | | |
| Parking meters | 270,000 | 270,000 | 150,763 | (119,237) |
| Sanitation: | | | | |
| Weed cutting charges | 50,000 | 50,000 | 36,861 | (13,139) |
| Health and welfare: | | | | |
| Animal control center enforcement income | 45,000 | 45,000 | 48,367 | 3,367 |
| Animal control credit card payment fees | 4,000 | 4,000 | 7,323 | 3,323 |
| Culture and recreation: | | | | |
| Summer programs: | | | | |
| Jewel J. Newman Community Center | 12,000 | 14,847 | 14,847 | -- |
| Conservation and development: | | | | |
| Rent/utilities/donations: | | | | |
| Leo S. Butler Community Center | 16,500 | 16,500 | 16,658 | 158 |
| Jewel J. Newman Community Center | 5,000 | 51,970 | 61,919 | 9,949 |
| Dr. Martin Luther King, Jr. Community Center | 15,700 | 15,700 | 31,047 | 15,347 |
| Chaneyville Community Center | -- | -- | 7,741 | 7,741 |
| Charles R. Kelly Community Center | 20,060 | 20,060 | 17,855 | (2,205) |
| Total charges for services | <u>21,462,870</u> | <u>22,387,687</u> | <u>24,258,703</u> | <u>1,871,016</u> |
| Fines and forfeits: | | | | |
| City court criminal fines and forfeitures | 325,000 | 325,000 | 253,706 | (71,294) |
| City court forfeitures | 100,000 | 100,000 | 104,345 | 4,345 |
| City court traffic fines | 1,700,000 | 1,700,000 | 1,393,926 | (306,074) |
| Alcoholic Beverage Control Board fines | 58,000 | 58,000 | 33,127 | (24,873) |
| Total fines and forfeits | <u>2,183,000</u> | <u>2,183,000</u> | <u>1,785,104</u> | <u>(397,896)</u> |
| Investment earnings | <u>100,500</u> | <u>100,500</u> | <u>200,401</u> | <u>99,901</u> |

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

EXHIBIT A - 7
(Continued)

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES (continued) | | | | |
| Miscellaneous revenues: | | | | |
| Rentals: | | | | |
| Land | \$ 21,600 | \$ 21,600 | \$ 27,150 | \$ 5,550 |
| Buildings | 266,000 | 266,000 | 268,276 | 2,276 |
| Oil, gas and mineral royalties | 115,000 | 115,000 | 50,603 | (64,397) |
| Airport note | 422,990 | 422,990 | 422,992 | 2 |
| Subrogation recovery and restitution | -- | 15,000 | 1,731,852 | 1,716,852 |
| Condemnations | 90,000 | 90,000 | 80,756 | (9,244) |
| Juvenile detention meals | 4,000 | 4,000 | 1,948 | (2,052) |
| Confiscated funds - police | 120,000 | 120,000 | 226,543 | 106,543 |
| Police - miscellaneous revenues | 20,000 | 20,000 | 32,398 | 12,398 |
| Juvenile detention reimbursement | 100,000 | 100,000 | 125,544 | 25,544 |
| Donations and contributions | 36,500 | 21,942 | 41,442 | 19,500 |
| Animal control and rescue center contributions | 237,360 | 237,360 | 208,176 | (29,184) |
| Other | 13,000 | 51,808 | 134,302 | 82,494 |
| Total miscellaneous revenues | 1,446,450 | 1,485,700 | 3,351,982 | 1,866,282 |
| Total revenues | 297,391,890 | 301,408,162 | 306,589,748 | 5,181,586 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Metropolitan council | 1,364,091 | 1,376,661 | 1,277,369 | 99,292 |
| Council administrator | 2,124,952 | 2,114,735 | 1,857,439 | 257,296 |
| Council budget office | 226,938 | 230,778 | 216,407 | 14,371 |
| Parish attorney | 7,623,036 | 7,836,661 | 7,459,247 | 377,414 |
| Public information office | 569,116 | 563,956 | 548,434 | 15,522 |
| Planning commission | 1,630,007 | 1,618,417 | 1,464,243 | 154,174 |
| City court - administration | 10,356,665 | 10,430,345 | 9,177,567 | 1,252,778 |
| City constable | 2,880,940 | 2,855,150 | 2,842,619 | 12,531 |
| Justice of peace and ward constables | 66,510 | 66,510 | 66,116 | 394 |
| Sheriff - costs of court | 176,000 | 161,000 | 158,255 | 2,745 |
| Registrar of voters | 872,533 | 872,533 | 815,393 | 57,140 |
| Mayor - President | 1,912,132 | 2,003,742 | 1,872,356 | 131,386 |
| Finance | 9,864,100 | 9,441,440 | 8,905,503 | 535,937 |
| Collection of funds | 3,043,100 | 3,658,100 | 3,646,933 | 11,167 |
| Information services | 5,048,779 | 4,338,339 | 4,333,971 | 4,368 |
| Computerized systems | 1,580,666 | 2,008,286 | 696,068 | 1,312,218 |
| Purchasing | 989,877 | 1,000,677 | 864,611 | 136,066 |
| Human resources | 3,236,761 | 3,242,112 | 3,028,087 | 214,025 |
| Risk management | 5,563,430 | 7,311,544 | 9,445,012 | (2,133,468) |
| Municipal fire and police civil service board | 76,565 | 77,225 | 73,985 | 3,240 |
| Public works - administration, engineering, warehouse, citizen service center, and building maintenance | 18,680,083 | 6,254,977 | 6,252,126 | 2,851 |
| Priority building improvements | 2,148,287 | 322,735 | 322,735 | -- |
| Miscellaneous public works projects | 7,307,232 | 164,734 | 164,734 | -- |

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

EXHIBIT A - 7
(Continued)

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|--------------------|---|---|
| | Original | Final | | |
| EXPENDITURES (continued) | | | | |
| Current (continued): | | | | |
| General government (continued): | | | | |
| Public works - business operations and capital program | \$ -- | \$ 2,088,351 | \$ 1,817,810 | \$ 270,541 |
| Public works - department of maintenance | -- | 725,561 | 725,561 | -- |
| Public works - department of buildings and grounds | -- | 11,520,948 | 7,813,971 | 3,706,977 |
| Municipal associations | 120,160 | 120,160 | 118,499 | 1,661 |
| Total general government | <u>87,461,960</u> | <u>82,405,677</u> | <u>75,965,051</u> | <u>6,440,626</u> |
| Public safety: | | | | |
| Fire protection districts | 142,910 | 142,910 | 142,827 | 83 |
| Sheriff - correctional institution | 9,783,553 | 11,702,210 | 11,457,178 | 245,032 |
| E.B.R. Parish Coroner | 2,220,064 | 2,368,518 | 2,314,122 | 54,396 |
| Police | 90,604,751 | 91,933,162 | 87,887,547 | 4,045,615 |
| Fire | 48,783,926 | 48,363,490 | 48,097,510 | 265,980 |
| Emergency medical services | 4,649,443 | 5,578,143 | 4,981,183 | 596,960 |
| Juvenile services | 5,638,128 | 5,466,146 | 4,988,137 | 478,009 |
| Emergency preparedness | 802,462 | 811,732 | 692,195 | 119,537 |
| Public works - inspection and traffic engineering | 10,691,940 | 2,602,753 | 2,602,753 | -- |
| Demolition program | 539,930 | 342,947 | 342,947 | -- |
| Public works - department of development | -- | 5,499,877 | 4,747,250 | 752,627 |
| Capital Region Planning Commission | 57,150 | 57,150 | 55,246 | 1,904 |
| Crimestoppers | 14,000 | 14,000 | 14,000 | -- |
| Total public safety | <u>173,928,257</u> | <u>174,883,038</u> | <u>168,322,895</u> | <u>6,560,143</u> |
| Transportation: | | | | |
| Public works - highway division | 21,700,055 | 5,516,934 | 5,515,573 | 1,361 |
| Street lighting | 4,777,614 | 1,197,016 | 1,197,016 | -- |
| Public works - department of transportation and drainage | -- | 11,472,152 | 8,784,484 | 2,687,668 |
| Federal urban system | 150,000 | 150,000 | -- | 150,000 |
| Public works - department of maintenance | -- | 15,126,711 | 13,666,939 | 1,459,772 |
| Street maintenance | 227,650 | 164,960 | 164,960 | -- |
| Total transportation | <u>26,855,319</u> | <u>33,627,773</u> | <u>29,328,972</u> | <u>4,298,801</u> |
| Health and welfare: | | | | |
| Health unit | 534,151 | 534,151 | 519,106 | 15,045 |
| Council on Aging projects | 877,490 | 917,490 | 917,232 | 258 |
| Crisis Care Center | 253,180 | 253,180 | 253,140 | 40 |
| Baton Rouge Area Alcohol and Drug Center | 319,000 | 319,060 | 319,050 | 10 |
| Animal control and rescue center | 2,608,380 | 2,672,190 | 2,598,672 | 73,518 |
| O'Brien House | 17,100 | 17,100 | 17,100 | -- |
| Total health and welfare | <u>4,609,301</u> | <u>4,713,171</u> | <u>4,624,300</u> | <u>88,871</u> |
| Culture and recreation: | | | | |
| Community Centers Summer Programs | 12,000 | 16,970 | 16,970 | -- |

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

EXHIBIT A - 7
(Continued)

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------------|---|---|
| | Original | Final | | |
| EXPENDITURES (continued) | | | | |
| Current (continued): | | | | |
| Culture and recreation (continued): | | | | |
| Louisiana Arts and Science Museum | \$ 843,120 | \$ 843,120 | \$ 843,055 | \$ 65 |
| Arts Council of Greater Baton Rouge | 334,240 | 334,240 | 334,222 | 18 |
| Baton Rouge Symphony League | 95,000 | 95,000 | 95,000 | -- |
| U.S.S. Kidd | 229,560 | 229,560 | 229,522 | 38 |
| United States Bowling Congress | 100,000 | 100,000 | 100,000 | -- |
| Total culture and recreation | <u>1,613,920</u> | <u>1,618,890</u> | <u>1,618,769</u> | <u>121</u> |
| Conservation and development: | | | | |
| Economic development program | 2,660,535 | 2,962,167 | 2,389,051 | 573,116 |
| Urban restoration projects | 412,276 | 442,276 | 23,243 | 419,033 |
| Baton Rouge Film Commission | 175,075 | 130,166 | 125,091 | 5,075 |
| Summer youth employment program | 200,000 | 300,172 | 250,172 | 50,000 |
| Community centers | 1,351,704 | 1,441,041 | 1,342,115 | 98,926 |
| Human Development and Services | 750,560 | 802,147 | 681,635 | 120,512 |
| Baton Rouge Area Chamber | 450,000 | 450,000 | 450,000 | -- |
| Truancy Assessment and Service Center | -- | 100,000 | 100,000 | -- |
| Score Chapter 141 - Baton Rouge | 19,000 | 19,000 | 19,000 | -- |
| Earth Day | 21,850 | 21,850 | 21,850 | -- |
| Cooperative Extension Service | 61,404 | 61,405 | 54,078 | 7,327 |
| Veterans Service Office | 48,900 | 48,900 | 48,900 | -- |
| Big Buddy Program | 256,550 | 256,550 | 256,550 | -- |
| Greater Baton Rouge Food Bank | 23,000 | 23,000 | 23,000 | -- |
| CAFC/Children's Coalition | 50,000 | 50,000 | 50,000 | -- |
| Downtown Merchants Association | 38,000 | 38,000 | 38,000 | -- |
| City Year Louisiana | 25,000 | 25,000 | 25,000 | -- |
| Baton Rouge Community College | 134,980 | 134,980 | 134,973 | 7 |
| Total conservation and development | <u>6,678,834</u> | <u>7,306,654</u> | <u>6,032,658</u> | <u>1,273,996</u> |
| Capital outlay | <u>2,338,625</u> | <u>291,287</u> | <u>--</u> | <u>291,287</u> |
| Intergovernmental expenditures: | | | | |
| Equivalent three mills on industrial area assessment | 159,760 | 167,670 | 167,662 | 8 |
| District Attorney of the Nineteenth Judicial District | 5,583,262 | 6,283,262 | 6,209,328 | 73,934 |
| Nineteenth Judicial District Court | 7,084,530 | 6,824,530 | 6,783,254 | 41,276 |
| E.B.R. Parish Family Court | 1,022,510 | 1,042,510 | 1,022,510 | 20,000 |
| E.B.R. Parish Juvenile Court | 1,382,160 | 1,408,280 | 1,360,780 | 47,500 |
| E.B.R. Parish Clerk of Court | 613,890 | 630,190 | 629,883 | 307 |
| Total intergovernmental expenditures | <u>15,846,112</u> | <u>16,356,442</u> | <u>16,173,417</u> | <u>183,025</u> |
| Total expenditures | <u>319,332,328</u> | <u>321,202,932</u> | <u>302,066,062</u> | <u>19,136,870</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(21,940,438)</u> | <u>(19,794,770)</u> | <u>4,523,686</u> | <u>24,318,456</u> |

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT A - 7
(Continued)

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|----------------------|---|---|
| | Original | Final | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in: | | | | |
| Emergency Medical Services Fund | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ -- |
| Solid Waste Collection and Disposal Fund | 2,565,470 | 2,565,470 | 2,565,470 | -- |
| Total transfers in | 2,655,470 | 2,655,470 | 2,655,470 | -- |
| Transfers out: | | | | |
| Grants Fund | (232,040) | (1,158,789) | (1,122,775) | 36,014 |
| Capital Projects Fund | (2,131,750) | (11,854,026) | (11,854,026) | -- |
| Downtown Development District | (142,500) | (142,500) | (142,500) | -- |
| Brownsfield Fire Protection District | (16,250) | (16,250) | (16,250) | -- |
| Chaneyville Fire Protection District | (35,860) | (35,860) | (35,860) | -- |
| Pride Fire Protection District | (19,000) | (19,000) | (19,000) | -- |
| Alsen-St. Irma Lee Fire Protection District | (24,510) | (24,510) | (24,510) | -- |
| Taxable Refunding Bonds Fund | (4,790,550) | (4,790,550) | (4,790,549) | 1 |
| Excess Revenue and Limited Tax Fund | (498,840) | (83,750) | (50,090) | 33,660 |
| Solid Waste Collection and Disposal Fund | (75,000) | (75,000) | (60,982) | 14,018 |
| Baton Rouge River Center | (1,791,930) | (1,791,930) | (1,791,930) | -- |
| Total transfers out | (9,758,230) | (19,992,165) | (19,908,472) | 83,693 |
| Proceeds of capital asset disposition | 305,000 | 305,000 | 104,443 | (200,557) |
| Total other financing sources and uses | (6,797,760) | (17,031,695) | (17,148,559) | (116,864) |
| Net change in fund balances | (28,738,198) | (36,826,465) | (12,624,873) | 24,201,592 |
| Fund balances, January 1 | 112,332,543 | 112,332,543 | 112,332,543 | -- |
| Fund balances, December 31 | <u>\$ 83,594,345</u> | <u>\$ 75,506,078</u> | <u>\$ 99,707,670</u> | <u>\$ 24,201,592</u> |

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
LIBRARY BOARD OF CONTROL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

EXHIBIT A - 8

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes | \$ 40,831,480 | \$ 40,831,480 | \$ 41,904,944 | \$ 1,073,464 |
| Charges for services: | | | | |
| Library - copy machine | 65,000 | 65,000 | 84,743 | 19,743 |
| Fines and forfeits: | | | | |
| Fines | 210,000 | 210,000 | 202,723 | (7,277) |
| Investment earnings | 49,830 | 49,830 | 152,464 | 102,634 |
| Miscellaneous revenues: | | | | |
| Donations | 2,000 | 2,000 | 400 | (1,600) |
| Other income | 5,000 | 5,000 | 12,974 | 7,974 |
| Total miscellaneous revenues | 7,000 | 7,000 | 13,374 | 6,374 |
| Total revenues | 41,163,310 | 41,163,310 | 42,358,248 | 1,194,938 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation: | | | | |
| Operations | 44,733,648 | 44,733,648 | 38,041,663 | 6,691,985 |
| Capital outlay | 2,324,223 | 2,293,223 | 342,004 | 1,951,219 |
| Total expenditures | 47,057,871 | 47,026,871 | 38,383,667 | 8,643,204 |
| Excess (deficiency) of revenues over (under) expenditures | (5,894,561) | (5,863,561) | 3,974,581 | 9,838,142 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out: | | | | |
| Capital Projects Fund | -- | (31,000) | (31,000) | -- |
| Proceeds of capital asset disposition | -- | -- | 180 | 180 |
| Total other financing sources and uses | -- | (31,000) | (30,820) | 180 |
| Net change in fund balances | (5,894,561) | (5,894,561) | 3,943,761 | 9,838,322 |
| Fund balances, January 1 | 73,221,331 | 73,221,331 | 73,221,331 | -- |
| Fund balances, December 31 | \$ 67,326,770 | \$ 67,326,770 | \$ 77,165,092 | \$ 9,838,322 |

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

EXHIBIT A - 9

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental revenues: | | | | |
| Federal grants: | | | | |
| Department of Justice | \$ 3,579,102 | \$ 3,579,102 | \$ 688,206 | \$ (2,890,896) |
| Department of Health and Human Services | 16,536,109 | 17,402,129 | 15,144,799 | (2,257,330) |
| Department of Housing and Urban Development | 27,527,033 | 27,470,643 | 9,760,160 | (17,710,483) |
| Environmental Protection Agency | 400,000 | 400,000 | 2,097 | (397,903) |
| Department of Education | 671,305 | 671,305 | -- | (671,305) |
| State grants: | | | | |
| Highway Safety Commission | 2,191,677 | 1,674,841 | 916,424 | (758,417) |
| Commission on Law Enforcement | 327,244 | 306,015 | 226,371 | (79,644) |
| Governor's Office of Homeland Security and Emergency Preparedness | 7,710,368 | 7,710,256 | 2,572,639 | (5,137,617) |
| Department of Public Safety and Corrections | 170,862 | 170,862 | 170,862 | -- |
| Louisiana State Supreme Court | 98,837 | 98,837 | 61,882 | (36,955) |
| Louisiana State Capital Outlay | 137,069 | 48,460 | 48,460 | -- |
| Louisiana Housing Corporation | 1,723,481 | 1,319,269 | 237,820 | (1,081,449) |
| Louisiana Recovery Authority | 22,557,867 | 22,557,867 | 2,063,270 | (20,494,597) |
| Louisiana Workforce Commission | 7,552,613 | 7,545,545 | 3,984,705 | (3,560,840) |
| Department of Education | 2,407,604 | 2,209,775 | 1,266,114 | (943,661) |
| Louisiana Division of Administration Office of Community Development Disaster Recovery Unit | 178,555 | 144,371 | 92,354 | (52,017) |
| Other grants: | | | | |
| Capital Region Planning Commission | 102,000 | 101,024 | 83,024 | (18,000) |
| Entergy | 81,860 | 81,860 | 20,167 | (61,693) |
| East Baton Rouge Parish Sheriff | 5,055 | 4,801 | 4,801 | -- |
| Pennington Foundation | 46,800 | 46,800 | 20,285 | (26,515) |
| Southern University Baton Rouge | 586 | 586 | 586 | -- |
| Cities of Service | 10,191 | 10,191 | 6,112 | (4,079) |
| Keep America Beautiful, Inc. | 434 | 434 | -- | (434) |
| Louisiana Workforce Investment Board Local 21 | 364,527 | 153,907 | 50,168 | (103,739) |
| Louisiana State University | 53,170 | 53,170 | 12,511 | (40,659) |
| Capital Area United Way | 31,126 | 31,126 | 31,126 | -- |
| Section 8 Portability Reimbursements | 945 | 945 | 945 | -- |
| Cops Outside Agencies Local Match | 52,437 | -- | -- | -- |
| Total intergovernmental revenues | 94,518,857 | 93,794,121 | 37,465,888 | (56,328,233) |
| Investment earnings | 58,327 | 53,261 | 9,644 | (43,617) |
| Miscellaneous revenues: | | | | |
| Sobriety Court fees | 36,404 | 118,822 | 80,288 | (38,534) |
| Program income (Housing and Urban Development) | 782,573 | 703,634 | 702,259 | (1,375) |
| Headstart - in kind contributions | 2,736,356 | 2,735,839 | 2,735,839 | -- |
| Other | 4,090 | 4,090 | 4,090 | -- |
| Total miscellaneous revenues | 3,559,423 | 3,562,385 | 3,522,476 | (39,909) |
| Total revenues | 98,136,607 | 97,409,767 | 40,998,008 | (56,411,759) |

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

EXHIBIT A - 9
(Continued)

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| EXPENDITURES | Original | Final | | |
| Current: | | | | |
| General government: | | | | |
| City Constable - Drug Abuse Resistance Education | \$ 395,970 | \$ 388,838 | \$ 251,102 | \$ 137,736 |
| Cities of Service - Leadership Grant | 10,191 | 10,191 | 6,112 | 4,079 |
| Total general government | 406,161 | 399,029 | 257,214 | 141,815 |
| Public safety: | | | | |
| FEMA - Hurricane Gustav | 8,511,142 | 8,511,142 | -- | 8,511,142 |
| Edward Byrne Memorial Justice Assistance Grant | 164,869 | 164,869 | 132,705 | 32,164 |
| Baton Rouge Area Violence Elimination | 2,409,631 | 2,409,631 | 1,125,935 | 1,283,696 |
| Byrne Criminal Justice Innovation | 897,082 | 897,082 | 314,754 | 582,328 |
| State and Local Domestic Preparedness Equipment Program | 356,540 | 240,389 | 149,078 | 91,311 |
| Title IV-E Reimbursements | 47,296 | 218,240 | 159,182 | 59,058 |
| Hazard Mitigation Planning Grant | 52,981 | 52,981 | 33,050 | 19,931 |
| Families in Need of Services | 178,316 | 175,387 | 119,187 | 56,200 |
| Families in Need of Services - Technical Assistance | 5,880 | 5,880 | 4,451 | 1,429 |
| Local Government Assistance Program: | | | | |
| Chaneyville Fire Protection District | 12,000 | 12,000 | -- | 12,000 |
| Pride Fire Protection District | 2,100 | 2,100 | 2,100 | -- |
| Alsen-St. Irma Lee Fire Protection District | 10,016 | 71 | 71 | -- |
| Central Volunteer Fire Department | 9,230 | 9,226 | 9,226 | -- |
| Comprehensive Resiliency Pilot Program | 103,136 | 68,957 | 68,957 | -- |
| Drug Abuse Resistance Education | 45,990 | 45,990 | 22,356 | 23,634 |
| Juvenile Accountability Incentive Block Grant | 63,601 | 45,085 | 39,945 | 5,140 |
| Targeted Violent Offender Program (TVOP) | 44,422 | 39,324 | 35,217 | 4,107 |
| City Constable Targeted Violent Offender Program | 11,895 | 11,895 | 11,895 | -- |
| Domestic Violence Intervention Program | 90,992 | 59,005 | 59,005 | -- |
| Targeting Violent Criminals Program | 29,055 | 29,055 | 29,055 | -- |
| Court Delay Reduction (TVOP) | 16,000 | 16,000 | 12,545 | 3,455 |
| Reduce Underage Drinking | 249,934 | 226,069 | 107,209 | 118,860 |
| Police Department Year-Round Overtime Grant: | | | | |
| Occupant Protection and Speeding | 437,186 | 436,750 | 215,663 | 221,087 |
| DWI and Juvenile Underage Drinking Enforcement | 619,573 | 618,412 | 479,729 | 138,683 |
| Open Container and DWI | 326,567 | 326,567 | 60,440 | 266,127 |
| Baton Rouge City Court DWI Court | 148,961 | 223,230 | 116,057 | 107,173 |
| Transportation Planning Study | 60,360 | 59,024 | 58,780 | 244 |
| Joint Warrant - Violent Crime Task Force | 5,055 | 4,801 | 4,801 | -- |
| Pennington Domestic Violence Program | 46,800 | 46,800 | 20,285 | 26,515 |
| Non-grant funds: | | | | |
| Metropolitan Medical Response System | 267,595 | 267,595 | -- | 267,595 |
| Total public safety | 15,224,205 | 15,223,557 | 3,391,678 | 11,831,879 |
| Transportation: | | | | |
| Flood Property Acquisition | 481,764 | 481,764 | -- | 481,764 |
| Land Use and Socio-Economic Study | 54,000 | 54,000 | 36,000 | 18,000 |
| Non-grant funds: | | | | |
| Mass transit local assistance | 180,000 | 180,000 | -- | 180,000 |
| Total transportation | 715,764 | 715,764 | 36,000 | 679,764 |

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT A - 9
(Continued)

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| EXPENDITURES (continued) | | | | |
| Current (continued): | | | | |
| Health and welfare: | | | | |
| Low Income Housing Energy Assistance Program | \$ 793,527 | \$ 719,175 | \$ 102,019 | \$ 617,156 |
| Federal Emergency Management Agency | | | | |
| Emergency Shelter | 15,126 | 15,126 | 15,126 | -- |
| Non-grant funds: | | | | |
| Weatherization Assistance Program | 49 | 49 | 49 | -- |
| Low Income Housing Energy Assistance Program | 202,535 | 202,535 | 202,535 | -- |
| Summer Food Program | 1,066 | 4,216 | 4,216 | -- |
| Temporary Assistance to Needy Families | 107,832 | 107,832 | 46,516 | 61,316 |
| Total health and welfare | 1,120,135 | 1,048,933 | 370,461 | 678,472 |
| Culture and recreation: | | | | |
| Baseball Stadium Improvements | 137,069 | 49,046 | 49,046 | -- |
| Conservation and development: | | | | |
| Environmental Protection Agency Brownsfield | | | | |
| Pilot Program | 400,000 | 400,000 | 32,097 | 367,903 |
| Section 8 Operating Reserve | 279,714 | 279,714 | 73,711 | 206,003 |
| Section 8 Voucher Program | 1,426,432 | 1,676,443 | 1,717,906 | (41,463) |
| Choice Neighborhoods Planning Grant | 511,684 | 511,684 | 433,563 | 78,121 |
| Headstart | 11,289,468 | 11,244,067 | 11,244,067 | -- |
| Ryan White HIV/AIDS Treatment Grant | 4,534,491 | 5,353,302 | 5,157,610 | 195,692 |
| Ryan White Minority AIDS Initiative | 468,613 | 558,011 | 515,331 | 42,680 |
| Baton Rouge Performance Partnership Pilot | 671,305 | 671,305 | -- | 671,305 |
| Headstart Food Program | 2,484,729 | 2,272,563 | 1,361,702 | 910,861 |
| Community Services Block Grant | 1,716,285 | 1,729,164 | 1,455,339 | 273,825 |
| Flood Mitigation Assistance Program | 255,000 | 255,000 | -- | 255,000 |
| Workforce Innovation and Opportunity Act: | | | | |
| Adult Program | 1,779,085 | 1,775,884 | 944,317 | 831,567 |
| Youth Program | 1,959,359 | 1,959,359 | 760,332 | 1,199,027 |
| Dislocated Workers Program | 1,779,908 | 1,486,707 | 691,296 | 795,411 |
| Disability Employment Initiative Program | 25,955 | 6,007 | 6,007 | -- |
| Job Driven National Emergency Grant | 364,527 | 153,907 | 51,468 | 102,439 |
| Transfer Funds Adult | 290,000 | 290,000 | 168,475 | 121,525 |
| Strategies to Empower People | 298,424 | 298,424 | 28,889 | 269,535 |
| Weatherization Assistance Program | 603,787 | 273,928 | 273,928 | -- |
| Emergency Solutions Grant | 543,877 | 543,877 | 523,725 | 20,152 |
| Emergency Preparedness Entergy Grant | 81,860 | 81,860 | 20,167 | 61,693 |
| Capital Area United Way - VITA Grant | 16,000 | 16,000 | 16,000 | -- |
| Keep Louisiana Beautiful, Inc. | 2,480 | -- | -- | -- |
| Graffiti Hurts Grant | 434 | 434 | -- | 434 |
| Louisiana Environmental Exchange | 53,170 | 53,170 | 12,511 | 40,659 |
| Louisiana Recovery Act | 5,706,141 | 4,930,694 | 2,702,908 | 2,227,786 |
| Community Development Block Grant: | | | | |
| Public improvements, facilities | 1,117,678 | 1,217,678 | 206,057 | 1,011,621 |
| Demolition and clearance | 321,005 | 321,005 | 221,005 | 100,000 |
| Public services | 2,856,900 | 2,756,900 | 1,728,589 | 1,028,311 |

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

EXHIBIT A - 9
(Continued)

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| EXPENDITURES (continued) | | | | |
| Current (continued): | | | | |
| Conservation and development (continued): | | | | |
| Community Development Block Grant (continued): | | | | |
| Relocation assistance | \$ 5,000 | \$ 5,000 | \$ -- | \$ 5,000 |
| Housing rehabilitation | 2,930,869 | 2,930,869 | 1,457,334 | 1,473,535 |
| Program administration | 1,555,895 | 1,309,876 | 920,472 | 389,404 |
| Community Development Home Program: | | | | |
| Direct home ownership assistance | 4,925,934 | 4,925,934 | 3,803,572 | 1,122,362 |
| Housing rehabilitation | 510,759 | 510,759 | 379,713 | 131,046 |
| Program administration | 793,816 | 867,083 | 552,911 | 314,172 |
| Community Housing Development Organization | 2,195,375 | 2,195,375 | 1,475,700 | 719,675 |
| Continuum of Care - Supportive Housing Program: | | | | |
| Public services | 2,117,765 | 1,812,310 | 1,710,597 | 101,713 |
| Program administration | 47,003 | 47,003 | 30,785 | 16,218 |
| Housing Opportunities for Persons with AIDS Program: | | | | |
| Public services | 4,739,566 | 4,739,566 | 2,147,225 | 2,592,341 |
| Program administration | 1,929,424 | 1,929,424 | 669,502 | 1,259,922 |
| Non-grant funds: | | | | |
| Headstart programs | 9,305 | 9,564 | 1,681 | 7,883 |
| Rental rehabilitation local funds | 450,794 | 548,202 | 254,498 | 293,704 |
| Headstart - in kind services | 2,736,356 | 2,735,839 | 2,735,839 | -- |
| Small and Emerging Business Development Program | 69,424 | 69,424 | -- | 69,424 |
| Louisiana Job Employment Training | 35,363 | 35,363 | -- | 35,363 |
| Office of Community Development Local Funds | 500,000 | 500,000 | 137,440 | 362,560 |
| Total conservation and development | 67,390,959 | 66,288,678 | 46,624,269 | 19,664,409 |
| Capital outlay | 20,330,543 | 21,253,376 | 3,502,311 | 17,751,065 |
| Total expenditures | 105,324,836 | 104,978,383 | 54,230,979 | 50,747,404 |
| Excess (deficiency) of revenues over (under) expenditures | (7,188,229) | (7,568,616) | (13,232,971) | (5,664,355) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| General Fund | 1,124,183 | 1,122,775 | 1,122,775 | -- |
| City Constable Court Costs Fund | 7,132 | -- | -- | -- |
| Total transfers in | 1,131,315 | 1,122,775 | 1,122,775 | -- |
| Proceeds of capital asset disposition | 364 | 364 | 622 | 258 |
| Total other financing sources | 1,131,679 | 1,123,139 | 1,123,397 | 258 |
| Net change in fund balances | (6,056,550) | (6,445,477) | (12,109,574) | (5,664,097) |
| Fund balances, January 1 | 11,032,939 | 11,032,939 | 11,032,939 | -- |
| Fund balances, December 31 | \$ 4,976,389 | \$ 4,587,462 | \$ (1,076,635) | \$ (5,664,097) |

The accompanying notes are an integral part of this statement.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

| | Business-type Activities - Enterprise Funds | | |
|---|---|--|--|
| | Greater Baton Rouge Airport District | Comprehensive Sewerage System | Solid Waste Collection and Disposal |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 5,072,502 | \$ 62,323,407 | \$ 9,152,792 |
| Investments | 7,004,883 | 96,447,379 | 12,639,570 |
| Sales taxes receivable | -- | 4,242,149 | -- |
| Accounts receivable - net | 540,303 | 7,064,788 | 3,713,236 |
| Accrued interest receivable | 8,297 | 292,885 | 15,406 |
| Due from other governments (Note 11) | 2,056,311 | 119,484 | 900 |
| Prepaid items | -- | -- | -- |
| Inventory | -- | -- | -- |
| Total current assets | <u>14,682,296</u> | <u>170,490,092</u> | <u>25,521,904</u> |
| Noncurrent assets: | | | |
| Restricted assets: | | | |
| Cash and cash equivalents | 968,257 | 131,403,627 | -- |
| Investments | 1,337,116 | 226,344,286 | -- |
| Accounts receivable - net | 183,637 | -- | -- |
| Accrued interest receivable | 18 | 233,364 | -- |
| Prepaid items | 5,880 | -- | -- |
| Total restricted assets | <u>2,494,908</u> | <u>357,981,277</u> | <u>--</u> |
| Capital assets (Note 6): | | | |
| Land | 33,783,843 | 49,056,365 | 9,041,482 |
| Buildings | 135,024,194 | -- | 141,449 |
| Noise mitigation costs | 58,392,539 | -- | -- |
| Improvements (other than buildings) | 173,983,609 | 1,953,983,929 | 28,347,174 |
| Equipment | 4,389,565 | 4,691,787 | 42,000 |
| Construction work in progress | 9,297,913 | 186,967,343 | -- |
| Total capital assets | <u>414,871,663</u> | <u>2,194,699,424</u> | <u>37,572,105</u> |
| Accumulated depreciation | <u>(138,303,877)</u> | <u>(651,255,531)</u> | <u>(23,792,648)</u> |
| Net capital assets | <u>276,567,786</u> | <u>1,543,443,893</u> | <u>13,779,457</u> |
| Total noncurrent assets | <u>279,062,694</u> | <u>1,901,425,170</u> | <u>13,779,457</u> |
| Total assets | <u>293,744,990</u> | <u>2,071,915,262</u> | <u>39,301,361</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred amount on refunding | -- | 39,737,972 | -- |
| Deferred outflows on derivative instruments | -- | 92,452,209 | -- |
| Deferred outflow for pensions | 1,567,839 | 3,916,684 | 312,343 |
| Total deferred outflows of resources | <u>1,567,839</u> | <u>136,106,865</u> | <u>312,343</u> |

The accompanying notes are an integral part of this statement.

| Business-type Activities - Enterprise Funds | | Governmental Activities Internal Service Funds |
|--|----------------------|---|
| Other Enterprise Total | Total | |
| \$ 2,741,119 | \$ 79,289,820 | \$ 7,224,158 |
| 2,390,860 | 118,482,692 | 9,976,219 |
| -- | 4,242,149 | -- |
| 408,239 | 11,726,566 | -- |
| 3,124 | 319,712 | 12,426 |
| 641,183 | 2,817,878 | -- |
| 207,466 | 207,466 | -- |
| 93,352 | 93,352 | 239,391 |
| <u>6,485,343</u> | <u>217,179,635</u> | <u>17,452,194</u> |
| 3,263,250 | 135,635,134 | -- |
| 4,506,394 | 232,187,796 | -- |
| -- | 183,637 | -- |
| 6,245 | 239,627 | -- |
| -- | 5,880 | -- |
| <u>7,775,889</u> | <u>368,252,074</u> | <u>--</u> |
| 2,654,217 | 94,535,907 | 47,568 |
| 101,813,312 | 236,978,955 | 2,339,528 |
| -- | 58,392,539 | -- |
| 14,641,496 | 2,170,956,208 | 7,190 |
| 1,191,672 | 10,315,024 | 37,922,364 |
| 434,758 | 196,700,014 | -- |
| <u>120,735,455</u> | <u>2,767,878,647</u> | <u>40,316,650</u> |
| <u>(73,945,634)</u> | <u>(887,297,690)</u> | <u>(31,778,508)</u> |
| <u>46,789,821</u> | <u>1,880,580,957</u> | <u>8,538,142</u> |
| <u>54,565,710</u> | <u>2,248,833,031</u> | <u>8,538,142</u> |
| <u>61,051,053</u> | <u>2,466,012,666</u> | <u>25,990,336</u> |
| -- | 39,737,972 | -- |
| -- | 92,452,209 | -- |
| 56,317 | 5,853,183 | -- |
| <u>56,317</u> | <u>138,043,364</u> | <u>--</u> |

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

| | Business-type Activities - Enterprise Funds | | |
|--|---|--|--|
| | Greater Baton Rouge Airport District | Comprehensive Sewerage System | Solid Waste Collection and Disposal |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts and contracts payable | \$ 2,752,006 | \$ 43,691,372 | \$ 3,101,961 |
| Due to other funds (Note 11) | 1,418,884 | -- | -- |
| Accrued salaries payable | 76,189 | 230,546 | 18,590 |
| Accrued interest payable | 1,095,448 | 26,950,905 | -- |
| Unearned revenue | -- | 567,214 | -- |
| Obligations payable (Note 10) | 348,333 | -- | -- |
| Bonds payable (Note 10) | 1,580,000 | 8,764,000 | -- |
| Compensated absences payable | 530,998 | 1,366,753 | 106,350 |
| Total current liabilities | <u>7,801,858</u> | <u>81,570,790</u> | <u>3,226,901</u> |
| Noncurrent liabilities: | | | |
| Obligations payable (Note 10) | 1,825,000 | 43,653,307 | -- |
| Contingent liabilities | -- | 4,000,000 | -- |
| Bonds payable (net of premiums and discounts) (Note 10) | 55,794,178 | 1,391,428,834 | -- |
| Derivative instrument liability (Note 10) | -- | 92,452,209 | -- |
| Compensated absences payable | -- | -- | 40,913 |
| Landfill closure and postclosure care liability (Note 17) | -- | -- | 15,632,271 |
| Net other postemployment benefit obligation | 7,105,146 | 25,077,150 | 2,437,107 |
| Net pension liability | 10,912,227 | 28,265,713 | 2,248,705 |
| Total noncurrent liabilities | <u>75,636,551</u> | <u>1,584,877,213</u> | <u>20,358,996</u> |
| Total liabilities | <u>83,438,409</u> | <u>1,666,448,003</u> | <u>23,585,897</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflow for pensions | <u>307,233</u> | <u>237,744</u> | <u>18,914</u> |
| NET POSITION | | | |
| Net investment in capital assets | 217,203,991 | 377,829,271 | 13,779,457 |
| Restricted for capital projects | -- | -- | -- |
| Restricted for debt service | 715,287 | 56,660,375 | -- |
| Restricted Passenger Facility Charges | 440,848 | -- | -- |
| Restricted for external legal constraints | -- | 70,000,000 | -- |
| Unrestricted | <u>(6,792,939)</u> | <u>36,846,734</u> | <u>2,229,436</u> |
| Total net position | <u>\$ 211,567,187</u> | <u>\$ 541,336,380</u> | <u>\$ 16,008,893</u> |

The accompanying notes are an integral part of this statement.

| Business-type Activities - Enterprise Funds | | Governmental Activities Internal Service Funds |
|--|-----------------------|---|
| Other Enterprise Total | Total | |
| \$ 629,157 | \$ 50,174,496 | \$ 1,435,322 |
| -- | 1,418,884 | -- |
| 29,337 | 354,662 | 27,052 |
| -- | 28,046,353 | -- |
| 1,200,356 | 1,767,570 | -- |
| -- | 348,333 | -- |
| 1,283,500 | 11,627,500 | -- |
| 90,241 | 2,094,342 | 162,771 |
| <u>3,232,591</u> | <u>95,832,140</u> | <u>1,625,145</u> |
| -- | 45,478,307 | -- |
| -- | 4,000,000 | -- |
| 1,928,160 | 1,449,151,172 | -- |
| -- | 92,452,209 | -- |
| 22,174 | 63,087 | -- |
| -- | 15,632,271 | -- |
| 629,279 | 35,248,682 | -- |
| 357,436 | 41,784,081 | -- |
| <u>2,937,049</u> | <u>1,683,809,809</u> | <u>--</u> |
| <u>6,169,640</u> | <u>1,779,641,949</u> | <u>1,625,145</u> |
| <u>3,006</u> | <u>566,897</u> | <u>--</u> |
| 43,578,161 | 652,390,880 | 8,538,142 |
| 8,306,503 | 8,306,503 | -- |
| -- | 57,375,662 | -- |
| -- | 440,848 | -- |
| -- | 70,000,000 | -- |
| <u>3,050,060</u> | <u>35,333,291</u> | <u>15,827,049</u> |
| <u>\$ 54,934,724</u> | <u>\$ 823,847,184</u> | <u>\$ 24,365,191</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Business-type Activities - Enterprise Funds | | |
|---|---|--|--|
| | Greater Baton Rouge Airport District | Comprehensive Sewerage System | Solid Waste Collection and Disposal |
| OPERATING REVENUES | | | |
| Charges for services | \$ 14,037,049 | \$ 78,561,037 | \$ 38,959,270 |
| Miscellaneous revenues | 485,959 | 112,512 | 69,685 |
| Total operating revenues | <u>14,523,008</u> | <u>78,673,549</u> | <u>39,028,955</u> |
| OPERATING EXPENSES | | | |
| Personal services | 3,681,653 | 11,460,236 | 1,035,681 |
| Employee benefits | 2,667,896 | 8,162,101 | 712,679 |
| Supplies | 530,931 | 2,966,624 | 369,271 |
| Contractual services | 6,457,696 | 21,114,558 | 35,776,531 |
| Landfill closure and postclosure care expense | -- | -- | 705,865 |
| Cost of materials | -- | -- | -- |
| Depreciation | 11,770,995 | 65,889,386 | 1,220,744 |
| Management fee | -- | -- | -- |
| Total operating expenses | <u>25,109,171</u> | <u>109,592,905</u> | <u>39,820,771</u> |
| Operating income (loss) | <u>(10,586,163)</u> | <u>(30,919,356)</u> | <u>(791,816)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Taxes pledged as securities for revenue bonds | -- | 44,791,791 | -- |
| Operating grants | 326,308 | -- | -- |
| Passenger facility charges (Note 16) | 1,525,683 | -- | -- |
| Customer facility charges | 1,584,146 | -- | -- |
| Federal subsidy on debt | -- | 6,789,055 | -- |
| Investment earnings | 23,386 | 1,235,199 | 35,648 |
| Interest expense | (2,761,620) | (47,913,991) | -- |
| Bond issuance costs | 26,392 | (711,681) | -- |
| Gain (loss) on disposition of capital assets | 90,651 | 41,302 | -- |
| Total nonoperating revenues (expenses) | <u>814,946</u> | <u>4,231,675</u> | <u>35,648</u> |
| Income (loss) before contributions and transfers | (9,771,217) | (26,687,681) | (756,168) |
| Capital contributions | 10,869,861 | 4,698,309 | -- |
| Transfers in | -- | -- | 60,982 |
| Transfers out | <u>--</u> | <u>--</u> | <u>(2,565,470)</u> |
| Change in net position | 1,098,644 | (21,989,372) | (3,260,656) |
| Total net position - January 1, restated (Note 1) | <u>210,468,543</u> | <u>563,325,752</u> | <u>19,269,549</u> |
| Total net position - December 31 | <u>\$ 211,567,187</u> | <u>\$ 541,336,380</u> | <u>\$ 16,008,893</u> |

The accompanying notes are an integral part of this statement.

| Business-type Activities - Enterprise Funds | | Governmental Activities Internal Service Funds |
|--|-----------------------|---|
| Other Enterprise Total | Total | |
| \$ 6,476,228 | \$ 138,033,584 | \$ 17,422,489 |
| 843,824 | 1,511,980 | -- |
| <u>7,320,052</u> | <u>139,545,564</u> | <u>17,422,489</u> |
| 2,769,409 | 18,946,979 | 1,286,184 |
| 560,895 | 12,103,571 | 832,074 |
| 1,445,722 | 5,312,548 | 192,479 |
| 4,466,207 | 67,814,992 | 4,136,765 |
| -- | 705,865 | -- |
| -- | -- | 7,878,584 |
| 4,948,195 | 83,829,320 | 2,751,336 |
| 327,212 | 327,212 | -- |
| <u>14,517,640</u> | <u>189,040,487</u> | <u>17,077,422</u> |
| <u>(7,197,588)</u> | <u>(49,494,923)</u> | <u>345,067</u> |
| -- | 44,791,791 | -- |
| 333,158 | 659,466 | -- |
| -- | 1,525,683 | -- |
| -- | 1,584,146 | -- |
| -- | 6,789,055 | -- |
| 23,802 | 1,318,035 | 28,667 |
| (40,878) | (50,716,489) | -- |
| -- | (685,289) | -- |
| (43,500) | 88,453 | 245,936 |
| <u>272,582</u> | <u>5,354,851</u> | <u>274,603</u> |
| (6,925,006) | (44,140,072) | 619,670 |
| 1,444,303 | 17,012,473 | -- |
| 1,818,451 | 1,879,433 | -- |
| <u>--</u> | <u>(2,565,470)</u> | <u>--</u> |
| (3,662,252) | (27,813,636) | 619,670 |
| <u>58,596,976</u> | <u>851,660,820</u> | <u>23,745,521</u> |
| <u>\$ 54,934,724</u> | <u>\$ 823,847,184</u> | <u>\$ 24,365,191</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Business-type Activities - Enterprise Funds | | |
|---|---|--|--|
| | Greater Baton Rouge Airport District | Comprehensive Sewerage System | Solid Waste Collection and Disposal |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Receipts from customers | \$ 14,418,844 | \$ 77,528,419 | \$ 38,915,291 |
| Payments to suppliers for goods and services | (7,119,440) | (24,632,031) | (36,544,720) |
| Payments to employees for services and benefits | (5,610,995) | (17,200,885) | (1,424,564) |
| Other operating receipts | -- | 112,512 | -- |
| Net cash provided by (used for) operating activities | <u>1,688,409</u> | <u>35,808,015</u> | <u>946,007</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | |
| Receipts from general property taxes | -- | 997 | -- |
| Receipts from general sales and use taxes | -- | 44,657,835 | -- |
| Operating grants received | 386,921 | -- | -- |
| Transfers in from other funds | -- | -- | 60,982 |
| Transfers out to other funds | -- | -- | (2,565,470) |
| Net cash provided by (used for) noncapital financing activities | <u>386,921</u> | <u>44,658,832</u> | <u>(2,504,488)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Proceeds from sale of debt | -- | 16,090,429 | -- |
| Proceeds from capital grants | 9,974,824 | 1,232,388 | -- |
| Proceeds from sale of capital assets | 491,284 | 41,302 | -- |
| Passenger facility charges | 1,489,139 | -- | -- |
| Customer facility charges | 1,594,470 | -- | -- |
| Acquisition and construction of capital assets | (11,072,152) | (153,071,649) | -- |
| Principal paid on bonds, obligations and capital leases | (1,844,167) | (10,008,000) | -- |
| Interest paid on bonds, obligations and capital leases | (2,791,029) | (61,432,163) | -- |
| Payments made for bond issuance costs | -- | (743,503) | -- |
| Federal subsidy on debt | -- | 10,196,074 | -- |
| Loans from other funds | 1,173,695 | -- | -- |
| Repayment of loans from other funds | (182,311) | -- | -- |
| Capital contributed by other governments | -- | -- | -- |
| Capital contributed from impact fees | -- | 3,194,392 | -- |
| Net cash provided by (used for) capital and related financing activities | <u>(1,166,247)</u> | <u>(194,500,730)</u> | <u>--</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of investments | (8,341,999) | (322,791,665) | (12,639,570) |
| Proceeds from sales and maturities of investments | 7,362,675 | 349,891,282 | 12,361,653 |
| Cash received from joint venture activity | -- | -- | -- |
| Interest received on investments | 18,211 | 1,018,701 | 26,969 |
| Net cash provided by (used for) investing activities | <u>(961,113)</u> | <u>28,118,318</u> | <u>(250,948)</u> |
| Net increase (decrease) in cash and cash equivalents | (52,030) | (85,915,565) | (1,809,429) |
| Cash and cash equivalents, January 1 | <u>6,092,789</u> | <u>279,642,599</u> | <u>10,962,221</u> |
| Cash and cash equivalents, December 31 | <u>\$ 6,040,759</u> | <u>\$ 193,727,034</u> | <u>\$ 9,152,792</u> |

The accompanying notes are an integral part of this statement.

| Business-type Activities - Enterprise Funds | | Governmental Activities Internal Service Funds |
|--|----------------|---|
| Other Enterprise Total | Total | |
| \$ 7,897,475 | \$ 138,760,029 | \$ 17,422,489 |
| (6,396,190) | (74,692,381) | (12,364,943) |
| (3,291,725) | (27,528,169) | (2,136,490) |
| -- | 112,512 | -- |
| (1,790,440) | 36,651,991 | 2,921,056 |
| -- | 997 | -- |
| -- | 44,657,835 | -- |
| 333,671 | 720,592 | -- |
| 1,791,930 | 1,852,912 | -- |
| -- | (2,565,470) | -- |
| 2,125,601 | 44,666,866 | -- |
| -- | 16,090,429 | -- |
| -- | 11,207,212 | -- |
| -- | 532,586 | 248,197 |
| -- | 1,489,139 | -- |
| -- | 1,594,470 | -- |
| (744,194) | (164,887,995) | (2,834,959) |
| (1,220,000) | (13,072,167) | -- |
| (40,878) | (64,264,070) | -- |
| -- | (743,503) | -- |
| -- | 10,196,074 | -- |
| -- | 1,173,695 | -- |
| -- | (182,311) | -- |
| 1,481,144 | 1,481,144 | -- |
| -- | 3,194,392 | -- |
| (523,928) | (196,190,905) | (2,586,762) |
| (6,897,254) | (350,670,488) | (9,976,219) |
| 6,448,650 | 376,064,260 | -- |
| 41,319 | 41,319 | -- |
| 18,351 | 1,082,232 | 21,018 |
| (388,934) | 26,517,323 | (9,955,201) |
| (577,701) | (88,354,725) | (9,620,907) |
| 6,582,070 | 303,279,679 | 16,845,065 |
| \$ 6,004,369 | \$ 214,924,954 | \$ 7,224,158 |

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Business-type Activities - Enterprise Funds | | |
|--|---|--|--|
| | Greater Baton Rouge Airport District | Comprehensive Sewerage System | Solid Waste Collection and Disposal |
| Classified as: | | | |
| Current assets | \$ 5,072,502 | \$ 62,323,407 | \$ 9,152,792 |
| Restricted assets | 968,257 | 131,403,627 | -- |
| Totals | <u>\$ 6,040,759</u> | <u>\$ 193,727,034</u> | <u>\$ 9,152,792</u> |
| Reconciliation of operating income to net cash provided by (used for) operating activities: | | | |
| Operating income (loss) | <u>\$ (10,586,163)</u> | <u>\$ (30,919,356)</u> | <u>\$ (791,816)</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Depreciation | 11,770,995 | 65,889,386 | 1,220,744 |
| Landfill closure and postclosure care expense | -- | -- | 705,865 |
| Increase (decrease) in compensated absences payable | 108,352 | 43,135 | 86,391 |
| Increase (decrease) in net other post employment benefit obligation | 777,480 | 2,485,809 | 251,583 |
| Increase (decrease) in net pension liability | 1,433,517 | 1,609,095 | 128,013 |
| (Increase) decrease in deferred outflows for pensions | (785,892) | (1,502,006) | (120,241) |
| Increase (decrease) in deferred inflows for pensions | (755,937) | 237,744 | 18,914 |
| Change in assets and liabilities: | | | |
| Decrease (increase) in accounts receivable | 15,636 | (490,764) | (113,664) |
| Decrease (increase) in prepaid items | -- | -- | -- |
| Decrease (increase) in inventory | -- | -- | -- |
| Increase (decrease) in accounts and contracts payable | (130,813) | (1,092,703) | (398,918) |
| Increase (decrease) in accrued salaries payable | (158,766) | (452,325) | (40,864) |
| Increase (decrease) in unearned revenue | -- | -- | -- |
| Total adjustments | <u>12,274,572</u> | <u>66,727,371</u> | <u>1,737,823</u> |
| Net cash provided by (used for) operating activities | <u>\$ 1,688,409</u> | <u>\$ 35,808,015</u> | <u>\$ 946,007</u> |
| Non cash investing, capital, and financing activities: | | | |
| Gain in fair value of investments | \$ 8,315 | \$ 526,249 | \$ 15,406 |
| Loss on disposal of capital assets | (400,633) | -- | -- |
| Contributions/accruals of capital assets | 895,037 | 271,529 | -- |
| Interest expense on swap obligations | -- | 2,335,449 | -- |

The accompanying notes are an integral part of this statement.

| Business-type Activities - Enterprise Funds | | Governmental Activities Internal Service Funds |
|--|-----------------------|---|
| Other Enterprise Total | Total | |
| \$ 2,741,119 | \$ 79,289,820 | \$ 7,224,158 |
| 3,263,250 | 135,635,134 | -- |
| <u>\$ 6,004,369</u> | <u>\$ 214,924,954</u> | <u>\$ 7,224,158</u> |
| | | |
| \$ (7,197,588) | \$ (49,494,923) | \$ 345,067 |
| | | |
| 4,948,195 | 83,829,320 | 2,751,336 |
| -- | 705,865 | -- |
| (19,727) | 218,151 | 31,356 |
| 69,439 | 3,584,311 | -- |
| 20,348 | 3,190,973 | -- |
| (25,782) | (2,433,921) | -- |
| 3,006 | (496,273) | -- |
| 698,551 | 109,759 | -- |
| 48,422 | 48,422 | -- |
| 25,214 | 25,214 | 36,932 |
| (230,685) | (1,853,119) | (194,047) |
| (8,705) | (660,660) | (49,588) |
| (121,128) | (121,128) | -- |
| <u>5,407,148</u> | <u>86,146,914</u> | <u>2,575,989</u> |
| | | |
| <u>\$ (1,790,440)</u> | <u>\$ 36,651,991</u> | <u>\$ 2,921,056</u> |
| | | |
| \$ 3,124 | \$ 553,094 | \$ 12,426 |
| (43,500) | (444,133) | (2,261) |
| (36,841) | 1,129,725 | -- |
| -- | 2,335,449 | -- |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015

EXHIBIT A - 13

| | Pension Trust Funds | Agency Funds |
|---------------------------------------|------------------------------------|-------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 18,920,718 | \$ 20,265,660 |
| Receivables: | | |
| Employee contributions | 615,625 | -- |
| Employer contributions | 3,993,261 | -- |
| Interest and dividends | 5,739 | -- |
| Pending trades | 3,782,243 | -- |
| Other contributions | 138,862 | -- |
| Other receivables | -- | 18,982,198 |
| Total receivables | <u>8,535,730</u> | <u>18,982,198</u> |
| Investments, at fair value | | |
| Fixed income - domestic | 278,424,005 | -- |
| Fixed income - international | 25,126,199 | -- |
| Equity securities - domestic | 304,449,133 | -- |
| Equity securities - international | 267,689,986 | -- |
| Real estate investments | 64,441,591 | -- |
| Alternative investments | 76,049,768 | -- |
| Total investments | <u>1,016,180,682</u> | <u>--</u> |
| Capital assets: | | |
| Land | 550,628 | -- |
| Buildings | 706,345 | -- |
| Equipment | 43,641 | -- |
| Accumulated depreciation | <u>(735,297)</u> | <u>--</u> |
| Total capital assets | <u>565,317</u> | <u>--</u> |
| Total assets | <u>1,044,202,447</u> | <u>39,247,858</u> |
| LIABILITIES | | |
| Accounts payable | -- | 33,346,596 |
| Accrued expenses and benefits payable | 1,186,007 | -- |
| Pending trades payable | 1,263,909 | -- |
| Deposits and escrow accounts | <u>--</u> | <u>5,901,262</u> |
| Total liabilities | <u>2,449,916</u> | <u>\$ 39,247,858</u> |
| NET POSITION | | |
| Held in trust for pension benefits | <u>\$ 1,041,752,531</u> | |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT A - 14

| | Pension Trust Funds |
|--|------------------------------------|
| ADDITIONS | |
| Contributions: | |
| Employee | \$ 13,695,647 |
| Employer | 42,338,901 |
| Severance contributions from employee | <u>1,457,940</u> |
| Total contributions | <u>57,492,488</u> |
| Investment income: | |
| <i>From investment activities</i> | |
| Net appreciation (depreciation) in fair value of investments | (3,308,325) |
| Interest | <u>373,075</u> |
| Total investment income | <u>(2,935,250)</u> |
| Less: investment expense | <u>7,077,273</u> |
| Net income from investing activities | <u>(10,012,523)</u> |
| Total additions | <u>47,479,965</u> |
| DEDUCTIONS | |
| Benefit payments | 94,971,379 |
| Refunds and withdrawals | 3,088,270 |
| Administrative expenses | <u>1,631,664</u> |
| Total deductions | <u>99,691,313</u> |
| Change in net position | (52,211,348) |
| Net position - beginning of year | <u>1,093,963,879</u> |
| Net position - end of year | <u><u>\$ 1,041,752,531</u></u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET POSITION
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2015

| | District Attorney of the Nineteenth Judicial District | Nineteenth Judicial District Court (1) | Nineteenth Judicial District Court Building Commission (1) | E.B.R. Parish Family Court | E.B.R. Parish Juvenile Court |
|--|--|---|---|---|---|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 1,861,205 | \$ 2,776,613 | \$ 2,588,750 | \$ 119,258 | \$ 348,061 |
| Property taxes receivable | -- | -- | -- | -- | -- |
| Sales taxes receivable | -- | -- | -- | -- | -- |
| Accounts receivable | 199,221 | 38,907 | -- | 9,636 | 217 |
| Accrued interest receivable | -- | -- | 18,071 | -- | -- |
| Loans receivable | -- | -- | -- | -- | -- |
| Due from other governments | -- | 347,745 | 370,251 | -- | 75,997 |
| Prepaid items | -- | -- | -- | -- | 3,000 |
| Inventory | -- | -- | -- | -- | -- |
| Other assets | -- | 54,531 | 60,170 | -- | -- |
| Restricted assets: | | | | | |
| Cash and cash equivalents | -- | -- | 12,673,057 | -- | -- |
| Capital assets: (Note 6) | | | | | |
| Buildings | -- | -- | 107,628,256 | -- | -- |
| Equipment | 2,187,255 | 363,697 | 5,034,133 | 244,636 | 433,891 |
| Accumulated depreciation | (1,540,493) | (318,484) | (21,004,426) | (95,761) | (326,309) |
| Total assets | <u>2,707,188</u> | <u>3,263,009</u> | <u>107,368,262</u> | <u>277,769</u> | <u>534,857</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred outflow for pension | <u>1,797,164</u> | <u>2,731,723</u> | <u>--</u> | <u>245,247</u> | <u>421,647</u> |
| LIABILITIES | | | | | |
| Accounts payable and other current liabilities | 65,192 | 770,221 | 194,383 | -- | 441 |
| Due to other governments | -- | -- | -- | -- | 6,828 |
| Accrued payables | 214,859 | -- | 404,384 | -- | 13,034 |
| Other liabilities | 48,732 | -- | -- | 10,634 | -- |
| Non-current liabilities: (Note 10) | | | | | |
| Due within one year | -- | 61,434 | 1,777,595 | 10,000 | -- |
| Due in more than one year | 18,201,373 | 20,640,144 | 90,547,994 | 3,132,380 | 4,260,185 |
| Total liabilities | <u>18,530,156</u> | <u>21,471,799</u> | <u>92,924,356</u> | <u>3,153,014</u> | <u>4,280,488</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflow for pension | <u>721,458</u> | <u>2,394,973</u> | <u>--</u> | <u>100,824</u> | <u>15,170</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 646,762 | 45,213 | 1,472,963 | 148,875 | 107,582 |
| Restricted for: | | | | | |
| Debt service | -- | -- | 10,322,023 | -- | -- |
| External legal constraints | 201,291 | 818,851 | -- | -- | 69,520 |
| Unrestricted | (15,595,315) | (18,736,104) | 2,648,920 | (2,879,697) | (3,516,256) |
| Total net position | <u>\$ (14,747,262)</u> | <u>\$ (17,872,040)</u> | <u>\$ 14,443,906</u> | <u>\$ (2,730,822)</u> | <u>\$ (3,339,154)</u> |

(1) As of June 30, 2015

The accompanying notes are an integral part of this statement.

| E.B.R. Parish Clerk of Court (1) | East Baton Rouge Redevelop- ment Authority | Cyntreniks Group King Hotel Special Taxing District | Bluebonnet Convention Hotel Taxing District | EBRATS Building Special Taxing District | Capital Area Transit System | Totals |
|---|---|--|--|--|--|---------------------|
| \$ 4,669,142 | \$ 1,166,598 | \$ 12,795 | \$ 58,961 | \$ 6,124 | \$ 3,374,639 | \$ 16,982,146 |
| -- | -- | -- | -- | -- | 16,120,292 | 16,120,292 |
| -- | -- | 9,285 | 53,087 | 2,946 | -- | 65,318 |
| 107,899 | -- | -- | -- | -- | 95,538 | 451,418 |
| -- | -- | -- | -- | -- | -- | 18,071 |
| -- | 2,138,660 | -- | -- | -- | -- | 2,138,660 |
| -- | 158,373 | -- | -- | -- | 1,042,080 | 1,994,446 |
| -- | 2,843 | -- | -- | -- | 73,723 | 79,566 |
| -- | 4,769,321 | -- | -- | -- | 525,738 | 5,295,059 |
| -- | 290,211 | -- | -- | -- | -- | 404,912 |
| -- | -- | -- | -- | -- | 879,581 | 13,552,638 |
| -- | -- | -- | -- | -- | -- | 107,628,256 |
| 9,072,464 | 192,024 | -- | -- | -- | 33,021,629 | 50,549,729 |
| (8,694,928) | (169,531) | -- | -- | -- | (20,197,063) | (52,346,995) |
| <u>5,154,577</u> | <u>8,548,499</u> | <u>22,080</u> | <u>112,048</u> | <u>9,070</u> | <u>34,936,157</u> | <u>162,933,516</u> |
| 2,986,916 | -- | -- | -- | -- | 1,183,443 | 9,366,140 |
| 248,345 | 45,556 | 22,080 | 112,048 | 9,070 | 1,242,074 | 2,709,410 |
| 182,340 | -- | -- | -- | -- | -- | 189,168 |
| 858,234 | -- | -- | -- | -- | -- | 1,490,511 |
| -- | -- | -- | -- | -- | -- | 59,366 |
| -- | -- | -- | -- | -- | 1,762,267 | 3,611,296 |
| 15,318,099 | -- | -- | -- | -- | 2,860,191 | 154,960,366 |
| <u>16,607,018</u> | <u>45,556</u> | <u>22,080</u> | <u>112,048</u> | <u>9,070</u> | <u>5,864,532</u> | <u>163,020,117</u> |
| 2,725,856 | -- | -- | -- | -- | 249,032 | 6,207,313 |
| 377,536 | 22,493 | -- | -- | -- | 12,020,664 | 14,842,088 |
| -- | -- | -- | -- | -- | -- | 10,322,023 |
| -- | 2,055,240 | -- | -- | -- | 879,581 | 4,024,483 |
| (11,568,917) | 6,425,210 | -- | -- | -- | 17,105,791 | (26,116,368) |
| <u>\$ (11,191,381)</u> | <u>\$ 8,502,943</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 30,006,036</u> | <u>\$ 3,072,226</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF ACTIVITIES
ALL DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Judicial Court Services | | | | | |
|---|--|---|---|-------------------------------------|---------------------------------------|---|
| | District Attorney of the Nineteenth Judicial District | Nineteenth Judicial District Court (1) | Nineteenth Judicial District Court Building Commission (1) | E.B.R. Parish Family Court | E.B.R. Parish Juvenile Court | E.B.R. Parish Clerk of Court (1) |
| EXPENSES | \$ 14,510,237 | \$ 10,501,263 | \$ 9,525,144 | \$ 1,435,378 | \$ 1,737,125 | \$ 15,219,633 |
| PROGRAM REVENUES: | | | | | | |
| Charges for services | 3,374,745 | 2,559,251 | 6,198,437 | 177,082 | 49,884 | 12,624,378 |
| Operating grants and contributions | 10,262,087 | 6,920,844 | -- | 1,096,435 | 90,350 | 356,640 |
| Capital grants and contributions | -- | -- | -- | -- | -- | -- |
| Net program (expenses) revenue | (873,405) | (1,021,168) | (3,326,707) | (161,861) | (1,596,891) | (2,238,615) |
| GENERAL REVENUES: | | | | | | |
| Taxes: | | | | | | |
| Property | -- | -- | -- | -- | -- | -- |
| Occupancy | -- | -- | -- | -- | -- | -- |
| Grants and contributions not restricted to specific programs | 376,504 | -- | -- | -- | 1,371,702 | -- |
| Investment earnings | 11,256 | 5,750 | 174,578 | 7 | 1,241 | 105,935 |
| Miscellaneous | 70,169 | 2,077 | 117,278 | -- | 4,615 | 771,967 |
| Total general revenues | 457,929 | 7,827 | 291,856 | 7 | 1,377,558 | 877,902 |
| Change in net position | (415,476) | (1,013,341) | (3,034,851) | (161,854) | (219,333) | (1,360,713) |
| Net position, beginning of year, restated (Note 1) | (14,331,786) | (16,858,699) | 17,478,757 | (2,568,968) | (3,119,821) | (9,830,668) |
| Net position, ending | \$ (14,747,262) | \$ (17,872,040) | \$ 14,443,906 | \$ (2,730,822) | \$ (3,339,154) | \$ (11,191,381) |

(1) As of June 30, 2015

The accompanying notes are an integral part of this statement.

| Total Judicial Court Services | Economic Development | | | | Total Economic Development | Mass Transit | Total All Component Units |
|--|--|--|---|---|----------------------------------|--------------------------------------|------------------------------------|
| | East Baton Rouge Redevelop- ment Authority | Cyntreniks Group King Hotel Special Taxing District | Bluebonnet Convention Hotel Taxing District | EBRATS Building Special Taxing District | | Capital Area Transit System | |
| \$ 52,928,780 | \$ 1,129,113 | \$ 139,210 | \$ 736,819 | \$ 24,757 | \$ 2,029,899 | \$ 28,641,657 | \$ 83,600,336 |
| 24,983,777 | 298,066 | -- | -- | -- | 298,066 | 2,326,845 | 27,608,688 |
| 18,726,356 | 255,470 | -- | -- | -- | 255,470 | -- | 18,981,826 |
| -- | 4,000 | -- | -- | -- | 4,000 | 3,092,156 | 3,096,156 |
| (9,218,647) | (571,577) | (139,210) | (736,819) | (24,757) | (1,472,363) | (23,222,656) | (33,913,666) |
| -- | -- | -- | -- | -- | -- | 16,467,310 | 16,467,310 |
| -- | -- | 139,210 | 736,819 | 24,757 | 900,786 | 1,347,465 | 2,248,251 |
| 1,748,206 | -- | -- | -- | -- | -- | 7,317,094 | 9,065,300 |
| 298,767 | 73,107 | -- | -- | -- | 73,107 | 9,592 | 381,466 |
| 966,106 | 107,046 | -- | -- | -- | 107,046 | 71,902 | 1,145,054 |
| 3,013,079 | 180,153 | 139,210 | 736,819 | 24,757 | 1,080,939 | 25,213,363 | 29,307,381 |
| (6,205,568) | (391,424) | -- | -- | -- | (391,424) | 1,990,707 | (4,606,285) |
| (29,231,185) | 8,894,367 | -- | -- | -- | 8,894,367 | 28,015,329 | 7,678,511 |
| <u>\$ (35,436,753)</u> | <u>\$ 8,502,943</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 8,502,943</u> | <u>\$ 30,006,036</u> | <u>\$ 3,072,226</u> |



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

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CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17

NOTE 1 - Summary of Significant Accounting Policies

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

a. Financial Reporting Entity

The Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge serves as the financial reporting entity for both the municipality (City of Baton Rouge) and for the Parish (East Baton Rouge Parish). The financial reporting entity consists of: (1) the primary government (all funds under the auspices of the Mayor-President and the Metropolitan Council), (2) organizations for which the primary government is financially accountable and a financial benefit/burden relationship exists; and, (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

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

Blended Component Units

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

Discrete Component Units

The Louisiana State Constitution mandates that parish governments fund a significant portion of the operational budgets of certain legally separate state constitutionally defined parish officials. These budgets are adopted as part of the City-Parish

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

budget process. These judicial elected officials are fiscally dependent on the parish or state government for the issuance of debt and are included in this report as part of the financial benefit/burden relationship with the Parish. These officials have additional self statutorily defined sources of funds that are used for operating and/or capital purposes. These agencies have been discretely presented in the City-Parish Comprehensive Annual Financial Report (CAFR):

District Attorney of the Nineteenth Judicial District (for the period ended December 31, 2015)
Nineteenth Judicial District Court (for the period ended June 30, 2015)
Nineteenth Judicial District Court Building Commission (for the period ended June 30, 2015)
E.B.R. Parish Clerk of Court (for the period ended June 30, 2015)
E.B.R. Parish Family Court (for the period ended December 31, 2015)
E.B.R. Parish Juvenile Court (for the period ended December 31, 2015)

The East Baton Rouge Redevelopment Authority was created by the 2007 Louisiana Legislature. It is governed by a five member board. A level of control is maintained by the City-Parish through appointment of a majority of the Authority's Board and through fiscal benefit/burden and imposition of will by the Metropolitan Council. The financial statements of the Authority for December 31, 2015, are included in the discrete component unit columns of the basic financial statements.

Capital Area Transit System (CATS) - CATS was originally created by the City-Parish Metropolitan Council as a corporation to provide bus transportation services within the parish. In 2004, the Louisiana State Legislature enacted House Bill 1682 Act 581 to recognize CATS as a political subdivision which functions under the provisions of an operating agreement with the City of Baton Rouge and Parish of East Baton Rouge. Any property acquired by the system is for the use and benefit of the City-Parish. All CATS board members are appointed directly by the Metropolitan Council. Metropolitan Council approval is required for all transportation fare changes. CATS's financial statements for the period ended December 31, 2015, are discretely presented in the basic financial statements.

Cyntreniks Group/King Hotel Special Taxing District, Bluebonnet Convention Hotel Taxing District and EBRATS Building Special Taxing District were created pursuant to Louisiana Revised Statute 33:9038, which allowed the Metropolitan Council to establish a tax incremental financing (TIF) districts and appoint a three member board for each district. The Cyntreniks Group/King Hotel Special Taxing District is authorized to use *the proceeds of the two percent (municipal) general sales tax* and a three percent additional "district" tax within a small section of downtown Baton Rouge for the improvement of the King Hotel. The Bluebonnet Convention Hotel Taxing District is authorized to use *the proceeds of the two percent (municipal) general sales tax* and a two to three percent additional "district" tax within a small section located in the southeastern part of East Baton Rouge Parish. The EBRATS Building Special Taxing District is authorized to use *the proceeds of the two percent (municipal) general sales tax* and a two percent additional "district" tax within a small section of downtown Baton Rouge for the renovation, restoration and development of a hotel. These districts are presented as discrete component units in the basic financial statements and do not prepare separately issued financial statements.

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

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

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

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

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

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

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

Capital Area Transit System
Conner Burns, Chief Financial Officer
2250 Florida Boulevard
Baton Rouge, LA 70802-3125

Related Organizations

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

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

Baton Rouge Recreation and Park Commission
Juan Martinez, Finance Director
6201 Florida Boulevard
Baton Rouge, LA 70806

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

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

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

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

Industrial Development Board
(No Financial Transactions)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation

The City-Parish's **basic financial statements** consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial statements (individual major fund and combined nonmajor fund). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. Both the entity-wide financial statements and the proprietary fund financial statements follow the guidance included in GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements*.

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

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

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

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and special fund programs. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. This includes externally dedicated resources such as a restricted property tax.

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

FUND FINANCIAL STATEMENTS:

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (Continued):

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

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

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

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

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

Debt Service Funds -- Debt Service Funds are used to account for the accumulation of resources that are committed, restricted, or assigned to the payment of, general long-term debt principal, interest and related costs on long-term obligations of governmental funds. The government has no debt service fund major funds.

Capital Projects Fund -- The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds) and is reported as a major fund.

Proprietary Funds:

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

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

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

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

Internal Service Funds -- Two internal service funds are used by the government to account for: (1) financing the replacement of motorized equipment, and (2) to maintain and supply fuel for motorized vehicles and heavy equipment to various departments or agencies of the City-Parish, or to other governments, on a cost-reimbursement basis. The internal service fund totals are presented as part of the proprietary fund financial statements. Since the principal users

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (Continued):

Proprietary Funds (Continued):

Internal Service Funds (Continued):

of the internal service funds are the City-Parish governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the cost of these services are reflected in the appropriate functional activity.

Fiduciary Funds:

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

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

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

c. Basis of Accounting and Measurement Focus

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

FUND FINANCIAL STATEMENTS:

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

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings are recorded as earned since they are measurable and available. The City-Parish definition of available means expected to be received within sixty days of the end of the fiscal year for all revenues except grants or entitlements on federal or state assistance programs. The availability period for these grant programs is twelve months.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting and Measurement Focus (Continued)

FUND FINANCIAL STATEMENTS (Continued):

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

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

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

d. Budgetary Data

BUDGET POLICIES AND BUDGETARY ACCOUNTING:

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

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

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

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

d. Budgetary Data (Continued)

BUDGET POLICIES AND BUDGETARY ACCOUNTING: (Continued):

Urban Development (HUD) loans to program recipients are reported as expenditures on the budget basis to facilitate reporting in accordance with federal regulations. The loans are recorded as "loans receivable" on the GAAP basis with a corresponding restriction of fund balance.

In accordance with The Plan of Government, appropriations, in addition to those contained in any current expenditure budget, shall be made only on the recommendation of the Mayor-President, and only if the Director of Finance certifies that sufficient funds are available to meet such appropriations. Appropriations at year-end normally lapse, except for those projects of a continuing nature which remain open until the projects are completed or abandoned and are shown on the Balance Sheet as Fund Balance-Assigned to Approved Continuing Projects in the General Fund. Such appropriations for continuing projects carried forward from 2014 to 2015 totaled \$19,730,600 for the general fund, and \$1,888,928 (shown as part of restricted fund balance) in the Grants Fund. These amounts are included in the original budget column for 2015. The level of budget control is at the fund, department or project level, and expenditures/encumbrances may not exceed appropriations. Should additional appropriations be required, interdivisional transfers may be authorized by the Mayor-President. Interdepartmental transfers may be made at the request of the Mayor-President with approval of the Council. Additional appropriations from fund balance or increases in estimated revenues must be approved by the Council. In accordance with The Plan of Government, if the Mayor-President shall at any time ascertain that there will not be for the parish, the city, or the districts, sufficient funds to meet total appropriations, it shall be his duty to revise appropriations.

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

ENCUMBRANCES:

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

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

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

CASH, CASH EQUIVALENTS, AND INVESTMENTS:

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued):

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

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

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

Investments are reported at fair value except for: (1) short-term and money market investments, consisting primarily of U.S. treasury or agency obligations with a maturity of one year or less at time of purchase, which are reported at amortized cost and (2) the Louisiana Asset Management Pool (LAMP) investment, which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost.

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

RESTRICTED ASSETS:

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

INVENTORIES AND PREPAID ITEMS:

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

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

INTERFUND RECEIVABLES AND PAYABLES:

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

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

ACCOUNTS RECEIVABLE:

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Major accounts receivable are recorded for: (1) sewer user fees in the Comprehensive Sewerage System Enterprise Fund; (2) airline landing fees, rentals, and miscellaneous charges for services in the Greater Baton Rouge Airport Authority Enterprise Fund; and (3) waste disposal fees at the landfill recorded in the Solid Waste Collection and Disposal Enterprise Fund. Uncollectible revenues are estimated at approximately ½ percent for the sewer user and solid waste collection fees with uncollectibles written off

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

ACCOUNTS RECEIVABLE (Continued):

on a monthly basis. At December 31, 2015, an uncollectible allowance of 6.3 percent has been recorded for the Greater Baton Rouge Airport District. Uncollectible amounts for solid waste disposal fees are historically immaterial and no allowance is recorded.

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

CAPITAL ASSETS:

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

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

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

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

| <u>Type of Capital Assets</u> | <u>Number of Years</u> |
|-------------------------------------|------------------------|
| Buildings and Building Improvements | 25-40 |
| Runways and Improvements | 25 |
| Land Improvements-Structure | 10 |
| Furniture | 10 |
| Machinery and Equipment | 5-10 |
| Automobiles | 3 |
| Infrastructure | 25-35 |

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

CAPITAL ASSETS (Continued):

The City-Parish capitalizes interest cost during the construction phase of major capital projects of proprietary funds in accordance with *GASB 62 -Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements, paragraphs 5-22*. The objectives of capitalizing interest are: (a) to obtain a measure of acquisition cost that more closely reflects the enterprise's total investment in the asset, and (b) to charge a cost that relates to the acquisition of a resource that will benefit future periods against the revenues of the period benefitted. The amount of interest cost capitalized on major capital projects acquired/constructed with proceeds of restricted tax-exempt debt includes all interest cost of the borrowing less any interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing from the date of the borrowing until the assets are ready for their intended use. Interest cost capitalized for the period ending December 31, 2015, is disclosed by project in Note 6, Changes in Capital Assets.

LONG-TERM DEBT:

In the government-wide Statement of Net Position and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as expense in the year of debt issuance. Bonded debt premiums, discounts, and gains (losses) on refundings are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount. Gains (losses) on refundings are reported as deferred outflows/inflows of resources.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial reporting period. The face amount of the debt issue is reported as "other financing sources." Premiums received on debt issuances are reported as "other financing sources" and discounts on debt are reported as "other financing uses."

Excess revenue contracts, loans, and notes are obligations of the general government and payment of these debts are normally provided by transfers from the General Fund to a debt service fund. However, if the debt is intended to be repaid by an enterprise fund it is recorded as a proprietary long-term debt.

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

Derivative guidelines were adopted by the Metropolitan Council in 2006, that allows the government to enter into interest rate swap agreements to manage interest rate risk and reduce debt service costs on debt. The derivative guidelines policy defines the parameters under which the program operates. The City-Parish records derivative instruments at fair value on the entity-wide financial statements and on the fund level for business-type activities to provide the reader disclosure concerning the government's exposure to risk and how these risks are managed.

COMPENSATED ABSENCES:

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

COMPENSATED ABSENCES (Continued):

Vacation and sick leave may also be converted into time worked for retirement purposes. Per Metropolitan Council Ordinance 85011 effective January 1, 1988, the Employees' Retirement System assumed partial liability for separation benefits (accrued sick and vacation leave) for employees who retire or who die. At December 31, 2015, the City-Parish retains approximately 21.8% of the total liability for accumulated sick and vacation leave per calculations performed by an outside actuary consultant.

City-Parish employees of certain job classifications may accrue compensatory time in lieu of overtime payment up to 30 days for regular employees and 60 days for public safety employees. Compensatory leave is paid by the City-Parish upon termination, resignation, retirement or death, up to the maximum accrual amounts. City-Parish retains 100% of the compensatory leave liability as of December 31, 2015.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through paid time off or cash payments conditioned on the employees' termination or retirement. The City-Parish has recorded the following liabilities as of December 31, 2015, for certain salary-related benefits associated with the payment of compensated absences:

1. The actuarially determined percentage of accrued vacation for each employee valued at the employees' current rate of pay.
2. Using the "termination pay method," the value of the City-Parish's liability for sick leave as of December 31, 2015, is limited to 1/3 of the accumulated sick leave accrued at year-end for DROP participants. No sick leave is recorded in the financial statements for active employees since the amount applicable as defined in Section C60.105 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards* is immaterial.
3. A total of 100% of the compensatory leave for each employee valued at the employees' current rate of pay.
4. Applicable percentages of retirement contribution, social security, Medicare and other postemployment benefits have been added to the above accrued leave.

In the government-wide financial statements and the proprietary fund types fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. A current liability is recorded for the value of one year's accrual of leave in the proprietary funds fund statements. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March of 2000), no compensated absences liability is recorded at December 31, 2015, in the governmental fund financial statements.

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

MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS:

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

FUND BALANCE POLICY FOR GOVERNMENTAL FUND TYPES:

The City-Parish reports governmental fund equity in accordance with Metropolitan Council 2015 Budget Ordinance 15845, adopted December 9, 2014 and 2016 Budget Ordinance 16143 adopted December 8, 2015, which set the following fund balance policy for all governmental fund types of the consolidated government:

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

A Budget Stabilization Account was originally authorized in the General Fund operating budget of 1999. The Metropolitan Council officially committed to maintain the budget stabilization account in an amount equal to at least five percent and not greater than ten percent of the following year's general fund appropriation in the 2015 Annual Operating Budget adopted by Ordinance 15845 dated December 9, 2014. Per ordinance, *the budget stabilization account shall be calculated annually by the Finance Department and included in the Comprehensive Annual Financial Report as committed fund balance.*

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

The Insurance Reserve Account was established as a general fund reservation (or designation) by the City-Parish in 1972. Since that date the managerial fund has been used to pay for risk management activities of the general government. Metropolitan Council Ordinance 15845 of December 9, 2014, confirmed the policy and use of the insurance reserve account as follows: *The City-Parish will maintain a managerial fund entitled "Insurance Reserve" as part of committed General Fund-Fund Balance for the purpose of minimizing the financial impact of potential costs that cannot be covered by the City-parish's risk management program annual budget. The managerial fund will be increased by any balance remaining in the General Fund Risk Management operating budget at each year-end. The City-Parish shall seek restitution from companies and individuals when negligence results in the unexpected use of funding in accordance with applicable laws.*

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

FUND BALANCE POLICY FOR GOVERNMENTAL FUND TYPES (Continued):

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

NET POSITION:

Net position represents the difference between assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets.

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

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES:

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

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

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

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

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

ACCOUNTING ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

ACCOUNTING ESTIMATES (Continued):

reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

f. Restatement of Prior Year Net Position

1. The City-Parish implemented Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, in the preparation of this Comprehensive Annual Financial Report, which resulted in a cumulative change in accounting principle which resulted in a decrease of net position of \$442,446,536.
2. Net position of the Comprehensive Sewerage System Fund within the enterprise fund financial statements and the Business Type Activities within the government-wide financial statements was restated as of December 31, 2014, by \$4,750,000 to capitalize estimates associated with construction.

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

| <u>Primary Government</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|--|------------------------------------|-------------------------------------|
| Total net position, December 31, 2014, as previously reported | \$ 607,632,221 | \$883,147,836 |
| Adjust capitalization of construction costs | -- | 4,750,000 |
| Implementation of GASB Statement 68 | <u>(406,209,520)</u> | <u>(36,237,016)</u> |
| Total net position, December 31, 2014, restated | <u>\$ 201,422,701</u> | <u>\$851,660,820</u> |

The net effect to individual business-type funds for the prior period from the restatement is as follows:

| | <u>Greater Baton Rouge Airport District</u> | <u>Comprehensive Sewerage System</u> | <u>Solid Waste Collection and Disposal</u> | <u>Non-Major Enterprise Funds</u> |
|--|---|--|--|---|
| Total net position, December 31, 2014, as previously reported | \$220,228,476 | \$582,817,692 | \$21,198,139 | \$58,903,529 |
| Adjust capitalization of construction costs | -- | 4,750,000 | -- | -- |
| Implementation of GASB Statement 68 | <u>(9,759,933)</u> | <u>(24,241,940)</u> | <u>(1,928,590)</u> | <u>(306,553)</u> |
| Total net position, December 31, 2014, restated | <u>\$210,468,543</u> | <u>\$563,325,752</u> | <u>\$19,269,549</u> | <u>\$58,596,976</u> |

g. Changes in Accounting Principle

The City-Parish government adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73* during 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. For defined benefit pensions, these Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Please refer to Note 7, Employees' Retirement Systems.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 2 - Stewardship, Compliance, and Accountability

a. Budget Variances (Non-GAP Budgetary Basis)

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

| | <u>Final Budget</u> | <u>Actual Amounts (Budgetary Basis)</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|-------------------------|---|---|
| General Fund: | | | |
| Risk management | | | |
| Over expenditure in employee health claims | \$7,311,544 | \$9,445,012 | \$(2,133,468) |
| Grants Fund: | | | |
| Conservation and Development | | | |
| Section 8 Voucher Program | 1,676,443 | 1,717,906 | (41,463) |

Health insurance claims paid during 2015 on the City-Parish self-insurance program for employees and retirees exceeded premiums, causing the General Fund risk management budget to be over expended.

The Section 8 Voucher Program is a continuous grant program that receives a new appropriation each year. Expenditures exceeded appropriations by \$41,463 in 2015. In February 2016, the Department of Housing and Urban Development sent an advance payment of \$41,463 to the City-Parish from the 2016 allocation for the excess 2015 expenditures.

b. Budgetary - GAAP Reporting Reconciliation

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

As discussed in Note 1(d) certain adjustments are necessary to compare actual data on a GAAP versus budget basis. Adjustments reconciling the excess (deficit) of revenues and other financing sources over (under) expenditures and other uses at year end on the GAAP basis to the budgetary basis are as follows:

| | <u>General Fund</u> | <u>Library Board of Control</u> | <u>Grants Fund</u> | <u>Nonmajor Governmental Funds</u> |
|--|-------------------------|---|------------------------|--|
| Net change in fund balances (Budget Basis) | \$(12,624,873) | \$3,943,761 | \$(12,109,574) | \$3,669,468 |
| Adjustments: | | | | |
| To adjust for encumbrances | 2,095,831 | 935,087 | 13,726,309 | 5,401,176 |
| To adjust for U.S. Housing and Urban Development loans receivable | -- | -- | 928,414 | -- |
| Net change in fund balances (GAAP Basis) | <u>\$(10,529,042)</u> | <u>\$4,878,848</u> | <u>\$ 2,545,149</u> | <u>\$9,070,644</u> |

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

NOTE 3 - Cash, Cash Equivalents, and Investments

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

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

a. Deposits - Primary Government

Deposits (including demand deposit accounts and certificates of deposits) at December 31, 2015, for the City-Parish primary government are summarized as follows:

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

| <u>Carrying Amount</u> | <u>Bank Balance</u> |
|----------------------------|-------------------------|
| \$288,735,475 | \$299,113,591 |

Certificates of deposit with a maturity of 90 days or more are classified on the Statement of Net Position as "Investments" (\$56,653,803). The remaining carrying amount of \$232,081,672 is classified as "Cash and cash equivalents."

The City-Parish's bank balance of deposits at December 31, 2015, is not exposed to any custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the City-Parish's deposits may not be returned.

The carrying amount of deposits does not include a cash on hand balance of \$2,671,823 which is not on deposit with a financial institution. Cash on hand includes petty cash and cash received but not yet deposited at year-end.

2. Employees' Retirement System Pension Trust Funds:

At December 31, 2015, the carrying amount of the Retirement System's deposits was \$14,138,891 and the bank balance was \$14,569,293. The Retirement System's deposits at December 31, 2015, are not exposed to any custodial credit risk.

b. Cash Equivalents and Investments - Primary Government

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

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

Proceeds from the issuance of sales tax revenue bonds for the City of Baton Rouge and Parish of East Baton Rouge are invested according to guidelines set forth in the bond resolutions. Authorized investments from the proceeds of the issuance of the City's 2005B (Taxable), 2007A, 2008A-2, 2008B (Taxable), 2010A (GO Zone) and 2010B Public Improvement Sales Tax Revenue Bonds are government securities, certificates of deposit collateralized by government securities, and bonds issued by any state or political subdivision, provided that the bonds are rated in one of Moody's Investors Service or Standard and Poor's Corporation's two highest rating categories. All of the qualified investments must have maturities of five years or less at the time of investment.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

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

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

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

City-Parish investments for the primary government at December 31, 2015, are itemized as follows:

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

| <u>Investment Type</u> | <u>Amortized Cost/ Fair Value</u> |
|--|---------------------------------------|
| U.S. Government Obligations | \$164,607,581 |
| U.S. Agency Obligations | 341,821,549 |
| Louisiana Asset Management Pool (LAMP) | <u>166,564,294</u> |
| Total | <u>\$672,993,424</u> |

Investments with a maturity of less than 90 days (\$166,564,294) are classified on the Statement of Net Position as "Cash and cash equivalents," \$505,775,871 is classified on the Statement of Net Position as "Investments." The remaining amount of \$653,259 is included in "Receivables - net" on the Statement of Net Position. In accordance with Section I50, paragraphs 110 and 111 of the GASB *Codification of Governmental Accounting and Financial Reporting* Standards, investments in U.S. Treasury or Agency obligations that have a remaining maturity at time of purchase of one year or less, and investments in 2a7-like pools are stated at amortized cost which is not materially different from fair value. All other investments are shown at fair value.

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturities (in Years)</u> | |
|-----------------------------|----------------------|---|--------------|
| | | <u>Less Than 1</u> | <u>1-5</u> |
| U.S. Government Obligations | \$164,607,581 | \$164,607,581 | \$ -- |
| U.S. Agency Obligations | <u>341,821,549</u> | <u>341,821,549</u> | <u>--</u> |
| Total | <u>\$506,429,130</u> | <u>\$506,429,130</u> | <u>\$ --</u> |

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

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City-Parish has a written policy for custodial credit risk. The City-Parish's investment policy requires the application of the prudent-person rule. The policy states, *all investments made shall be with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. However, under all circumstances, the overriding concern shall be safety of the principal amounts invested.* The City-Parish's investment policy limits investments to those discussed earlier in this section. The City-Parish's investments in U.S. Agency Obligations were rated AAA by Fitch Ratings, Aaa/Negative by Moody's Investors Service and AA+/Negative by Standard & Poor's. The City-Parish's investment policy requires that investments be diversified by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City-Parish total investment portfolio will be invested in a single security type or with a single financial institution. U. S. Agency Obligations are invested in the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Federal Home Loan Bank and Federal Farm Credit Bank which are 14.86%, 7.79%, 31.79% and 2.96% of the City-Parish total investment, respectively. LAMP has a Standard & Poor's Rating of AAAm.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

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

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

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

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

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The \$166,564,294 invested in LAMP is held by the Parish's Consolidated Cash pool (\$128,207,215), the East Baton Rouge Sewerage Commission (\$35,426,468), the City Sales Tax Bonds Debt Service Fund (\$2,813,697) and the Airport Construction Funds (\$116,914).

2. Employees' Retirement System Pension Trust Funds:

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

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

Investment in derivatives, reverse repurchase agreements and other non-traditional types of investments are not specifically authorized under the Board's investment policy. However, in the case of commingled or pooled/mutual accounts, the provisions of the prospectus or Declaration of Trust takes precedence over the investment policy. At December 31, 2015, the Retirement Board had committed, but only partially funded, a 5 percent allocation to three Private Equity funds, which fall in the category of Private Markets.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

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

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

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

All investments of the Retirement System are registered in the System's name, or held by the custodian bank, Bank of New York/Mellon, Everett, MA, or its intermediaries in the System's name. The System hired BNY/Mellon as custodian bank effective August 1, 2012, to replace JPMorgan. The System utilizes a Short Term Investment Fund (STIF) administered by the custodian bank, BNY/Mellon, in which all uninvested cash balances of CPERS and CPERS-PGT and its full discretionary investment managers are automatically swept by the custodian into the BNY/Mellon Collective Trust Government Short Term Investment Fund, which is an unrated fund that invests in high-quality, short-term securities issued or guaranteed by the US government or by US government agencies and instrumentalities. Deposits in this fund are not insured by the FDIC.

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

No investments in any one organization shall represent 5 percent or more of the assets held in trust for pension benefits and no single company's securities shall represent more than 5 percent of the cost basis or 7 percent of the market value of any manager's portfolio. There are no investments in loans to, or leases with, parties related to the Plan. Although the Board continued its contractual relationships with outside third party investment managers during 2015, final oversight of investments and investment performance for both the original CPERS trust and CPERS-PGT remains with the Board.

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

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

The fair value of the Retirement System's investments as of December 31, 2015 is:

| | <u>Fair Value</u> |
|--|------------------------|
| U.S. Treasury Inflation-Protected Securities | \$ 49,915,172 |
| Other securities held in trust | 3,855 |
| International Equities | 221,448,210 |
| Short-Term Investment Fund/Cash Equivalents | 4,781,827 |
| Domestic Equities and Fixed Income | 532,954,111 |
| Emerging Markets Equity | 71,367,975 |
| Equity Real Estate Fund | 64,441,591 |
| Hedge Fund of Funds | 56,916,580 |
| Private Equity | 19,133,188 |
| Total | <u>\$1,020,962,509</u> |

The fair value of \$1,016,180,682 is classified on the Statement of Fiduciary Net Position as "Investments." \$4,781,827 is classified on the Statement of Fiduciary Net Position as "Cash and Cash Equivalents."

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 System's 2015 Core Bond Domestic, Core-Plus, Absolute Return and Treasury Inflation-Protected Securities (TIPS) fixed-income strategies are managed in pooled accounts. For these contractual relationships, each Declaration of Trust takes precedence over the System's investment policy, and the custodian bank does not have custody of the assets in these accounts. Assets in the Core-Plus fund had a December 31, 2015, fair market value of \$85,957,562 with an average duration of 5.13 years, while the

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

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

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

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

Absolute Return fund had a fair market value of \$83,531,119 with an average duration of 1.11 years and Core Bond Domestic fund had a fair market value of \$84,142,496 with an average duration of 5.53 years. The fair value of the TIPS account was \$49,915,172 and carried an average duration of 7.76 years.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The standardized rating systems are a good tool with which to assess credit risk on debt obligations. The Retirement System requires that debt obligations be investment grade at time of purchase (BBB/Baa or higher as rated by Standard & Poor's and/or Moody's respectively). Securities that are later downgraded below investment grade are required to be liquidated unless the investment manager and the investment consultant deem it in the System's best interest to continue to hold the securities. At December 31, 2015, the System's fixed income securities were managed only in commingled or pooled accounts.

The System's 2015 Core Bond Domestic, Core-Plus, Absolute Return and Treasury Inflation-Protected Securities (TIPS) fixed-income strategies managed in pooled accounts. Assets in the Core-Plus fund had a December 31, 2015, fair market value of \$85,957,562 and carried an average quality rating of A, while the Absolute Return fund had a fair market value of \$83,531,119 and carried an average quality rating of A- and the Core Bond Domestic fund had a fair market value of \$84,142,496 and carried an average quality rating of AA-. The TIPS account had a fair market value of \$49,915,172 and carried a "Government" rating, which equates to AA+.

The Retirement System's *Total Plan Statement of Investment Policies and Objectives* limits the concentration in any one issue to 7 percent of fair value. At December 31, 2015, the System had exposure of less than 5 percent in any single investment issuer.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Retirement System's investment policy restricts equity investments to securities that are US dollar denominated and are registered with the SEC. Although foreign exchange futures, forward, and swaps are permissible for those managers with non-US or global mandates, at December 31, 2015, CPERS and CPERS-PGT had no investments allocated in foreign currencies in non-pooled accounts of either fixed income or equity managers.

The annual money-weighted rate of return on pension plan investments is the calculated internal rate of return on pension plan investments, net of pension plan investment expense, and adjusted for changing amounts actually invested. It employs the accrual basis of accounting and is the result in aggregate of the monthly internal rates of return for the year. The annual money-weighted rate of return on the CPERS Original Trust was (0.87%) at December 31, 2015.

c. Deposits - Discretely Presented Component Units

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

| | <u>Carrying Amount</u> | <u>Bank Balance</u> |
|--|------------------------|---------------------|
| District Attorney of the Nineteenth Judicial District | \$ 1,861,205 | \$ 1,895,847 |
| Nineteenth Judicial District Court | 2,776,613 | 2,876,735 |
| Nineteenth Judicial District Court Building Commission | 15,261,807 | 12,594,818 |
| E.B.R. Parish Family Court | 119,258 | 119,258 |
| E.B.R. Parish Juvenile Court | 348,061 | 369,472 |
| E.B.R. Parish Clerk of Court | 4,669,142 | 4,669,142 |
| E.B.R. Redevelopment Authority | 1,166,598 | 1,166,598 |
| Cyntreniks Group King Hotel Special Taxing District | 12,795 | 12,795 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

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

c. Deposits - Discretely Presented Component Units (Continued)

| | <u>Carrying Amount</u> | <u>Bank Balance</u> |
|---|------------------------|---------------------|
| Bluebonnet Convention Hotel Taxing District | \$ 58,961 | \$ 58,961 |
| EBRATS Building Special Taxing District | 6,124 | 6,124 |
| Capital Area Transit System | <u>4,254,220</u> | <u>4,254,220</u> |
| Total Component Units | <u>\$30,534,784</u> | <u>\$28,023,970</u> |

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

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

| | |
|------------------------------------|---------------------|
| Nineteenth Judicial District Court | \$ 2,626,735 |
| E.B.R. Parish Juvenile Court | 228,074 |
| E.B.R. Parish Clerk of Court | 4,416,112 |
| Capital Area Transit System | <u>4,004,220</u> |
| Total | <u>\$11,275,141</u> |

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

At December 31, 2015, there were no certificates of deposit with a maturity of 90 days or more classified on the Statement of Net Position as "Investments." The carrying amount of \$30,534,784 is classified as "Cash and cash equivalents."

d. Cash, Cash Equivalents and Investments Summary

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

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

| | |
|---|----------------------|
| Cash and cash equivalents: | |
| Deposits | \$232,081,672 |
| Cash on hand | 2,671,823 |
| Louisiana Asset Management Pool | <u>166,564,294</u> |
| Sub-total cash and cash equivalents | <u>401,317,789</u> |
| Investments: | |
| Deposits | 56,653,803 |
| Investments | <u>505,775,871</u> |
| Sub-total investments | <u>562,429,674</u> |
| Cash, cash equivalents and investments, December 31, 2015 | <u>\$963,747,463</u> |

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

| | |
|---|--------------------|
| Statement of Net Position - Primary Government: | |
| Cash and cash equivalents | \$245,416,995 |
| Restricted Assets - Cash and cash equivalents | 135,635,134 |
| Statement of Fiduciary Net Position - Agency Fund | |
| Cash and cash equivalents | <u>20,265,660</u> |
| Total cash and cash equivalents | <u>401,317,789</u> |

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

EXHIBIT A - 17
(Continued)

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

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

1. Reconciliation of the carrying amount of deposits and investments on the Financial Statements (Continued)

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

Statement of Net Position - Primary Government:

| | |
|---------------------------------|--------------------|
| Investments | \$330,241,878 |
| Restricted Assets - Investments | <u>232,187,796</u> |
| Total investments | <u>562,429,674</u> |

Total cash and cash equivalents and investments \$963,747,463

B. Component units:

Cash and cash equivalents, December 31, 2015:

Deposits \$30,534,784

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

| | |
|---|-------------------|
| Cash and cash equivalents | \$16,982,146 |
| Restricted Assets - Cash and cash equivalents | <u>13,552,638</u> |

Total cash and cash equivalents \$30,534,784

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

Cash and cash equivalents:

| | |
|-------------|------------------|
| Deposits | \$ 14,138,891 |
| Investments | <u>4,781,827</u> |

Sub-total cash and cash equivalents 18,920,718

Investments 1,016,180,682

Cash, cash equivalents and investments, December 31, 2015 \$1,035,101,400

NOTE 4 - Property Taxes

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years. Year 2012 was the last reassessment year.

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 4 - Property Taxes (Continued)

The 2015 property tax calendar is as follows:

| | |
|-----------------------|-------------------|
| Levy date | November 25, 2014 |
| Millage rates adopted | November 25, 2014 |
| Tax bills mailed | November 5, 2015 |
| Due date | December 31, 2015 |
| Lien date | January 1, 2016 |

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

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

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

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

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

| | Property Taxes <u>Receivable</u> | Estimated Uncollectible Property Taxes <u> </u> | Net Property Taxes <u>Receivable</u> |
|-------------------------------|--|--|---|
| General Fund | \$ 6,633,273 | \$ 405,532 | \$ 6,227,741 |
| Library Board of Control Fund | 9,452,686 | 601,263 | 8,851,423 |
| Nonmajor Governmental Funds | <u>7,642,987</u> | <u>469,173</u> | <u>7,173,814</u> |
| Total | <u>\$23,728,946</u> | <u>\$1,475,968</u> | <u>\$22,252,978</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 5 - Federal and State Financial Assistance

a. Grants From Other Governments and Private Developers

Federal and State grant programs represent an important source of funding to finance housing, employment, construction, and social programs which are beneficial to the City and the Parish. These funds are recorded in the Special Revenue, Capital Projects, and Enterprise Funds. A grant appropriation is recorded when an approved contract is authorized with the funding agency through the "Grants Review Process." Receivables are established when eligible expenditures are incurred. The grants normally specify the purpose for which funds may be used and federal grants are audited annually in accordance with Office of Management and Budget Circular A-133 under the "Single Audit Concept" for grants awarded prior to December 26, 2014, and in accordance with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements, for grants awarded on or after December 26, 2014. The grant programs are also subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any material contingent liability for reimbursement which may arise as the result of these audits is recorded in accordance with generally accepted accounting principles. During 2015, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or contributions in the accompanying fund financial statements:

| | <u>Federal and State Operating Grants and Capital Contributions</u> | <u>Private Capital Contributions</u> |
|--------------------------------------|---|--|
| Primary Government: | | |
| Governmental activities: | | |
| Grants Fund | \$37,465,888 | \$ -- |
| Capital Projects Fund | 5,317,670 | 1,314,793 |
| Nonmajor governmental funds | 2,815,502 | -- |
| Business-type activities: | | |
| Greater Baton Rouge Airport District | 11,196,169 | -- |
| Comprehensive Sewerage System Fund | 806,364 | 3,891,945 |
| Nonmajor business-type funds | <u>1,777,461</u> | <u>--</u> |
| Total primary government | <u>\$59,379,054</u> | <u>\$5,206,738</u> |

b. On-Behalf Payments for Salaries and Benefits

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

Supplementary salary payments are made by the state directly to certain groups of employees. City-Parish is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure (expense) payments is the actual contribution made by the state. For 2015, the state paid supplemental salaries to the following groups of employees of the primary government: fire and law enforcement employees, city court judges, and employees of the Registrar of Voters' Office. The state also paid supplemental salaries for employees of the Nineteenth Judicial District Attorney, and judges' salaries and benefits for the three court systems.

LRS 33:7392 provides for a percentage of property taxes collected in East Baton Rouge Parish to be remitted to the State Municipal Employees' Retirement System (MERS). The statute further provides for MERS to distribute a pro-rata share of these funds back to the City-Parish Employees' Retirement System. On-behalf payments recorded as revenues and expenditures (expenses) in the 2015 financial statements are as follows:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 5 - Federal and State Financial Assistance (Continued)

b. On-Behalf Payments for Salaries and Benefits (Continued)

| | <u>State Supplemental Salaries</u> | <u>MERS Contribution</u> | <u>Total 2015 On-Behalf Payments</u> |
|--------------------------|--|------------------------------|--|
| Primary Government: | | | |
| Governmental activities | \$8,005,738 | \$1,034,470 | \$9,040,208 |
| Business-type activities | <u>168,000</u> | <u>--</u> | <u>168,000</u> |
| Total on-behalf payments | <u><u>\$8,173,738</u></u> | <u><u>\$1,034,470</u></u> | <u><u>\$9,208,208</u></u> |

NOTE 6 - Capital Assets

a. Primary government capital asset activity for the year ended December 31, 2015, was as follows:

| | <u>Balance 1/1/2015</u> | <u>Increases</u> | <u>Decreases</u> | <u>Adjustments</u> | <u>Balance 12/31/2015</u> |
|---|------------------------------|----------------------------|---------------------------|----------------------------|-------------------------------|
| Governmental Activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and right-of-way | \$ 160,234,370 | \$ 1,275,882 | \$ -- | \$ 589,754 | \$ 162,100,006 |
| Construction work in progress | <u>48,647,850</u> | <u>15,844,784</u> | <u>--</u> | <u>(27,601,230)</u> | <u>36,891,404</u> |
| Total capital assets not being depreciated | <u>208,882,220</u> | <u>17,120,666</u> | <u>--</u> | <u>(27,011,476)</u> | <u>198,991,410</u> |
| Capital assets being depreciated: | | | | | |
| Buildings | 294,781,300 | 3,310,495 | (17,370) | 3,029,128 | 301,103,553 |
| Improvements (other than buildings) and infrastructure | 925,358,411 | 24,876,550 | -- | 27,169,558 | 977,404,519 |
| Equipment and equipment under lease | <u>125,057,714</u> | <u>9,414,357</u> | <u>(1,902,165)</u> | <u>--</u> | <u>132,569,906</u> |
| Total capital assets being depreciated | <u>1,345,197,425</u> | <u>37,601,402</u> | <u>(1,919,535)</u> | <u>30,198,686</u> | <u>1,411,077,978</u> |
| Less accumulated depreciation for: | | | | | |
| Building | (160,400,815) | (6,871,899) | 17,370 | -- | (167,255,344) |
| Improvements (other than buildings) and infrastructure | (414,853,563) | (29,618,025) | -- | -- | (444,471,588) |
| Equipment and equipment under lease | <u>(100,176,889)</u> | <u>(8,774,917)</u> | <u>1,885,218</u> | <u>--</u> | <u>(107,066,588)</u> |
| Total accumulated depreciation | <u>(675,431,267)</u> | <u>(45,264,841)</u> | <u>1,902,588</u> | <u>--</u> | <u>(718,793,520)</u> |
| Total capital assets being depreciated, net | <u>669,766,158</u> | <u>(7,663,439)</u> | <u>(16,947)</u> | <u>30,198,686</u> | <u>692,284,458</u> |
| Total governmental activities capital assets, net | <u><u>\$ 878,648,378</u></u> | <u><u>\$ 9,457,227</u></u> | <u><u>\$ (16,947)</u></u> | <u><u>\$ 3,187,210</u></u> | <u><u>\$ 891,275,868</u></u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

a. Primary government capital asset activity (Continued):

| | Balance 1/1/2015 | Increases | Decreases | Adjustments | Balance 12/31/2015 |
|--|------------------------|----------------------|----------------------|---------------------|------------------------|
| Business-Type Activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and right-of-way | \$ 91,492,232 | \$ 3,021,918 | \$ -- | \$ 21,757 | \$ 94,535,907 |
| Noise mitigation | 58,392,539 | -- | -- | -- | 58,392,539 |
| Construction work in progress | <u>119,514,214</u> | <u>102,253,246</u> | <u>(806,075)</u> | <u>(24,261,371)</u> | <u>196,700,014</u> |
| Total capital assets not being depreciated | <u>269,398,985</u> | <u>105,275,164</u> | <u>(806,075)</u> | <u>(24,239,614)</u> | <u>349,628,460</u> |
| Capital assets being depreciated: | | | | | |
| Buildings | 234,674,097 | 2,074,825 | -- | 230,033 | 236,978,955 |
| Improvements (other than buildings) and infrastructure | 2,076,900,538 | 71,376,600 | (2,032,363) | 24,711,433 | 2,170,956,208 |
| Equipment | <u>9,889,878</u> | <u>1,035,921</u> | <u>(610,775)</u> | <u>--</u> | <u>10,315,024</u> |
| Total capital assets being depreciated | <u>2,321,464,513</u> | <u>74,487,346</u> | <u>(2,643,138)</u> | <u>24,941,466</u> | <u>2,418,250,187</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (117,563,006) | (9,149,192) | -- | -- | (126,712,198) |
| Improvements (other than buildings) and infrastructure | (678,994,828) | (74,367,692) | 1,631,729 | -- | (751,730,791) |
| Equipment | <u>(9,153,040)</u> | <u>(312,436)</u> | <u>610,775</u> | <u>--</u> | <u>(8,854,701)</u> |
| Total accumulated depreciation | <u>(805,710,874)</u> | <u>(83,829,320)</u> | <u>2,242,504</u> | <u>--</u> | <u>(887,297,690)</u> |
| Total capital assets being depreciated, net | <u>1,515,753,639</u> | <u>(9,341,974)</u> | <u>(400,634)</u> | <u>24,941,466</u> | <u>1,530,952,497</u> |
| Total business-type activities capital assets, net | <u>\$1,785,152,624</u> | <u>\$ 95,933,190</u> | <u>\$(1,206,709)</u> | <u>\$ 701,852</u> | <u>\$1,880,580,957</u> |

The adjustments column includes the capitalization of \$3,187,210 in governmental activities and \$701,852 in business-type activities of donated assets from private sources. The adjustments column also includes \$27,601,230 in governmental activities and \$24,261,371 in business-type activities of prior year construction work in progress that was capitalized as assets during 2015.

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

Governmental Activities:

| | |
|--|---------------------|
| Governmental fund-types: | |
| General government | \$ 1,198,784 |
| Public safety | 7,349,323 |
| Transportation | 29,716,214 |
| Sanitation | 5,791 |
| Health and welfare | 374,474 |
| Culture and recreation | 3,217,941 |
| Conservation and development | 650,978 |
| Internal service fund capital assets are charged to the various functions based on their usage of the assets | <u>2,751,336</u> |
| Total depreciation expense - governmental activities | <u>\$45,264,841</u> |

Business-Type Activities:

| | |
|---|---------------------|
| Airport | \$11,770,995 |
| Sewer | 65,889,386 |
| Solid Waste Collection and Disposal | 1,220,744 |
| Nonmajor business-type activities | <u>4,948,195</u> |
| Total depreciation expense - business-type activities | <u>\$83,829,320</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

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

| | <u>Project Authorization</u> | <u>Capitalized to Date</u> | <u>Balance in Construction Work In Progress 12/31/2015</u> | <u>Encumbered Capital Projects</u> | <u>Estimated Required Future Financing</u> |
|---|----------------------------------|--------------------------------|--|--|--|
| <u>Capital Projects Fund:</u> | | | | | |
| Miscellaneous Capital Improvements | \$122,950,827 | \$ 69,847,075 | \$ 3,120,562 | \$ 3,206,438 | None |
| Capital Improvement Roads, Streets, Drainage, Other | 42,263,941 | 22,559,145 | 4,660,270 | 1,176,086 | None |
| Road and Street Improvement Pay-As-You-Go Dedicated Tax | 147,262,588 | 119,717,269 | 2,700,903 | 12,493,047 | None |
| Bonded Dedicated Sales Tax | 327,609,761 | 258,710,471 | 6,600,606 | 13,039,565 | None |
| LA DOTD Grants Capital Projects | 106,942,268 | 77,300,599 | 12,587,255 | 13,145,694 | None |
| Downtown Signage/Visitors Amenities | 5,202,980 | 1,922,611 | 549,633 | 62,744 | None |
| Nicholson Corridor - planning | 2,765,341 | -- | 331,841 | 2,433,500 | None |
| General Capital Expenditures | 46,876,774 | 42,036,054 | 826,009 | 274,763 | None |
| <u>Other Governmental Funds:</u> | | | | | |
| Parish Transportation | 23,696,504 | 3,358,083 | 1,503,345 | 1,298,567 | None |
| Generator Programs | 19,698,287 | -- | 4,010,980 | 149,128 | None |
| Total | <u>\$845,269,271</u> | <u>\$595,451,307</u> | <u>\$36,891,404</u> | <u>\$47,279,532</u> | |

- d. Construction work in progress at December 31, 2015, for primary government enterprise funds is composed of the following:**

| | <u>Project Authorization</u> | <u>Expended to Date</u> | <u>Capitalized</u> | <u>Balance in Construction Work in Progress 12/31/15</u> |
|---|----------------------------------|-----------------------------|---------------------------|--|
| <u>Greater Baton Rouge Airport District:</u> | | | | |
| Runways and apron improvements | \$ 8,618,324 | \$ 4,688,269 | \$ -- | \$ 4,688,269 |
| Land Acquisition | 1,254,919 | 1,202,014 | 1,146,932 | 55,082 |
| Rotunda and terminal renovations | 428,638 | 325,922 | -- | 325,922 |
| North end development | 3,108,819 | 2,563,880 | -- | 2,563,880 |
| Miscellaneous project costs | 2,795,975 | 1,664,760 | -- | 1,664,760 |
| Total | <u>16,206,675</u> | <u>10,444,845</u> | <u>1,146,932</u> | <u>9,297,913</u> |
| <u>Comprehensive Sewerage System Fund:</u> | | | | |
| South wastewater treatment plant wet weather improvements | 105,707,151 | 140,124,768 | 140,124,768 | -- |
| Rehabilitation construction | 112,025,154 | 97,699,164 | 40,618,002 | 57,081,162 |
| Sanitary sewer overflow corrective action plan | 919,332,663 | 771,247,100 | 641,360,919 | 129,886,181 |
| Rehabilitation of pump stations | 167,000 | 167,000 | 167,000 | -- |
| Total | <u>1,137,231,968</u> | <u>1,009,238,032</u> | <u>822,270,689</u> | <u>186,967,343</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

d. Construction work in progress at December 31, 2015 for primary government enterprise funds (Continued)

| | <u>Project Authorization</u> | <u>Expended to Date</u> | <u>Capitalized</u> | <u>Balance in Construction Work in Progress 12/31/15</u> |
|---|----------------------------------|-----------------------------|----------------------|--|
| <u>Nonmajor business-type activities:</u> | | | | |
| Baton Rouge River Center Fund: | | | | |
| Miscellaneous building improvements | \$ 98,100 | \$ 98,100 | \$ -- | \$ 98,100 |
| Riverfront Plaza improvements | 600,000 | 29,379 | -- | 29,379 |
| Plaza greenspace | 374,435 | 307,279 | -- | 307,279 |
| River Road crossing | 217,179 | 12,575 | 12,575 | -- |
| Total | <u>1,289,714</u> | <u>447,333</u> | <u>12,575</u> | <u>434,758</u> |
| Total-all enterprise funds | <u>\$1,154,728,357</u> | <u>\$1,020,130,210</u> | <u>\$823,430,196</u> | <u>\$196,700,014</u> |

Total construction period interest costs of \$10,944,991 for the Comprehensive Sewerage System Fund was capitalized in 2015. Construction period interest costs of \$19,126,138 for the Comprehensive Sewerage System Fund and \$243,965 for the Greater Baton Rouge Airport District from the current and previous fiscal years remain in Construction Work in Progress at December 31, 2015. These costs cannot be depreciated because they have been allocated to projects that are not substantially complete.

EPA Consent Decree

During 2001, the City-Parish entered into a Consent Decree with U.S. Environmental Protection Agency (EPA) to remedy violations of the Clean Water Act and National Pollution Discharge Elimination System (NPDES) permits issued to the City-Parish for its sewerage treatment plants. The Consent Decree requires the City-Parish to achieve and maintain compliance with its NPDES permits and the Clean Water Act. The Consent Decree requires the City-Parish to complete a construction program to reduce sanitary sewer overflows by December 31, 2014. The consent decree has been modified by the City-Parish and EPA and the construction deadline has been extended to December 31, 2018.

In July 2007, EPA and DEQ formally approved the City-Parish's request to revise the original Remedial Measures Action Plan 2 (RMAP2) Sanitary Sewer Overflow Capital Improvements Program from a complex tunnel system with some rehabilitation and pump station upgrades to a program which emphasizes system wide rehabilitation, conveyance and pumping upgrades and wet weather improvements to the South Wastewater Treatment Plant. The concept and cost for this modification has been analyzed by the sewer system's program manager, CH2M HILL, Inc. Their program delivery plan (PDP) was delivered to the City-Parish in November 2007, and updated in November 2015. CH2M HILL's estimated cost for completing the revised RMAP2 is \$1.6 billion.

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

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

| | <u>Balance Beginning of Year</u> | <u>Additions</u> | <u>Adjustments and Deletions</u> | <u>Balance End of Year</u> |
|---|--|------------------|--|------------------------------------|
| <u>District Attorney of the Nineteenth Judicial District</u> | | | | |
| Equipment | \$ 1,988,051 | \$ 288,750 | \$ (89,546) | \$ 2,187,255 |
| Less: accumulated depreciation | <u>(1,427,703)</u> | | | <u>(1,540,493)</u> |
| Total District Attorney of the Nineteenth Judicial District | <u>\$ 560,348</u> | | | <u>\$ 646,762</u> |
| <u>Nineteenth Judicial District Court</u> | | | | |
| Equipment | \$ 362,025 | \$ 11,349 | \$ (9,677) | \$ 363,697 |
| Less: accumulated depreciation | <u>(309,407)</u> | | | <u>(318,484)</u> |
| Total Nineteenth Judicial District Court | <u>\$ 52,618</u> | | | <u>\$ 45,213</u> |
| <u>Nineteenth Judicial District Court Building Commission</u> | | | | |
| Buildings | \$107,628,256 | \$ -- | \$ -- | \$107,628,256 |
| Equipment | <u>5,015,550</u> | <u>18,583</u> | <u>--</u> | <u>5,034,133</u> |
| Total | 112,643,806 | 18,583 | -- | 112,662,389 |
| Less: accumulated depreciation | <u>(16,826,651)</u> | | | <u>(21,004,426)</u> |
| Total Nineteenth Judicial District Court Building Commission | <u>\$ 95,817,155</u> | | | <u>\$ 91,657,963</u> |
| <u>E.B.R. Parish Family Court</u> | | | | |
| Equipment | \$ 263,993 | \$ 44,882 | \$ (64,239) | \$ 244,636 |
| Less: accumulated depreciation | <u>(111,457)</u> | | | <u>(95,761)</u> |
| Total E.B.R. Parish Family Court | <u>\$ 152,536</u> | | | <u>\$ 148,875</u> |
| <u>E.B.R. Parish Juvenile Court</u> | | | | |
| Equipment | \$ 329,808 | \$ 107,578 | \$ (3,495) | \$ 433,891 |
| Less: accumulated depreciation | <u>(318,332)</u> | | | <u>(326,309)</u> |
| Total E.B.R. Parish Juvenile Court | <u>\$ 11,476</u> | | | <u>\$ 107,582</u> |
| <u>E.B.R. Parish Clerk of Court</u> | | | | |
| Equipment | \$ 9,063,067 | \$ 9,397 | \$ -- | \$ 9,072,464 |
| Less: accumulated depreciation | <u>(8,476,206)</u> | | | <u>(8,694,928)</u> |
| Total E.B.R. Parish Clerk of Court | <u>\$ 586,861</u> | | | <u>\$ 377,536</u> |
| <u>EBR Parish Redevelopment Authority</u> | | | | |
| Equipment | \$ 192,024 | \$ -- | \$ -- | \$ 192,024 |
| Less: accumulated depreciation | <u>(143,503)</u> | | | <u>(169,531)</u> |
| Total EBR Redevelopment Authority | <u>\$ 48,521</u> | | | <u>\$ 22,493</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

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

| | <u>Balance Beginning of Year</u> | <u>Additions</u> | <u>Adjustments and Deletions</u> | <u>Balance End of Year</u> |
|---|--|--------------------|--|------------------------------------|
| <u>Capital Area Transit System</u> | | | | |
| Construction work in progress | \$ 350,523 | \$ -- | \$ (350,523) | \$ -- |
| Equipment | 30,212,454 | 3,427,527 | (618,352) | 33,021,629 |
| Total | 30,562,977 | 3,427,527 | (968,875) | 33,021,629 |
| Less: accumulated depreciation | (17,886,506) | | | (20,197,063) |
| Total Capital Area Transit System | <u>\$ 12,676,471</u> | | | <u>\$ 12,824,566</u> |
| Total component units capital assets | \$155,405,751 | <u>\$3,908,066</u> | <u>\$(1,135,832)</u> | \$158,177,985 |
| Less: total accumulated depreciation | (45,499,765) | | | (52,346,995) |
| Total component units capital assets, net | <u>\$109,905,986</u> | | | <u>\$105,830,990</u> |

NOTE 7 - Employees' Retirement Systems

a. Primary Government

1. Plan Description

CPERS and CPERS-PGT

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

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

*Not City-Parish component units

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description (Continued)

CPERS and CPERS-PGT (Continued)

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

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

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

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

As of December 31, 2014, the measurement date, the following employees were covered by the CPERS-PGT benefit terms:

| | |
|---|--------------------------|
| Inactive plan members and beneficiaries currently receiving benefits, and deferred retirement plan participants | 171 |
| Inactive plan members entitled to but not yet receiving benefits | 5 |
| Active plan members | <u>188</u> <u>364</u> |

MPERS

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description (Continued)

MPERS (Continued)

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

LASERS

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

2. Benefit Terms

CPERS

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

Benefit payments are classified into two distinct categories which are full retirement benefits and minimum eligibility benefits. The service requirements and benefits granted for each category are:

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

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

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

The Metropolitan Council maintains the authority to establish and amend plan benefits. On August 12, 2015, the Council approved Ordinance 16039 to make the following changes for members hired on or after September 1, 2015. Since, these changes occurred after the measurement date they are not reflected in the CPERS Net Pension Liability in the current year:

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

2. Benefit Terms (Continued)

CPERS (Continued)

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

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

CPERS-PGT

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

MPERS

Members of MPERS hired prior to January 1, 2013, are eligible for normal retirement after they have been a member of the plan and have 25 years of creditable service at any age or they have 20 years of creditable service and are age 50 or have 12 years creditable service and are age 55. A member is eligible for early retirement after 20 years of creditable service at any age with an actuarially reduced benefit. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. Benefit rates are 3-1/3% of average monthly earnings during the highest 36 consecutive months per number of years of creditable service not to exceed 100% of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions outlined in the statutes, an amount is payable to the surviving spouse and minor children.

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

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

LASERS

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

2. Benefit Terms (Continued)

LASERS (Continued)

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

3. Contributions

CPERS

The City-Parish provides annual contributions to the Plan as required by Section 9.15 of The Plan of Government, which requires that the Retirement System be funded on an actuarially sound basis. Contribution rates are established and may be amended by the Retirement System's Board of Trustees, with approval by the Metropolitan Council. Under the current plan, both employee and employer contributions are set by the retirement system board on an annual basis to properly fund the system. In 2015, employees made a mandatory contribution of 9.5% of gross earnings, which was the maximum rate under Part IV, Subpart 2, Sec. 1:264A1(b), while the employer contributed 28.10% of active payroll. The total employer contribution to CPERS for the year ended December 31, 2015, was \$32,975,447 and was equal to the retirement board required contributions for the year. The City-Parish recognized \$858,271 in revenue from non-employer contributions in 2015.

CPERS-PGT

Employer and employee contributions to CPERS-PGT are at the rates established for CPERS. Total employer contributions to CPERS-PGT for the year ended December 31, 2015 was \$951,261.

MPERS

Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. MPERS employee members hired prior to January 1, 2013, contributed 10.0% of earned compensation for the year ended December 31, 2015. For the same members, employer contributions were 31.5% from January through June, and 29.50% for July through December 2015. All employees hired on or after January 1, 2013, become members of either the Hazardous Duty Sub-plan, or the Nonhazardous Duty Sub-plan. Employee and employer contribution rates for the Hazardous Duty Sub-plan are the same as for those hired prior to January 1, 2013. For employees belonging to the Nonhazardous Duty Sub-plan, the contribution rate was 8.0%, and the employer rate was 33.5% from January through June and 31.5% for July through December 2015. Earned compensation in the MPERS system excludes certain overtime, but includes state supplemental pay. The City-Parish's contribution to MPERS for the year ended December 31, 2015, was \$12,439,406 and was equal to the statutorily required contribution for the year. The City-Parish recognized \$2,620,634 in revenue from non-employer contributions in 2015.

LASERS

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. During 2015, Judges' Plan members hired prior to January 1, 2011, contributed 11.50% of earned compensation while employers contributed 41.5% from January through June and 38.1% from July through December. For Judges hired on or after January 1, 2011, the contribution rate

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

3. Contributions (Continued)

LASERS (Continued)

was 13.0%, and the employer rate was 36.2% from January through June and 39.3% for July through December 2015. The City-Parish's contribution to LASERS for the year ended December 31, 2015 was \$80,594 and was equal to the statutorily required contribution for the year.

4. Net Pension Liability

Net pension liability at December 31, 2015, is comprised of the City-Parish's proportional share of the net pension liability relating to each of the cost-sharing plans in which the City-Parish is a participating employer (CPERS, MPERS and LASERS) and the entire net pension liability relating to the CPERS-PGT single-employer plan. The net pension liability for CPERS and CPERS-PGT were measured as of December 31, 2014, rolled forward from the actuarial valuation date of January 1, 2014. MPERS and LASERS were measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City-Parish's proportion of the net pension liability for each of the cost-sharing plans in which it participates was based on the City-Parish's required contributions in proportion to total required contributions for all participating employers, actuarially determined. As of the most recent measurement date for each plan, the City-Parish's proportion for each cost-sharing plan and the change in proportion from the prior measurement date were as follows:

| | <u>CPERS</u> | <u>MPERS</u> | <u>LASERS</u> |
|---|---------------|---------------|---------------|
| Proportion (amount) of net pension liability | \$374,980,224 | \$115,962,107 | \$366,395 |
| Proportion (%) of net pension liability | 85.27 % | 14.80% | 0.01 % |
| Increase/(Decrease) from prior measurement date | (0.86)% | 0.27% | (0.01)% |

The following table presents the CPERS-PGT changes in net pension liability measured as of the year ended December 31, 2014:

| | <u>CPERS-PGT</u> |
|---|----------------------------|
| Total pension liability: | |
| Service cost | \$ 437,310 |
| Interest | 2,565,879 |
| Changes in assumptions | 340,742 |
| Benefit payments | <u>(1,679,506)</u> |
| Net change in total pension liability | 1,664,425 |
| Total pension liability - beginning | <u>34,614,160</u> |
| Total pension liability - ending | <u><u>\$36,278,585</u></u> |
| Plan fiduciary net position: | |
| Contributions - employer | \$ 763,873 |
| Contributions - employee | 90,774 |
| Net investment income | 796,414 |
| Benefit payments | (1,679,506) |
| Administrative expenses | <u>(333,744)</u> |
| Net change in fiduciary net position | (362,189) |
| Plan fiduciary net position - beginning | <u>20,447,371</u> |
| Plan fiduciary net position - ending | <u><u>\$20,085,182</u></u> |
| Net pension liability | <u><u>\$16,193,403</u></u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2015 the City-Parish recognized \$50,386,202 in pension expense related to the defined benefit plans in which it participates (CPERS \$38,096,478; CPERS-PGT \$1,979,978; MPERS \$10,667,118 and LASERS \$(357,372)). Revenue was recognized in the amount of \$3,478,905 in ad valorem taxes and insurance premium taxes collected from non-employer contributing entities. At December 31, 2015, the City-Parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | | | | |
|---|--------------------------------|--------------------|---------------------|-----------------|---------------------|
| | <u>CPERS</u> | <u>CPERS-PGT</u> | <u>MPERS</u> | <u>LASERS</u> | <u>Total</u> |
| Differences between expected and actual experience | \$ 435,310 | \$ -- | \$ -- | \$ 490 | \$ 435,800 |
| Changes in assumptions | -- | 255,556 | 10,118,506 | -- | 10,374,062 |
| Net difference between projected and earnings on pension plan investments | 18,860,867 | 554,953 | -- | -- | 19,415,820 |
| Changes in proportion and differences between actual contributions and proportionate share of contributions | -- | -- | 1,698,254 | -- | 1,698,254 |
| Employer contributions to the pension subsequent to the measurement date of the net pension liability | <u>33,082,498</u> | <u>951,261</u> | <u>6,728,731</u> | <u>40,990</u> | <u>40,803,480</u> |
| Total | <u>\$52,378,675</u> | <u>\$1,761,770</u> | <u>\$18,545,491</u> | <u>\$41,480</u> | <u>\$72,727,416</u> |

| | Deferred Inflows of Resources | | | | |
|---|-------------------------------|------------------|---------------------|------------------|---------------------|
| | <u>CPERS</u> | <u>CPERS-PGT</u> | <u>MPERS</u> | <u>LASERS</u> | <u>Total</u> |
| Differences between expected and actual experience | \$ -- | \$ -- | \$ 2,130,774 | \$ 3,004 | \$ 2,133,778 |
| Changes in assumptions | -- | -- | 16,706 | -- | 16,706 |
| Net difference between projected and earnings on pension plan investments | -- | -- | 2,202,217 | 332 | 2,202,549 |
| Changes in proportion and differences between actual contributions and proportionate share of contributions | <u>3,153,973</u> | <u>--</u> | <u>7,092</u> | <u>511,263</u> | <u>3,672,328</u> |
| | <u>\$ 3,153,973</u> | <u>\$ --</u> | <u>\$ 4,356,789</u> | <u>\$514,599</u> | <u>\$ 8,025,361</u> |

The \$40,803,480 of deferred outflows of resources resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

| <u>Year</u> | <u>CPERS</u> | <u>CPERS-PGT</u> | <u>MPERS</u> | <u>LASERS</u> | <u>Total</u> |
|-------------|---------------------|------------------|--------------------|--------------------|---------------------|
| 2016 | \$ 3,808,996 | \$223,924 | \$1,199,967 | \$(385,827) | \$ 4,847,060 |
| 2017 | 3,808,996 | 223,924 | 1,199,967 | (133,447) | 5,099,440 |
| 2018 | 3,808,996 | 223,922 | 1,681,247 | (2,749) | 5,711,416 |
| 2019 | <u>4,715,216</u> | <u>138,739</u> | <u>3,378,790</u> | <u>7,914</u> | <u>8,240,659</u> |
| Total | <u>\$16,142,204</u> | <u>\$810,509</u> | <u>\$7,459,971</u> | <u>\$(514,109)</u> | <u>\$23,898,575</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

6. Discount Rate

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

| | <u>CPERS</u> | <u>CPERS-PGT</u> | <u>MPERS</u> | <u>LASERS</u> |
|--|--------------|------------------|--------------|---------------|
| Discount rate | 7.50% | 6.85% | 7.50% | 7.75% |
| Change in discount rate from prior measurement date | -- | (0.65%) | -- | -- |
| Plan cash flow assumptions* | (1) | (2) | (3) | (3) |
| Rates incorporated in the discount rate: | | | | |
| Long-term rate of return | 7.50% | 7.50% | 8.28% | 8.66% |
| Period applied* | All periods | (2) | All periods | All periods |
| Municipal bond rate | N/A | 3.65% | N/A | N/A |

Sensitivity of the net pension liability to the discount rate:

| | | | | |
|--|---------------|---------------|---------------|------------|
| Net pension liability | \$374,980,224 | \$ 16,193,403 | \$115,962,107 | \$ 366,395 |
| Net pension liability assuming a decrease of 1% in the discount rate | \$514,779,378 | \$ 16,991,532 | \$161,232,613 | \$ 462,902 |
| Net pension liability assuming an increase of 1% in the discount rate | \$257,249,546 | \$ 15,412,455 | \$ 78,026,207 | \$ 285,070 |

***Plan Cash Flow Assumptions:**

- (1) Plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.
- (2) Plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the contribution rate established for CPERS. Based on those assumptions, the pension plan's fiduciary net position was projected to be depleted for current members during the 2022 fiscal year. Therefore, the long-term expected rate of return 7.50% was used to discount funded projected benefit payments and the municipal bond rate 3.65% was used to discount unfunded projected benefit payments to determine the total pension liability. The single effective discount rate was 6.85%.
- (3) Plan member contributions will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary.

The long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic or geometric real rates of return for each major asset class included in each pension plan's target asset allocation are summarized in the following tables:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

6. Discount Rate (Continued)

| <u>Asset Class</u> | <u>CPERS*</u> | | <u>CPERS-PGT*</u> | | <u>MPERS*</u> |
|----------------------------------|-----------------------------|---|-----------------------------|---|---|
| | Target <u>Allocation</u> | Long-term expected real <u>rate of return</u> | Target <u>Allocation</u> | Long-term expected real <u>rate of return</u> | Long-term expected real <u>rate of return</u> |
| Fixed Income - Domestic | 30.0% | 1.75% | 42.5% | 1.69% | 2.24% |
| Fixed Income - International | -- | -- | 22.5% | 4.97% | 3.64% |
| Equities - Domestic | 25.0% | 4.97% | 22.5% | 6.79% | 4.56% |
| Equities - International | 25.0% | 6.79% | 10.0% | 6.36% | 5.67% |
| Real Estate | 5.0% | 5.71% | -- | 5.71% | -- |
| Alternative Investments | 15.0% | 7.15% | -- | -- | 7.82% |
| Global Tactical Asset Allocation | -- | -- | -- | -- | 3.70% |
| Cash | -- | -- | 2.5% | 1.00% | 0.24% |
| Total | <u>100.0%</u> | | <u>100.0%</u> | | |

*Arithmetic

| <u>Asset Class</u> | <u>LASERS**</u> | |
|-------------------------|-----------------------------|---|
| | Target <u>Allocation</u> | Long-term expected real <u>rate of return</u> |
| Equity | 52.0% | 3.47% |
| Fixed Income | 20.0% | 0.46% |
| Alternative Investments | 23.0% | 1.15% |
| Other | <u>5.0%</u> | <u>0.20%</u> |
| Total | <u>100.0%</u> | 5.28% |
| Inflation | | <u>3.00%</u> |
| Expected Nominal Return | | <u>8.28%</u> |

***Geometric

7. Actuarial Assumptions

CPERS and CPERS-PGT

| | |
|--|---|
| Valuation Date | January 1, 2014 |
| Actuarial cost method | Entry Age Method |
| Inflation | 3.50% |
| Mortality rates (healthy and disabled) | 1994 Group Annuity Mortality Table (set forward 2 years) |
| Ad-hoc cost-of-living increases | None |
| Experience study | Last performed for the period January 1, 2009 to December 31, 2013 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

7. Actuarial Assumptions (Continued)

CPERS and CPERS-PGT (Continued)

Salary increases

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

Retirement rates

| <u>Regular/Police</u> | <u>Fire</u> |
|---|---|
| 100% at earlier of 25.5 years of service or at age 61 with 11 years | 100% at earlier of 26 years of service or age 61 with 11 years of service |

MPERS

| | |
|---------------------------------|--|
| Valuation Date | June 30, 2015 |
| Actuarial cost method | Entry Age Normal Cost |
| Inflation | 2.875% |
| Mortality rates | Active Member RP-2000 Sex Distinct Employee Tables set back 4 years for males and set back 3 years for females. |
| | Annuitant and Beneficiary RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables Projected to 2029 for males and set back 1 year and Projected to 2029 for females. |
| Ad-hoc cost-of-living increases | The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees. |
| Experience study | Last performed for the period July 1, 2009 to June 30, 2014 |

Salary increases, including inflation and merit

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

7. Actuarial Assumptions (Continued)

LASERS

| | |
|---------------------------------|--|
| Valuation Date | June 30, 2015 |
| Actuarial cost method | Entry Age Normal |
| Inflation | 3.0% |
| Mortality rates | Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. |
| | Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement |
| Ad-hoc cost-of-living increases | The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic. |
| Experience study | Last performed for the period July 1, 2009 to June 30, 2013 |

Salary increase range

| | |
|---------------------------|---------------------------|
| <u>Lower Range</u> | <u>Upper Range</u> |
| 3.0% | 5.5% |

8. Payables to the Pension Plan

At December 31, 2015, the City-Parish recorded total payables of \$1,223,321 to the CPERS (\$543,866) and CPERS-PGT (\$679,455) retirement plans.

b. Component Units

1. Capital Area Transit System Pension Plan

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

For the year ended December 31, 2015, the following amounts are recorded related to pensions:

| | |
|-------------------------------|-------------|
| Net pension liability | \$1,028,843 |
| Deferred outflow for pensions | 1,183,443 |
| Deferred inflow for pensions | 249,032 |
| Pension expense | 412,818 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

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

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

For the year ended December 31, 2015, the following amounts are recorded related to pensions:

| | <u>LDARS</u> | <u>CPERS</u> | <u>Total</u> |
|-------------------------------|--------------|--------------|--------------|
| Net pension liability | \$228,896 | \$10,130,058 | \$10,358,954 |
| Deferred outflow for pensions | 374,621 | 1,422,543 | 1,797,164 |
| Deferred inflow for pensions | 662,237 | 59,221 | 721,458 |
| Pension expense | 190,450 | 1,064,412 | 1,254,862 |

3. Nineteenth Judicial District Court Pension Plans

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

For the fiscal year ended June 30, 2015, the following amounts are recorded related to pensions:

| | <u>COC</u> | <u>LSERS</u> | <u>LASERS</u> | <u>Total</u> |
|-------------------------------|-------------|--------------|---------------|--------------|
| Net pension liability | \$3,857,822 | \$75,412 | \$8,664,944 | \$12,598,178 |
| Deferred outflow for pensions | 829,701 | 17,423 | 1,884,599 | 2,731,723 |
| Deferred inflow for pensions | 1,093,299 | 20,504 | 1,281,170 | 2,394,973 |
| Pension expense | 492,169 | 6,844 | 1,109,235 | 1,608,248 |

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

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

For the year ended December 31, 2015, the following amounts are recorded related to pensions:

| | |
|-------------------------------|-------------|
| Net pension liability | \$1,785,254 |
| Deferred outflow for pensions | 245,247 |
| Deferred inflow for pensions | 100,824 |
| Pension expense | 152,772 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

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

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

For the year ended December 31, 2015, the following amounts are recorded related to pensions:

| | |
|-------------------------------|-------------|
| Net pension liability | \$1,920,486 |
| Deferred outflow for pensions | 421,647 |
| Deferred inflow for pensions | 15,170 |
| Pension expense | 252,194 |

6. East Baton Rouge Parish Clerk of Court Pension Plan

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

For the fiscal year ended June 30, 2015, the following amounts are recorded related to pensions:

| | |
|-------------------------------|--------------|
| Net pension liability | \$10,748,977 |
| Deferred outflow for pensions | 2,986,916 |
| Deferred inflow for pensions | 2,725,856 |
| Pension expense | 1,624,136 |

NOTE 8 - Other Postemployment Benefits (OPEB)

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

Plan description:

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

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

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

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

Current Funding policy:

The contribution requirements of the employees/retirees and the participating City-Parish employers are established in the annual operating budget and may be amended in subsequent years. During 2015, the dental plan was funded with employees and retirees contributing 48 percent of the dental premium and the City-Parish contributing 52 percent of the dental premium. One hundred percent of required premiums on the \$5,000 retiree life insurance policy is funded by the employer. The government's health plan is a self-insured program with a third party administrator. During 2015, employees and retirees contributed 12% - 42% of the annually adopted premium base, dependent on the type of coverage chosen and the number of family members covered. The government contributed the corresponding 58% - 88% of the premium base. Effective January 1, 2003, the employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB Plan.

The employer contribution to the OPEB plan for 2015 totaled \$23,048,744; or approximately 12% of gross payroll as approved by the Metropolitan Council in the 2015 operating budget. There is no retiree contribution to the OPEB plan other than the retiree share of health insurance premiums paid monthly which totaled \$6,661,928 for 2015. Approximately 3,500 active employees and 2,800 retirees along with applicable dependents were covered by the plan in 2015.

Annual OPEB Cost and Net OPEB Obligation:

The City-Parish's annual OPEB cost (expense) was calculated based on the *annual required contribution* of the employer (ARC), an amount actuarially determined in accordance with the parameters of Section P50 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over the actuarial amortization period. The ARC was calculated as part of the January 1, 2015, biannual actuarial valuation performed by an outside actuary consultant. The following table shows the components of the government's annual OPEB cost for the year and the amount actually contributed to the plan during the year:

| | Governmental | Business-type | Total Primary | City-Parish Plan | |
|---------------------------------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| | <u>Activities</u> | <u>Activities</u> | <u>Government</u> | <u>Component</u> | <u>Total</u> |
| | | | | <u>Units</u> | <u>OPEB Plan</u> |
| Annual required contribution (ARC) | \$ 60,706,882 | \$ 5,353,038 | \$ 66,059,920 | \$ 3,401,242 | \$ 69,461,162 |
| Interest on net OPEB obligation | 13,185,274 | 1,162,656 | 14,347,930 | 738,736 | 15,086,666 |
| Adjustment to ARC | <u>(13,099,873)</u> | <u>(1,155,127)</u> | <u>(14,255,000)</u> | <u>(733,950)</u> | <u>(14,988,950)</u> |
| Annual OPEB cost (expense) | 60,792,283 | 5,360,567 | 66,152,850 | 3,406,028 | 69,558,878 |
| Less: Contributions made | <u>(20,143,881)</u> | <u>(1,776,256)</u> | <u>(21,920,137)</u> | <u>(1,128,607)</u> | <u>(23,048,744)</u> |
| Increase in net OPEB obligation | 40,648,402 | 3,584,311 | 44,232,713 | 2,277,421 | 46,510,134 |
| Net OPEB obligation-beginning of year | <u>328,182,503</u> | <u>31,664,371</u> | <u>359,846,874</u> | <u>17,319,778</u> | <u>377,166,652</u> |
| Net OPEB obligation-end of year | <u>\$368,830,905</u> | <u>\$35,248,682</u> | <u>\$404,079,587</u> | <u>\$19,597,199</u> | <u>\$423,676,786</u> |

The Primary Government's portion of the Plan's OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding two years were as follows:

| <u>Fiscal</u> | <u>Annual</u> | <u>Percentage of</u> | <u>Increase (Decrease)</u> | <u>Net</u> |
|---------------|---------------|-------------------------|----------------------------|-------------------|
| <u>Year</u> | <u>OPEB</u> | <u>Annual OPEB</u> | <u>to net OPEB</u> | <u>OPEB</u> |
| <u>Ending</u> | <u>Cost</u> | <u>Cost Contributed</u> | <u>Obligation</u> | <u>Obligation</u> |
| 12/31/15 | \$66,152,850 | 33.2% | \$44,232,713 | \$404,079,587 |
| 12/31/14 | 64,846,388 | 29.7 | 45,619,933 | 359,846,874 |
| 12/31/13 | 65,006,015 | 28.1 | 46,745,348 | 314,226,941 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

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

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

| <u>Fiscal Year Ending</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Increase (Decrease) to net OPEB Obligation</u> | <u>Net OPEB Obligation</u> |
|-----------------------------------|---------------------------------|---|---|------------------------------------|
| 12/31/15 | \$3,406,028 | 33.2% | \$2,277,421 | \$19,597,199 |
| 12/31/14 | 3,307,707 | 29.7 | 2,326,997 | 17,319,778 |
| 12/31/13 | 3,135,386 | 28.1 | 2,254,633 | 14,992,781 |

Funding status and funding progress:

As of January 1, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$988.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$988.1 million. The ratio of UAAL to the covered payroll amount of \$170.7 million was 578.7 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision and actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members at that date. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

The projected unit credit actuarial cost method was used for the January 1, 2015, actuarial valuation. Because the government currently finances OPEB using a pay-as-you-go approach, the discount rate is based on the historical (and expected investments that are expected to be used in financing the payment of benefits). The actuarial assumptions included a four percent investment rate of return, compounded annually. Life expectancies were based on the Sex Distinct 2000 Combined Healthy Mortality Table projected to 2016 using Scale AA. Turnover rates were based on the government's historical data and modified based on years of employment. Probabilities of disability, retirement rates, and withdrawal rates are based on the government's historical data using probabilities from the government's retirement systems.

Both historical retiree claim costs and year 2015 retiree health insurance premiums were used as the basis for calculation of the present value of total benefits to be paid. In addition to a general inflation rate of 2.5 percent, the plan assumes a medical inflation rate of 8.0 percent beginning in 2015, decreasing to a rate of 4.5 percent in 2072. The actuarial valuation also assumes that (1) seventy-five to eighty-five percent of members are assumed to elect retiree medical coverage upon retirement; (2) female spouses are assumed to be three years younger than males; (3) fifty-five percent of employees are assumed to be married at retirement and elect spouse's coverage; (4) zero percent of employees will have dependent children at retirement; (5) one hundred percent of members will elect medicare coverage when they are first eligible; and (6) ten percent of participants hired prior to April 1, 1986, are assumed to be ineligible for medicare upon reaching age sixty-five. However, all spouses of retirees are assumed to be medicare eligible upon reaching age sixty-five.

The amortization method for the plan is a level percentage of payroll with a thirty-year open amortization. The expected long-term payroll growth rate was estimated at 3.0 percent, compounded annually. The remaining amortization period at January 1, 2015, was thirty years.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 9 - Risk Management

a. Types of Risk

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

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

b. Accounting for Risk

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

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

There were no major changes in outside insurance coverage for the year ended December 31, 2015.

c. Contingent Liabilities - Claims and Judgments

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

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

An amount of \$35,458,853 has been recorded as a long-term obligation on the Government-wide Statement of Net Position for estimated claims and judgments for risk management purposes. Incremental claim costs account for approximately 2% of that total. Subject to the aforementioned policy, it is the government's practice to pay claims and judgments against the City-Parish from available financial resources of the General Fund.

d. Employee Benefits

The City-Parish maintains a premium plan for the group health program, providing medical and prescription drug coverage to those City-Parish employees/retirees who choose to participate. During 2015, the minimum premium plan was funded with employees and retirees contributing 12%-42% of the premium and the City-Parish contributing 58%-88% of the premium, dependent upon the number of family members covered.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 9 - Risk Management (Continued)

d. Employee Benefits (Continued)

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

The value of self-insured claims incurred but not reported or paid as of December 31, 2015, for group health are estimated by the government's third party health care provider as follows:

Self-funded medical \$5,151,535

This amount has been included in the Government-wide Statement of Net Position for December 31, 2015.

e. Changes in Liabilities for Claims

The following is a reconciliation of changes in long-term claims payable for the years ended December 31, 2015, 2014, and 2013:

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|----------------------|----------------------|----------------------|
| <u>Claims and judgments payable:</u> | | | |
| Beginning balance | \$36,215,072 | \$39,527,739 | \$ 30,217,318 |
| Additions: | | | |
| Claims incurred and new estimates | 5,091,209 | 8,310,683 | 13,239,841 |
| Deductions: | | | |
| Claims paid | (5,145,466) | (4,001,967) | (3,404,317) |
| Claims dismissed and changes in estimates | <u>(701,962)</u> | <u>(7,621,383)</u> | <u>(525,103)</u> |
| Ending balance | <u>\$ 35,458,853</u> | <u>\$ 36,215,072</u> | <u>\$ 39,527,739</u> |
| <u>Employee benefits payable:</u> | | | |
| Beginning balance | \$ 4,888,440 | \$ 4,635,640 | \$ 4,711,371 |
| Additions: | | | |
| Claims incurred | 65,949,334 | 61,829,352 | 57,003,271 |
| Deductions: | | | |
| Claims paid | <u>(65,686,239)</u> | <u>(61,576,552)</u> | <u>(57,079,002)</u> |
| Ending balance | <u>\$ 5,151,535</u> | <u>\$ 4,888,440</u> | <u>\$ 4,635,640</u> |

f. Fund Balance Committed to Self-insurance purposes

The City-Parish Metropolitan Council maintains a practice of committing a portion of General Fund's fund balance for self-insurance purposes. The amount committed for insurance at December 31, 2015, was determined as follows:

| | |
|--|---------------------|
| Fund balance committed to self-insurance, January 1, 2015 | \$46,720,244 |
| Less: Appropriations from self-insurance commitment for risk management purposes | (2,648,114) |
| Less: Self-insurance commitment reduced for risk management deficit | (2,133,468) |
| Plus: Federal government subsidies for employee/retiree insurance purposes | 78,682 |
| Interest earned on designated funds during 2015 | <u>86,299</u> |
| Insurance Commitment, December 31, 2015 | <u>\$42,103,643</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt

a. Primary Government

1. Summary of Changes in Long-Term Debt

Following is a summary of changes in long-term debt for the primary government for year 2015:

| | Balance <u>1/1/15</u> | <u>Additions</u> | <u>Reductions</u> | Balance <u>12/31/15</u> | Due Within <u>One Year</u> |
|--|-------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>Governmental Activities:</u> | | | | | |
| Excess revenue contracts, loans and notes | \$ 84,712,198 | \$ 34,415,000 | \$ 4,616,486 | \$ 114,510,712 | \$ 6,144,285 |
| Deferred premium on bonds | 5,570,137 | 17,240,820 | 1,558,054 | 21,252,903 | -- |
| Revenue bonds payable, gross | 226,600,000 | 59,430,000 | 72,945,000 | 213,085,000 | 13,385,000 |
| Less: Intragovernment payable | (2,507,500) | -- | (334,167) | (2,173,333) | (348,333) |
| Obligation payable (off-market swaps) | 5,913,911 | -- | 545,909 | 5,368,002 | -- |
| Derivative Instrument Liability | 15,294,792 | -- | 538,956 | 14,755,836 | -- |
| Compensated absences payable | 24,263,566 | 7,826,045 | 4,859,750 | 27,229,861 | 12,140,481 |
| Claims and judgments payable (Note 9) | 36,215,072 | 5,091,209 | 5,847,428 | 35,458,853 | 1,187,897 |
| Employee benefits payable (Note 9) | 4,888,440 | 65,949,334 | 65,686,239 | 5,151,535 | -- |
| Net other postemployment benefit obligation | 328,182,503 | 60,792,283 | 20,143,881 | 368,830,905 | -- |
| Net pension liability | <u>420,822,989</u> | <u>86,542,694</u> | <u>41,647,635</u> | <u>465,718,048</u> | <u>--</u> |
| Total governmental activities | <u><u>\$1,149,956,108</u></u> | <u><u>\$337,287,385</u></u> | <u><u>\$218,055,171</u></u> | <u><u>\$1,269,188,322</u></u> | <u><u>\$32,509,330</u></u> |
| <u>Business-Type Activities:</u> | | | | | |
| Excess revenue contracts, loans and notes | \$ 432,976,660 | \$ -- | \$ 1,220,000 | \$ 431,756,660 | \$ 1,283,500 |
| Revenue bonds payable | 976,830,180 | 16,090,429 | 11,518,000 | 981,402,609 | 10,344,000 |
| Deferred premiums and discounts | 50,279,886 | -- | 2,660,483 | 47,619,403 | -- |
| Revenue bonds payable from City issues | 2,507,500 | -- | 334,167 | 2,173,333 | 348,333 |
| Obligation payable (off-market swaps) | 45,988,756 | -- | 2,335,449 | 43,653,307 | -- |
| Derivative instrument liability | 87,643,226 | 4,808,983 | -- | 92,452,209 | -- |
| Contingent Liability | 4,750,000 | -- | 750,000 | 4,000,000 | -- |
| Landfill closure and postclosure care liability (Note 17) | 14,926,406 | 705,865 | -- | 15,632,271 | -- |
| Compensated absences payable | 1,939,278 | 769,753 | 551,602 | 2,157,429 | 2,094,342 |
| Net other postemployment benefit obligation | 31,664,371 | 5,360,567 | 1,776,256 | 35,248,682 | -- |
| Net pension liability | <u>34,238,649</u> | <u>11,207,200</u> | <u>3,661,768</u> | <u>41,784,081</u> | <u>--</u> |
| Total business-type activities | <u><u>\$1,683,744,912</u></u> | <u><u>\$ 38,942,797</u></u> | <u><u>\$ 24,807,725</u></u> | <u><u>\$1,697,879,984</u></u> | <u><u>\$14,070,175</u></u> |

Internal service funds serve predominantly the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$162,771 of compensated absences for internal service funds is included in the above amount. The compensated absences liability attributable to governmental activities has been liquidated primarily by the General Fund in prior years with any remainder liquidated in the governmental and internal service funds in which the liability occurred. Claims and judgments payable, employee benefits payable, and net other post-employment benefits obligation are liquidated by the General Fund. Net pension liability has been liquidated in the funds in which the liability occurred.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

2. Schedule of Bonds Payable

The following is a schedule of bonds payable for the primary government at December 31, 2015:

| | <u>Interest Dates</u> | <u>Issue Date</u> | <u>Final Maturity Date</u> | <u>Original Authorized and Issued</u> | <u>Outstanding</u> |
|--|---------------------------|-----------------------|------------------------------------|---|--------------------|
| Governmental Activities: | | | | | |
| <u>Excess revenue contracts, loans and notes</u> | | | | | |
| City of Baton Rouge: | | | | | |
| 2012 Taxable Refunding | 01/15-7/15 | 04/04/2012 | 01/15/2029 | \$ 58,075,000 | \$ 50,670,000 |
| LA Community Development 2000A Program | | | | | |
| Visit Baton Rouge | Monthly | 09/01/2007 | 11/30/2029 | 750,000 | 576,000 |
| Parish of East Baton Rouge: | | | | | |
| LA Community Development Authority 1999 | Monthly | 08/11/1999 | 05/31/2018 | 1,500,000 | 499,999 |
| LA Community Development 2000A Program | Monthly | 09/01/2007 | 11/30/2029 | 264,713 | 229,713 |
| 2012 LCDA Road Improvements Project | 02/01-08/01 | 03/01/2012 | 08/01/2030 | 33,585,000 | 28,120,000 |
| 2015 LCDA Road Improvements Project | 02/01-08/01 | 04/09/2015 | 08/01/2030 | <u>34,415,000</u> | <u>34,415,000</u> |
| Total excess revenue contracts, loans and notes | | | | <u>128,589,713</u> | <u>114,510,712</u> |
| <u>Revenue bonds</u> | | | | | |
| City of Baton Rouge: | | | | | |
| 2007A Public Improvement Sales Tax | 02/01-08/01 | 03/28/2007 | 08/01/2018 | 30,395,000 | 3,250,000 |
| 2010B Public Improvement Sales Tax | 02/01-08/01 | 09/28/2010 | 08/01/2026 | 19,045,000 | 14,455,000 |
| Less: debt recorded in business-type activities | | | | (3,840,000) | (2,173,333) |
| Parish of East Baton Rouge: | | | | | |
| Road and Street Improvement: | | | | | |
| 2006A Sales Tax Bonds | 02/01-08/01 | 05/03/2006 | 08/01/2015 | 32,760,000 | -- |
| 2008A Sales Tax Bonds (Variable) | 02/01-08/01 | 04/17/2008 | 08/01/2030 | 93,440,000 | 93,440,000 |
| 2009A Sales Tax Bonds | 02/01-08/01 | 02/12/2009 | 08/01/2030 | 110,000,000 | 28,340,000 |
| 2015 Refunding Sales Tax Bonds | 02/01-08/01 | 04/09/2015 | 08/01/2030 | 59,430,000 | 59,430,000 |
| 2013A Public Improvement Sales Tax | 02/01-08/01 | 06/13/2013 | 02/01/2028 | 11,000,000 | 9,860,000 |
| 2014A Public Improvement Sales Tax | 02/01-08/01 | 06/27/2014 | 02/01/2026 | <u>4,600,000</u> | <u>4,310,000</u> |
| Total revenue bonds | | | | <u>356,830,000</u> | <u>210,911,667</u> |
| Total governmental activities | | | | <u>485,419,713</u> | <u>325,422,379</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

2. Schedule of Bonds Payable (Continued)

| | <u>Interest Dates</u> | <u>Issue Date</u> | <u>Final Maturity Date</u> | <u>Original Authorized and Issued</u> | <u>Outstanding</u> |
|---|---------------------------|-----------------------|------------------------------------|---|------------------------|
| Business-Type Activities: | | | | | |
| <u>Excess revenue contracts, loans and notes</u> | | | | | |
| Parish of East Baton Rouge: | | | | | |
| LCDCA loan 1999 Program | Monthly | 08/11/1999 | 05/31/2018 | \$ 7,201,660 | \$ 3,211,660 |
| Sewerage Commission: | | | | | |
| 2013A LCDCA Sewerage Commission Projects | 02/01-08/01 | 05/09/2013 | 02/01/2048 | 126,260,000 | 126,260,000 |
| 2013B (LIBOR Index) LCDCA Sewerage Commission Projects | Monthly | 05/10/2013 | 02/01/2049 | 92,500,000 | 92,500,000 |
| 2014A LCDCA Sewerage Commission Projects | 02/01-08/01 | 04/10/2014 | 02/01/2044 | <u>209,785,000</u> | <u>209,785,000</u> |
| Total excess revenue contracts, loans and notes | | | | <u>435,746,660</u> | <u>431,756,660</u> |
| <u>Revenue bonds</u> | | | | | |
| City of Baton Rouge: | | | | | |
| Airport: | | | | | |
| 2005B Public Improvement Sales Tax (Taxable) | 02/01-08/01 | 04/19/2005 | 08/01/2029 | 2,100,000 | 1,490,000 |
| 2008A-2 Public Improvement Sales Tax | 02/01-08/01 | 01/24/2008 | 08/01/2037 | 47,205,000 | 44,750,000 |
| 2008B Public Improvement Sales Tax (Taxable) | 02/01-08/01 | 01/24/2008 | 08/01/2022 | 9,505,000 | 5,295,000 |
| 2010A Public Improvement Sales Tax (GO Zone) | 02/01-08/01 | 01/28/2010 | 08/01/2039 | 6,000,000 | 5,475,000 |
| Revenue bonds payable from City issues | | | | 3,840,000 | 2,173,333 |
| Sewerage Commission: | | | | | |
| 2010 Revenue Bonds (DEQ) | 02/01-08/01 | 04/29/2010 | 02/01/2031 | 8,300,000 | 7,155,000 |
| 2010B Revenue Bonds (Taxable Direct Pay Build America Bonds) | 02/01-08/01 | 05/27/2010 | 02/01/2045 | 357,840,000 | 353,125,000 |
| 2011A Revenue Bonds (LIBOR Index) | Monthly | 07/28/2011 | 02/01/2046 | 202,500,000 | 188,420,000 |
| 2013A Taxable Revenue Bonds (DEQ) | 02/01-08/01 | 03/06/2013 | 02/01/2034 | 18,859,662 | 18,726,662 |
| 2013B Taxable Revenue Refunding Bonds | 02/01-08/01 | 05/02/2013 | 02/01/2024 | 25,390,000 | 23,940,000 |
| 2014A Taxable Revenue Refunding Bonds | 02/01-08/01 | 12/17/2014 | 02/01/2031 | 127,455,000 | 127,455,000 |
| 2014B Tax-Exempt Revenue Refunding Bonds | 02/01-08/01 | 12/17/2014 | 02/01/2039 | 205,435,000 | 205,435,000 |
| 2015A Taxable Revenue Bonds (DEQ) | 02/01-08/01 | 10/08/2015 | 02/01/2036 | <u>135,947</u> | <u>135,947</u> |
| Total revenue bonds | | | | <u>1,014,565,609</u> | <u>983,575,942</u> |
| Total business-type activities | | | | <u>1,450,312,269</u> | <u>1,415,332,602</u> |
| Total all bonds, contracts, loans and notes | | | | <u>\$1,935,731,982</u> | <u>\$1,740,754,981</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable

| | Outstanding January 1, 2015 | Issued | Retired | Outstanding December 31, 2015 |
|---|-----------------------------------|------------|--------------|-------------------------------------|
| Governmental Activities: | | | | |
| <u>Excess revenue contracts, loans and notes</u> | | | | |
| City of Baton Rouge: | | | | |
| 2012 Taxable Refunding | \$ 53,720,000 | \$ -- | \$ 3,050,000 | \$ 50,670,000 |
| LA Community Development 2000A Program | | | | |
| Visit Baton Rouge | 602,400 | -- | 26,400 | 576,000 |
| Parish of East Baton Rouge: | | | | |
| LA Community Development Authority 1999 | 714,285 | -- | 214,286 | 499,999 |
| LA Community Development 2000A Program | 240,513 | -- | 10,800 | 229,713 |
| 2012 LCDA Road Improvements Project | 29,435,000 | -- | 1,315,000 | 28,120,000 |
| 2015 LCDA Road Improvements Project | -- | 34,415,000 | -- | 34,415,000 |
| Total excess revenue contracts, loans and notes | 84,712,198 | 34,415,000 | 4,616,486 | 114,510,712 |
| <u>Revenue bonds</u> | | | | |
| City of Baton Rouge: | | | | |
| 2007A Public Improvement Sales Tax | 6,095,000 | -- | 2,845,000 | 3,250,000 |
| 2010B Public Improvement Sales Tax | 15,625,000 | -- | 1,170,000 | 14,455,000 |
| Less: debt recorded in business- type activities | (2,507,500) | -- | (334,167) | (2,173,333) |
| Parish of East Baton Rouge: | | | | |
| Road and Street Improvement: | | | | |
| 2006A Sales Tax Bonds | 4,340,000 | -- | 4,340,000 | -- |
| 2008A Sales Tax Bonds (Variable) | 93,440,000 | -- | -- | 93,440,000 |
| 2009A Sales Tax Bonds | 92,025,000 | -- | 63,685,000 | 28,340,000 |
| 2015 Refunding Sales Tax Bonds | -- | 59,430,000 | -- | 59,430,000 |
| 2013A Public Improvement Sales Tax | 10,475,000 | -- | 615,000 | 9,860,000 |
| 2014A Public Improvement Sales Tax | 4,600,000 | -- | 290,000 | 4,310,000 |
| Total revenue bonds | 224,092,500 | 59,430,000 | 72,610,833 | 210,911,667 |
| Total governmental activities | 308,804,698 | 93,845,000 | 77,227,319 | 325,422,379 |

Business-Type Activities:

Excess revenue contracts, loans and notes

| | | | | |
|--|-------------|----|-----------|-------------|
| Parish of East Baton Rouge: | | | | |
| LCDA loan 1999 Program | 4,431,660 | -- | 1,220,000 | 3,211,660 |
| Sewerage Commission: | | | | |
| 2013A LCDA Sewerage Commission Projects | 126,260,000 | -- | -- | 126,260,000 |
| 2013B (LIBOR Index) LCDA Sewerage Commission Projects | 92,500,000 | -- | -- | 92,500,000 |
| 2014A LCDA Sewerage Commission Projects | 209,785,000 | -- | -- | 209,785,000 |
| Total excess revenue contracts, loans and notes | 432,976,660 | -- | 1,220,000 | 431,756,660 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable (Continued)

| | Outstanding January 1, 2015 | Issued | Retired | Outstanding December 31, 2015 |
|---|-----------------------------------|----------------------|---------------------|-------------------------------------|
| Business-Type Activities: (Continued) | | | | |
| <u>Revenue bonds</u> | | | | |
| City of Baton Rouge: | | | | |
| 2005B Public Improvement Sales Tax (Taxable) | \$ 1,560,000 | \$ -- | \$ 70,000 | \$ 1,490,000 |
| 2008A-2 Public Improvement Sales Tax | 45,405,000 | -- | 655,000 | 44,750,000 |
| 2008B Public Improvement Sales Tax (Taxable) | 5,945,000 | -- | 650,000 | 5,295,000 |
| 2010A Public Improvement Sales Tax (GO Zone) | 5,610,000 | -- | 135,000 | 5,475,000 |
| Revenue bonds payable from City issues | 2,507,500 | -- | 334,167 | 2,173,333 |
| Sewerage Commission: | | | | |
| 2010 Revenue Bonds (DEQ) | 7,540,000 | -- | 385,000 | 7,155,000 |
| 2010B Revenue Bonds (Taxable Direct Pay Build America Bonds) | 357,840,000 | -- | 4,715,000 | 353,125,000 |
| 2011A Revenue Bonds (LIBOR Index) | 192,170,000 | -- | 3,750,000 | 188,420,000 |
| 2013A Taxable Revenue Bonds (DEQ) | 2,905,180 | 15,954,482 | 133,000 | 18,726,662 |
| 2013B Taxable Revenue Refunding Bonds | 24,965,000 | -- | 1,025,000 | 23,940,000 |
| 2014A Taxable Revenue Refunding Bonds | 127,455,000 | -- | -- | 127,455,000 |
| 2014B Tax-Exempt Revenue Refunding Bonds | 205,435,000 | -- | -- | 205,435,000 |
| 2015A Taxable Revenue Bonds (DEQ) | -- | 135,947 | -- | 135,947 |
| Total revenue bonds | <u>979,337,680</u> | <u>16,090,429</u> | <u>11,852,167</u> | <u>983,575,942</u> |
| Total business-type activities | <u>1,412,314,340</u> | <u>16,090,429</u> | <u>13,072,167</u> | <u>1,415,332,602</u> |
| Total all bonds, contracts, loans and notes | <u>\$1,721,119,038</u> | <u>\$109,935,429</u> | <u>\$90,299,486</u> | <u>\$1,740,754,981</u> |

4. Interest Requirements to Maturity

The following is a summary of bonded debt at December 31, 2015, and interest requirements to maturity:

| | Debt Payable 12/31/2015 | Interest Requirements to Maturity | Total |
|--|----------------------------|---|--------------------|
| Governmental Activities: | | | |
| <u>Excess revenue contracts, loans and notes</u> | | | |
| City of Baton Rouge: | | | |
| 2012 Taxable Refunding | \$ 50,670,000 | \$ 14,803,440 | \$ 65,473,440 |
| LA Community Development 2000A Program | | | |
| Visit Baton Rouge | 576,000 | 77,089 | 653,089 |
| Parish of East Baton Rouge: | | | |
| LA Community Development 1999 Program | 499,999 | 9,123 | 509,122 |
| LA Community Development 2000A Program | 229,713 | 30,803 | 260,516 |
| 2012 LCDA Road Improvements Project | 28,120,000 | 11,247,138 | 39,367,138 |
| 2015 LCDA Road Improvements Project | <u>34,415,000</u> | <u>15,764,500</u> | <u>50,179,500</u> |
| Total excess revenue contracts, loans and notes | <u>114,510,712</u> | <u>41,932,093</u> | <u>156,442,805</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

4. Interest Requirements to Maturity (Continued)

| | <u>Debt Payable</u> <u>12/31/2015</u> | <u>Interest</u> <u>Requirements</u> <u>to Maturity</u> | <u>Total</u> |
|---|--|--|--------------------|
| Governmental Activities: (Continued) | | | |
| <u>Revenue bonds</u> | | | |
| City of Baton Rouge: | | | |
| 2007A Public Improvement Sales Tax (3.82%)* | \$ 3,250,000 | \$ 166,400 | \$ 3,416,400 |
| 2010B Public Improvement Sales Tax (3.02%)* | 14,455,000 | 2,966,312 | 17,421,312 |
| Less: Debt recorded in business-type activities | (2,173,333) | (269,296) | (2,442,629) |
| Parish of East Baton Rouge: | | | |
| Road and Street Improvement: | | | |
| 2008A Sales Tax Bonds (Variable) | 93,440,000 | 29,629,072 | 123,069,072 |
| 2009A Sales Tax Bonds (4.83%)* | 28,340,000 | 5,153,400 | 33,493,400 |
| 2015 Refunding Sales Tax Bonds (3.10%)* | 59,430,000 | 33,737,250 | 93,167,250 |
| 2013A Public Improvement Sales Tax | 9,860,000 | 1,425,065 | 11,285,065 |
| 2014A Public Improvement Sales Tax | <u>4,310,000</u> | <u>575,008</u> | <u>4,885,008</u> |
| Total revenue bonds | <u>210,911,667</u> | <u>73,383,211</u> | <u>284,294,878</u> |
| Total governmental activities | <u>325,422,379</u> | <u>115,315,304</u> | <u>440,737,683</u> |

Business-Type Activities:

Excess revenue contracts, loans and notes

| | | | |
|--|--------------------|--------------------|--------------------|
| Parish of East Baton Rouge: | | | |
| LCDA loan 1999 Program | 3,211,660 | 61,774 | 3,273,434 |
| East Baton Rouge Sewerage Commission: | | | |
| 2013A LCDA Sewerage Commission Projects | 126,260,000 | 158,063,250 | 284,323,250 |
| 2013B (LIBOR Index) Sewerage Commission Projects | 92,500,000 | 134,163,988 | 226,663,988 |
| 2014A LCDA Sewerage Commission Projects | <u>209,785,000</u> | <u>212,443,656</u> | <u>422,228,656</u> |
| Total excess revenue contracts, loans and notes | <u>431,756,660</u> | <u>504,732,668</u> | <u>936,489,328</u> |

Revenue bonds

| | | | |
|--|------------------------|------------------------|------------------------|
| City of Baton Rouge: | | | |
| 2005B Public Improvement Sales Tax (Taxable) (5.65%)* | 1,490,000 | 723,498 | 2,213,498 |
| 2008A-2 Public Improvement Sales Tax (4.59%)* | 44,750,000 | 29,782,460 | 74,532,460 |
| 2008B Public Improvement Sales Tax (Taxable) (4.59%)* | 5,295,000 | 1,171,288 | 6,466,288 |
| 2010A Public Improvement Sales Tax (GO Zone) (4.36%)* | 5,475,000 | 3,416,376 | 8,891,376 |
| Revenue bonds payable from City issues | 2,173,333 | 269,296 | 2,442,629 |
| Sewerage Commission: | | | |
| 2010 Revenue Bonds (DEQ) | 7,155,000 | 280,991 | 7,435,991 |
| 2010B Revenue Bonds (Taxable Direct Pay Build America Bonds) (3.94%)* | 353,125,000 | 478,237,464 | 831,362,464 |
| 2011A Revenue Bonds (LIBOR Index) (Variable) | 188,420,000 | 144,580,176 | 333,000,176 |
| 2013A Taxable Revenue Bonds (DEQ) | 18,726,662 | 817,462 | 19,544,124 |
| 2013B Taxable Revenue Refunding Bonds (2.54%)* | 23,940,000 | 3,195,242 | 27,135,242 |
| 2014A Taxable Revenue Refunding Bonds (3.57%)* | 127,455,000 | 46,573,252 | 174,028,252 |
| 2014B Tax-Exempt Revenue Refunding Bonds (3.76%)* | 205,435,000 | 178,028,175 | 383,463,175 |
| 2015A Taxable Revenue Bonds (DEQ) | <u>135,947</u> | <u>6,768</u> | <u>142,715</u> |
| Total revenue bonds | <u>983,575,942</u> | <u>887,082,448</u> | <u>1,870,658,390</u> |
| Total business-type activities | <u>1,415,332,602</u> | <u>1,391,815,116</u> | <u>2,807,147,718</u> |
| Total all bonds, contracts, loans and notes | <u>\$1,740,754,981</u> | <u>\$1,507,130,420</u> | <u>\$3,247,885,401</u> |

* True interest cost (TIC)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

5. Debt Service Requirements to Maturity

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

Governmental Activities:

| <u>Year</u> | <u>Excess Revenue Contracts, Loans and Notes</u> | | | <u>Revenue Bonds</u> | | | <u>Total</u> |
|-------------|--|---------------------|----------------------|-----------------------|----------------------|-----------------------|--------------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Governmental Activities</u> |
| 2016 | \$ 6,144,285 | \$ 4,664,128 | \$ 10,808,413 | \$ 13,036,667 | \$ 8,637,033 | \$ 21,673,700 | \$ 32,482,113 |
| 2017 | 6,266,885 | 4,540,610 | 10,807,495 | 11,513,750 | 8,124,289 | 19,638,039 | 30,445,534 |
| 2018 | 6,267,529 | 4,361,257 | 10,628,786 | 11,601,667 | 7,712,140 | 19,313,807 | 29,942,593 |
| 2019 | 6,447,000 | 4,140,584 | 10,587,584 | 11,933,750 | 7,228,549 | 19,162,299 | 29,749,883 |
| 2020 | 6,709,600 | 3,893,891 | 10,603,491 | 12,514,583 | 6,725,823 | 19,240,406 | 29,843,897 |
| 2021-2025 | 38,857,400 | 14,988,761 | 53,846,161 | 71,551,250 | 25,345,370 | 96,896,620 | 150,742,781 |
| 2026-2030 | 43,818,013 | 5,342,862 | 49,160,875 | 78,760,000 | 9,610,007 | 88,370,007 | 137,530,882 |
| Total | <u>\$114,510,712</u> | <u>\$41,932,093</u> | <u>\$156,442,805</u> | <u>\$ 210,911,667</u> | <u>\$ 73,383,211</u> | <u>\$ 284,294,878</u> | <u>\$ 440,737,683</u> |

Business-Type Activities:

| <u>Year</u> | <u>Excess Revenue Contracts, Loans and Notes</u> | | | <u>Revenue Bonds</u> | | | <u>Total</u> |
|-------------|--|----------------------|----------------------|----------------------|----------------------|------------------------|---------------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Business-Type Activities</u> |
| 2016 | \$ 1,283,500 | \$ 20,279,919 | \$ 21,563,419 | \$ 10,692,333 | \$ 46,933,470 | \$ 57,625,803 | \$ 79,189,222 |
| 2017 | 1,346,500 | 20,260,103 | 21,606,603 | 12,690,250 | 46,534,375 | 59,224,625 | 80,831,228 |
| 2018 | 581,660 | 20,242,427 | 20,824,087 | 13,305,333 | 46,083,003 | 59,388,336 | 80,212,423 |
| 2019 | -- | 20,240,225 | 20,240,225 | 19,017,250 | 45,535,729 | 64,552,979 | 84,793,204 |
| 2020 | -- | 20,240,225 | 20,240,225 | 22,745,417 | 44,818,609 | 67,564,026 | 87,804,251 |
| 2021-2025 | 6,305,000 | 101,043,500 | 107,348,500 | 142,383,750 | 208,894,183 | 351,277,933 | 458,626,433 |
| 2026-2030 | 36,720,000 | 95,217,875 | 131,937,875 | 155,929,000 | 178,161,180 | 334,090,180 | 466,028,055 |
| 2031-2035 | 66,405,000 | 83,512,234 | 149,917,234 | 163,435,662 | 140,340,376 | 303,776,038 | 453,693,272 |
| 2036-2040 | 74,185,000 | 65,793,797 | 139,978,797 | 205,856,947 | 94,022,037 | 299,878,984 | 439,857,781 |
| 2041-2045 | 78,540,000 | 44,107,125 | 122,647,125 | 227,310,000 | 35,547,680 | 262,857,680 | 385,504,805 |
| 2046-2049 | 166,390,000 | 13,795,238 | 180,185,238 | 10,210,000 | 211,806 | 10,421,806 | 190,607,044 |
| Total | <u>\$431,756,660</u> | <u>\$504,732,668</u> | <u>\$936,489,328</u> | <u>\$983,575,942</u> | <u>\$887,082,448</u> | <u>\$1,870,658,390</u> | <u>\$2,807,147,718</u> |

6. Future Year Obligations

Principal and interest requirements of various bond issues for the year 2016 are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total Requirements</u> |
|--|------------------|------------------|---------------------------|
| Governmental Activities: | | | |
| <u>Excess revenue contracts, loans and notes</u> | | | |
| City of Baton Rouge: | | | |
| 2012 Taxable Refunding | \$ 3,085,000 | \$ 1,698,586 | \$ 4,783,586 |
| LA Community Development 2000A Program | | | |
| Visit Baton Rouge | 28,400 | 9,629 | 38,029 |
| Parish of East Baton Rouge: | | | |
| LA Community Development 1999 Program | 214,285 | 6,067 | 220,352 |
| LA Community Development 2000A Program | 11,600 | 3,839 | 15,439 |
| 2012 LCDA Road Improvements Project | 1,355,000 | 1,268,757 | 2,623,757 |
| 2015 LCDA Road Improvements Project | <u>1,450,000</u> | <u>1,677,250</u> | <u>3,127,250</u> |
| Total excess revenue contracts, loans and notes | <u>6,144,285</u> | <u>4,664,128</u> | <u>10,808,413</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

6. Future Year Obligations (Continued)

| Governmental Activities (Continued): | <u>Principal</u> | <u>Interest</u> | <u>Total Requirements</u> |
|--|---------------------|---------------------|---------------------------|
| <u>Revenue bonds</u> | | | |
| City of Baton Rouge: | | | |
| 2007A Public Improvement Sales Tax | \$ 2,530,000 | \$ 130,000 | \$ 2,660,000 |
| 2010B Public Improvement Sales Tax | 1,210,000 | 501,063 | 1,711,063 |
| Less: Debt recorded in business-type activities | (348,333) | (78,800) | (427,133) |
| Parish of East Baton Rouge: | | | |
| Road and Street Improvement: | | | |
| 2008A Sales Tax Bonds (Variable) | 4,565,000 | 3,483,392 | 8,048,392 |
| 2009A Sales Tax Bonds | 4,145,000 | 1,337,675 | 5,482,675 |
| 2015 Refunding Sales Tax Bonds | -- | 2,971,500 | 2,971,500 |
| 2013A Public Improvement Sales Tax | 630,000 | 199,490 | 829,490 |
| 2014A Public Improvement Sales Tax | 305,000 | 92,713 | 397,713 |
| Total revenue bonds | <u>13,036,667</u> | <u>8,637,033</u> | <u>21,673,700</u> |
| Total governmental activities | <u>19,180,952</u> | <u>13,301,161</u> | <u>32,482,113</u> |
| Business-Type Activities: | | | |
| <u>Excess revenue contracts, loans and notes</u> | | | |
| Parish of East Baton Rouge: | | | |
| LCDA loan 1999 Program | 1,283,500 | 39,694 | 1,323,194 |
| Sewerage Commission: | | | |
| 2013A LCDA Sewerage Commission Projects | -- | 5,734,100 | 5,734,100 |
| 2013B (LIBOR Index) LCDA Sewerage Commission Projects | -- | 4,185,625 | 4,185,625 |
| 2014A LCDA Sewerage Commission Projects | -- | <u>10,320,500</u> | <u>10,320,500</u> |
| Total excess revenue contracts, loans and notes | <u>1,283,500</u> | <u>20,279,919</u> | <u>21,563,419</u> |
| <u>Revenue bonds</u> | | | |
| City of Baton Rouge: | | | |
| 2005B Public Improvement Sales Tax (Taxable-Airport) | 75,000 | 84,860 | 159,860 |
| 2008A-2 Public Improvement Sales Tax | 685,000 | 2,028,675 | 2,713,675 |
| 2008B Public Improvement Sales Tax (Taxable) | 680,000 | 285,994 | 965,994 |
| 2010A Public Improvement Sales Tax (GO Zone) | 140,000 | 229,544 | 369,544 |
| Plus: Revenue bonds payable from City issues | 348,333 | 78,800 | 427,133 |
| Sewerage Commission: | | | |
| 2010 Revenue Bonds (DEQ) | 390,000 | 31,320 | 421,320 |
| 2010B Revenue Bonds (Taxable Direct Pay Build America Bonds) | 2,520,000 | 20,821,594 | 23,341,594 |
| 2011A Revenue Bonds (LIBOR Index) | 3,915,000 | 8,484,271 | 12,399,271 |
| 2013A Taxable Revenue Bonds (DEQ) | 904,000 | 75,294 | 979,294 |
| 2013B Taxable Revenue Refunding Bonds | 1,035,000 | 534,047 | 1,569,047 |
| 2014A Taxable Revenue Refunding Bonds | -- | 4,306,813 | 4,306,813 |
| 2014B Tax-Exempt Revenue Refunding Bonds | -- | 9,971,750 | 9,971,750 |
| 2015A Taxable Revenue Bonds (DEQ) | -- | 508 | 508 |
| Total revenue bonds | <u>10,692,333</u> | <u>46,933,470</u> | <u>57,625,803</u> |
| Total business-type activities | <u>11,975,833</u> | <u>67,213,389</u> | <u>79,189,222</u> |
| Total all bonds, contracts, loans and notes | <u>\$31,156,785</u> | <u>\$80,514,550</u> | <u>\$111,671,335</u> |

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

7. Legal Debt Margin - General Obligation Bonds

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

Governing Authority: City of Baton Rouge

Ad valorem taxes:

| | |
|---|------------------------|
| Assessed valuation, 2015 tax rolls | <u>\$1,911,390,885</u> |
| Debt limit: 10% of assessed valuation (for any one purpose) | \$ 191,139,089 |
| Debt limit: 15% of assessed valuation (for sewerage purposes) | 286,708,633 |
| Debt limit: 35% of assessed valuation (aggregate, all purposes) | 668,986,810 |

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

Governing Authority: Parish of East Baton Rouge

Ad valorem taxes:

| | |
|---|------------------------|
| Assessed valuation, 2015 tax rolls | <u>\$4,582,080,352</u> |
| Debt limit: 10% of assessed valuation (for any one purpose) | \$ 458,208,035 |
| Debt limit: 15% of assessed valuation (for sewerage purposes) | 687,312,053 |

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

Governing Authority: East Baton Rouge Sewerage Commission

Ad valorem taxes:

| | |
|---|------------------------|
| Assessed valuation, 2015 tax rolls | <u>\$4,582,080,352</u> |
| Debt limit: 15% of assessed valuation (for sewerage purposes) | \$ 687,312,053 |

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

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

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

8. 2% Sales Tax Revenue Bonds

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

8. 2% Sales Tax Revenue Bonds (Continued)

Act No. 328 of the 1988 Regular Session of the Louisiana Legislature, House Bill No. 1599, Section 8(a) imposes a limit on the debt service obligations that can be outstanding of 40% of the gross avails of the sales and use tax for both the city and the parish 2% sales and use tax. The legal debt calculation as of December 31, 2015, is as follows:

| | City | Parish |
|--|----------------------|----------------------|
| Actual 2015 Revenues | <u>\$104,098,020</u> | <u>\$ 80,923,270</u> |
| Debt Capacity Before Outstanding Bonds (40%) | 41,639,208 | 32,369,308 |
| Less: Highest Annual Debt Service on Outstanding Bonds | <u>(9,018,843)</u> | <u>(1,396,499)</u> |
| Debt Capacity | \$ 32,620,365 | \$ 30,972,809 |
| Interest factor for \$1 of debt, 5.0%, 25 years | 0.070952457 | 0.070952457 |
| Additional Bond Capacity (25 Years at 5.5%) | <u>\$459,749,618</u> | <u>\$436,529,055</u> |

These bonds are paid through the City Sales Tax Revenue Bonds Debt Service Fund and the Parish Sales Tax Revenue Bonds Debt Service Fund. Sinking fund payments are made monthly with bond interest and/or principal payments due February 1 and August 1 of each year. As of December 31, 2015, the following issues are outstanding:

| <u>Bond Issue</u> | <u>Outstanding 12/31/2015</u> | <u>Primary Purpose of Issue</u> |
|---|-----------------------------------|--|
| City of Baton Rouge: | | |
| <u>Governmental type activities:</u> | | |
| \$30,395,000; Series 2007A | \$ 3,250,000 | Current and advance refunding parity bond issues |
| \$19,045,000; Series 2010B | 14,455,000 | Advance refunding parity bond issue |
| <u>Business type activities:</u> | | |
| \$ 2,100,000; Series 2005B | 1,490,000 | Provide capital improvement funds for airport projects |
| \$47,205,000; Series 2008A-2 | 44,750,000 | Provide and restructure prior District Indebtedness |
| \$ 9,505,000; Series 2008B | 5,295,000 | Provide and restructure prior District Indebtedness |
| \$ 6,000,000; Series 2010A (GO Zone) | <u>5,475,000</u> | Provide capital improvement funds for airport projects |
| Total | <u>\$74,715,000</u> | |
| Parish of East Baton Rouge: | | |
| <u>Governmental type activities:</u> | | |
| \$11,000,000; Series 2013A | \$ 9,860,000 | Provide funds for a Public Safety Complex |
| \$ 4,600,000; Series 2014A | <u>4,310,000</u> | Provide funds for a Public Safety Complex renovation |
| | <u>\$14,170,000</u> | |

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

9. ½% Road and Street Sales Tax Revenue Bonds

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

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

| | |
|--|---------------------|
| Anticipated revenues based on 2016 annual operating budget | <u>\$29,455,580</u> |
| Debt Capacity Before Outstanding Bonds (75%) | 22,091,685 |
| Less: Highest Annual Debt Service on Outstanding Bonds | <u>16,970,747</u> |
| Debt Capacity | \$ 5,120,938 |
| Interest factor for \$1 of debt, 5.00%, 15 years | 0.096342288 |
| Additional Bond Capacity (15 Years at 5.00%) | <u>\$53,153,585</u> |
| Sales Tax Revenues (Remaining 25%) | \$ 7,363,895 |
| Less: 2016 Subordinate Lien Debt | <u>5,751,006</u> |
| Balance Available for Capital Improvement Programs | <u>\$ 1,612,889</u> |

| <u>Bond Issue</u> | <u>Outstanding 12/31/2015</u> | <u>Primary Purpose of Issue</u> |
|--|-----------------------------------|--|
| Parish of East Baton Rouge: | | |
| Road and Street Sales Tax Revenue Bonds: | | |
| Senior Lien: | | |
| \$ 93,440,000; Series 2008A | \$ 93,440,000 | Road and Street Capital Improvements Program |
| \$110,000,000; Series 2009A | 28,340,000 | Road and Street Capital Improvements Program |
| \$ 59,430,000; Series 2015 | <u>59,430,000</u> | Advance refunding parity bond issue |
| Total | <u>\$181,210,000</u> | |
| Subordinate Lien: | | |
| \$ 33,585,000; Series 2012 LCDA | \$ 28,120,000 | Road and Street Capital Improvements Program |
| \$ 34,415,000; Series 2015 LCDA | <u>34,415,000</u> | Road and Street Capital Improvements Program |
| Total | <u>\$ 62,535,000</u> | |

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

10. East Baton Rouge Sewerage Commission Bonds

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

10. East Baton Rouge Sewerage Commission Bonds (Continued)

In the Fifth Amendatory Intergovernmental Agreement between the City of Baton Rouge, the Parish of East Baton Rouge, and the Greater Baton Rouge Consolidated Sewerage district, the Parish pledged the Sales Tax Revenues as security for and for the payment of debt service on the revenue bonds to be issued by the East Baton Rouge Sewerage Commission under the Agreement.

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

| | |
|--|----------------------|
| Anticipated revenues based on 2016 annual operating budget | \$ 45,413,000 |
| Debt Capacity Before Outstanding Senior Lien Bonds (75%) | 34,059,750 |
| Less: Sales Tax Collection Costs (based on 2016 budget) | (500,000) |
| Sales Tax Revenue Pledged for E.B.R. Sewerage Commission Revenue Bonds | \$ 33,559,750 |
| Budgeted 2016 Sewer User Fees and Other Revenues | 81,339,180 |
| Less: Operating and Maintenance Expense | (47,046,670) |
| Debt Capacity Before Outstanding Bonds | 67,852,260 |
| Highest Annual Debt Service on Outstanding Senior Lien Bonds (Net of Build America Bonds Direct Subsidy Payment) | (60,769,652) |
| Debt Capacity | \$ 7,082,608 |
| Interest factor for \$1 of debt, 4.5%, 35 year | 0.057270448 |
| Additional Senior Lien Bond Capacity (35 Years at 4.5%) | <u>\$123,669,506</u> |
| Sales Tax Revenues (Remaining 25%) | \$ 11,353,250 |
| 2016 Debt Service on Outstanding Subordinate Lien Debt (Net of Capitalized Interest) | <u>(10,567,225)</u> |
| Balance Available for Capital Improvement Programs | <u>\$ 786,025</u> |

| <u>Bond Issue</u> | <u>Outstanding 12/31/2015</u> | <u>Primary Purpose of Issue</u> |
|---|-----------------------------------|---------------------------------------|
| East Baton Rouge Sewerage Commission: | | |
| Senior Lien: | | |
| \$ 8,300,000; Series 2010 DEQ | 7,155,000 | Sewerage Capital Improvements Program |
| \$357,840,000; Series 2010B BABs | 353,125,000 | Sewerage Capital Improvements Program |
| \$202,500,000; Series 2011A (LIBOR Index) | 188,420,000 | Sewerage Capital Improvements Program |
| \$ 45,000,000; Series 2013A | 18,726,662 | Sewerage Capital Improvements Program |
| \$ 25,390,000; Series 2013B | 23,940,000 | Sewerage Capital Improvements Program |
| \$127,455,000; Series 2014A | 127,455,000 | Sewerage Capital Improvements Program |
| \$205,435,000; Series 2014B | 205,435,000 | Sewerage Capital Improvements Program |
| \$ 20,000,000; Series 2015A | 135,947 | |
| Total | <u>\$924,392,609</u> | |
| Subordinate Lien: | | |
| \$126,260,000; Series 2013A LCDA | 126,260,000 | Sewerage Capital Improvements Program |
| \$ 92,500,000; Series 2013B LCDA(LIBOR Index) | 92,500,000 | Sewerage Capital Improvements Program |
| \$209,785,000; Series 2014A LCDA | 209,785,000 | Sewerage Capital Improvements Program |
| | <u>\$428,545,000</u> | |

11. Derivative Instruments

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

As of December 31, 2015, the swap agreements can be summarized as follows:

| | <u>Changes in Fair Value</u> | | <u>Fair Value at December 31, 2015</u> | | |
|---|---|---------------|--|-----------------|-----------------|
| | <u>Classification</u> | <u>Amount</u> | <u>Classification</u> | <u>Amount</u> | <u>Notional</u> |
| <u>Governmental Activities:</u> | | | | | |
| Cash Flow Hedges: | | | | | |
| Pay-fixed; receive variable interest rate swaps | Deferred outflows on derivative instruments | \$ (538,956) | Non-current liability | \$ (20,123,838) | \$ 92,240,000 |
| | Amortization of off-market swap | (545,909) | | | |
| <u>Business-Type Activities:</u> | | | | | |
| Cash Flow Hedges: | | | | | |
| Pay-fixed; receive variable interest rate swaps | Deferred outflows on derivative instruments | 4,808,983 | Derivative instrument liability | (92,452,209) | 280,920,000 |
| | Amortization of off-market swap | (2,335,449) | Obligation Payable | (43,653,307) | |

Terms and Objectives of Hedging Derivative Instruments

| <u>Type</u> | <u>Notional</u> | <u>Objective</u> | <u>Effective Date</u> | <u>Maturity Date</u> | <u>Terms</u> | <u>Counterparty Credit Rating*</u> |
|--|-----------------|---|-----------------------|----------------------|---|------------------------------------|
| <u>Governmental Activities:</u> | | | | | | |
| Cash Flow Hedges: | | | | | | |
| Pay-fixed; receive variable interest rate swap | \$46,120,000 | to lower borrowing costs on the Rd & Str Series 2006 Bonds | 5/3/2006 | 8/1/2030 | Pay 4.072%; Receive 70% of 1 month USD-LIBOR | A1 / A / A+ |
| Pay-fixed; receive variable interest rate swap | 46,120,000 | to lower borrowing costs on the Rd & Str Series 2006 Bonds | 5/3/2006 | 8/1/2030 | Pay 4.072%; Receive 70% of 1-month USD-LIBOR | A1 / A / A+ |
| <u>Business-Type Activities:</u> | | | | | | |
| Cash Flow Hedge: | | | | | | |
| Pay-fixed; receive variable interest rate swap | 92,500,000 | to lower borrowing costs on the Series 2011A East Baton Rouge Sewerage Commission (LIBOR Index) Bonds | 8/1/2011 | 2/1/2046 | Pay 4.149%; Receive 70% of 1-month USD-LIBOR | A1 / A / A+ |
| Pay-fixed; receive variable interest rate swap | 92,500,000 | to protect against the potential of higher future interest rates in connection with anticipated issuance of bonds | 8/1/2013 | 2/1/2049 | Pay 4.525%; Receive 70% of 1-month USD-LIBOR | A3 / BBB+ / A- |
| Pay-fixed; receive variable interest rate swap | 95,920,000 | to lower borrowing costs on the Series 2011A East Baton Rouge Sewerage Commission (LIBOR Index) Bonds | 8/1/2011 | 2/1/2032 | Pay 4.945%; Receive 70% of 1-month USD-LIBOR | A3 / BBB+ / A- |

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

a. Governmental Activities

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

As a means to lower the Parish's borrowing costs, when compared against fixed-rate bonds at the time of issuance in May 2006, the Parish entered into two separate but substantially identical interest rate swaps with Citibank, N.A., New York (\$46,120,000 notional amount) and Merrill Lynch Capital Services, Inc. (\$46,120,000 notional amount) (collectively, the "Counterparties") in connection with its \$92,240,000 Variable Rate Road and Street Improvement Sales Tax Revenue Bonds, Series 2006B. The intention of the swap agreements was to effectively change the Parish's interest rate on the 2006B Bonds to a synthetic fixed rate of 4.072%, excluding liquidity, remarketing, and other fees associated with the Bonds. Under the terms of the swap agreements effective May 3, 2006, the Parish pays a fixed rate of 4.072% and the Swap Counterparties will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA. Financial Guaranty Insurance Company (FGIC) provided a municipal bond insurance policy for the Series 2006B Bonds. FGIC was downgraded by the rating agencies and, as a result, the variable interest rate on the Series 2006B Bonds increased significantly and was at a rate that was unacceptable to the Parish. To remedy the situation, the Parish decided to replace FGIC with a letter of credit. The only way to affect the change in the municipal bond insurer was to issue refunding bonds. On April 17, 2008, the Parish of East Baton Rouge issued \$93,440,000 Variable Rate Road and Street Improvement Sales Tax Revenue Refunding Bonds, Series 2008A to current refund the Parish's Road and Street Improvement Sales Tax Revenue Bonds, Series 2006B. The Swap Agreements entered into to hedge exposure to variable interest rates on the Series 2006B Bonds, remained in place and were amended to relate to the Series 2008A Bonds. GASB 53 guidance requires that this transaction be treated and reported as a termination of the original swaps and the execution of new swaps. The new swaps are considered off-market swaps because the fixed rate of each swap is higher than the at-the-market rate for a similar swap on the date of the deemed termination. The off-market swaps consist of an imputed at-the-market swap with Citibank at a fixed rate of 3.325%, an imputed at-the-market swap with Merrill Lynch at a fixed rate of 3.253% and above-market swaps with each counterparty. The above-market swaps are treated as imputed borrowings and accrue interest over the life of the swaps. The imputed borrowing amount for each swap is equal to the fair value of the swap on the date of the deemed termination of the original swap. The remaining balance of the Series 2008A Bonds, specifically \$1,200,000 will not be hedged by the Swap Agreements. The bonds and the related swap agreements mature on August 1, 2030. Settlement payments on these swaps are made semiannually corresponding with the interest payment dates of the related bonds. As of December 31, 2015, the swaps had a combined negative fair value of \$20,123,838. This mark-to-market valuation was established by market quotations obtained by the Counterparties and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2015, the Parish determined that these swaps successfully meet the criteria for effectiveness. Accordingly, the fair value of the swaps are recorded as non-current liability and the change in fair value is recorded as deferred outflows on derivative instruments and a reduction in the off-market swap recorded as a non-current liability, both on the entity-wide Statement of Net Position.

As of December 31, 2015, the Parish was not exposed to credit risk on the swaps because the swaps had negative fair value. However, should interest rates change and the fair values of the swaps become positive, the Parish would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreements require collateral to be posted in varying amounts depending on the counterparties credit rating. No collateral has been required to date.

The Parish will receive from the counterparties 70% of one-month USD-LIBOR-BBA and will pay the bond rate to its bondholders set by the remarketing agent. The Parish is exposed to basis risk when its Series 2008A Bonds trade at a yield which exceeds 70% of one-month USD-LIBOR-BBA. At December 31, 2015, the variable rate on the bonds was 0.02% and 70% of one-month USD-LIBOR-BBA was 0.30%. When the Series 2008A Bonds trade higher than 70% of one-month USD-LIBOR-BBA, the Parish will experience an increase in debt service above the fixed rate on the swap agreements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

a. Governmental Activities (Continued)

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

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

Using interest rates as of December 31, 2015, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

| Year Ending December 31 | Variable-Rate Bonds | | Citibank Interest Rate Swap, Net** | Merrill Lynch Interest Rate Swap, Net*** | Total |
|----------------------------|---------------------|------------------|--|--|----------------------|
| | Principal | Interest* | | | |
| 2016 | \$ 4,565,000 | \$ 18,356 | \$ 1,366,117 | \$ 1,333,584 | \$ 7,283,057 |
| 2017 | 4,790,000 | 17,373 | 1,297,264 | 1,266,379 | 7,371,016 |
| 2018 | 4,990,000 | 16,399 | 1,224,786 | 1,195,627 | 7,426,812 |
| 2019 | 5,200,000 | 15,383 | 1,149,221 | 1,121,860 | 7,486,464 |
| 2020 | 5,445,000 | 14,363 | 1,069,959 | 1,044,479 | 7,573,801 |
| 2021 - 2025 | 30,690,000 | 54,140 | 4,046,281 | 3,949,944 | 38,740,365 |
| 2026 - 2030 | <u>37,760,000</u> | <u>20,122</u> | <u>1,506,197</u> | <u>1,470,338</u> | <u>40,756,657</u> |
| Total | <u>\$93,440,000</u> | <u>\$156,136</u> | <u>\$11,659,825</u> | <u>\$11,382,211</u> | <u>\$116,638,172</u> |

* Computed using 12/31/15 variable rate (0.02%)

** Computed using (imputed fixed swap rate (3.325%) - 70% of 12/31/15 LIBOR (0.30%)) x (\$46,120,000 - annual reduction)

*** Computed using (imputed fixed swap rate (3.253%) - 70% of 12/31/15 LIBOR (0.30%)) x (\$46,120,000 - annual reduction)

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

| Fiscal Year Ending December 31 | Imputed borrowing Citibank | | Imputed borrowing Merrill Lynch | | Total |
|-----------------------------------|-------------------------------|------------------|------------------------------------|------------------|--------------------|
| | Principal | Interest | Principal | Interest | |
| 2016 | \$ 286,004 | \$ 58,512 | \$ 276,579 | \$101,144 | \$ 722,239 |
| 2017 | 275,629 | 52,136 | 268,786 | 90,572 | 687,123 |
| 2018 | 264,173 | 46,000 | 259,758 | 80,310 | 650,241 |
| 2019 | 251,708 | 40,126 | 249,555 | 70,409 | 611,798 |
| 2020 | 238,172 | 34,540 | 238,085 | 60,911 | 571,708 |
| 2021 - 2025 | 945,920 | 100,722 | 967,563 | 179,960 | 2,194,165 |
| 2026 - 2030 | <u>410,460</u> | <u>19,714</u> | <u>435,610</u> | <u>36,031</u> | <u>901,815</u> |
| | <u>\$2,672,066</u> | <u>\$351,750</u> | <u>\$2,695,936</u> | <u>\$619,337</u> | <u>\$6,339,089</u> |

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities

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

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

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

As of December 31, 2015, the swap had a negative fair value of \$29,399,039. This mark-to-market valuation was established by market quotations obtained by the counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2015, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. The change in fair value is recorded as deferred outflows on derivative instruments on the Statement of Net Position for the Comprehensive Sewerage System Fund. The fair value of the swap is reported as derivative instrument liability and obligation payable on the Statement of Net Position for the Comprehensive Sewerage System.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

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

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

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

As of December 31, 2015, this swap had a negative fair value of \$45,028,223. This mark to market valuation was established by market quotations obtained by the counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2015, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. Accordingly, the Comprehensive Sewerage System Fund reports the change in fair value as deferred outflows on derivative instruments on the Statement of Net Position. The fair value of the swap is reported as derivative instrument liability on the Statement of Net Position for the Comprehensive Sewerage System.

As of December 31, 2015, the Sewerage Commission was not exposed to credit risk on these swaps because the swaps each had negative fair value. However, should interest rates change and the fair value of the swaps become positive, the Sewerage Commission would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreements require collateral to be posted in varying amounts depending on the counterparties credit rating. At December 31, 2015, collateral of \$25,000,000 was posted with Bank of America Merrill Lynch.

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

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

Using interest rates as of December 31, 2015, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

| Year Ending December 31 | Variable-Rate Bonds | | Deutsche Interest Rate Swap, Net** | Bank of America Interest Rate Swap, Net*** | Total |
|----------------------------|----------------------|---------------------|--|--|----------------------|
| | Principal | Interest* | | | |
| 2016 | \$ 3,915,000 | \$ 1,476,683 | \$ 1,920,257 | \$ 3,558,775 | \$ 10,870,715 |
| 2017 | 4,085,000 | 1,440,224 | 1,840,312 | 3,559,538 | 10,925,074 |
| 2018 | 4,265,000 | 1,406,366 | 1,756,086 | 3,559,538 | 10,986,990 |
| 2019 | 4,450,000 | 1,371,036 | 1,668,169 | 3,559,538 | 11,048,743 |
| 2020 | 4,645,000 | 1,337,807 | 1,575,811 | 3,558,775 | 11,117,393 |
| 2021 - 2025 | 26,475,000 | 6,061,598 | 6,358,234 | 17,796,926 | 56,691,758 |
| 2026 - 2030 | 32,840,000 | 4,862,863 | 3,437,035 | 18,436,563 | 59,576,461 |
| 2031 - 2035 | 15,245,000 | 3,759,237 | 391,870 | 20,995,113 | 40,391,220 |
| 2036 - 2040 | 37,010,000 | 2,852,175 | -- | 16,976,520 | 56,838,695 |
| 2044 - 2045 | 45,280,000 | 1,188,407 | -- | 7,678,681 | 54,147,088 |
| 2046 | <u>10,210,000</u> | <u>6,909</u> | <u>--</u> | <u>244,439</u> | <u>10,461,348</u> |
| Total | <u>\$188,420,000</u> | <u>\$25,763,305</u> | <u>\$18,947,774</u> | <u>\$99,924,406</u> | <u>\$333,055,485</u> |

* Computed using (70% of 12/31/15 LIBOR (0.30%) + fixed spread of 0.50%)

** Computed using (imputed fixed swap rate (2.332%) - 70% of 12/31/15 LIBOR (0.30%)) x (\$110,000,000 - annual reduction)

*** Computed using (fixed swap rate (4.149%) - 70% of 12/31/15 LIBOR (0.30%)) x (\$92,500,000 - annual reduction)

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

| Fiscal Year Ending December 31 | Imputed borrowing Deutsche Bank | | |
|-----------------------------------|------------------------------------|--------------------|---------------------|
| | Principal | Interest | Total |
| 2016 | \$ 1,989,127 | \$ 466,113 | \$ 2,455,240 |
| 2017 | 1,930,001 | 420,719 | 2,350,720 |
| 2018 | 1,864,909 | 376,717 | 2,241,626 |
| 2019 | 1,793,518 | 334,247 | 2,127,765 |
| 2020 | 1,715,484 | 293,456 | 2,008,940 |
| 2021 - 2025 | 7,145,985 | 925,507 | 8,071,492 |
| 2026 - 2030 | 3,952,981 | 257,867 | 4,210,848 |
| 2031 - 2032 | <u>394,611</u> | <u>7,989</u> | <u>402,600</u> |
| | <u>\$20,786,616</u> | <u>\$3,082,615</u> | <u>\$23,869,231</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

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

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

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

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

As of December 31, 2015, the swap had a negative fair value of \$61,678,254. This mark-to-market valuation was established by market quotations obtained by the Counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2015, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. The change in fair value is recorded as deferred outflows on derivative instruments on the Statement of Net Position for the Comprehensive Sewerage System Fund. The fair value of the swap is reported as derivative instrument liability and obligation payable on the Statement of Net Position for the Comprehensive Sewerage System Fund.

As of December 31, 2015, the Commission was not exposed to credit risk on the swap because the swap had negative fair value. However, should interest rates change and the fair value of the swap become positive, the Commission would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreement requires collateral to be posted in varying amounts depending on the counterparties credit rating. At December 31, 2015, collateral of \$45,000,000 was posted with Deutsche Bank.

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

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

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

Using interest rates as of December 31, 2015, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

| <u>Year Ending</u> <u>December 31</u> | <u>Variable-Rate Bonds</u> | | <u>Deutsche</u> <u>Interest Rate</u> | <u>Total</u> |
|--|----------------------------|---------------------|---|----------------------|
| | <u>Principal</u> | <u>Interest*</u> | <u>Swap, Net**</u> | |
| 2016 | \$ -- | \$ 921,975 | \$ 2,489,475 | \$ 3,411,450 |
| 2017 | -- | 921,975 | 2,490,238 | 3,412,213 |
| 2018 | -- | 921,975 | 2,490,238 | 3,412,213 |
| 2019 | -- | 921,975 | 2,490,238 | 3,412,213 |
| 2020 | -- | 924,501 | 2,489,475 | 3,413,976 |
| 2021 - 2025 | -- | 4,612,402 | 12,450,426 | 17,062,828 |
| 2026 - 2030 | -- | 4,612,402 | 12,450,426 | 17,062,828 |
| 2031 - 2035 | -- | 4,612,402 | 13,373,267 | 17,985,669 |
| 2036 - 2040 | -- | 4,614,928 | 14,756,767 | 19,371,695 |
| 2041 - 2045 | -- | 4,612,402 | 14,757,530 | 19,369,932 |
| 2046 - 2049 | <u>92,500,000</u> | <u>1,511,278</u> | <u>6,176,576</u> | <u>100,187,854</u> |
| Total | <u>\$92,500,000</u> | <u>\$29,188,215</u> | <u>\$86,414,656</u> | <u>\$208,102,871</u> |

* Computed using (70% of 12/31/15 LIBOR (0.30%) + fixed spread of 0.70%)

** Computed using (imputed fixed swap rate (2.993%) - 70% of 12/31/15 LIBOR (0.30%)) x (\$92,500,000 - annual reduction)

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

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

| Fiscal Year Ending December 31 | Imputed borrowing Deutsche Bank | | |
|-----------------------------------|------------------------------------|---------------------|---------------------|
| | Principal | Interest | Total |
| 2016 | \$ 307,268 | \$ 1,109,832 | \$ 1,417,100 |
| 2017 | 322,412 | 1,094,688 | 1,417,100 |
| 2018 | 338,305 | 1,078,795 | 1,417,100 |
| 2019 | 354,979 | 1,062,121 | 1,417,100 |
| 2020 | 372,476 | 1,044,624 | 1,417,100 |
| 2021 - 2025 | 2,156,547 | 4,928,953 | 7,085,500 |
| 2026 - 2030 | 2,743,058 | 4,342,442 | 7,085,500 |
| 2031 - 2035 | 3,489,082 | 3,596,418 | 7,085,500 |
| 2036 - 2040 | 4,438,003 | 2,647,497 | 7,085,500 |
| 2041 - 2045 | 5,645,001 | 1,440,499 | 7,085,500 |
| 2046 - 2049 | <u>2,699,560</u> | <u>210,472</u> | <u>2,910,032</u> |
| | <u>\$22,866,691</u> | <u>\$22,556,341</u> | <u>\$45,423,032</u> |

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

12. Obligations of Intragovernmental Agencies

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

Greater Baton Rouge Airport District - 2001 Passenger Facility Charge Obligation

The Greater Baton Rouge Airport District is obligated under an Amended Intergovernmental Contract dated August 1, 2001, and the restated Passenger Facility Charge (PFC) Note of \$3,840,000 to make semi-annual payments to the City General Fund through August 2021. Total principal paid on the restated note, prior to 2015 was \$1,332,500. In 2015, a principal payment of \$334,167 reduced the obligation payable to \$2,173,333. Scheduled maturities and interest are as follows:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Obligations of Intragovernmental Agencies (Continued)

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

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------|--------------------|------------------|--------------------|
| 2016 | \$ 348,333 | \$ 78,800 | \$ 427,133 |
| 2017 | 366,250 | 67,600 | 433,850 |
| 2018 | 383,333 | 54,000 | 437,333 |
| 2019 | 401,250 | 38,667 | 439,917 |
| 2020 | 420,417 | 22,617 | 443,034 |
| 2021 and after | <u>253,750</u> | <u>7,612</u> | <u>261,362</u> |
| Total | <u>\$2,173,333</u> | <u>\$269,296</u> | <u>\$2,442,629</u> |

13. Louisiana Community Development Authority Loans (LCDA)

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

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

a. 1999 Program:

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

In 2011, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Lighthouse for the Blind, in order to purchase property for a paper cup manufacturing and training facility. A total of \$1,500,000 has been loaned to the Parish at December 31, 2015. A total of \$1,000,001 has been repaid, leaving an outstanding debt balance of \$499,999. Future debt service is budgeted over a 3 year period at 1.51%. This loan is serviced by the Excess Revenue and Limited Tax Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. The Lighthouse for the Blind is reimbursing the City for a portion of these debt payments.

In 2012, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Baton Rouge River Center, in order to provide funding for the construction of the River Center Expansion Project. A total of \$6,279,481 has been loaned to the Parish at December 31, 2015. A total of \$3,492,500 has been repaid, leaving an outstanding debt balance of \$2,786,981. Future debt service is budgeted over a 3 year period at 1.51%. This loan is serviced and recorded in the Baton Rouge River Center Nonmajor Enterprise Fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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

1. City and the Parish LCDA loans (Continued)

a. 1999 Program (Continued):

In 2012, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Baton Rouge River Center, in order to provide funding for the Riverfront Master Plan Project. A total of \$922,179 has been loaned to the Parish at December 31, 2015. A total of \$497,500 has been repaid, leaving an outstanding debt balance of \$424,679. Future debt service is budgeted over a 3 year period at 1.51%. This loan is serviced and recorded in the Baton Rouge River Center Nonmajor Enterprise Fund.

b. 2000A Program:

In 2008, the City borrowed additional funds on the 2000A LCDA program to provide funds to Visit Baton Rouge, in order to finance the costs of renovating, equipping and improving the new headquarters building. A total of \$750,000 has been loaned to the City at December 31, 2015. A total of \$174,000 has been repaid, leaving an outstanding debt balance of \$576,000. Future debt service is budgeted over a 14 year period at 1.71%. This loan is serviced by the Excess Revenue and Limited Tax Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. Visit Baton Rouge is reimbursing the City for these debt payments.

In 2012, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Pride Fire Protection District, in order to purchase a fire truck and related equipment. A total of \$264,713 has been loaned to the Parish at December 31, 2015. A total of \$35,000 has been repaid, leaving an outstanding debt balance of \$229,713. Future debt service is budgeted over a 14 year period at 1.71%. This loan is serviced by the Pride Fire Protection District Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position.

2. In 2012, LCDA issued \$33,585,000 Revenue Bonds (Parish of East Baton Rouge Road Improvements Project). The proceeds of the bonds were loaned by LCDA to the Parish of East Baton Rouge pursuant to a Loan Agreement, to finance the construction of new public roads and streets and/or the widening of existing public roads and streets within the Parish. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of seventy percent (70%) of the net proceeds of the ½% Road and Street Sales Tax. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish. This loan is serviced by the LCDA Road and Street Improvement Project Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. As of December 31, 2015, \$5,465,000 has been repaid, leaving an outstanding debt balance of \$28,120,000.
3. In 2013, LCDA issued \$126,260,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2013A. The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage Commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund capitalized interest on the bonds and a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. This loan is serviced and recorded in the Comprehensive Sewerage System Fund. As of December 31, 2015, the outstanding debt balance is \$126,260,000.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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

4. In 2013, LCDA issued \$92,500,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2013B (LIBOR Index). The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage Commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. This loan is serviced and recorded in the Comprehensive Sewerage System Fund. As of December 31, 2015, the outstanding debt balance is \$92,500,000.
5. In 2014, LCDA issued \$209,785,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2014A. The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage Commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. This loan is serviced and recorded in the Comprehensive Sewerage System Fund. As of December 31, 2015, the outstanding debt balance is \$209,785,000.
6. In 2015, LCDA issued \$34,415,000 Revenue Bonds (Parish of East Baton Rouge Road Improvements Project), Series 2015. The proceeds of the bonds were loaned by LCDA to the Parish of East Baton Rouge pursuant to a Loan Agreement, to finance the construction of new public roads and streets and/or the widening of existing public roads and streets within the Parish. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of seventy percent (70%) of the net proceeds of the ½% Road and Street Sales Tax. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish. This loan is serviced by the LCDA Road and Street Improvement Project Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. As of December 31, 2015, the outstanding debt balance is \$34,415,000.

14. Build America Bonds

On May 27, 2010, the East Baton Rouge Sewerage Commission issued Series 2010B (Taxable Direct Pay Build America) Bonds in the amount of \$357,840,000 as a combination of serial and term bonds that mature on February 1 of each year beginning 2015, through 2045, with interest from 2.973 - 6.087 percent. The Commission has elected to treat the Series 2010B Bonds as "Build America Bonds" and has further elected to receive cash subsidy payments from the United States Department of the Treasury. The Commission expects to receive cash subsidy payments directly from the U.S. Department of the Treasury in an amount equal to thirty-five percent (35%) of the interest paid on the Series 2010B Bonds. Federal Subsidy on debt of \$6,789,055 is recognized in 2015, on the Statement of Revenues, Expenses, and Changes in Fund Net Position for the Sewerage Commission.

Due to Federal Government sequestration in March 2013, the Office of Management and Budget reduced the federal subsidy on certain qualified bonds including Build America Bonds. Refund payments processed after October 1, 2014, were reduced by 7.3%, and refund payments after October 1, 2015, were reduced by 6.8%. The sequestration reduction rate is subject to change. The current sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

15. Governmental Funds Taxable Bonds

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

On May 17, 2002, the City of Baton Rouge issued variable rate taxable bonds in the amount of \$25,900,000, to refund one-third of the MPERS Note and to retire \$1,840,463 of an outstanding legal judgment attributable to the City-Parish Employees Retirement System (CPERS). These variable-rate bonds were converted to a fixed rate in accordance with provisions provided in the original issue on March 6, 2003. The fixed-rate bonds were payable at a true interest cost of 5.65% over a 27 year period with final maturity on January 15, 2029. The debt service was funded in the Taxable Refunding Bonds Debt Service Fund budget via transfers from the General Fund.

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

Prior-Year Refunding-Governmental Activities:

On April 4, 2012, the City of Baton Rouge issued \$58,075,000 Taxable Refunding Bonds, Series 2012 for the purpose of advance refunding the Series 2002A and Series 2002B Taxable Bonds maturing January 15, 2018 through 2029 and paying the costs of issuance. The Bonds were issued as a combination of serial and term bonds that mature on July 15, 2012, and January 15 of each year beginning 2013 through 2029 with interest from 0.42 - 4.57 percent. As a result of the refunding, the City-Parish recognized a deferred loss on refunding of \$4,711,175 on the entity-wide financial statements. As of December 31, 2015, \$1,599,503 of the Deferred amount on refunding was amortized (\$436,723 in 2015 and \$1,162,780 in prior years), resulting in a deferred amount on refunding of \$3,111,672 on the entity-wide statement of net position for governmental activities as of December 31, 2015.

16. Prior Year Refundings - Advance Refundings

On August 17, 2006, the Parish of East Baton Rouge issued \$154,915,000 of Revenue Refunding Bonds (East Baton Rouge Sewerage Commission) Series 2006A to provide sufficient funds to advance refund a portion of certain Outstanding Parity Bonds. During 2014, the Parish defeased the maturities from February 1, 2015, through February 1, 2016, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2015, \$5,110,000 of Sewerage Commission Series 2006A Bonds Outstanding are considered defeased.

On May 14, 2009, the Parish of East Baton Rouge issued \$164,965,000 of Revenue Bonds (East Baton Rouge Sewerage Commission) Series 2009A to provide sufficient funds to finance a portion of the cost of upgrading, rehabilitating, extending and improving the sewer system. During 2014, the Parish defeased the maturities from February 1, 2016, through February 1, 2019, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2015, \$9,895,000 of Sewerage Commission Series 2009A Bonds Outstanding are considered defeased.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

16. Prior Year Refundings - Advance Refundings (Continued)

On February 12, 2009, the Parish of East Baton Rouge issued \$110,000,000 of Road and Street Improvement Sales Tax Revenue Bonds, Series 2009A to provide sufficient funds to finance the costs of widening existing public roads and streets, and/or the construction of new public roads and streets. During 2015, the Parish defeased the maturities from August 1, 2022, through August 1, 2030, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the new escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2015, \$59,665,000 of Road and Street Series 2009A Bonds Outstanding are considered defeased.

17. Refunding of Road and Street 2009A Sales Tax Revenue Bonds

On April 9, 2015, the Parish of East Baton Rouge issued \$59,430,000 Road and Street Public Improvement Sales Tax Revenue Refunding Bonds, Series 2015 to advance refund a portion of the Parish's \$110 million Series 2009A Sales Tax Revenue Bonds (original true interest cost 4.83%; principal refunded - \$59,695,000). The Bonds will mature on August 1 of each year beginning 2022 through 2030 with interest at 5.00 percent.

Sources and uses of the refunding issue are summarized as follows:

| | <u>Series 2015 Refunding</u> |
|--|----------------------------------|
| <u>Sources:</u> | |
| Principal proceeds | \$ 59,430,000 |
| Premium | <u>11,216,095</u> |
| | <u>\$ 70,646,095</u> |
| <u>Uses:</u> | |
| Deposit with escrow agent | \$ 69,984,229 |
| Issuance costs | <u>661,866</u> |
| | <u>\$ 70,646,095</u> |
| <u>Cash Flow Difference:</u> | |
| Old debt service cash flows | \$ 96,929,553 |
| Less: New debt service cash flows | <u>(94,091,717)</u> |
| Cash Flow Difference | <u>\$ 2,837,836</u> |
| <u>Economic Gain on Refunding:</u> | |
| Present value of old debt service cash flows | \$ 73,680,037 |
| Less: Present value of new debt service cash flows | <u>(71,303,781)</u> |
| Economic gain | <u>\$ 2,376,256</u> |

As a result of the refunding, the City-Parish recognized a deferred loss on refunding of \$9,934,708. As of December 31, 2015, \$176,647 of the deferred amount on refunding was amortized, resulting in a net deferred amount on refunding of \$9,758,061 on the entity-wide statement of net position for governmental activities as of December 31, 2015.

18. Bonds of Other Governmental Units

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

18. Bonds of Other Governmental Units (Continued)

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

19. Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of the Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of Treasury for City-Parish issues at December 31, 2015.

20. Conduit Debt Obligations

The Parish and Parish Special Districts have issued industrial development revenue bonds and industrial pollution control revenue bonds. These bonds are limited obligations of the Parish or District payable from revenues of the projects. The bonds are not a charge upon other income of the Parish or District, nor are they a charge against the credit or taxing power of the District, the Parish of East Baton Rouge, or the City of Baton Rouge. As of December 31, 2015, there were five conduit bond obligations outstanding, with an aggregate principal amount payable of approximately \$600,000,000.

21. Lease Commitments

City-Parish current operating leases are primarily rental agreements for land or office space. The City-Parish does not have any operating leases with scheduled rent increases. Operating lease payments during 2015 totaled \$357,049. Total future minimum rental payments of \$66,360 are due in 2016.

b. Component Units Long-Term Debt

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

| | Balance Beginning of Year | Additions | Reductions | Balance End of Year | Due within one year |
|--|---------------------------------|-------------|------------|---------------------------|------------------------|
| <u>District Attorney of the Nineteenth Judicial District</u> | | | | | |
| Net other postemployment benefit obligation \$ | 6,897,123 | \$1,413,750 | \$ 468,454 | \$ 7,842,419 | \$ -- |
| Net pension liability | 9,428,855 | 1,934,399 | 1,004,300 | 10,358,954 | -- |
| Total | 16,325,978 | 3,348,149 | 1,472,754 | 18,201,373 | -- |
| <u>Nineteenth Judicial District Court</u> | | | | | |
| Compensated absences payable | 697,155 | 11,422 | -- | 708,577 | 61,434 |
| Net other postemployment benefit obligation | 6,422,003 | 1,382,813 | 409,993 | 7,394,823 | -- |
| Net pension liability | 13,707,015 | 187,627 | 1,296,464 | 12,598,178 | -- |
| Total | 20,826,173 | 1,581,862 | 1,706,457 | 20,701,578 | 61,434 |
| <u>Nineteenth Judicial District Court Building Commission</u> | | | | | |
| Bonds and notes payable | 91,800,000 | -- | 1,615,000 | 90,185,000 | 1,695,000 |
| Deferred premium on bonds | 2,223,185 | -- | 82,596 | 2,140,589 | 82,595 |
| Total | 94,023,185 | -- | 1,697,596 | 92,325,589 | 1,777,595 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

b. Component Units Long-Term Debt (Continued)

| | Balance Beginning of Year | Additions | Reductions | Balance End of Year | Due within one year |
|---|---------------------------------|---------------------|--------------------|---------------------------|------------------------|
| <u>E.B.R. Parish Family Court</u> | | | | | |
| Compensated absences payable | \$ 131,638 | \$ 6,280 | \$ -- | \$ 137,918 | \$ 10,000 |
| Net other postemployment benefit obligation | 1,063,259 | 233,232 | 77,283 | 1,219,208 | -- |
| Net pension liability | <u>1,801,247</u> | <u>126,907</u> | <u>142,900</u> | <u>1,785,254</u> | <u>--</u> |
| Total | <u>2,996,144</u> | <u>366,419</u> | <u>220,183</u> | <u>3,142,380</u> | <u>10,000</u> |
| <u>E.B.R. Parish Juvenile Court</u> | | | | | |
| Compensated absences payable | 175,389 | -- | 10,468 | 164,921 | -- |
| Net other postemployment benefit obligation | 1,964,573 | 314,375 | 104,170 | 2,174,778 | -- |
| Net pension liability | <u>1,566,072</u> | <u>501,704</u> | <u>147,290</u> | <u>1,920,486</u> | <u>--</u> |
| Total | <u>3,706,034</u> | <u>816,079</u> | <u>261,928</u> | <u>4,260,185</u> | <u>--</u> |
| <u>E.B.R. Parish Clerk of Court</u> | | | | | |
| Compensated absences payable | 779,270 | -- | 12,578 | 766,692 | -- |
| Net other postemployment benefit obligation | 3,475,196 | 1,049,923 | 722,689 | 3,802,430 | -- |
| Net pension liability | <u>10,972,771</u> | <u>1,095,929</u> | <u>1,319,723</u> | <u>10,748,977</u> | <u>--</u> |
| Total | <u>15,227,237</u> | <u>2,145,852</u> | <u>2,054,990</u> | <u>15,318,099</u> | <u>--</u> |
| <u>Capital Area Transit System</u> | | | | | |
| Bonds and notes payable | 300,000 | -- | 100,000 | 200,000 | 100,000 |
| Compensated absences payable | 623,683 | -- | 13,373 | 610,310 | 244,124 |
| Net pension liability | 562,707 | 1,125,181 | 659,045 | 1,028,843 | -- |
| Obligation under capital leases | 1,569,641 | -- | 765,739 | 803,902 | 803,902 |
| Claims and judgements payable | <u>1,731,947</u> | <u>1,193,126</u> | <u>945,670</u> | <u>1,979,403</u> | <u>614,241</u> |
| Total | <u>4,787,978</u> | <u>2,318,307</u> | <u>2,483,827</u> | <u>4,622,458</u> | <u>1,762,267</u> |
| Total component units long-term debt | <u>\$157,892,729</u> | <u>\$10,576,668</u> | <u>\$9,897,735</u> | <u>\$158,571,662</u> | <u>\$3,611,296</u> |

NOTE 11 - Interfund and Intergovernmental Receivables and Payables

a. Balances due to/from other funds at December 31, 2015, consist of the following:

| | Due From Other Funds | Due To Other Funds |
|---|-------------------------|-----------------------|
| <u>Temporary cash advances at December 31, 2015:</u> | | |
| General Fund | \$ 8,053,950 | \$ -- |
| Nonmajor governmental funds | <u>--</u> | <u>8,053,950</u> |
| Total temporary cash advances | <u>8,053,950</u> | <u>8,053,950</u> |
| <u>Other funds funding long-term improvements in the Capital Projects Fund:</u> | | |
| General Fund | 1,418,884 | -- |
| Library board of control major fund | -- | 27,796,921 |
| Capital Projects Fund | 37,818,068 | -- |
| Nonmajor governmental funds | -- | 10,021,147 |
| Greater Baton Rouge Airport District | <u>--</u> | <u>1,418,884</u> |
| Total receivable/payables to capital projects fund | <u>39,236,952</u> | <u>39,236,952</u> |
| Total Balance Sheet - Governmental Funds | <u>\$47,290,902</u> | <u>\$47,290,902</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

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

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

| | <u>Federal</u> | <u>State</u> | <u>School Board</u> | <u>Sheriff</u> | <u>Other</u> | <u>Total</u> |
|---|--------------------|--------------------|---------------------|---------------------|-----------------|---------------------|
| <u>Governmental Activities:</u> | | | | | | |
| General Fund | \$ -- | \$ 438,308 | \$147,788 | \$20,313,166 | \$62,203 | \$20,961,465 |
| Library Board of Control | -- | -- | -- | 31,408,708 | -- | 31,408,708 |
| Grants Fund | 3,672,694 | 2,510,317 | -- | 1,749 | 18,000 | 6,202,760 |
| Capital Projects Fund | 211,841 | 1,616,532 | -- | -- | -- | 1,828,373 |
| Nonmajor governmental funds | -- | 217,352 | -- | 22,874,807 | -- | 23,092,159 |
| Adjustments to full accrual basis of accounting | 790,239 | -- | -- | 49,860 | -- | 840,099 |
| <u>Business-type Activities:</u> | | | | | | |
| Greater Baton Rouge Airport District | 630,161 | 1,426,150 | -- | -- | -- | 2,056,311 |
| Comprehensive Sewerage System Fund | -- | 119,484 | -- | -- | -- | 119,484 |
| Solid Waste Collection and Disposal | -- | -- | -- | 900 | -- | 900 |
| Nonmajor enterprise funds | -- | 641,183 | -- | -- | -- | 641,183 |
| Totals | <u>\$5,304,935</u> | <u>\$6,969,326</u> | <u>\$147,788</u> | <u>\$74,649,190</u> | <u>\$80,203</u> | <u>\$87,151,442</u> |

NOTE 12 - Interfund Transfers

- a. Interfund transfers for the year ended December 31, 2015 were as follows:**

| | <u>Transfers Out</u> | | | | | <u>Total</u> |
|-------------------------------------|----------------------|---------------------------------|------------------------------|------------------------------------|--|---------------------|
| | <u>General Fund</u> | <u>Library Board of Control</u> | <u>Capital Projects Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Solid Waste Collection and Disposal</u> | |
| <u>Transfers In:</u> | | | | | | |
| <u>Governmental Activities:</u> | | | | | | |
| General Fund | \$ -- | \$ -- | \$ -- | \$ 90,000 | \$2,565,470 | \$ 2,655,470 |
| Grants Fund | 1,122,775 | -- | -- | -- | -- | 1,122,775 |
| Capital Projects Fund | 11,854,026 | 31,000 | -- | 4,705,000 | -- | 16,590,026 |
| Nonmajor governmental funds | 5,078,759 | -- | -- | 918,700 | -- | 5,997,459 |
| <u>Business-type Activities:</u> | | | | | | |
| Solid Waste Collection and Disposal | 60,982 | -- | -- | -- | -- | 60,982 |
| Nonmajor enterprise funds | <u>1,791,930</u> | <u>--</u> | <u>26,521</u> | <u>--</u> | <u>--</u> | <u>1,818,451</u> |
| Totals | <u>\$19,908,472</u> | <u>\$31,000</u> | <u>\$26,521</u> | <u>\$5,713,700</u> | <u>\$2,565,470</u> | <u>\$28,245,163</u> |

- The capital projects major fund was subsidized \$16,590,026 during 2015 toward non-recurring capital improvements from the General Fund, Library Board of Control and non-major governmental funds.
- The General Fund subsidized the normal operations of non-major governmental funds in the amount of \$238,120 in 2015.
- The General Fund subsidized the Baton Rouge River Center (non-major enterprise convention center) \$1,791,930 in 2015.
- The General Fund also transferred \$4,840,639 to service debt to non-major governmental funds in 2015. An amount of \$2,565,470 was transferred back to the general fund by the Solid Waste Collection and Disposal Enterprise Fund in 2015 for general government issued debt for the landfill.
- During 2015, \$1,122,775 was transferred to the Grants Fund from the General Fund including \$1,047,775 for local match and operations for grant programs and \$75,000 for capital and other improvements needed for the relocation of the Office of Community Development.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 12 - Interfund Transfers (Continued)

- b. The following exchange of funds between the Primary Government and its discretely presented component units during 2015 are classified as external transactions on the Government-wide Statement of Activities:

| | Operating Exchanges (To)/From Primary Government | Operating Exchanges (To)/From Component Units |
|--|--|---|
| <u>Primary Government:</u> | | |
| General Fund (operating subsidies) | \$ -- | \$(16,005,755) |
| Nonmajor Special Revenue Fund: | | |
| Parish Transportation Fund (to Capital Area Transit-operating subsidy) | -- | (550,000) |
| <u>Component Units:</u> | | |
| District Attorney of the Nineteenth Judicial District | 6,209,328 | -- |
| Nineteenth Judicial District Court | 6,783,254 | -- |
| E.B.R. Parish Family Court | 1,022,510 | -- |
| E.B.R. Parish Juvenile Court | 1,360,780 | -- |
| E.B.R. Parish Clerk of Court | 629,883 | -- |
| Capital Area Transit System | <u>550,000</u> | <u>--</u> |
| Total | <u>\$16,555,755</u> | <u>\$(16,555,755)</u> |

NOTE 13 - Other Receivables

Receivables as of year-end for the government's individual major funds, and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | General Fund | Library Board of Control Fund | Grants Fund | Capital Projects Fund | Nonmajor Governmental Funds | Internal Service Funds | Total |
|------------------------------------|---------------------|--|----------------|-----------------------------|-----------------------------------|------------------------------|---------------------|
| Governmental Activities: | | | | | | | |
| <u>Receivables:</u> | | | | | | | |
| Property taxes | \$ 6,633,273 | \$9,452,686 | \$ -- | \$ -- | \$ 7,642,987 | \$ -- | \$23,728,946 |
| Gross receipts business taxes | 4,106,161 | -- | -- | -- | -- | -- | 4,106,161 |
| Sales taxes | 17,539,310 | -- | -- | 2,595,295 | 1,652,437 | -- | 21,787,042 |
| Interest and penalties on taxes | 98,251 | -- | -- | -- | -- | -- | 98,251 |
| Accounts | 1,609,221 | 718 | 2,642 | 60,870 | 2,271,963 | -- | 3,945,414 |
| Accrued interest | <u>80,788</u> | <u>57,925</u> | <u>6,593</u> | <u>102,824</u> | <u>47,178</u> | <u>12,426</u> | <u>307,734</u> |
| Gross receivables | 30,067,004 | 9,511,329 | 9,235 | 2,758,989 | 11,614,565 | 12,426 | 53,973,548 |
| Less: allowance for uncollectibles | <u>(405,532)</u> | <u>(601,263)</u> | <u>--</u> | <u>--</u> | <u>(469,173)</u> | <u>--</u> | <u>(1,475,968)</u> |
| Net receivables-governmental funds | 29,661,472 | 8,910,066 | 9,235 | 2,758,989 | 11,145,392 | 12,426 | 52,497,580 |
| Adjustment to full accrual basis | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>38,417</u> | <u>--</u> | <u>38,417</u> |
| Net total receivables | <u>\$29,661,472</u> | <u>\$8,910,066</u> | <u>\$9,235</u> | <u>\$2,758,989</u> | <u>\$11,183,809</u> | <u>\$12,426</u> | <u>\$52,535,997</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 13 - Other Receivables (Continued)

Receivables as of year-end for the government's individual major funds, and nonmajor and internal service funds (Continued)

| | Greater Baton Rouge Airport District | Comprehensive Sewerage System | Solid Waste Collection and Disposal Fund | Nonmajor Enterprise Funds | Total |
|------------------------------------|--|-------------------------------------|--|---------------------------------|---------------------|
| Business-type Activities: | | | | | |
| <u>Receivables:</u> | | | | | |
| Sales taxes | \$ -- | \$ 4,242,149 | \$ -- | \$ -- | \$ 4,242,149 |
| Accounts | 772,449 | 7,064,788 | 3,713,236 | 433,239 | 11,983,712 |
| Accrued interest | <u>8,315</u> | <u>526,249</u> | <u>15,406</u> | <u>9,369</u> | <u>559,339</u> |
| Gross receivables | 780,764 | 11,833,186 | 3,728,642 | 442,608 | 16,785,200 |
| Less: allowance for uncollectibles | <u>(48,509)</u> | <u>--</u> | <u>--</u> | <u>(25,000)</u> | <u>(73,509)</u> |
| Net total receivables | <u>\$ 732,255</u> | <u>\$11,833,186</u> | <u>\$3,728,642</u> | <u>\$417,608</u> | <u>\$16,711,691</u> |

Summary of other receivables reported on the Statement of Net Position for Business-type activities:

| | |
|---------------------------------|---------------------|
| Current assets - receivables | \$16,288,427 |
| Restricted assets - receivables | <u>423,264</u> |
| Totals | <u>\$16,711,691</u> |

NOTE 14 - Detailed Restricted Net Position and Fund Balances

a. Details of restricted Net Position as reported in the entity-wide Statement of Net Position are as follows:

| | Governmental Activities | Business Type Activities | Total |
|---|----------------------------|--------------------------------|-------------------|
| Net Position Restricted For: | | | |
| Capital projects: | | | |
| Federal and state capital grant funds | \$ 3,804,340 | \$ -- | \$ 3,804,340 |
| Federal forfeited property | 338,850 | -- | 338,850 |
| Bond funds from dedicated road sales tax | 3,240,455 | -- | 3,240,455 |
| Dedicated sales tax for street construction | 32,054,129 | -- | 32,054,129 |
| Dedicated property taxes authorized by the electorate for specific special revenue funds | 37,667,540 | -- | 37,667,540 |
| Dedicated hotel-motel taxes for Riverfront improvements | <u>1,132,529</u> | <u>8,306,503</u> | <u>9,439,032</u> |
| Total Net Position restricted for capital projects | <u>78,237,843</u> | <u>8,306,503</u> | <u>86,544,346</u> |
| Debt service: | | | |
| 2% City sales tax revenue bonds | 4,371,500 | -- | 4,371,500 |
| ½% Road sales tax revenue bonds | 3,629,165 | -- | 3,629,165 |
| LCDA road and street improvement projects | 1,168,751 | -- | 1,168,751 |
| Sewerage Commission revenue bonds | -- | 35,156,225 | 35,156,225 |
| LCDA Sewerage commission project | -- | 21,504,150 | 21,504,150 |
| Greater Baton Rouge Airport District debt service | <u>--</u> | <u>715,287</u> | <u>715,287</u> |
| Total Net Position restricted for debt service | <u>9,169,416</u> | <u>57,375,662</u> | <u>66,545,078</u> |
| Passenger facility charge: | | | |
| Greater Baton Rouge Airport District (see note 16) | <u>--</u> | <u>440,848</u> | <u>440,848</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 14 - Detailed Restricted Net Position and Fund Balances (Continued)

a. Details of restricted Net Position as reported in the entity-wide Statement of Net Position (Continued):

| | <u>Governmental Activities</u> | <u>Business Type Activities</u> | <u>Total</u> |
|--|------------------------------------|---|----------------------|
| Net Position Restricted For (Continued): | | | |
| External legal constraints: | | | |
| Dedicated property taxes authorized by the electorate to specific special revenue funds and purposes | \$ 26,564,316 | \$ -- | \$ 26,564,316 |
| Dedicated sales tax for street maintenance and beautification | 28,270,317 | -- | 28,270,317 |
| Court fees for juror compensation and judicial buildings | 849,541 | -- | 849,541 |
| State road funds dedicated for transportation | 15,788,781 | -- | 15,788,781 |
| Telephone surcharge dedicated to communications district | 5,010,125 | -- | 5,010,125 |
| Public, Educational and Governmental programming fees | 1,734,671 | -- | 1,734,671 |
| Volunteer fire districts service charges authorized by the electorate | 385,453 | -- | 385,453 |
| Federal forfeited property | 58,371 | -- | 58,371 |
| Collateral posted with swap agreement | <u>--</u> | <u>70,000,000</u> | <u>70,000,000</u> |
| Total Net Position restricted for external legal constraints | <u>78,661,575</u> | <u>70,000,000</u> | <u>148,661,575</u> |
| Total Restricted Net Position | <u>\$166,068,834</u> | <u>\$136,123,013</u> | <u>\$302,191,847</u> |

b. Details of restricted, committed, and assigned fund balances at year-end are as follows:

| | <u>General Fund</u> | <u>Library Board of Control</u> | <u>Grants</u> | <u>Capital Projects Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|---|---------------|--------------------------------------|---|---|
| Fund balances: | | | | | | |
| Nonspendable: | | | | | | |
| Inventory | \$ 656,653 | \$ -- | \$ -- | \$ -- | \$ -- | \$ 656,653 |
| Restricted for: | | | | | | |
| Dedicated property taxes: | | | | | | |
| Library services and construction | -- | 78,100,179 | -- | 27,796,921 | -- | 105,897,100 |
| Mosquito abatement and rodent control | -- | -- | -- | 9,461,580 | 1,670,233 | 11,131,813 |
| Downtown development | -- | -- | -- | -- | 405,437 | 405,437 |
| Emergency medical services | -- | -- | -- | 409,039 | 7,726,228 | 8,135,267 |
| Fire department pay enhancement | -- | -- | -- | -- | 2,128,487 | 2,128,487 |
| Volunteer fire districts | -- | -- | -- | -- | 1,427,409 | 1,427,409 |
| Road lighting | -- | -- | -- | -- | 4,377,397 | 4,377,397 |
| Dedicated sales taxes: | | | | | | |
| Street improvement/beautification | -- | -- | -- | 32,054,129 | 5,183,625 | 37,237,754 |
| Street maintenance | -- | -- | -- | -- | 23,627,136 | 23,627,136 |
| Dedicated hotel-motel taxes for Riverfront | -- | -- | -- | 1,132,529 | -- | 1,132,529 |
| Bond funds for capital improvements | -- | -- | -- | 63,926,613 | -- | 63,926,613 |
| Debt Service | -- | -- | -- | -- | 13,996,029 | 13,996,029 |
| Court fees for juror compensation | -- | -- | -- | -- | 328,842 | 328,842 |
| Court fees for judicial buildings | -- | -- | -- | -- | 472,981 | 472,981 |
| Court fees for sobriety court | -- | -- | -- | -- | 49,007 | 49,007 |
| State Road funds for transportation | -- | -- | -- | -- | 15,788,781 | 15,788,781 |
| Telephone surcharges for public safety | -- | -- | -- | 5,010,125 | 6,954,046 | 11,964,171 |
| Public, educational and governmental programs | 517,487 | -- | -- | 1,217,184 | -- | 1,734,671 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 14 - Detailed Restricted Net Position and Fund Balances (Continued)

b. Details of restricted, committed, and assigned fund balances at year-end (Continued):

| | <u>General Fund</u> | <u>Library Board of Control</u> | <u>Grants</u> | <u>Capital Projects Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|---|---------------------|--------------------------------------|---|---|
| Fund balances (Continued): | | | | | | |
| Restricted for (Continued): | | | | | | |
| Volunteer fire districts service charges | \$ -- | \$ -- | \$ -- | \$ -- | \$ 492,567 | \$ 492,567 |
| Federal and state grant programs | -- | -- | 13,578,088 | 3,804,340 | -- | 17,382,428 |
| Federal forfeited property | <u>--</u> | <u>--</u> | <u>--</u> | <u>338,850</u> | <u>58,371</u> | <u>397,221</u> |
| Total Restricted | <u>517,487</u> | <u>78,100,179</u> | <u>13,578,088</u> | <u>145,151,310</u> | <u>84,686,576</u> | <u>322,033,640</u> |
| Committed to: | | | | | | |
| Loans receivable | 1,418,884 | -- | -- | -- | -- | 1,418,884 |
| Self-insurance purposes | 42,103,643 | -- | -- | -- | -- | 42,103,643 |
| Budget stabilization | 15,622,000 | -- | -- | -- | -- | 15,622,000 |
| General capital improvements | -- | -- | -- | 24,197,847 | -- | 24,197,847 |
| City constable court costs | -- | -- | -- | -- | 325,537 | 325,537 |
| Gaming enforcement | -- | -- | -- | -- | 209,360 | 209,360 |
| Emergency medical services | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>8,181,328</u> | <u>8,181,328</u> |
| Total Committed | <u>59,144,527</u> | <u>--</u> | <u>--</u> | <u>24,197,847</u> | <u>8,716,225</u> | <u>92,058,599</u> |
| Assigned to: | | | | | | |
| Next year's adopted budget | 4,352,700 | -- | -- | -- | -- | 4,352,700 |
| Approved continuing projects | 17,073,616 | -- | -- | -- | -- | 17,073,616 |
| Public safety | 1,848,305 | -- | -- | -- | -- | 1,848,305 |
| Culture and recreation | 250,376 | -- | -- | -- | -- | 250,376 |
| Sales tax refunds | 2,554,912 | -- | -- | -- | -- | 2,554,912 |
| Animal control | 170,601 | -- | -- | -- | -- | 170,601 |
| Other purposes | <u>2,095,831</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>2,095,831</u> |
| Total Assigned | <u>28,346,341</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>28,346,341</u> |
| Unassigned | <u>13,138,493</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>13,138,493</u> |
| Total fund balances | <u>\$101,803,501</u> | <u>\$78,100,179</u> | <u>\$13,578,088</u> | <u>\$169,349,157</u> | <u>\$93,402,801</u> | <u>\$456,233,726</u> |

c. Governmental Fund existing resources will be used to satisfy encumbrances therefore, the following amounts are included in restricted, committed, or assigned fund balances at December 31, 2015:

| | |
|--------------------------------------|---------------------|
| General fund | \$ 2,095,831 |
| Library board of control | 935,087 |
| Grants fund | 13,726,309 |
| Nonmajor governmental funds | 5,401,176 |
| Capital projects fund | <u>45,853,963</u> |
| Total governmental fund encumbrances | <u>\$68,012,366</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 15 - Restricted Assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

| | Greater Baton Rouge <u>Airport District</u> | Comprehensive Sewerage <u>System</u> | Other Enterprise <u>Total</u> | <u>Total</u> |
|---|---|--|-------------------------------------|----------------------|
| Revenue bonds construction accounts | \$ 177,942 | \$285,125,916 | \$ -- | \$285,303,858 |
| Hotel-motel tax construction accounts | -- | -- | 7,769,644 | 7,769,644 |
| Passenger Facility Charges (PFC) account | 352,055 | -- | -- | 352,055 |
| Revenue bonds debt service accounts | 1,775,376 | 72,621,997 | -- | 74,397,373 |
| Accounts receivable - PFC | 183,637 | -- | -- | 183,637 |
| Accrued interest receivable - PFC | 18 | -- | -- | 18 |
| Accrued interest receivable - sales tax revenue bonds | -- | 233,364 | -- | 233,364 |
| Accrued interest receivable - hotel-motel tax | -- | -- | 6,245 | 6,245 |
| Prepaid items - bond issuance costs | <u>5,880</u> | <u>--</u> | <u>--</u> | <u>5,880</u> |
| Total restricted assets | <u>\$2,494,908</u> | <u>\$357,981,277</u> | <u>\$7,775,889</u> | <u>\$368,252,074</u> |

NOTE 16 - Passenger Facility Charges - Greater Baton Rouge Airport District

On September 28, 1992, the Greater Baton Rouge Airport District (Airport) received approval from the Federal Aviation Administration (FAA) to impose a \$3.00 passenger facility charge (PFC) in accordance with Section 158.29 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158). On May 19, 2005, the FAA approved the imposition of a \$4.50 passenger facility charge by the Airport District for the financing of additional improvements.

PFC revenue received, but not yet spent, along with interest income, is classified as restricted Net Position on the Statement of Net Position. On the Statement of Revenues, Expenses, and Changes in Fund Net Position, PFC revenue is classified as non-operating revenue, while on the Statement of Cash Flows, PFC collections are classified as capital in nature.

The Airport began assessing the fee on December 1, 1992. As of December 31, 2015, the FAA has approved the following applications for disbursement of the proceeds of the PFC as follows:

| <u>Application Number and Description</u> | <u>Approved PFC Level</u> | <u>Total FAA Authorization</u> | <u>Total Disbursed through 12/31/2015</u> | |
|---|-------------------------------|------------------------------------|---|--------|
| 2 Noise mitigation | \$3.00 | \$ 1,315,124 | \$ 1,315,124 | closed |
| 3 Terminal building and plan specifications | 3.00 | 1,290,899 | 1,290,899 | closed |
| 4 Terminal development with financing | 4.50 | 34,863,776 | 20,303,156 | |
| 5 Airport access road | 4.50 | 3,089,499 | 1,572,767 | |
| 5 Acquire A/C loading bridges | 4.50 | 2,324,075 | 774,865 | |
| 6 Runway 4L/22R extension project | 4.50 | 11,815,660 | 3,938,769 | |
| 6 Professional Fees-administration of PFC | 4.50 | 434,000 | -- | |
| 6 General Aviation Apron Facility Expansion | 4.50 | 598,529 | 282,580 | |
| 7 Terminal Atrium Expansion | 4.50 | 20,298,565 | 3,876,125 | |
| 7 Acquisition of Property for Development | 4.50 | 2,802,951 | 525,180 | |
| 7 Taxiway Fillet Construction | 4.50 | 1,429,025 | 267,177 | |
| 7 Ticket Lobby Expansion | 4.50 | <u>1,097,133</u> | <u>351,819</u> | |
| Total Approved Applications | | <u>\$81,359,236</u> | <u>\$34,498,461</u> | |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 16 - Passenger Facility Charges - Greater Baton Rouge Airport District (Continued)

Since the inception of the PFC, the Airport has recorded the following revenues and expenses through the 2015 fiscal year resulting in a restriction of Net Position from passenger facility charges as follows:

| | <u>Accrual Basis</u> | <u>Cash Basis</u> |
|--|----------------------|---------------------|
| Cumulative PFC receipts (1992 - 2015), net of administrative fee | \$ 32,218,955 | \$ 32,035,319 |
| Interest earnings | 1,444,180 | 1,444,162 |
| Claim settlement | <u>1,371,035</u> | <u>1,371,035</u> |
| Total revenues | <u>35,034,170</u> | <u>34,850,516</u> |
| Cumulative disbursements for PFC projects (1992 - 2015) | (9,791,889) | (9,732,386) |
| Cumulative bond principal payments | (11,667,701) | (11,667,701) |
| Cumulative bond interest payments | <u>(13,133,732)</u> | <u>(13,098,374)</u> |
| Total disbursements | <u>(34,593,322)</u> | <u>(34,498,461)</u> |
| Net PFC cash, December 31, 2015 | | <u>\$ 352,055</u> |
| Net Position restricted for PFC, December 31, 2015 | <u>\$ 440,848</u> | |

NOTE 17 - Solid Waste Disposal Facility Closure and Postclosure Care Liability

The City-Parish North Landfill opened in October 1993. The North Landfill is permitted by the U.S. Environmental Protection Agency (EPA) and the Louisiana Department of Environmental Quality (DEQ) to dispose of municipal solid waste and non-hazardous industrial waste from East Baton Rouge Parish and from surrounding cities, towns, and parishes. Regulations issued by the EPA and the DEQ require the City-Parish to perform certain closing functions and postclosure monitoring and maintenance functions for the North Landfill.

Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs are accounted for in accordance with guidelines in Section L10 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. Section L20 of *the code* states that a portion of the estimated total current cost of MSWLF closure and postclosure care is required to be recognized as an expense and as a liability in each period that the MSWLF accepts solid waste. Recognition should begin on the date the MSWLF begins accepting solid waste, continue in each period that it accepts waste, and be completed by the time it stops accepting waste. The estimated total current cost of closure and postclosure care includes the cost of equipment expected to be installed and facilities expected to be constructed near or after the date that the Solid Waste Disposal Facility stops accepting solid waste and any equipment installed during the 30 year postclosure period. Included in the total current cost is the cost of final cover expected to be applied near or after the date the facility stops accepting solid waste, and the cost of monitoring and maintaining the expected usable landfill area during the postclosure period.

The estimated cost of the closure and postclosure care costs is \$31,949,276. Total estimated capacity is 28,420,000 cubic yards and the projected life is 45 years from the opening date of the landfill. The estimated cost will be adjusted on an annual basis as deemed necessary by the management of the Department of Public Works to reflect the effect of inflation, changes in technology or changes in applicable laws or regulations.

The Solid Waste Collection and Disposal Enterprise Fund recognizes a portion of the current estimated cost of MSWLF closure and postclosure care as an expense and as a liability in each period that it accepts solid waste. The expense and liability are based on the number of cubic yards of waste received at the landfill during the period rather than on the passage of time. The projections assume that the current solid waste generation trends will continue and that no waste will be diverted to alternative disposal facilities.

The liability for closure and postclosure care at December 31, 2015, totals \$15,632,271. The liability is based on the landfill capacity used to date of 13,905,452 cubic yards or 48.9% of the landfill capacity. The liability will be financed by the Solid Waste Collection and Disposal Enterprise Fund. The remaining estimated cost of closure and postclosure care of \$16,317,005 will be recognized as the remaining estimated capacity is filled. The estimated remaining useful life of the landfill as of December 31, 2015, is 23 years.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 18 - State Required Disclosures

a. Council Members Compensation

Each Metropolitan Council Member receives monthly compensation in accordance with The Plan of Government. Compensation is currently \$1,000 a month for council members. In addition, members of the Metropolitan Council receive \$800 per month combined travel and auto allowance. (LRS 33:1233(B)) Following is a list of Council Members with gross wages, including auto allowance, that was reported as paid in year 2015:

| | | |
|-------------|---------------------|----------|
| District 1 | Trae Welch | \$21,600 |
| District 2 | Chauna Banks-Daniel | 21,600 |
| District 3 | Chandler Loupe | |
| | Council | 21,600 |
| | Mayor ProTem | 18,000 |
| District 4 | Scott Wilson | 21,600 |
| District 5 | Ronnie Edwards | 21,600 |
| District 6 | Donna Collins-Lewis | 21,600 |
| District 7 | C. Denise Marcelle | 21,600 |
| District 8 | Buddy Amoroso | 21,600 |
| District 9 | Joel Boe' | 21,600 |
| District 10 | Tara Wicker | 21,600 |
| District 11 | Ryan Heck | 21,600 |
| District 12 | John M. Delgado | 21,600 |

b. Communications District Wireless E911 Service

Act 1029 of the 1999 Louisiana Legislative Session authorizes the parish governing authority of a communication district to levy an emergency telephone service charge on wireless communications systems to pay the costs of implementing FCC ordered enhancements to the E911 system. The act further requires that governing authorities disclose in the audited financial statements information on the revenues derived from the service charge, the use of such revenues, and the status of implementation of wireless E911 service.

The East Baton Rouge Parish Communications District Board of Commissioners enacted Resolution No. 001/2000 on March 17, 2000, assessing an emergency telephone service charge of \$0.50 per month per wireless Commercial Mobile Radio Service (CMRS) user. In 2006 the fee was increased to \$0.85 per month by the Communications District Board. Since the enactment of the fee, the Communications District Special Revenue Fund has collected \$40.0 million in wireless fees. Approximately \$4,952,401 has been directly contributed to enhancement of wireless technology. The wireless 911 system is fully implemented and operational. Revenues from the wireless fee are now budgeted in the Communication District Special Revenue Fund Annual Budget and approved by the City-Parish Metropolitan Council. Technological upgrades are included in the operations budget as needed. For budget statement detail on the Communications District Fund, see Exhibit B-12.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

EXHIBIT A - 17
(Continued)

NOTE 18 - State Required Disclosures (Continued)

c. Summary of City-Parish Sales Tax Collections remitted to Other Taxing Authorities

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:51 (B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during calendar year 2015.

| | <u>Total Collections</u> | <u>Collection Cost</u> | <u>Final Distribution</u> |
|--|------------------------------|----------------------------|-------------------------------|
| City of Baker | \$ 3,832,975 | \$ 36,289 | \$ 3,796,686 |
| Baker School District | 2,932,010 | 27,441 | 2,904,569 |
| City of Zachary | 7,124,967 | 68,911 | 7,056,056 |
| Zachary School District | 8,609,767 | 86,529 | 8,523,238 |
| City of Central | 5,132,668 | 51,007 | 5,081,661 |
| Central School District | 6,442,515 | 62,605 | 6,379,910 |
| EBRP School District | 158,620,546 | 1,530,680 | 157,089,866 |
| Street Improvements Tax for other municipalities | 3,439,312 | 26,266 | 3,413,046 |
| Visit Baton Rouge | <u>4,471,528</u> | <u>6,000</u> | <u>4,465,528</u> |
| Total | <u>\$200,606,288</u> | <u>\$1,895,728</u> | <u>\$198,710,560</u> |

NOTE 19 - Subsequent Events

a. City Series 2016A-1, Series 2016A-2 and Series 2016A-3 Bonds

On April 28, 2016, the City of Baton Rouge issued (1) \$40,765,000 Public Improvement Sales Tax Revenue Refunding Bonds, Series 2016A-1 for the purpose of (a) providing funds to advance refund \$42,610,000 in aggregate principal amount of its Public Improvement Sales Tax Revenue and Refunding Bonds, Series 2008A-2 maturing August 1, 2019, and thereafter, to their first optional redemption date of August 1, 2018, and (b) paying the costs of issuance thereof; (2) \$1,315,000 Public Improvement Sales Tax Revenue Refunding Bonds, Series 2016A-2 (Taxable) for the purpose of (a) providing funds to currently refund \$1,490,000 in aggregate principal amount of its Public Improvement Sales Tax Revenue Bonds, Series 2005B (Taxable), maturing August 1, 2016, and thereafter; to their optional redemption date of June 1, 2016 and (b) paying the costs of issuance thereof; and (3) \$4,915,000 Public Improvement Sales Tax Revenue Bonds, Series 2016A-3 for the purpose of (a) loaning the proceeds to the Greater Baton Rouge Airport District to enable the district to make improvements to the public parking garage located at the Baton Rouge Metropolitan Airport and (b) paying the cost of issuance. The 2016 Bonds were issued as a combination of serial and term bonds that mature on August 1 of each year through 2041 with interest from 0.75 - 5.00 percent.

b. East Baton Rouge Sewerage Commission, Series 2016A Bonds

On May 17, 2016, the East Baton Rouge Sewerage Commission authorized the issuance of \$12,000,000 Taxable Revenue Bonds, Series 2016A. The bonds were issued through a loan and pledge agreement with the Louisiana Department of Environmental Quality (DEQ) for the purpose of upgrading, rehabilitating, extending and improving the sewerage disposal system. Outstanding principal will carry a 0.45% interest rate and an administrative fee of 0.5% for a total of 0.95%. Funds will be drawn on a reimbursement basis from DEQ. Interest will be payable only on the amount drawn from the date reimbursed. The Bonds will mature on February 1 of each year beginning 2019 through 2038.



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS PLAN
RETIREE HEALTH, DENTAL, AND LIFE INSURANCE PROGRAMS
(UNAUDITED)**

EXHIBIT A - 18

SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Projected Unit Credit (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 01/01/15 | 0.00 | \$ 988,128,607 | \$ 988,128,607 | 0.00 % | \$ 170,739,813 | 578.7 % |
| 01/01/14 ** | 0.00 | 948,510,515 | 948,510,515 | 0.00 | 165,676,792 | 572.5 |
| 01/01/13 | 0.00 | 948,510,515 | 948,510,515 | 0.00 | 165,676,792 | 572.5 |
| 01/01/12 * | 0.00 | 1,048,339,169 | 1,048,339,169 | 0.00 | 163,306,305 | 641.9 |
| 01/01/11 | 0.00 | 1,048,339,169 | 1,048,339,169 | 0.00 | 163,306,305 | 641.9 |

Note: The actuary does not provide a separate schedule of funding progress for individual employers.

* Based on 01/01/11 actuary study

** Based on 01/01/13 actuary study

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Fiscal Year Ending | Annual Required Contribution | Amount Contributed | Percentage Contributed |
|--------------------------|------------------------------------|-----------------------|---------------------------|
| 01/01/15 | \$ 69,461,162 | \$ 23,048,744 | 33.2 % |
| 01/01/14 | 68,068,801 | 20,207,165 | 29.7 |
| 01/01/13 | 68,068,801 | 19,141,420 | 28.1 |
| 01/01/12 | 68,826,572 | 19,132,237 | 27.8 |
| 01/01/11 | 68,826,572 | 20,019,053 | 29.1 |

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF COST SHARING PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY**

EXHIBIT A - 19

| | <u>Proportion of net pension liability (asset)</u> | <u>Proportionate share of net pension liability (asset)</u> | <u>Covered payroll</u> | <u>Proportionate share of the net pension liability as a percentage of covered payroll</u> | <u>Plan fiduciary net position as a percentage of the total pension liability</u> |
|--------------------------|--|---|----------------------------|--|---|
| <u>CPERS (1)</u> | | | | | |
| 2015 | 85.27% | \$ 374,980,224 | \$ 116,867,744 | 320.86% | 70.95% |
| <u>MPERS (2)</u> | | | | | |
| 2015 | 14.80% | \$ 115,962,107 | \$ 39,616,014 | 292.72% | 70.73% |
| <u>LASERS (2)</u> | | | | | |
| 2015 | 0.01% | \$ 366,395 | \$ 217,449 | 168.50% | 62.66% |

(1) Amounts determined as of the measurement date of December 31 of the previous fiscal year.

(2) Amounts determined as of the measurement date of June 30 in the current fiscal year.

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF COST SHARING PLAN CONTRIBUTIONS

EXHIBIT A - 20

| | <u>Actuarially determined contribution</u> | <u>Contributions in relation to the actuarially determined Contribution</u> | <u>Contribution deficiency/ (excess)</u> | <u>Covered payroll</u> | <u>Contributions as a percentage of covered payroll</u> |
|----------------------|--|---|--|----------------------------|---|
| <u>CPERS</u> | | | | | |
| 2015 | \$ 32,975,447 | \$ 32,975,447 | \$ - | \$ 121,186,985 | 27.21% |
| <u>MPERS</u> | | | | | |
| 2015 | \$ 12,439,406 | \$ 12,439,406 | \$ - | \$ 42,247,313 | 29.44% |
| <u>LASERS</u> | | | | | |
| 2015 | \$ 80,594 | \$ 80,594 | \$ - | \$ 226,219 | 35.63% |

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

EXHIBIT A - 21

POLICE GUARANTEE TRUST

| | <u>2015</u> |
|---|-----------------------------|
| Total pension liability: | |
| Service cost | \$ 437,310 |
| Interest | 2,565,879 |
| Changes in other assumptions | 340,742 |
| Benefit payments, including refunds of member contributions | <u>(1,679,506)</u> |
| Net change in total pension liability | <u>1,664,425</u> |
| Total pension liability - beginning | <u>34,614,160</u> |
| Total pension liability - ending | <u>36,278,585</u> |
| Plan fiduciary net position | |
| Contributions - employer | 763,873 |
| Contributions - member | 90,774 |
| Net investment income | 796,414 |
| Benefit payments, including refunds of member contributions | (1,679,506) |
| Administrative expenses | <u>(333,744)</u> |
| Net change in plan fiduciary net position | <u>(362,189)</u> |
| Plan fiduciary net position - beginning | <u>20,447,371</u> |
| Plan fiduciary net position - ending | <u>20,085,182</u> |
| Net pension liability - ending | <u><u>\$ 16,193,403</u></u> |
| Plan fiduciary net position as a percentage of the total pension liability | 55.36% |
| Covered payroll | \$ 14,428,038 |
| Net pension liability as a percentage of covered payroll | 112.24% |

Amounts are determined as of the measurement date of December 31 of the previous fiscal year.

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF SINGLE EMPLOYER PLAN CONTRIBUTIONS**

EXHIBIT A - 22

POLICE GUARANTEE TRUST

| | <u>Actuarially determined contribution</u> | <u>Contributions in relation to the actuarially determined Contribution</u> | <u>Contribution deficiency/ (excess)</u> | <u>Covered payroll</u> | <u>Contributions as a percentage of covered payroll</u> |
|------|--|---|--|----------------------------|---|
| 2015 | \$ 3,029,216 | \$ 951,261 | \$ 2,077,955 | \$ 14,928,102 | 6.37% |

Notes to Schedule:

Valuation date: January 1, 2015

Methods and assumptions used to determine contribution rates:

| | |
|---------------------------|--|
| Actuarial cost method | Aggregate Actuarial Cost Method |
| Asset valuation method | Expected Value Method, with 20% of investment gains (or losses) recognized each year |
| Inflation | 2.75% |
| Salary increases | 1.0% - 4.0% based on members age |
| Investment rate of return | 7.25% per year, compounded annually, net of investment expenses |
| Retirement age | 100% at earlier of 25.5 years of service or age 61 with 11 years of service |
| Mortality | RP-2000 Healthy Combined Blue Collar Projected with Scale BB to 2019 RP-2000 Disabled Mortality Projected with Scale BB to 2019 |

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Civil Juror Compensation Fund accounts for District Court Cost fees collected from certain civil defendants restricted for payments to jurors.

Criminal Juror Compensation Fund accounts for District Court Cost fees collected from certain criminal defendants restricted for payments to jurors.

City Constable Court Costs Fund accounts for City Court cost fees collected from serving the execution of civil papers, garnishment fees and assessments required to maintain the City Constable's office.

Mosquito Abatement and Rodent Control Fund accounts for the special property tax levy required to cover the cost of controlling mosquitoes and rodents.

Downtown Development District accounts for the special property tax levied within the district for education, planning, traffic, security, promotion and development of the district.

Gaming Enforcement Division Fund accounts for monies collected from the 5% bingo assessment fee collected for the purpose of funding the enforcement and administration of guidelines and regulations relative to the playing of charitable bingo by licensed organizations.

City Court Judicial Building Fund accounts for the City Court filing fee imposed on all civil matters and dedicated to the acquisition, leasing, construction, equipping, and maintenance of new and existing City Courts.

Federal Forfeited Property Fund accounts for the cash proceeds received from federal seizures and forfeitures, as well as any interest earned on these funds, according to accounting guidelines of the U.S. Attorney General's Office.

East Baton Rouge Parish Communications District accounts for monies collected to provide citizens of East Baton Rouge Parish with Enhanced 911, a computer aided telephone dispatch system that processes incoming requests for emergency assistance, and provides instructions in first aid to the caller.

Emergency Medical Services Fund accounts for the special property tax levy required to maintain emergency medical services in East Baton Rouge Parish.

Fire Department Pay Enhancement Fund accounts for the special property tax levied within the City of Baton Rouge to fund increases in salaries and benefits for the City of Baton Rouge Municipal Fire personnel.

District No. 1 Fire Protection District is located in the northwestern part of East Baton Rouge Parish. Services are financed by a property tax in the district and a fire service fee.

Brownsfield Fire Protection District is located in the northwestern part of East Baton Rouge Parish. Services are financed by a property tax in the district, a fire service fee, and state insurance company taxes.

Continued

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

Chaneyville Fire Protection District is located in the northern part of East Baton Rouge Parish. Services are financed by a property tax, a fire service fee, and state insurance company taxes.

Pride Fire Protection District is located in the northeastern part of East Baton Rouge Parish. Services are financed through a fire service fee and state insurance company taxes.

Alsen-St. Irma Lee Fire Protection District is located in the western part of East Baton Rouge Parish. Services are financed by a property tax in the district, a fire service fee, and state insurance company taxes.

Sobriety Court accounts for receipt of fees assessed in traffic matters related to specific alcohol violations. These monies will fund the operations of the Sobriety Court.

Consolidated Road Lighting District No. 1 accounts for the special property tax levy required to provide street and road lights within the district.

Parish Transportation Fund accounts for receipts from the State Shared Revenue-Parish Transportation Fund as authorized by the Louisiana Revised Statute 48:751 to be used primarily for road improvement and mass transit.

Parish Beautification Fund accounts for the portion (3%) of the one-half of one percent sales tax levied for the sole purpose of public road and street beautification within East Baton Rouge Parish.

Parish Street Maintenance Fund accounts for the portion (27%) of the one-half of one percent sales tax levied for the sole purpose of public road and street repair within East Baton Rouge Parish.

Capitol House Economic Development District accounts for the sales tax increments from the Capitol House Economic Development District dedicated by the State, the City and the Baton Rouge Convention and Visitors Bureau for the purpose of rehabilitating the historic Capitol House Hotel.

Lafayette-Main Economic Development District accounts for the sales tax increments from the Lafayette-Main Economic Development District dedicated by the City for the purpose of rehabilitating the Hampton Inn and Suites.

Dawnadele Economic Development District accounts for a tax on retail sales to facilitate the development, design and redevelopment of infrastructure at the Costco retail warehouse facility site.

Continued

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

Debt Service Funds account for and report financial resources that are restricted or committed for the payment of general long-term debt principal, interest, and paying agent fees.

City Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2007A and 2010B Public Improvement Sales Tax Bonds of the City of Baton Rouge. Also accounts for the portion of the bonds issued for the purpose of advance refunding certain outstanding obligations of the City-Parish.

Parish Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2013A and 2014A Public Improvement Sales Tax Bonds of the Parish of East Baton Rouge.

Taxable Refunding Bonds Debt Service Fund accounts for the payment of principal, interest, and related charges for the 2002A Fixed Rate Taxable Refunding Bonds the 2002B Fixed Rate Taxable Refunding Bonds and the 2012 Taxable Refunding Bonds.

Road and Street Improvement Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2006A, 2008A and 2009A Road and Street Improvement Sales Tax Bonds of the Parish of East Baton Rouge.

LCDA Road and Street Improvement Project Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2012 LCDA loan (Road and Street Improvement project) of the Parish of East Baton Rouge.

Excess Revenue and Limited Tax Fund accounts for transfers from the general fund, special revenue funds, and capital projects funds for payment of interest and principal redemption requirements of capital leases, contracts, loans, notes, and bonds that do not require a vote of the general public.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

| | Special Revenue | | | |
|---|---|--|---|--|
| | Civil Juror Compensation | Criminal Juror Compensation | City Constable Court Costs | Mosquito Abatement and Rodent Control |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 55,966 | \$ 273,994 | \$ 337,353 | \$ 2,576,938 |
| Investments | -- | -- | -- | 3,558,629 |
| Property taxes receivable - net | -- | -- | -- | 1,157,726 |
| Sales taxes receivable | -- | -- | -- | -- |
| Accounts receivable | -- | -- | -- | -- |
| Accrued interest receivable | 46 | 205 | 238 | 736 |
| Due from other governments | -- | -- | -- | 4,108,190 |
| Total assets | <u>\$ 56,012</u> | <u>\$ 274,199</u> | <u>\$ 337,591</u> | <u>\$ 11,402,219</u> |
| LIABILITIES | | | | |
| Accounts and contracts payable | \$ 1,369 | \$ -- | \$ 8,432 | \$ 148,168 |
| Due to other funds | -- | -- | -- | 9,461,581 |
| Due to other governments | -- | -- | -- | -- |
| Accrued salaries payable | -- | -- | 3,622 | 27,224 |
| Total liabilities | <u>1,369</u> | <u>--</u> | <u>12,054</u> | <u>9,636,973</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - property taxes | -- | -- | -- | 95,013 |
| Unavailable revenue - revenue sharing | -- | -- | -- | -- |
| Total deferred inflows of resources | <u>--</u> | <u>--</u> | <u>--</u> | <u>95,013</u> |
| FUND BALANCES (Note 14): | | | | |
| Restricted | 54,643 | 274,199 | -- | 1,670,233 |
| Committed | -- | -- | 325,537 | -- |
| Total fund balances | <u>54,643</u> | <u>274,199</u> | <u>325,537</u> | <u>1,670,233</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 56,012</u> | <u>\$ 274,199</u> | <u>\$ 337,591</u> | <u>\$ 11,402,219</u> |

The accompanying notes are an integral part of this statement.

Continued

Special Revenue

| Downtown Development District | Gaming Enforcement Division | City Court Judicial Building | Federal Forfeited Property | E.B.R. Parish Communications District | Emergency Medical Services | B. R. Fire Department Pay Enhancement |
|--|--|---|---|--|---|--|
| \$ -- | \$ 211,031 | \$ 501,110 | \$ 410,548 | \$ 2,814,886 | \$ 1,559,879 | \$ -- |
| -- | -- | -- | -- | 3,887,223 | 2,154,119 | -- |
| 94,309 | -- | -- | -- | -- | 2,570,034 | 2,840,400 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 604,356 | 1,667,607 | -- |
| 74 | 140 | 380 | 309 | 4,745 | 4,789 | -- |
| 391,645 | -- | -- | -- | -- | 9,119,577 | 7,668,495 |
| <u>\$ 486,028</u> | <u>\$ 211,171</u> | <u>\$ 501,490</u> | <u>\$ 410,857</u> | <u>\$ 7,311,210</u> | <u>\$ 17,076,005</u> | <u>\$ 10,508,895</u> |
| \$ 5,702 | \$ 521 | \$ 28,509 | \$ 13,636 | \$ 302,803 | \$ 524,607 | \$ 154,881 |
| 36,841 | -- | -- | 338,850 | -- | 220,716 | 7,785,772 |
| -- | -- | -- | -- | -- | -- | -- |
| 6,778 | 1,290 | -- | -- | 54,361 | 212,158 | 166,886 |
| 49,321 | 1,811 | 28,509 | 352,486 | 357,164 | 957,481 | 8,107,539 |
| 31,270 | -- | -- | -- | -- | 210,968 | 272,869 |
| -- | -- | -- | -- | -- | -- | -- |
| 31,270 | -- | -- | -- | -- | 210,968 | 272,869 |
| 405,437 | -- | 472,981 | 58,371 | 6,954,046 | 7,726,228 | 2,128,487 |
| -- | 209,360 | -- | -- | -- | 8,181,328 | -- |
| 405,437 | 209,360 | 472,981 | 58,371 | 6,954,046 | 15,907,556 | 2,128,487 |
| <u>\$ 486,028</u> | <u>\$ 211,171</u> | <u>\$ 501,490</u> | <u>\$ 410,857</u> | <u>\$ 7,311,210</u> | <u>\$ 17,076,005</u> | <u>\$ 10,508,895</u> |

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

| | Special Revenue | | | |
|---|--|---|---|---|
| | District No. 1 Fire Protection District | Brownsfield Fire Protection District | Chaneyville Fire Protection District | Pride Fire Protection District |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 139,768 | \$ -- | \$ -- | \$ 306,808 |
| Investments | -- | -- | -- | -- |
| Property taxes receivable - net | 105,294 | 106,550 | 35,659 | 22,645 |
| Sales taxes receivable | -- | -- | -- | -- |
| Accounts receivable | -- | -- | -- | -- |
| Accrued interest receivable | 118 | -- | 26 | 256 |
| Due from other governments | 269,890 | 502,792 | 136,852 | 134,644 |
| Total assets | <u>\$ 515,070</u> | <u>\$ 609,342</u> | <u>\$ 172,537</u> | <u>\$ 464,353</u> |
| LIABILITIES | | | | |
| Accounts and contracts payable | \$ 2,004 | \$ 16,121 | \$ 792 | \$ 9,898 |
| Due to other funds | -- | 225,388 | 5,949 | -- |
| Due to other governments | -- | -- | -- | -- |
| Accrued salaries payable | -- | 797 | -- | -- |
| Total liabilities | <u>2,004</u> | <u>242,306</u> | <u>6,741</u> | <u>9,898</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - property taxes | 4,655 | 24,321 | 3,420 | 3,231 |
| Unavailable revenue - revenue sharing | -- | 43,466 | -- | -- |
| Total deferred inflows of resources | <u>4,655</u> | <u>67,787</u> | <u>3,420</u> | <u>3,231</u> |
| FUND BALANCES (Note 14): | | | | |
| Restricted | 508,411 | 299,249 | 162,376 | 451,224 |
| Committed | -- | -- | -- | -- |
| Total fund balances | <u>508,411</u> | <u>299,249</u> | <u>162,376</u> | <u>451,224</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 515,070</u> | <u>\$ 609,342</u> | <u>\$ 172,537</u> | <u>\$ 464,353</u> |

The accompanying notes are an integral part of this statement.

Continued

| Special Revenue | | | | | | |
|--|-------------------|---|-------------------------------|--------------------------|---------------------------------|---|
| Alsen- St. Irma Lee Fire Protection District | Sobriety Court | Consolidated Road Lighting District No. 1 | Parish Transpor- tation | Parish Beautification | Parish Street Maintenance | Capital House Economic Development District |
| \$ 259,711 | \$ 50,275 | \$ 1,651,445 | \$ 6,603,048 | \$ 2,169,695 | \$ 9,662,595 | \$ 90,178 |
| -- | -- | 2,280,566 | 9,118,494 | 2,996,245 | 13,343,584 | -- |
| 85,565 | -- | 155,632 | -- | -- | -- | -- |
| -- | -- | -- | -- | 111,227 | 1,326,426 | 56,651 |
| -- | -- | -- | -- | -- | -- | -- |
| 259 | 36 | 2,984 | 11,233 | 3,802 | 15,647 | -- |
| 161,788 | -- | 380,934 | 217,352 | -- | -- | -- |
| <u>\$ 507,323</u> | <u>\$ 50,311</u> | <u>\$ 4,471,561</u> | <u>\$ 15,950,127</u> | <u>\$ 5,280,969</u> | <u>\$ 24,348,252</u> | <u>\$ 146,829</u> |
| | | | | | | |
| \$ 4,206 | \$ 598 | \$ 41,643 | \$ 161,346 | \$ 97,344 | \$ 396,336 | \$ 146,829 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | 322,767 | -- |
| -- | 706 | -- | -- | -- | 2,013 | -- |
| <u>4,206</u> | <u>1,304</u> | <u>41,643</u> | <u>161,346</u> | <u>97,344</u> | <u>721,116</u> | <u>146,829</u> |
| | | | | | | |
| 4,401 | -- | 24,945 | -- | -- | -- | -- |
| -- | -- | 27,576 | -- | -- | -- | -- |
| <u>4,401</u> | <u>--</u> | <u>52,521</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| | | | | | | |
| 498,716 | 49,007 | 4,377,397 | 15,788,781 | 5,183,625 | 23,627,136 | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>498,716</u> | <u>49,007</u> | <u>4,377,397</u> | <u>15,788,781</u> | <u>5,183,625</u> | <u>23,627,136</u> | <u>--</u> |
| | | | | | | |
| <u>\$ 507,323</u> | <u>\$ 50,311</u> | <u>\$ 4,471,561</u> | <u>\$ 15,950,127</u> | <u>\$ 5,280,969</u> | <u>\$ 24,348,252</u> | <u>\$ 146,829</u> |

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

| | Special Revenue | | | Debt Service |
|---|--|--|-----------------------|-------------------------------------|
| | Lafayette- Main Economic Development District | Dawnadele Economic Development District | Total | City Sales Tax Bonds |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 7,859 | \$ 134,754 | \$ 29,817,841 | \$ 4,634,330 |
| Investments | -- | -- | 37,338,860 | -- |
| Property taxes receivable - net | -- | -- | 7,173,814 | -- |
| Sales taxes receivable | 5,313 | 152,820 | 1,652,437 | -- |
| Accounts receivable | -- | -- | 2,271,963 | -- |
| Accrued interest receivable | -- | -- | 46,023 | 113 |
| Due from other governments | -- | -- | 23,092,159 | -- |
| Total assets | <u>\$ 13,172</u> | <u>\$ 287,574</u> | <u>\$ 101,393,097</u> | <u>\$ 4,634,443</u> |
| LIABILITIES | | | | |
| Accounts and contracts payable | \$ 13,172 | \$ 287,574 | \$ 2,366,491 | \$ -- |
| Due to other funds | -- | -- | 18,075,097 | -- |
| Due to other governments | -- | -- | 322,767 | -- |
| Accrued salaries payable | -- | -- | 475,835 | -- |
| Total liabilities | <u>13,172</u> | <u>287,574</u> | <u>21,240,190</u> | <u>--</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - property taxes | -- | -- | 675,093 | -- |
| Unavailable revenue - revenue sharing | -- | -- | 71,042 | -- |
| Total deferred inflows of resources | <u>--</u> | <u>--</u> | <u>746,135</u> | <u>--</u> |
| FUND BALANCES (Note 14): | | | | |
| Restricted | -- | -- | 70,690,547 | 4,634,443 |
| Committed | -- | -- | 8,716,225 | -- |
| Total fund balances | <u>--</u> | <u>--</u> | <u>79,406,772</u> | <u>4,634,443</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 13,172</u> | <u>\$ 287,574</u> | <u>\$ 101,393,097</u> | <u>\$ 4,634,443</u> |

The accompanying notes are an integral part of this statement.

| Debt Service | | | | | | |
|---------------------------------------|--|--|---|---|----------------------|--|
| Parish Sales Tax Bonds | Taxable Refunding Bonds | Road and Street Improvement | LCDA Road and Street Improvement Project | Excess Revenue and Limited Tax | Total | Total Nonmajor Governmental Funds |
| \$ -- | \$ -- | \$ 4,861,204 | \$ 1,874,722 | \$ -- | \$ 11,370,256 | \$ 41,188,097 |
| -- | -- | 2,282,010 | 521,297 | -- | 2,803,307 | 40,142,167 |
| -- | -- | -- | -- | -- | -- | 7,173,814 |
| -- | -- | -- | -- | -- | -- | 1,652,437 |
| -- | -- | -- | -- | -- | -- | 2,271,963 |
| -- | -- | 808 | 234 | -- | 1,155 | 47,178 |
| -- | -- | -- | -- | -- | -- | 23,092,159 |
| <u>\$ --</u> | <u>\$ --</u> | <u>\$ 7,144,022</u> | <u>\$ 2,396,253</u> | <u>\$ --</u> | <u>\$ 14,174,718</u> | <u>\$ 115,567,815</u> |
| | | | | | | |
| \$ -- | \$ -- | \$ 178,689 | \$ -- | \$ -- | \$ 178,689 | \$ 2,545,180 |
| -- | -- | -- | -- | -- | -- | 18,075,097 |
| -- | -- | -- | -- | -- | -- | 322,767 |
| -- | -- | -- | -- | -- | -- | 475,835 |
| <u>--</u> | <u>--</u> | <u>178,689</u> | <u>--</u> | <u>--</u> | <u>178,689</u> | <u>21,418,879</u> |
| | | | | | | |
| -- | -- | -- | -- | -- | -- | 675,093 |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>71,042</u> |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>746,135</u> |
| | | | | | | |
| -- | -- | 6,965,333 | 2,396,253 | -- | 13,996,029 | 84,686,576 |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>8,716,225</u> |
| <u>--</u> | <u>--</u> | <u>6,965,333</u> | <u>2,396,253</u> | <u>--</u> | <u>13,996,029</u> | <u>93,402,801</u> |
| | | | | | | |
| <u>\$ --</u> | <u>\$ --</u> | <u>\$ 7,144,022</u> | <u>\$ 2,396,253</u> | <u>\$ --</u> | <u>\$ 14,174,718</u> | <u>\$ 115,567,815</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Special Revenue | | | |
|--|---|--|---|--|
| | Civil Juror Compensation | Criminal Juror Compensation | City Constable Court Costs | Mosquito Abatement and Rodent Control |
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$ -- | \$ -- | \$ -- | \$ 5,481,242 |
| Sales | -- | -- | -- | -- |
| Occupancy | -- | -- | -- | -- |
| Intergovernmental revenues | -- | -- | -- | -- |
| Charges for services | 70,799 | 226,404 | 837,929 | -- |
| Fines and forfeits | -- | -- | 52,188 | -- |
| Investment earnings | 113 | 480 | 558 | 4,297 |
| Miscellaneous revenues | -- | -- | -- | -- |
| Total revenues | <u>70,912</u> | <u>226,884</u> | <u>890,675</u> | <u>5,485,539</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 96,289 | 259,748 | 834,070 | -- |
| Public safety | -- | -- | -- | -- |
| Transportation | -- | -- | -- | -- |
| Health and welfare | -- | -- | -- | 4,495,271 |
| Conservation and development | -- | -- | -- | -- |
| Debt service: | | | | |
| Principal retirement | -- | -- | -- | -- |
| Interest and fiscal charges | -- | -- | -- | -- |
| Capital outlay | -- | -- | -- | 37,995 |
| Intergovernmental | -- | -- | -- | -- |
| Total expenditures | <u>96,289</u> | <u>259,748</u> | <u>834,070</u> | <u>4,533,266</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(25,377)</u> | <u>(32,864)</u> | <u>56,605</u> | <u>952,273</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | -- | -- | -- | -- |
| Transfers out | -- | -- | -- | (3,930,000) |
| Proceeds of capital asset disposition | -- | -- | -- | 2,600 |
| Total other financing sources and uses | <u>--</u> | <u>--</u> | <u>--</u> | <u>(3,927,400)</u> |
| Net change in fund balances | (25,377) | (32,864) | 56,605 | (2,975,127) |
| Fund balances, January 1 | <u>80,020</u> | <u>307,063</u> | <u>268,932</u> | <u>4,645,360</u> |
| Fund balances, December 31 | <u>\$ 54,643</u> | <u>\$ 274,199</u> | <u>\$ 325,537</u> | <u>\$ 1,670,233</u> |

The accompanying notes are an integral part of this statement.

Continued

| Special Revenue | | | | | | |
|--|--|---|---|--|---|--|
| <u>Downtown Development District</u> | <u>Gaming Enforcement Division</u> | <u>City Court Judicial Building</u> | <u>Federal Forfeited Property</u> | <u>E.B.R. Parish Communications District</u> | <u>Emergency Medical Services</u> | <u>B. R. Fire Department Pay Enhancement</u> |
| \$ 498,928 | \$ -- | \$ -- | \$ -- | \$ -- | \$ 12,166,891 | \$ 11,217,123 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | 600 | -- | -- | -- | 583,663 | -- |
| -- | 151,848 | 422,142 | -- | 5,533,160 | 12,265,443 | -- |
| -- | -- | -- | 81,103 | -- | -- | -- |
| 393 | 325 | 880 | 836 | 10,926 | 16,174 | (3,935) |
| 231 | -- | -- | -- | 52,368 | 18,280 | -- |
| <u>499,552</u> | <u>152,773</u> | <u>423,022</u> | <u>81,939</u> | <u>5,596,454</u> | <u>25,050,451</u> | <u>11,213,188</u> |
| -- | 126,625 | 307,899 | -- | -- | -- | -- |
| -- | -- | -- | 323,796 | 5,689,808 | 20,899,712 | 10,819,777 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| 660,886 | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | 86,505 | 51,981 | 73,783 | 1,491,827 | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>660,886</u> | <u>126,625</u> | <u>394,404</u> | <u>375,777</u> | <u>5,763,591</u> | <u>22,391,539</u> | <u>10,819,777</u> |
| (161,334) | 26,148 | 28,618 | (293,838) | (167,137) | 2,658,912 | 393,411 |
| 142,500 | -- | -- | -- | 918,700 | -- | -- |
| -- | -- | -- | -- | -- | (1,783,700) | -- |
| -- | -- | -- | -- | -- | 23 | -- |
| <u>142,500</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>918,700</u> | <u>(1,783,677)</u> | <u>--</u> |
| (18,834) | 26,148 | 28,618 | (293,838) | 751,563 | 875,235 | 393,411 |
| 424,271 | 183,212 | 444,363 | 352,209 | 6,202,483 | 15,032,321 | 1,735,076 |
| <u>\$ 405,437</u> | <u>\$ 209,360</u> | <u>\$ 472,981</u> | <u>\$ 58,371</u> | <u>\$ 6,954,046</u> | <u>\$ 15,907,556</u> | <u>\$ 2,128,487</u> |

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Special Revenue | | | |
|--|--|---|---|---|
| | District No. 1 Fire Protection District | Brownsfield Fire Protection District | Chaneyville Fire Protection District | Pride Fire Protection District |
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$ 342,049 | \$ 523,656 | \$ 151,785 | \$ 126,355 |
| Sales | -- | -- | -- | -- |
| Occupancy | -- | -- | -- | -- |
| Intergovernmental revenues | 31,542 | 141,355 | 18,113 | 18,738 |
| Charges for services | 65,680 | 100,969 | 44,932 | 51,937 |
| Fines and forfeits | -- | -- | -- | -- |
| Investment earnings | 458 | 44 | 133 | 657 |
| Miscellaneous revenues | -- | 24,426 | 13,214 | 4,699 |
| Total revenues | <u>439,729</u> | <u>790,450</u> | <u>228,177</u> | <u>202,386</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | -- | -- | -- | -- |
| Public safety | 381,154 | 758,685 | 240,244 | 166,647 |
| Transportation | -- | -- | -- | -- |
| Health and welfare | -- | -- | -- | -- |
| Conservation and development | -- | -- | -- | -- |
| Debt service: | | | | |
| Principal retirement | -- | -- | -- | 10,800 |
| Interest and fiscal charges | -- | -- | -- | 2,909 |
| Capital outlay | -- | 6,800 | -- | -- |
| Intergovernmental | -- | -- | -- | -- |
| Total expenditures | <u>381,154</u> | <u>765,485</u> | <u>240,244</u> | <u>180,356</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>58,575</u> | <u>24,965</u> | <u>(12,067)</u> | <u>22,030</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | -- | 16,250 | 35,860 | 19,000 |
| Transfers out | -- | -- | -- | -- |
| Proceeds of capital asset disposition | -- | 18 | -- | -- |
| Total other financing sources and uses | <u>--</u> | <u>16,268</u> | <u>35,860</u> | <u>19,000</u> |
| Net change in fund balances | 58,575 | 41,233 | 23,793 | 41,030 |
| Fund balances, January 1 | <u>449,836</u> | <u>258,016</u> | <u>138,583</u> | <u>410,194</u> |
| Fund balances, December 31 | <u>\$ 508,411</u> | <u>\$ 299,249</u> | <u>\$ 162,376</u> | <u>\$ 451,224</u> |

The accompanying notes are an integral part of this statement.

Continued

| Special Revenue | | | | | | |
|--|-------------------|---|-------------------------------|--------------------------|---------------------------------|---|
| Alsen- St. Irma Lee Fire Protection District | Sobriety Court | Consolidated Road Lighting District No. 1 | Parish Transpor- tation | Parish Beautification | Parish Street Maintenance | Capital House Economic Development District |
| \$ 246,446 | \$ -- | \$ 515,234 | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | 1,240,448 | 14,608,422 | 107,961 |
| -- | -- | -- | -- | -- | -- | 924,024 |
| 5,436 | -- | 50,118 | 2,815,502 | -- | -- | -- |
| 13,039 | 80,311 | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| 751 | 79 | 7,199 | 25,760 | 8,821 | 34,651 | -- |
| 11,167 | -- | -- | -- | -- | -- | -- |
| <u>276,839</u> | <u>80,390</u> | <u>572,551</u> | <u>2,841,262</u> | <u>1,249,269</u> | <u>14,643,073</u> | <u>1,031,985</u> |
| -- | 58,588 | -- | -- | -- | -- | -- |
| 346,399 | -- | -- | -- | -- | -- | -- |
| -- | -- | 545,402 | 567,764 | 689,984 | 6,690,592 | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | 1,031,985 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 344,281 | 363,259 | -- | -- |
| -- | -- | -- | 550,000 | -- | -- | -- |
| <u>346,399</u> | <u>58,588</u> | <u>545,402</u> | <u>1,462,045</u> | <u>1,053,243</u> | <u>6,690,592</u> | <u>1,031,985</u> |
| (69,560) | 21,802 | 27,149 | 1,379,217 | 196,026 | 7,952,481 | -- |
| 24,510 | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| <u>24,510</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| (45,050) | 21,802 | 27,149 | 1,379,217 | 196,026 | 7,952,481 | -- |
| 543,766 | 27,205 | 4,350,248 | 14,409,564 | 4,987,599 | 15,674,655 | -- |
| <u>\$ 498,716</u> | <u>\$ 49,007</u> | <u>\$ 4,377,397</u> | <u>\$ 15,788,781</u> | <u>\$ 5,183,625</u> | <u>\$ 23,627,136</u> | <u>\$ --</u> |

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Special Revenue | | | Debt Service |
|--|--|--|----------------------|-------------------------------------|
| | Lafayette- Main Economic Development District | Dawnadele Economic Development District | Total | City Sales Tax Bonds |
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$ -- | \$ -- | \$ 31,269,709 | \$ -- |
| Sales | 95,162 | 1,470,493 | 17,522,486 | 4,176,640 |
| Occupancy | -- | -- | 924,024 | -- |
| Intergovernmental revenues | -- | -- | 3,665,067 | -- |
| Charges for services | -- | -- | 19,864,593 | -- |
| Fines and forfeits | -- | -- | 133,291 | -- |
| Investment earnings | -- | -- | 109,600 | 5,663 |
| Miscellaneous revenues | -- | -- | 124,385 | -- |
| Total revenues | <u>95,162</u> | <u>1,470,493</u> | <u>73,613,155</u> | <u>4,182,303</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | -- | -- | 1,683,219 | -- |
| Public safety | -- | -- | 39,626,222 | -- |
| Transportation | -- | -- | 8,493,742 | -- |
| Health and welfare | -- | -- | 4,495,271 | -- |
| Conservation and development | 95,162 | 1,470,493 | 3,258,526 | -- |
| Debt service: | | | | |
| Principal retirement | -- | -- | 10,800 | 4,015,000 |
| Interest and fiscal charges | -- | -- | 2,909 | 794,412 |
| Capital outlay | -- | -- | 2,456,431 | -- |
| Intergovernmental | -- | -- | 550,000 | -- |
| Total expenditures | <u>95,162</u> | <u>1,470,493</u> | <u>60,577,120</u> | <u>4,809,412</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>--</u> | <u>--</u> | <u>13,036,035</u> | <u>(627,109)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | -- | -- | 1,156,820 | -- |
| Transfers out | -- | -- | (5,713,700) | -- |
| Proceeds of capital asset disposition | -- | -- | 2,641 | -- |
| Total other financing sources and uses | <u>--</u> | <u>--</u> | <u>(4,554,239)</u> | <u>--</u> |
| Net change in fund balances | -- | -- | 8,481,796 | (627,109) |
| Fund balances, January 1 | <u>--</u> | <u>--</u> | <u>70,924,976</u> | <u>5,261,552</u> |
| Fund balances, December 31 | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 79,406,772</u> | <u>\$ 4,634,443</u> |

The accompanying notes are an integral part of this statement.

| Debt Service | | | | | | |
|---------------------------------------|--|--|---|---|----------------------|--|
| Parish Sales Tax Bonds | Taxable Refunding Bonds | Road and Street Improvement | LCDA Road and Street Improvement Project | Excess Revenue and Limited Tax | Total | Total Nonmajor Governmental Funds |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ 31,269,709 |
| 1,204,488 | -- | 16,843,501 | 4,448,328 | -- | 26,672,957 | 44,195,443 |
| -- | -- | -- | -- | -- | -- | 924,024 |
| -- | -- | -- | -- | -- | -- | 3,665,067 |
| -- | -- | -- | -- | -- | -- | 19,864,593 |
| -- | -- | -- | -- | -- | -- | 133,291 |
| -- | -- | 10,635 | 2,439 | -- | 18,737 | 128,337 |
| 16,560 | -- | -- | -- | 204,429 | 220,989 | 345,374 |
| <u>1,221,048</u> | <u>--</u> | <u>16,854,136</u> | <u>4,450,767</u> | <u>204,429</u> | <u>26,912,683</u> | <u>100,525,838</u> |
| -- | -- | -- | -- | -- | -- | 1,683,219 |
| -- | -- | -- | -- | -- | -- | 39,626,222 |
| -- | -- | -- | -- | -- | -- | 8,493,742 |
| -- | -- | -- | -- | -- | -- | 4,495,271 |
| -- | -- | -- | -- | -- | -- | 3,258,526 |
| 905,000 | 3,050,000 | 8,330,000 | 1,315,000 | 240,686 | 17,855,686 | 17,866,486 |
| 316,048 | 1,740,549 | 8,611,429 | 1,832,517 | 13,833 | 13,308,788 | 13,311,697 |
| -- | -- | -- | -- | -- | -- | 2,456,431 |
| -- | -- | -- | -- | -- | -- | 550,000 |
| <u>1,221,048</u> | <u>4,790,549</u> | <u>16,941,429</u> | <u>3,147,517</u> | <u>254,519</u> | <u>31,164,474</u> | <u>91,741,594</u> |
| <u>--</u> | <u>(4,790,549)</u> | <u>(87,293)</u> | <u>1,303,250</u> | <u>(50,090)</u> | <u>(4,251,791)</u> | <u>8,784,244</u> |
| -- | 4,790,549 | -- | -- | 50,090 | 4,840,639 | 5,997,459 |
| -- | -- | -- | -- | -- | -- | (5,713,700) |
| -- | -- | -- | -- | -- | -- | 2,641 |
| <u>--</u> | <u>4,790,549</u> | <u>--</u> | <u>--</u> | <u>50,090</u> | <u>4,840,639</u> | <u>286,400</u> |
| -- | -- | (87,293) | 1,303,250 | -- | 588,848 | 9,070,644 |
| -- | -- | 7,052,626 | 1,093,003 | -- | 13,407,181 | 84,332,157 |
| <u>\$ --</u> | <u>\$ --</u> | <u>\$ 6,965,333</u> | <u>\$ 2,396,253</u> | <u>\$ --</u> | <u>\$ 13,996,029</u> | <u>\$ 93,402,801</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 3

| | <u>Prior Years</u> | <u>Current Year</u> | <u>Total to Date</u> | <u>Project Authorization</u> |
|--|------------------------|-------------------------|--------------------------|----------------------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes | \$ 3,835 | \$ -- | \$ 3,835 | \$ 3,835 |
| General sales and use taxes | 250,841,145 | 7,651,969 | 258,493,114 | 254,555,352 |
| Total taxes | <u>250,844,980</u> | <u>7,651,969</u> | <u>258,496,949</u> | <u>254,559,187</u> |
| Intergovernmental revenues: | | | | |
| Federal grants: | | | | |
| U.S. Federal Transit Authority | 770,149 | 211,841 | 981,990 | 2,535,490 |
| U. S. Department of HUD | 223,538 | -- | 223,538 | 223,538 |
| State grants: | | | | |
| Department of Public Safety and Corrections | 151,351 | -- | 151,351 | 151,351 |
| Department of Transportation and Development | 95,374,816 | 4,323,362 | 99,698,178 | 115,032,015 |
| Louisiana State Capital Outlay Bill | 16,047,483 | 177,858 | 16,225,341 | 16,691,943 |
| Department of Culture, Recreation and Tourism | 1,872 | 17,256 | 19,128 | 181,090 |
| Department of Treasury | 1,928,350 | 550,000 | 2,478,350 | 2,478,350 |
| Department of Economic Development | 1,400,000 | -- | 1,400,000 | 1,400,000 |
| Capital Area Transit System | 706,105 | -- | 706,105 | 706,105 |
| E.B.R. Parish Sheriff | 500,000 | -- | 500,000 | 500,000 |
| E.B.R. Redevelopment Authority | 2,232 | 37,353 | 39,585 | 89,300 |
| E.B.R. Mortgage Finance Authority | 250,000 | -- | 250,000 | 250,000 |
| Other governmental agencies | 406,830 | -- | 406,830 | 541,340 |
| Total intergovernmental revenues | <u>117,762,726</u> | <u>5,317,670</u> | <u>123,080,396</u> | <u>140,780,522</u> |
| Investment earnings | <u>48,530,702</u> | <u>234,443</u> | <u>48,765,145</u> | <u>46,993,949</u> |
| Miscellaneous revenues | <u>11,877,438</u> | <u>1,314,793</u> | <u>13,192,231</u> | <u>11,897,638</u> |
| Total revenues | <u>429,015,846</u> | <u>14,518,875</u> | <u>443,534,721</u> | <u>454,231,296</u> |
| EXPENDITURES | | | | |
| Land | 94,779,650 | 627,010 | 95,406,660 | 108,996,082 |
| Buildings | 148,707,658 | 4,526,404 | 153,234,062 | 191,763,922 |
| Improvements other than buildings | 610,600,183 | 34,335,534 | 644,935,717 | 764,499,970 |
| Equipment | 59,617,583 | 3,998,291 | 63,615,874 | 73,612,048 |
| Other | 9,633,870 | 1,171,896 | 10,805,766 | 10,752,763 |
| Total expenditures | <u>923,338,944</u> | <u>44,659,135</u> | <u>967,998,079</u> | <u>1,149,624,785</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(494,323,098)</u> | <u>(30,140,260)</u> | <u>(524,463,358)</u> | <u>(695,393,489)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 341,262,506 | 16,590,026 | 357,852,532 | 357,852,533 |
| Transfers out | (4,486,127) | (26,521) | (4,512,648) | (4,632,701) |
| Issuance of long term debt | 286,435,000 | 34,415,000 | 320,850,000 | 322,834,910 |
| Premium on long term debt | 7,888,563 | 17,240,820 | 25,129,383 | 25,129,393 |
| Refunding bonds issued | -- | 59,430,000 | 59,430,000 | 59,430,000 |
| Payment to refunded bond escrow agent | -- | (69,984,229) | (69,984,229) | (69,984,230) |
| Increase in long term lease | 4,763,584 | -- | 4,763,584 | 4,763,584 |
| Proceeds of capital asset disposition | 283,893 | -- | 283,893 | -- |
| Total other financing sources and uses | <u>636,147,419</u> | <u>57,665,096</u> | <u>693,812,515</u> | <u>695,393,489</u> |
| Net change in fund balances | <u>\$ 141,824,321</u> | <u>27,524,836</u> | <u>\$ 169,349,157</u> | <u>\$ --</u> |
| Fund Balances, January 1 | | <u>141,824,321</u> | | |
| Fund Balances, December 31 | | <u>\$ 169,349,157</u> | | |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CIVIL JUROR COMPENSATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 4

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services: | | | | |
| Civil juror fees | \$ 60,000 | \$ 60,000 | \$ 70,799 | \$ 10,799 |
| Investment earnings | -- | -- | 113 | 113 |
| Total revenues | 60,000 | 60,000 | 70,912 | 10,912 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Juror compensation | 100,000 | 100,000 | 96,289 | 3,711 |
| Excess (deficiency) of revenues over (under) expenditures | (40,000) | (40,000) | (25,377) | 14,623 |
| Fund balances, January 1 | 80,020 | 80,020 | 80,020 | -- |
| Fund balances, December 31 | <u>\$ 40,020</u> | <u>\$ 40,020</u> | <u>\$ 54,643</u> | <u>\$ 14,623</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CRIMINAL JUROR COMPENSATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 5

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services: | | | | |
| Criminal juror fees | \$ 285,800 | \$ 226,800 | \$ 226,404 | \$ (396) |
| Investment earnings | -- | -- | 480 | 480 |
| Total revenues | 285,800 | 226,800 | 226,884 | 84 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Juror compensation | 285,800 | 275,800 | 259,748 | 16,052 |
| Excess (deficiency) of revenues over (under) expenditures | -- | (49,000) | (32,864) | 16,136 |
| Fund balances, January 1 | 307,063 | 307,063 | 307,063 | -- |
| Fund balances, December 31 | <u>\$ 307,063</u> | <u>\$ 258,063</u> | <u>\$ 274,199</u> | <u>\$ 16,136</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY CONSTABLE COURT COSTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 6

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services: | | | | |
| Judiciary court costs | \$ 655,000 | \$ 600,000 | \$ 601,299 | \$ 1,299 |
| Criminal bond posting fees | 120,000 | 120,000 | 113,290 | (6,710) |
| School security fees | 17,000 | 17,000 | 15,755 | (1,245) |
| Constable bench warrant fees | 23,000 | 23,000 | 22,401 | (599) |
| Evidence testing | 70,000 | 70,000 | 85,184 | 15,184 |
| Total charges for services | 885,000 | 830,000 | 837,929 | 7,929 |
| Fines and forfeits: | | | | |
| City court forfeitures | 45,000 | 45,000 | 52,188 | 7,188 |
| Investment earnings | -- | -- | 558 | 558 |
| Total revenues | 930,000 | 875,000 | 890,675 | 15,675 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Judicial | 967,428 | 959,477 | 838,837 | 120,640 |
| Capital outlay | -- | 10,861 | -- | 10,861 |
| Total expenditures | 967,428 | 970,338 | 838,837 | 131,501 |
| Excess (deficiency) of revenues over (under) expenditures | (37,428) | (95,338) | 51,838 | 147,176 |
| Fund balances, January 1 | 268,932 | 268,932 | 268,932 | -- |
| Fund balances, December 31 | \$ 231,504 | \$ 173,594 | \$ 320,770 | \$ 147,176 |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOSQUITO ABATEMENT AND RODENT CONTROL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 7

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes | \$ 5,339,170 | \$ 5,339,170 | \$ 5,481,242 | \$ 142,072 |
| Investment earnings | 10,000 | 10,000 | 4,297 | (5,703) |
| Total revenues | 5,349,170 | 5,349,170 | 5,485,539 | 136,369 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare: | | | | |
| Operations | 5,122,206 | 5,160,430 | 4,496,500 | 663,930 |
| Capital outlay | 338,620 | 334,346 | 194,739 | 139,607 |
| Total expenditures | 5,460,826 | 5,494,776 | 4,691,239 | 803,537 |
| Excess (deficiency) of revenues over (under) expenditures | (111,656) | (145,606) | 794,300 | 939,906 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out: | | | | |
| Capital Projects Fund | -- | (3,930,000) | (3,930,000) | -- |
| Proceeds of capital asset disposition | 4,000 | 4,000 | 2,600 | (1,400) |
| Total other financing sources and uses | 4,000 | (3,926,000) | (3,927,400) | (1,400) |
| Net change in fund balances | (107,656) | (4,071,606) | (3,133,100) | 938,506 |
| Fund balances, January 1 | 4,645,360 | 4,645,360 | 4,645,360 | -- |
| Fund balances, December 31 | \$ 4,537,704 | \$ 573,754 | \$ 1,512,260 | \$ 938,506 |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 8

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes | \$ 498,650 | \$ 498,650 | \$ 498,928 | \$ 278 |
| Investment earnings | -- | -- | 393 | 393 |
| Miscellaneous revenues: | | | | |
| Other income | -- | -- | 231 | 231 |
| Total revenues | 498,650 | 498,650 | 499,552 | 902 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Conservation and development Operations | 687,150 | 694,480 | 660,886 | 33,594 |
| Excess (deficiency) of revenues over (under) expenditures | (188,500) | (195,830) | (161,334) | 34,496 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| General Fund | 142,500 | 142,500 | 142,500 | -- |
| Net change in fund balances | (46,000) | (53,330) | (18,834) | 34,496 |
| Fund balances, January 1 | 424,271 | 424,271 | 424,271 | -- |
| Fund balances, December 31 | <u>\$ 378,271</u> | <u>\$ 370,941</u> | <u>\$ 405,437</u> | <u>\$ 34,496</u> |

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GAMING ENFORCEMENT DIVISION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

EXHIBIT B - 9

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental revenues: | | | | |
| State shared revenues: | | | | |
| On-behalf payments | \$ 600 | \$ 600 | \$ 600 | \$ -- |
| Charges for services: | | | | |
| Gaming fees | 150,000 | 125,000 | 151,848 | 26,848 |
| Investment earnings | 300 | 300 | 325 | 25 |
| Total revenues | 150,900 | 125,900 | 152,773 | 26,873 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Operations | 150,900 | 152,090 | 126,625 | 25,465 |
| Excess (deficiency) of revenues over (under) expenditures | -- | (26,190) | 26,148 | 52,338 |
| Fund balances, January 1 | 183,212 | 183,212 | 183,212 | -- |
| Fund balances, December 31 | <u>\$ 183,212</u> | <u>\$ 157,022</u> | <u>\$ 209,360</u> | <u>\$ 52,338</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY COURT JUDICIAL BUILDING SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 10

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services: | | | | |
| Civil and traffic fees | \$ 475,000 | \$ 422,000 | \$ 422,142 | \$ 142 |
| Investment earnings | -- | -- | 880 | 880 |
| Total revenues | 475,000 | 422,000 | 423,022 | 1,022 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Judicial | 656,786 | 656,786 | 314,904 | 341,882 |
| Capital outlay | 36,400 | 36,400 | 86,505 | (50,105) |
| Total expenditures | 693,186 | 693,186 | 401,409 | 291,777 |
| Excess (deficiency) of revenues over (under) expenditures | (218,186) | (271,186) | 21,613 | 292,799 |
| Fund balances, January 1 | 444,363 | 444,363 | 444,363 | -- |
| Fund balances, December 31 | \$ 226,177 | \$ 173,177 | \$ 465,976 | \$ 292,799 |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL FORFEITED PROPERTY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 11

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and forfeits: | | | | |
| Forfeited property | \$ 750,000 | \$ 81,104 | \$ 81,103 | \$ (1) |
| Investment earnings | -- | 696 | 836 | 140 |
| Total revenues | 750,000 | 81,800 | 81,939 | 139 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Dedicated funds | 616,690 | 411,611 | 323,796 | 87,815 |
| Capital outlay | 474,249 | 22,398 | 110,212 | (87,814) |
| Total expenditures | 1,090,939 | 434,009 | 434,008 | 1 |
| Excess (deficiency) of revenues over (under) expenditures | (340,939) | (352,209) | (352,069) | 140 |
| Fund balances, January 1 | 352,209 | 352,209 | 352,209 | -- |
| Fund balances, December 31 | \$ 11,270 | \$ -- | \$ 140 | \$ 140 |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EAST BATON ROUGE PARISH COMMUNICATIONS DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 12

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services: | | | | |
| Enhanced 911 | \$ 5,575,000 | \$ 5,575,000 | \$ 5,533,160 | \$ (41,840) |
| Investment earnings | 15,000 | 15,000 | 10,926 | (4,074) |
| Miscellaneous revenues: | | | | |
| Other income | -- | -- | 52,368 | 52,368 |
| Total revenues | <u>5,590,000</u> | <u>5,590,000</u> | <u>5,596,454</u> | <u>6,454</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Communications | 6,474,563 | 6,474,563 | 5,689,808 | 784,755 |
| Capital outlay | <u>73,947</u> | <u>73,947</u> | <u>73,783</u> | <u>164</u> |
| Total expenditures | <u>6,548,510</u> | <u>6,548,510</u> | <u>5,763,591</u> | <u>784,919</u> |
| Excess (deficiency) of revenues over (under) expenditures | (958,510) | (958,510) | (167,137) | 791,373 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| Emergency Medical Services Fund | <u>918,700</u> | <u>918,700</u> | <u>918,700</u> | <u>--</u> |
| Net change in fund balances | (39,810) | (39,810) | 751,563 | 791,373 |
| Fund balances, January 1 | <u>6,202,483</u> | <u>6,202,483</u> | <u>6,202,483</u> | <u>--</u> |
| Fund balances, December 31 | <u>\$ 6,162,673</u> | <u>\$ 6,162,673</u> | <u>\$ 6,954,046</u> | <u>\$ 791,373</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 13

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes | \$ 11,861,510 | \$ 11,861,510 | \$ 12,166,891 | \$ 305,381 |
| Intergovernmental revenues: | | | | |
| Medicaid supplemental payment program | 500,000 | 500,000 | 583,663 | 83,663 |
| Charges for services: | | | | |
| Emergency transport charges | 9,500,000 | 9,500,000 | 11,431,241 | 1,931,241 |
| Medicaid supplemental payments for ambulances | 636,360 | 636,360 | 742,844 | 106,484 |
| EMS training fees | 45,000 | 45,000 | 44,585 | (415) |
| CPR card and medical record fees | 46,000 | 46,000 | 46,773 | 773 |
| Total charges for services | 10,227,360 | 10,227,360 | 12,265,443 | 2,038,083 |
| Investment earnings | 15,000 | 15,000 | 16,174 | 1,174 |
| Miscellaneous revenues: | | | | |
| Other income | 1,500 | 1,500 | 18,280 | 16,780 |
| Total revenues | 22,605,370 | 22,605,370 | 25,050,451 | 2,445,081 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Operations | 21,933,286 | 22,133,286 | 20,899,712 | 1,233,574 |
| Capital outlay | 3,734,500 | 2,959,500 | 1,862,107 | 1,097,393 |
| Total expenditures | 25,667,786 | 25,092,786 | 22,761,819 | 2,330,967 |
| Excess (deficiency) of revenues over (under) expenditures | (3,062,416) | (2,487,416) | 2,288,632 | 4,776,048 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out: | | | | |
| General Fund | (90,000) | (90,000) | (90,000) | -- |
| Capital Projects Fund | -- | (775,000) | (775,000) | -- |
| East Baton Rouge Parish Communications District | (918,700) | (918,700) | (918,700) | -- |
| Total transfers out | (1,008,700) | (1,783,700) | (1,783,700) | -- |
| Proceeds of capital asset disposition | -- | -- | 23 | 23 |
| Total other financing sources and uses | (1,008,700) | (1,783,700) | (1,783,677) | 23 |
| Net change in fund balances | (4,071,116) | (4,271,116) | 504,955 | 4,776,071 |
| Fund balances, January 1 | 15,032,321 | 15,032,321 | 15,032,321 | -- |
| Fund balances, December 31 | \$ 10,961,205 | \$ 10,761,205 | \$ 15,537,276 | \$ 4,776,071 |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BATON ROUGE FIRE DEPARTMENT PAY ENHANCEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 14

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes | \$ 10,998,460 | \$ 10,998,460 | \$ 11,217,123 | \$ 218,663 |
| Investment earnings | (10,000) | (10,000) | (3,935) | 6,065 |
| Total revenues | 10,988,460 | 10,988,460 | 11,213,188 | 224,728 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Operations | 11,114,930 | 11,301,450 | 10,819,777 | 481,673 |
| Excess (deficiency) of revenues over (under) expenditures | (126,470) | (312,990) | 393,411 | 706,401 |
| Fund balances, January 1 | 1,735,076 | 1,735,076 | 1,735,076 | -- |
| Fund balances, December 31 | <u>\$ 1,608,606</u> | <u>\$ 1,422,086</u> | <u>\$ 2,128,487</u> | <u>\$ 706,401</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT NO. 1 FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 15

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes | \$ 320,350 | \$ 320,350 | \$ 342,049 | \$ 21,699 |
| Intergovernmental revenues: | | | | |
| Insurance company taxes | 27,780 | 27,780 | 31,542 | 3,762 |
| Charges for services: | | | | |
| Fire protection service charges | 60,380 | 60,380 | 65,680 | 5,300 |
| Investment earnings | 330 | 330 | 458 | 128 |
| Total revenues | 408,840 | 408,840 | 439,729 | 30,889 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Operations | 408,840 | 408,840 | 381,154 | 27,686 |
| Excess (deficiency) of revenues over (under) expenditures | -- | -- | 58,575 | 58,575 |
| Fund balances, January 1 | 449,836 | 449,836 | 449,836 | -- |
| Fund balances, December 31 | \$ 449,836 | \$ 449,836 | \$ 508,411 | \$ 58,575 |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BROWNSFIELD FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 16

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes | \$ 530,280 | \$ 530,280 | \$ 523,656 | \$ (6,624) |
| Intergovernmental revenues: | | | | |
| Insurance company taxes | 31,930 | 31,930 | 38,491 | 6,561 |
| Louisiana revenue sharing | 80,160 | 80,160 | 78,864 | (1,296) |
| On-behalf payments for salaries and benefits | 24,000 | 24,000 | 24,000 | -- |
| Total intergovernmental revenues | 136,090 | 136,090 | 141,355 | 5,265 |
| Charges for services: | | | | |
| Fire protection service charges | 92,230 | 92,230 | 100,969 | 8,739 |
| Investment earnings | 70 | 70 | 44 | (26) |
| Miscellaneous revenues: | | | | |
| Other income | -- | 20,000 | 24,426 | 4,426 |
| Total revenues | 758,670 | 778,670 | 790,450 | 11,780 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Operations | 774,920 | 794,920 | 758,685 | 36,235 |
| Capital outlay | 6,800 | 6,800 | 6,800 | -- |
| Total expenditures | 781,720 | 801,720 | 765,485 | 36,235 |
| Excess (deficiency) of revenues over (under) expenditures | (23,050) | (23,050) | 24,965 | 48,015 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| General Fund | 16,250 | 16,250 | 16,250 | -- |
| Proceeds of capital asset disposition | -- | -- | 18 | 18 |
| Total other financing sources | 16,250 | 16,250 | 16,268 | 18 |
| Net change in fund balances | (6,800) | (6,800) | 41,233 | 48,033 |
| Fund balances, January 1 | 258,016 | 258,016 | 258,016 | -- |
| Fund balances, December 31 | \$ 251,216 | \$ 251,216 | \$ 299,249 | \$ 48,033 |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CHANEYVILLE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 17

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes | \$ 139,880 | \$ 139,880 | \$ 151,785 | \$ 11,905 |
| Intergovernmental revenues: | | | | |
| Insurance company taxes | 16,000 | 16,000 | 18,113 | 2,113 |
| Charges for services: | | | | |
| Fire protection service charges | 45,340 | 45,340 | 44,932 | (408) |
| Investment earnings | 90 | 90 | 133 | 43 |
| Miscellaneous revenues: | | | | |
| Other income | -- | 10,000 | 13,214 | 3,214 |
| Total revenues | 201,310 | 211,310 | 228,177 | 16,867 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Operations | 237,170 | 247,170 | 240,244 | 6,926 |
| Excess (deficiency) of revenues over (under) expenditures | (35,860) | (35,860) | (12,067) | 23,793 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| General Fund | 35,860 | 35,860 | 35,860 | -- |
| Net change in fund balances | -- | -- | 23,793 | 23,793 |
| Fund balances, January 1 | 138,583 | 138,583 | 138,583 | -- |
| Fund balances, December 31 | <u>\$ 138,583</u> | <u>\$ 138,583</u> | <u>\$ 162,376</u> | <u>\$ 23,793</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PRIDE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 18

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes | \$ 110,560 | \$ 110,560 | \$ 126,355 | \$ 15,795 |
| Intergovernmental revenues: | | | | |
| Insurance company taxes | 14,850 | 14,850 | 18,738 | 3,888 |
| Charges for services: | | | | |
| Fire protection service charges | 49,000 | 49,000 | 51,937 | 2,937 |
| Investment earnings | 500 | 500 | 657 | 157 |
| Miscellaneous revenues: | | | | |
| Other income | -- | -- | 4,699 | 4,699 |
| Total revenues | <u>174,910</u> | <u>174,910</u> | <u>202,386</u> | <u>27,476</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Operations | <u>178,605</u> | <u>178,605</u> | <u>166,647</u> | <u>11,958</u> |
| Debt service: | | | | |
| Principal retirement | 10,800 | 10,800 | 10,800 | -- |
| Interest and fiscal charges | <u>4,710</u> | <u>4,710</u> | <u>2,909</u> | <u>1,801</u> |
| Total debt service | <u>15,510</u> | <u>15,510</u> | <u>13,709</u> | <u>1,801</u> |
| Capital outlay | <u>35,287</u> | <u>35,287</u> | <u>--</u> | <u>35,287</u> |
| Total expenditures | <u>229,402</u> | <u>229,402</u> | <u>180,356</u> | <u>49,046</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(54,492)</u> | <u>(54,492)</u> | <u>22,030</u> | <u>76,522</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| General Fund | 19,000 | 19,000 | 19,000 | -- |
| Issuance of long-term debt | <u>35,287</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Total other financing sources | <u>54,287</u> | <u>19,000</u> | <u>19,000</u> | <u>--</u> |
| Net change in fund balances | (205) | (35,492) | 41,030 | 76,522 |
| Fund balances, January 1 | <u>410,194</u> | <u>410,194</u> | <u>410,194</u> | <u>--</u> |
| Fund balances, December 31 | <u>\$ 409,989</u> | <u>\$ 374,702</u> | <u>\$ 451,224</u> | <u>\$ 76,522</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 19

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes | \$ 241,660 | \$ 241,660 | \$ 246,446 | \$ 4,786 |
| Intergovernmental revenues: | | | | |
| Insurance company taxes | 7,700 | 7,700 | 5,436 | (2,264) |
| Charges for services: | | | | |
| Fire protection service charges | 12,750 | 12,750 | 13,039 | 289 |
| Investment earnings | 700 | 700 | 751 | 51 |
| Miscellaneous revenues: | | | | |
| Other income | -- | -- | 11,167 | 11,167 |
| Total revenues | <u>262,810</u> | <u>262,810</u> | <u>276,839</u> | <u>14,029</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Operations | 334,131 | 435,288 | 346,399 | 88,889 |
| Capital outlay | <u>3,850</u> | <u>43,850</u> | <u>25,577</u> | <u>18,273</u> |
| Total expenditures | <u>337,981</u> | <u>479,138</u> | <u>371,976</u> | <u>107,162</u> |
| Excess (deficiency) of revenues over (under) expenditures | (75,171) | (216,328) | (95,137) | 121,191 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| General Fund | <u>24,510</u> | <u>24,510</u> | <u>24,510</u> | <u>--</u> |
| Net change in fund balances | (50,661) | (191,818) | (70,627) | 121,191 |
| Fund balances, January 1 | <u>543,766</u> | <u>543,766</u> | <u>543,766</u> | <u>--</u> |
| Fund balances, December 31 | <u>\$ 493,105</u> | <u>\$ 351,948</u> | <u>\$ 473,139</u> | <u>\$ 121,191</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SOBRIETY COURT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 20

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services: | | | | |
| Sobriety court costs | \$ 161,000 | \$ 76,000 | \$ 80,311 | \$ 4,311 |
| Investment earnings | -- | -- | 79 | 79 |
| Total revenues | 161,000 | 76,000 | 80,390 | 4,390 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Sobriety court | 119,410 | 62,310 | 58,588 | 3,722 |
| Excess (deficiency) of revenues over (under) expenditures | 41,590 | 13,690 | 21,802 | 8,112 |
| Fund balances, January 1 | 27,205 | 27,205 | 27,205 | -- |
| Fund balances, December 31 | \$ 68,795 | \$ 40,895 | \$ 49,007 | \$ 8,112 |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONSOLIDATED ROAD LIGHTING DISTRICT NO. 1 SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 21

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes | \$ 531,000 | \$ 531,000 | \$ 515,234 | \$ (15,766) |
| Intergovernmental revenues: | | | | |
| State shared revenues | | | | |
| Louisiana revenue sharing | 48,370 | 48,370 | 50,118 | 1,748 |
| Investment earnings | 5,000 | 5,000 | 7,199 | 2,199 |
| Total revenues | 584,370 | 584,370 | 572,551 | (11,819) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Operations | 665,006 | 665,007 | 545,402 | 119,605 |
| Excess (deficiency) of revenues over (under) expenditures | (80,636) | (80,637) | 27,149 | 107,786 |
| Fund balances, January 1 | 4,350,248 | 4,350,248 | 4,350,248 | -- |
| Fund balances, December 31 | <u>\$ 4,269,612</u> | <u>\$ 4,269,611</u> | <u>\$ 4,377,397</u> | <u>\$ 107,786</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 22

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental revenues: | | | | |
| State shared revenues | | | | |
| State road fund | \$ 2,650,000 | \$ 2,650,000 | \$ 2,815,502 | \$ 165,502 |
| Investment earnings | 17,200 | 17,200 | 25,760 | 8,560 |
| Total revenues | 2,667,200 | 2,667,200 | 2,841,262 | 174,062 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Operations | 1,002,710 | 1,002,710 | 572,714 | 429,996 |
| Capital outlay | 13,699,738 | 13,699,738 | 681,124 | 13,018,614 |
| Intergovernmental | 550,000 | 550,000 | 550,000 | -- |
| Total expenditures | 15,252,448 | 15,252,448 | 1,803,838 | 13,448,610 |
| Excess (deficiency) of revenues over (under) expenditures | (12,585,248) | (12,585,248) | 1,037,424 | 13,622,672 |
| Fund balances, January 1 | 14,409,564 | 14,409,564 | 14,409,564 | -- |
| Fund balances, December 31 | <u>\$ 1,824,316</u> | <u>\$ 1,824,316</u> | <u>\$ 15,446,988</u> | <u>\$ 13,622,672</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH BEAUTIFICATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 23

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General sales and use taxes | \$ 1,213,260 | \$ 1,213,260 | \$ 1,240,448 | \$ 27,188 |
| Investment earnings | 5,000 | 5,000 | 8,821 | 3,821 |
| Total revenues | 1,218,260 | 1,218,260 | 1,249,269 | 31,009 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Operations | 3,382,497 | 1,122,977 | 839,164 | 283,813 |
| Capital outlay | 2,405,857 | 4,665,376 | 1,324,982 | 3,340,394 |
| Total expenditures | 5,788,354 | 5,788,353 | 2,164,146 | 3,624,207 |
| Excess (deficiency) of revenues over (under) expenditures | (4,570,094) | (4,570,093) | (914,877) | 3,655,216 |
| Fund balances, January 1 | 4,987,599 | 4,987,599 | 4,987,599 | -- |
| Fund balances, December 31 | \$ 417,505 | \$ 417,506 | \$ 4,072,722 | \$ 3,655,216 |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH STREET MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 24

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General sales and use taxes | \$ 14,278,670 | \$ 14,393,670 | \$ 14,608,422 | \$ 214,752 |
| Investment earnings | 10,000 | 10,000 | 34,651 | 24,651 |
| Total revenues | 14,288,670 | 14,403,670 | 14,643,073 | 239,403 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Street maintenance | 28,530,255 | 28,647,085 | 10,015,239 | 18,631,846 |
| Excess (deficiency) of revenues over (under) expenditures | (14,241,585) | (14,243,415) | 4,627,834 | 18,871,249 |
| Fund balances, January 1 | 15,674,655 | 15,674,655 | 15,674,655 | -- |
| Fund balances, December 31 | \$ 1,433,070 | \$ 1,431,240 | \$ 20,302,489 | \$ 18,871,249 |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITOL HOUSE ECONOMIC DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 25

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General sales and use taxes | \$ 104,900 | \$ 110,900 | \$ 107,961 | \$ (2,939) |
| Occupancy taxes | 799,760 | 959,760 | 924,024 | (35,736) |
| Total taxes | 904,660 | 1,070,660 | 1,031,985 | (38,675) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Conservation and development: | | | | |
| Operations | 904,660 | 1,070,660 | 1,031,985 | 38,675 |
| Excess (deficiency) of revenues over (under) expenditures | -- | -- | -- | -- |
| Fund balances, January 1 | -- | -- | -- | -- |
| Fund balances, December 31 | \$ -- | \$ -- | \$ -- | \$ -- |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAFAYETTE-MAIN ECONOMIC DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 26

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------------|---|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General sales and use taxes | \$ 92,500 | \$ 96,500 | \$ 95,162 | \$ (1,338) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Conservation and development: | | | | |
| Operations | <u>92,500</u> | <u>96,500</u> | <u>95,162</u> | <u>1,338</u> |
| Excess (deficiency) of revenues over (under) expenditures | -- | -- | -- | -- |
| Fund balances, January 1 | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund balances, December 31 | <u><u>\$ --</u></u> | <u><u>\$ --</u></u> | <u><u>\$ --</u></u> | <u><u>\$ --</u></u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DAWNADELE ECONOMIC DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 27

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General sales and use taxes | \$ 1,663,200 | \$ 1,470,500 | \$ 1,470,493 | \$ (7) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Conservation and development: | | | | |
| Operations | 1,663,200 | 1,470,500 | 1,470,493 | 7 |
| Excess (deficiency) of revenues over (under) expenditures | -- | -- | -- | -- |
| Fund balances, January 1 | -- | -- | -- | -- |
| Fund balances, December 31 | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 28

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General sales and use taxes | \$ 4,177,130 | \$ 4,177,130 | \$ 4,176,640 | \$ (490) |
| Investment earnings | 5,200 | 5,200 | 5,663 | 463 |
| Total revenues | 4,182,330 | 4,182,330 | 4,182,303 | (27) |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal: | | | | |
| Bond principal | 4,015,000 | 4,015,000 | 4,015,000 | -- |
| Interest and fiscal charges: | | | | |
| Bond interest | 794,200 | 794,200 | 794,187 | 13 |
| Paying agent fees | 230 | 230 | 225 | 5 |
| Total interest and fiscal charges | 794,430 | 794,430 | 794,412 | 18 |
| Total expenditures | 4,809,430 | 4,809,430 | 4,809,412 | 18 |
| Excess (deficiency) of revenues over (under) expenditures | (627,100) | (627,100) | (627,109) | (9) |
| Fund balances, January 1 | 5,261,552 | 5,261,552 | 5,261,552 | -- |
| Fund balances, December 31 | <u>\$ 4,634,452</u> | <u>\$ 4,634,452</u> | <u>\$ 4,634,443</u> | <u>\$ (9)</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 29

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General sales and use taxes | \$ 1,204,500 | \$ 1,204,500 | \$ 1,204,488 | \$ (12) |
| Miscellaneous revenues: | | | | |
| Other income | 16,560 | 16,560 | 16,560 | -- |
| Total revenues | 1,221,060 | 1,221,060 | 1,221,048 | (12) |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal: | | | | |
| Bond principal | 905,000 | 905,000 | 905,000 | -- |
| Interest and fiscal charges: | | | | |
| Bond interest | 311,860 | 311,860 | 311,848 | 12 |
| Paying agent fees | 4,200 | 4,200 | 4,200 | -- |
| Total interest and fiscal charges | 316,060 | 316,060 | 316,048 | 12 |
| Total expenditures | 1,221,060 | 1,221,060 | 1,221,048 | 12 |
| Excess (deficiency) of revenues over (under) expenditures | -- | -- | -- | -- |
| Fund balances, January 1 | -- | -- | -- | -- |
| Fund balances, December 31 | \$ -- | \$ -- | \$ -- | \$ -- |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAXABLE REFUNDING BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 30

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|-------------------------|--------------|---|---|
| | Original | Final | | |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal: | | | | |
| Bond principal | \$ 3,050,000 | \$ 3,050,000 | \$ 3,050,000 | \$ -- |
| Interest and fiscal charges: | | | | |
| Bond interest | 1,740,450 | 1,740,450 | 1,740,449 | 1 |
| Paying agent fees | 100 | 100 | 100 | -- |
| Total interest and fiscal charges | 1,740,550 | 1,740,550 | 1,740,549 | 1 |
| Total expenditures | 4,790,550 | 4,790,550 | 4,790,549 | 1 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| General Fund | 4,790,550 | 4,790,550 | 4,790,549 | (1) |
| Net change in fund balances | -- | -- | -- | -- |
| Fund balances, January 1 | -- | -- | -- | -- |
| Fund balances, December 31 | \$ -- | \$ -- | \$ -- | \$ -- |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROAD AND STREET IMPROVEMENT DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 31

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General sales and use taxes | \$ 19,944,310 | \$ 16,861,000 | \$ 16,843,501 | \$ (17,499) |
| Investment earnings | 10,800 | 11,030 | 10,635 | (395) |
| Swap earnings | 130,930 | 110,960 | 110,953 | (7) |
| Total revenues | 20,086,040 | 16,982,990 | 16,965,089 | (17,901) |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal: | | | | |
| Bond principal | 8,330,000 | 8,330,000 | 8,330,000 | -- |
| Interest and fiscal charges: | | | | |
| Bond interest | 6,020,950 | 4,230,090 | 4,230,090 | -- |
| Paying agent fees | 734,540 | 736,290 | 736,279 | 11 |
| Total interest and fiscal charges | 6,755,490 | 4,966,380 | 4,966,369 | 11 |
| Swap expenses | 3,756,020 | 3,756,020 | 3,756,013 | 7 |
| Total expenditures | 18,841,510 | 17,052,400 | 17,052,382 | 18 |
| Excess (deficiency) of revenues over (under) expenditures | 1,244,530 | (69,410) | (87,293) | (17,883) |
| Fund balances, January 1 | 7,052,626 | 7,052,626 | 7,052,626 | -- |
| Fund balances, December 31 | \$ 8,297,156 | \$ 6,983,216 | \$ 6,965,333 | \$ (17,883) |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LCDA ROAD AND STREET IMPROVEMENT PROJECT DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 32

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General sales and use taxes | \$ 4,448,780 | \$ 4,448,780 | \$ 4,448,328 | \$ (452) |
| Investment earnings | 2,000 | 2,000 | 2,439 | 439 |
| Total revenues | 4,450,780 | 4,450,780 | 4,450,767 | (13) |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal: | | | | |
| Bond principal | 1,315,000 | 1,315,000 | 1,315,000 | -- |
| Interest and fiscal charges: | | | | |
| Bond interest | 1,830,030 | 1,830,030 | 1,830,017 | 13 |
| Paying agent fees | 2,500 | 2,500 | 2,500 | -- |
| Total interest and fiscal charges | 1,832,530 | 1,832,530 | 1,832,517 | 13 |
| Total expenditures | 3,147,530 | 3,147,530 | 3,147,517 | 13 |
| Excess (deficiency) of revenues over (under) expenditures | 1,303,250 | 1,303,250 | 1,303,250 | -- |
| Fund balances, January 1 | 1,093,003 | 1,093,003 | 1,093,003 | -- |
| Fund balances, December 31 | \$ 2,396,253 | \$ 2,396,253 | \$ 2,396,253 | \$ -- |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EXCESS REVENUE AND LIMITED TAX DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT B - 33

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Miscellaneous revenues: | | | | |
| Contributions from government agencies | \$ 181,070 | \$ 205,090 | \$ 204,429 | \$ (661) |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal: | | | | |
| Bond principal | 618,690 | 240,690 | 240,686 | 4 |
| Interest and fiscal charges: | | | | |
| Bond interest | 61,220 | 15,260 | 13,833 | 1,427 |
| Total expenditures | 679,910 | 255,950 | 254,519 | 1,431 |
| Excess (deficiency) of revenues over (under) expenditures | (498,840) | (50,860) | (50,090) | 770 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| General Fund | 498,840 | 50,860 | 50,090 | (770) |
| Net change in fund balances | -- | -- | -- | -- |
| Fund balances, January 1 | -- | -- | -- | -- |
| Fund balances, December 31 | \$ -- | \$ -- | \$ -- | \$ -- |

The accompanying notes are an integral part of this statement.

NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for operations: (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Baton Rouge River Center accounts for the operation of a cultural and entertainment center composed of an arena, exhibition hall and theater of performing arts. Principal revenues of the fund are rents, commissions and governmental subsidies.

Greater Baton Rouge Parking Authority accounts for the operation of an off-street parking facility. Principal revenues of the fund are governmental subsidies and automobile parking fees.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2015

EXHIBIT C - 1

| | Baton Rouge River Center | Greater Baton Rouge Parking Authority | Total Nonmajor Enterprise Funds |
|---------------------------------------|---|--|--|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 1,009,807 | \$ 1,731,312 | \$ 2,741,119 |
| Investments | -- | 2,390,860 | 2,390,860 |
| Accounts receivable - net | 408,239 | -- | 408,239 |
| Accrued interest receivable | 124 | 3,000 | 3,124 |
| Due from other governments (Note 11) | 641,183 | -- | 641,183 |
| Prepaid items | 207,466 | -- | 207,466 |
| Inventory | 93,352 | -- | 93,352 |
| Total current assets | <u>2,360,171</u> | <u>4,125,172</u> | <u>6,485,343</u> |
| Noncurrent assets: | | | |
| Restricted assets: | | | |
| Cash and cash equivalents | 3,263,250 | -- | 3,263,250 |
| Investments | 4,506,394 | -- | 4,506,394 |
| Accrued interest receivable | 6,245 | -- | 6,245 |
| Total restricted assets | <u>7,775,889</u> | <u>--</u> | <u>7,775,889</u> |
| Capital assets: | | | |
| Land | 1,024,914 | 1,629,303 | 2,654,217 |
| Buildings | 91,652,768 | 10,160,544 | 101,813,312 |
| Improvements (other than buildings) | 14,618,811 | 22,685 | 14,641,496 |
| Equipment | 1,179,976 | 11,696 | 1,191,672 |
| Construction work in progress | 434,758 | -- | 434,758 |
| Total capital assets | <u>108,911,227</u> | <u>11,824,228</u> | <u>120,735,455</u> |
| Accumulated depreciation | <u>(63,750,709)</u> | <u>(10,194,925)</u> | <u>(73,945,634)</u> |
| Net capital assets | <u>45,160,518</u> | <u>1,629,303</u> | <u>46,789,821</u> |
| Total noncurrent assets | <u>52,936,407</u> | <u>1,629,303</u> | <u>54,565,710</u> |
| Total assets | <u>55,296,578</u> | <u>5,754,475</u> | <u>61,051,053</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows for pensions | <u>--</u> | <u>56,317</u> | <u>56,317</u> |

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2015

EXHIBIT C - 1
(Continued)

| | Baton Rouge River Center | Greater Baton Rouge Parking Authority | Total Nonmajor Enterprise Funds |
|--|---|--|--|
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts and contracts payable | \$ 621,515 | \$ 7,642 | \$ 629,157 |
| Accrued salaries payable | 24,973 | 4,364 | 29,337 |
| Unearned revenue | 1,200,356 | -- | 1,200,356 |
| Bonds payable (Note 10) | 1,283,500 | -- | 1,283,500 |
| Compensated absences payable | 44,543 | 45,698 | 90,241 |
| Total current liabilities | <u>3,174,887</u> | <u>57,704</u> | <u>3,232,591</u> |
| Noncurrent liabilities: | | | |
| Bonds payable (Note 10) | 1,928,160 | -- | 1,928,160 |
| Compensated absences payable | -- | 22,174 | 22,174 |
| Net other post employment benefit obligation | -- | 629,279 | 629,279 |
| Net pension liability | -- | 357,436 | 357,436 |
| Total noncurrent liabilities | <u>1,928,160</u> | <u>1,008,889</u> | <u>2,937,049</u> |
| Total liabilities | <u>5,103,047</u> | <u>1,066,593</u> | <u>6,169,640</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflow for pensions | <u>--</u> | <u>3,006</u> | <u>3,006</u> |
| NET POSITION | | | |
| Net investment in capital assets | 41,948,858 | 1,629,303 | 43,578,161 |
| Restricted for capital projects | 8,306,503 | -- | 8,306,503 |
| Unrestricted | <u>(61,830)</u> | <u>3,111,890</u> | <u>3,050,060</u> |
| Total net position | <u>\$ 50,193,531</u> | <u>\$ 4,741,193</u> | <u>\$ 54,934,724</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT C - 2

| | Baton Rouge River Center | Greater Baton Rouge Parking Authority | Total Nonmajor Enterprise Funds |
|---|---|--|--|
| OPERATING REVENUES | | | |
| Charges for services | \$ 5,623,384 | \$ 852,844 | \$ 6,476,228 |
| Miscellaneous revenues | 842,280 | 1,544 | 843,824 |
| Total operating revenues | <u>6,465,664</u> | <u>854,388</u> | <u>7,320,052</u> |
| OPERATING EXPENSES | | | |
| Personal services | 2,519,128 | 250,281 | 2,769,409 |
| Employee benefits | 385,809 | 175,086 | 560,895 |
| Supplies | 1,437,936 | 7,786 | 1,445,722 |
| Contractual services | 4,243,333 | 222,874 | 4,466,207 |
| Depreciation | 4,948,195 | -- | 4,948,195 |
| Management fee | 327,212 | -- | 327,212 |
| Total operating expenses | <u>13,861,613</u> | <u>656,027</u> | <u>14,517,640</u> |
| Operating income (loss) | <u>(7,395,949)</u> | <u>198,361</u> | <u>(7,197,588)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Operating grants | 333,158 | -- | 333,158 |
| Investment earnings | 16,865 | 6,937 | 23,802 |
| Interest expense | (40,878) | -- | (40,878) |
| Gain (loss) on disposition of capital assets | -- | (43,500) | (43,500) |
| Total non-operating revenues (expenses) | <u>309,145</u> | <u>(36,563)</u> | <u>272,582</u> |
| Income (loss) before contributions and transfers | (7,086,804) | 161,798 | (6,925,006) |
| Capital contributions | 1,444,303 | -- | 1,444,303 |
| Transfers in | <u>1,818,451</u> | <u>--</u> | <u>1,818,451</u> |
| Change in net position | (3,824,050) | 161,798 | (3,662,252) |
| Total net position - January 1, restated (Note 1) | <u>54,017,581</u> | <u>4,579,395</u> | <u>58,596,976</u> |
| Total net position - December 31 | <u><u>\$ 50,193,531</u></u> | <u><u>\$ 4,741,193</u></u> | <u><u>\$ 54,934,724</u></u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT C - 3

| | Baton Rouge River Center | Greater Baton Rouge Parking Authority | Total Nonmajor Enterprise Funds |
|---|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash received from customers | \$ 7,043,087 | \$ 854,388 | \$ 7,897,475 |
| Cash payments to suppliers for goods and services | (6,116,110) | (280,080) | (6,396,190) |
| Cash payments to employees for services and benefits | (2,907,886) | (383,839) | (3,291,725) |
| Net cash provided by (used for) operating activities | <u>(1,980,909)</u> | <u>190,469</u> | <u>(1,790,440)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | |
| Operating grants received | 333,671 | -- | 333,671 |
| Transfers in from other funds | 1,791,930 | -- | 1,791,930 |
| Net cash provided by (used for) noncapital financing activities | <u>2,125,601</u> | <u>--</u> | <u>2,125,601</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Acquisition and construction of capital assets | (744,194) | -- | (744,194) |
| Principal paid on bonds, obligations and capital leases | (1,220,000) | -- | (1,220,000) |
| Interest paid on bonds, obligations and capital leases | (40,878) | -- | (40,878) |
| Capital contributed by other governments | 1,481,144 | -- | 1,481,144 |
| Net cash provided by (used for) capital and related financing activities | <u>(523,928)</u> | <u>--</u> | <u>(523,928)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of investments | (4,506,394) | (2,390,860) | (6,897,254) |
| Proceeds from sales and maturities of investments | 4,389,559 | 2,059,091 | 6,448,650 |
| Cash received from joint venture activity | -- | 41,319 | 41,319 |
| Interest received on investments | 13,044 | 5,307 | 18,351 |
| Net cash provided by (used for) investing activities | <u>(103,791)</u> | <u>(285,143)</u> | <u>(388,934)</u> |
| Net increase (decrease) in cash and cash equivalents | (483,027) | (94,674) | (577,701) |
| Cash and cash equivalents, January 1 | <u>4,756,084</u> | <u>1,825,986</u> | <u>6,582,070</u> |
| Cash and cash equivalents, December 31 | <u><u>\$ 4,273,057</u></u> | <u><u>\$ 1,731,312</u></u> | <u><u>\$ 6,004,369</u></u> |
| Classified as: | | | |
| Current assets | \$ 1,009,807 | \$ 1,731,312 | \$ 2,741,119 |
| Restricted assets | 3,263,250 | -- | 3,263,250 |
| Totals | <u><u>\$ 4,273,057</u></u> | <u><u>\$ 1,731,312</u></u> | <u><u>\$ 6,004,369</u></u> |

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT C - 3
(Continued)

| | Baton Rouge River Center | Greater Baton Rouge Parking Authority | Total Nonmajor Enterprise Funds |
|--|---|--|--|
| Reconciliation of operating income to net cash provided by (used for) operating activities: | | | |
| Operating income (loss) | <u>\$ (7,395,949)</u> | <u>\$ 198,361</u> | <u>\$ (7,197,588)</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Depreciation | 4,948,195 | -- | 4,948,195 |
| Increase (decrease) in compensated absences payable | (6,646) | (13,081) | (19,727) |
| Increase (decrease) in net other post employment benefit obligation | -- | 69,439 | 69,439 |
| Increase (decrease) in net pension liability | -- | 20,348 | 20,348 |
| (Increase) decrease in deferred outflows for pensions | -- | (25,782) | (25,782) |
| Increase (decrease) in deferred inflows for pensions | -- | 3,006 | 3,006 |
| Change in assets and liabilities: | | | |
| Decrease (increase) in accounts receivable | 698,551 | -- | 698,551 |
| Decrease (increase) in prepaid items | 48,422 | -- | 48,422 |
| Decrease (increase) in inventory | 25,214 | -- | 25,214 |
| Increase (decrease) in accounts and contracts payable | (181,265) | (49,420) | (230,685) |
| Increase (decrease) in accrued salaries payable | 3,697 | (12,402) | (8,705) |
| Increase (decrease) in unearned revenue | (121,128) | -- | (121,128) |
| Total adjustments | <u>5,415,040</u> | <u>(7,892)</u> | <u>5,407,148</u> |
| Net cash provided by (used for) operating activities | <u><u>\$ (1,980,909)</u></u> | <u><u>\$ 190,469</u></u> | <u><u>\$ (1,790,440)</u></u> |
| Non cash investing, capital, and financing activities: | | | |
| Gain in fair value of investments | \$ 6,369 | \$ 3,000 | \$ 9,369 |
| Gain (loss) on disposal of capital assets | -- | (43,500) | (43,500) |
| Contributions/accruals of capital assets | (36,841) | -- | (36,841) |

The accompanying notes are an integral part of this statement.

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fleet Rental and Replacement Fund rents motorized equipment to Public Works divisions and provides for their scheduled replacement at the end of the economic life of the asset.

Central Garage Fund maintains motorized and heavy equipment and provides motor fuels for all departments.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2015

EXHIBIT D - 1

| | <u>Fleet Rental and Replace- ment Fund</u> | <u>Central Garage</u> | <u>Total</u> |
|-------------------------------------|---|----------------------------------|----------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 6,754,480 | \$ 469,678 | \$ 7,224,158 |
| Investments | 9,327,615 | 648,604 | 9,976,219 |
| Accrued interest receivable | 11,775 | 651 | 12,426 |
| Inventory | -- | 239,391 | 239,391 |
| Total current assets | <u>16,093,870</u> | <u>1,358,324</u> | <u>17,452,194</u> |
| Capital assets: | | | |
| Land | -- | 47,568 | 47,568 |
| Buildings | -- | 2,339,528 | 2,339,528 |
| Improvements (other than buildings) | -- | 7,190 | 7,190 |
| Equipment | <u>37,734,276</u> | <u>188,088</u> | <u>37,922,364</u> |
| Total capital assets | <u>37,734,276</u> | <u>2,582,374</u> | <u>40,316,650</u> |
| Accumulated depreciation | <u>(29,514,371)</u> | <u>(2,264,137)</u> | <u>(31,778,508)</u> |
| Net capital assets | <u>8,219,905</u> | <u>318,237</u> | <u>8,538,142</u> |
| Total assets | <u>24,313,775</u> | <u>1,676,561</u> | <u>25,990,336</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts and contracts payable | 683,967 | 751,355 | 1,435,322 |
| Accrued salaries payable | -- | 27,052 | 27,052 |
| Compensated absences payable | <u>--</u> | <u>162,771</u> | <u>162,771</u> |
| Total liabilities | <u>683,967</u> | <u>941,178</u> | <u>1,625,145</u> |
| NET POSITION | | | |
| Net investment in capital assets | 8,219,905 | 318,237 | 8,538,142 |
| Unrestricted | <u>15,409,903</u> | <u>417,146</u> | <u>15,827,049</u> |
| Total net position | <u>\$ 23,629,808</u> | <u>\$ 735,383</u> | <u>\$ 24,365,191</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT D - 2

| | <u>Fleet Rental and Replace- ment Fund</u> | <u>Central Garage</u> | <u>Total</u> |
|--|--|---------------------------|-----------------------------|
| OPERATING REVENUES | | | |
| Charges for services: | | | |
| Billings to departments | \$ 7,252,734 | \$ 10,169,755 | \$ 17,422,489 |
| OPERATING EXPENSES | | | |
| Personal services | -- | 1,286,184 | 1,286,184 |
| Employee benefits | -- | 832,074 | 832,074 |
| Supplies | 47,753 | 144,726 | 192,479 |
| Contractual services | 2,978,234 | 1,158,531 | 4,136,765 |
| Cost of materials | -- | 7,878,584 | 7,878,584 |
| Depreciation | 2,724,779 | 26,557 | 2,751,336 |
| Total operating expenses | <u>5,750,766</u> | <u>11,326,656</u> | <u>17,077,422</u> |
| Operating income (loss) | <u>1,501,968</u> | <u>(1,156,901)</u> | <u>345,067</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment earnings | 26,783 | 1,884 | 28,667 |
| Gain (loss) on disposition of capital assets | 241,671 | 4,265 | 245,936 |
| Total non-operating revenues (expenses) | <u>268,454</u> | <u>6,149</u> | <u>274,603</u> |
| Change in net position | 1,770,422 | (1,150,752) | 619,670 |
| Total net position - January 1 | <u>21,859,386</u> | <u>1,886,135</u> | <u>23,745,521</u> |
| Total net position - December 31 | <u><u>\$ 23,629,808</u></u> | <u><u>\$ 735,383</u></u> | <u><u>\$ 24,365,191</u></u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT D - 3

| | Fleet Rental and Replace- ment Fund | Central Garage | Total |
|--|--|---------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash received from customers | \$ 7,252,734 | \$ 10,169,755 | \$ 17,422,489 |
| Cash payments to suppliers for goods and services | (3,081,566) | (9,283,377) | (12,364,943) |
| Cash payments to employees for services and benefits | -- | (2,136,490) | (2,136,490) |
| Net cash provided by (used for) operating activities | <u>4,171,168</u> | <u>(1,250,112)</u> | <u>2,921,056</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Proceeds from sale of capital assets | 243,932 | 4,265 | 248,197 |
| Acquisition and construction of capital assets | (2,677,021) | (157,938) | (2,834,959) |
| Net cash provided by (used for) capital and related financing activities | <u>(2,433,089)</u> | <u>(153,673)</u> | <u>(2,586,762)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of investments | (9,327,615) | (648,604) | (9,976,219) |
| Interest received on investments | 19,152 | 1,866 | 21,018 |
| Net cash provided by (used for) investing activities | <u>(9,308,463)</u> | <u>(646,738)</u> | <u>(9,955,201)</u> |
| Net increase (decrease) in cash and cash equivalents | (7,570,384) | (2,050,523) | (9,620,907) |
| Cash and cash equivalents, January 1 | <u>14,324,864</u> | <u>2,520,201</u> | <u>16,845,065</u> |
| Cash and cash equivalents, December 31 | <u>\$ 6,754,480</u> | <u>\$ 469,678</u> | <u>\$ 7,224,158</u> |
| Reconciliation of operating income to net cash provided by (used for) operating activities: | | | |
| Operating income (loss) | <u>\$ 1,501,968</u> | <u>\$ (1,156,901)</u> | <u>\$ 345,067</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Depreciation | 2,724,779 | 26,557 | 2,751,336 |
| Increase (decrease) in compensated absences payable | -- | 31,356 | 31,356 |
| Change in assets and liabilities: | | | |
| Decrease (increase) in inventory | -- | 36,932 | 36,932 |
| Increase (decrease) in accounts and contracts payable | (55,579) | (138,468) | (194,047) |
| Increase (decrease) in accrued salaries payable | -- | (49,588) | (49,588) |
| Total adjustments | <u>2,669,200</u> | <u>(93,211)</u> | <u>2,575,989</u> |
| Net cash provided by (used for) operating activities | <u>\$ 4,171,168</u> | <u>\$ (1,250,112)</u> | <u>\$ 2,921,056</u> |
| Non cash investing, capital, and financing activities: | | | |
| Gain in fair value of investments | \$ 11,775 | \$ 651 | \$ 12,426 |
| Gain (loss) on disposal of capital assets | (2,261) | -- | (2,261) |

The accompanying notes are an integral part of this statement.

FIDUCIARY FUNDS

Pension Trust Funds

City-Parish Employees Retirement System (CPERS) Regular Pension Trust Fund

accounts for a cost-sharing multiple-employer defined benefit pension system established for employees of the City-Parish government, some of the government's discretely presented component agencies and related organizations.

CPERS Police Guarantee Trust Fund accounts for a single-employer special trust set up by CPERS to administer certain benefits to police employees who transferred to the State Municipal Police Employees Retirement System (MPERS) in 2000. This fund covers benefits that were included in the CPERS system that are not covered by the MPERS system.

Agency Funds

Sales Tax Suspense Fund accounts for the collection of the City-Parish 3% sales tax and distribution thereof to the General Fund, City of Baker, City of Zachary, City of Central and Consolidated School District.

City Court Receipts Suspense Fund accounts for the receipt of advance court costs and collections and the disbursements for garnishments, court costs, and civil fees.

City Court Appearance Bond Fund accounts for the appearance cash bond deposits and the disbursements of refunds and forfeits.

Indigent Defender Fund accounts for the designated court costs and disbursements to the attorneys of indigent clients.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
DECEMBER 31, 2015

EXHIBIT E - 1

| | CPERS Regular Retirement System | CPERS Police Guaranty System | Total Pension Trust Funds |
|---------------------------------------|--|---|--|
| ASSETS | | | |
| Cash and cash equivalents | \$ 16,264,555 | \$ 2,656,163 | \$ 18,920,718 |
| Receivables: | | | |
| Employee contributions | 614,712 | 913 | 615,625 |
| Employer contributions | 3,306,851 | 686,410 | 3,993,261 |
| Interest and dividends | 5,704 | 35 | 5,739 |
| Pending trades | 3,645,416 | 136,827 | 3,782,243 |
| Other contributions | 138,862 | -- | 138,862 |
| Total receivables | <u>7,711,545</u> | <u>824,185</u> | <u>8,535,730</u> |
| Investments, at fair value | | | |
| Fixed income - domestic | 272,017,206 | 6,406,799 | 278,424,005 |
| Fixed income - international | 24,610,440 | 515,759 | 25,126,199 |
| Equity securities - domestic | 300,457,696 | 3,991,437 | 304,449,133 |
| Equity securities - international | 264,259,383 | 3,430,603 | 267,689,986 |
| Real estate investments | 64,441,591 | -- | 64,441,591 |
| Alternative investments | 75,144,336 | 905,432 | 76,049,768 |
| Total investments | <u>1,000,930,652</u> | <u>15,250,030</u> | <u>1,016,180,682</u> |
| Capital assets: | | | |
| Land | 550,628 | -- | 550,628 |
| Buildings | 706,345 | -- | 706,345 |
| Equipment | 43,641 | -- | 43,641 |
| Accumulated depreciation | <u>(735,297)</u> | <u>--</u> | <u>(735,297)</u> |
| Total capital assets | <u>565,317</u> | <u>--</u> | <u>565,317</u> |
| Total assets | <u>1,025,472,069</u> | <u>18,730,378</u> | <u>1,044,202,447</u> |
| LIABILITIES | | | |
| Accrued expenses and benefits payable | 1,028,667 | 157,340 | 1,186,007 |
| Pending trades payable | <u>1,256,475</u> | <u>7,434</u> | <u>1,263,909</u> |
| Total liabilities | <u>2,285,142</u> | <u>164,774</u> | <u>2,449,916</u> |
| NET POSITION | | | |
| Held in trust for pension benefits | <u>\$ 1,023,186,927</u> | <u>\$ 18,565,604</u> | <u>\$ 1,041,752,531</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT E - 2

| | CPERS Regular Retirement System | CPERS Police Guaranty System | Total Pension Trust Funds |
|--|--|---|--|
| ADDITIONS | | | |
| Contributions: | | | |
| Employee | \$ 13,596,282 | \$ 99,365 | \$ 13,695,647 |
| Employer | 41,387,640 | 951,261 | 42,338,901 |
| Severance contributions from employee | 1,457,940 | -- | 1,457,940 |
| Total contributions | <u>56,441,862</u> | <u>1,050,626</u> | <u>57,492,488</u> |
| Investment income | | | |
| <i>From investment activities:</i> | | | |
| Net appreciation (depreciation) in fair value of investments | (3,043,423) | (264,902) | (3,308,325) |
| Interest | 368,456 | 4,619 | 373,075 |
| Total investment income | <u>(2,674,967)</u> | <u>(260,283)</u> | <u>(2,935,250)</u> |
| Less: investment expense | 6,933,916 | 143,357 | 7,077,273 |
| Net income from investing activities | <u>(9,608,883)</u> | <u>(403,640)</u> | <u>(10,012,523)</u> |
| Total additions | <u>46,832,979</u> | <u>646,986</u> | <u>47,479,965</u> |
| DEDUCTIONS | | | |
| Benefit payments | 93,118,375 | 1,853,004 | 94,971,379 |
| Refunds and withdrawals | 3,088,270 | -- | 3,088,270 |
| Administrative expenses | 1,318,104 | 313,560 | 1,631,664 |
| Total deductions | <u>97,524,749</u> | <u>2,166,564</u> | <u>99,691,313</u> |
| Change in net position | (50,691,770) | (1,519,578) | (52,211,348) |
| Net position - beginning of year | <u>1,073,878,697</u> | <u>20,085,182</u> | <u>1,093,963,879</u> |
| Net position - end of year | <u><u>\$ 1,023,186,927</u></u> | <u><u>\$ 18,565,604</u></u> | <u><u>\$ 1,041,752,531</u></u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2015

EXHIBIT E - 3

| | <u>Sales Tax Suspense</u> | <u>City Court Receipts Suspense</u> | <u>City Court Appearance Bond</u> | <u>Indigent Defender</u> | <u>Total Agency Funds</u> |
|--|-------------------------------|---|---|------------------------------|-----------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 17,457,957 | \$ 2,112,442 | \$ 614,540 | \$ 80,721 | \$ 20,265,660 |
| Taxes receivable for other governments | 18,647,491 | -- | -- | -- | 18,647,491 |
| Other receivables | <u>210,344</u> | <u>--</u> | <u>--</u> | <u>124,363</u> | <u>334,707</u> |
| Total assets | <u>\$ 36,315,792</u> | <u>\$ 2,112,442</u> | <u>\$ 614,540</u> | <u>\$ 205,084</u> | <u>\$ 39,247,858</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 32,900,849 | \$ 237,713 | \$ 2,950 | \$ 205,084 | \$ 33,346,596 |
| Deposits and escrow accounts | <u>3,414,943</u> | <u>1,874,729</u> | <u>611,590</u> | <u>--</u> | <u>5,901,262</u> |
| Total liabilities | <u>\$ 36,315,792</u> | <u>\$ 2,112,442</u> | <u>\$ 614,540</u> | <u>\$ 205,084</u> | <u>\$ 39,247,858</u> |

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT E - 4

| | Balance January 1, 2015 | Additions | Deletions | Balance December 31, 2015 |
|--|--|-----------------------|-----------------------|--|
| <u>Sales Tax Suspense Fund:</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 18,146,644 | \$ 334,690,661 | \$ 335,379,348 | \$ 17,457,957 |
| Taxes receivable for other governments | 18,050,928 | 18,647,491 | 18,050,928 | 18,647,491 |
| Other receivables | 128,550 | 249,103 | 167,309 | 210,344 |
| Total assets | <u>\$ 36,326,122</u> | <u>\$ 353,587,255</u> | <u>\$ 353,597,585</u> | <u>\$ 36,315,792</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 31,722,878 | \$ 34,386,494 | \$ 33,208,523 | \$ 32,900,849 |
| Deposits and escrow accounts | 4,603,244 | 345,569,651 | 346,757,952 | 3,414,943 |
| Total liabilities | <u>\$ 36,326,122</u> | <u>\$ 379,956,145</u> | <u>\$ 379,966,475</u> | <u>\$ 36,315,792</u> |
| <u>City Court Receipts Suspense Fund:</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | <u>\$ 2,265,422</u> | <u>\$ 14,133,538</u> | <u>\$ 14,286,518</u> | <u>\$ 2,112,442</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 476,801 | \$ 11,884,205 | \$ 12,123,293 | \$ 237,713 |
| Deposits and escrow accounts | 1,788,621 | 14,260,326 | 14,174,218 | 1,874,729 |
| Total liabilities | <u>\$ 2,265,422</u> | <u>\$ 26,144,531</u> | <u>\$ 26,297,511</u> | <u>\$ 2,112,442</u> |
| <u>City Court Appearance Bond Fund:</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | <u>\$ 693,428</u> | <u>\$ 281,088</u> | <u>\$ 359,976</u> | <u>\$ 614,540</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 6,550 | \$ 352,127 | \$ 355,727 | \$ 2,950 |
| Deposits and escrow accounts | 686,878 | 269,738 | 345,026 | 611,590 |
| Total liabilities | <u>\$ 693,428</u> | <u>\$ 621,865</u> | <u>\$ 700,753</u> | <u>\$ 614,540</u> |
| <u>Indigent Defender Fund:</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 113,591 | \$ 2,830,610 | \$ 2,863,480 | \$ 80,721 |
| Receivables | 105,258 | 124,319 | 105,214 | 124,363 |
| Total assets | <u>\$ 218,849</u> | <u>\$ 2,954,929</u> | <u>\$ 2,968,694</u> | <u>\$ 205,084</u> |
| LIABILITIES | | | | |
| Accounts payable | <u>\$ 218,849</u> | <u>\$ 2,852,187</u> | <u>\$ 2,865,952</u> | <u>\$ 205,084</u> |

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT E - 4
(Continued)

| | Balance January 1, 2015 | Additions | Deletions | Balance December 31, 2015 |
|--|--|------------------------------|------------------------------|--|
| <u>Total all agency funds</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 21,219,085 | \$ 351,935,897 | \$ 352,889,322 | \$ 20,265,660 |
| Taxes receivable for other governments | 18,050,928 | 18,647,491 | 18,050,928 | 18,647,491 |
| Other receivables | <u>233,808</u> | <u>373,422</u> | <u>272,523</u> | <u>334,707</u> |
| Total assets | <u><u>\$ 39,503,821</u></u> | <u><u>\$ 370,956,810</u></u> | <u><u>\$ 371,212,773</u></u> | <u><u>\$ 39,247,858</u></u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 32,425,078 | \$ 49,475,013 | \$ 48,553,495 | \$ 33,346,596 |
| Deposits and escrow accounts | <u>7,078,743</u> | <u>360,099,715</u> | <u>361,277,196</u> | <u>5,901,262</u> |
| Total liabilities | <u><u>\$ 39,503,821</u></u> | <u><u>\$ 409,574,728</u></u> | <u><u>\$ 409,830,691</u></u> | <u><u>\$ 39,247,858</u></u> |

The accompanying notes are an integral part of this statement.

SCHEDULES

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS
AND INVESTMENTS
DECEMBER 31, 2015**

EXHIBIT F - 1

| <u>Description</u> | <u>Interest Rate (%)</u> | <u>Carrying Amount</u> |
|---|------------------------------|----------------------------|
| <u>PRIMARY GOVERNMENT</u> | | |
| <u>Consolidated Cash Account</u> | | |
| Louisiana Asset Management Pool | 0.01-0.31 | \$ 128,207,215 |
| Certificates of Deposit - Whitney Bank | 0.10-0.15 | 35,000,000 |
| U.S. Government Obligations | 0.16-0.67 | 164,422,192 |
| U.S. Agency Obligations | 0.24-0.77 | 341,353,679 |
| Cash in Bank - JP Morgan Chase Bank | | 27,415,406 |
| Cash in Bank - Capital One | | 175,022,352 |
| Total Cash and Investments - Consolidated Cash Account | | <u>871,420,844</u> |
| <u>Other Cash Items</u> | | |
| Petty Cash | | 15,846 |
| Cash on Hand | | 2,655,977 |
| Total Other Cash Items | | <u>2,671,823</u> |
| <u>Baton Rouge River Center</u> | | |
| Cash in Bank - Capital One Bank | | 98,703 |
| Cash in Bank - Investar Bank | | 663,942 |
| Total Baton Rouge River Center | | <u>762,645</u> |
| <u>East Baton Rouge Sewerage Commission</u> | | |
| Louisiana Asset Management Pool | 0.01-0.31 | 35,426,468 |
| JP Morgan Chase Bank: | | |
| Cash in Bank | | 7,734,379 |
| Certificates of Deposit - Whitney Bank | 0.10-0.11 | 29,461,149 |
| Total East Baton Rouge Sewerage Commission | | <u>72,621,996</u> |
| <u>2005B Public Improvement Sales Tax Revenue Bonds (Taxable)</u> | | |
| JP Morgan Chase Bank: | | |
| Cash in Bank | | <u>66,630</u> |
| <u>2007A Public Improvement Sales Tax Revenue Bonds</u> | | |
| Louisiana Asset Management Pool | 0.01-0.31 | 2,813,697 |
| JP Morgan Chase Bank: | | |
| Cash in Bank | | 221,218 |
| Certificates of Deposit - Whitney Bank | 0.10 | 886,851 |
| Total 2007A Public Improvement Sales Tax Revenue Bonds | | <u>3,921,766</u> |
| <u>2008A Road and Street Improvement Sales Tax Revenue Bonds</u> | | |
| JP Morgan Chase Bank: | | |
| Cash in Bank | | 695,409 |
| Certificates of Deposit - Whitney Bank | 0.10-0.11 | 2,766,062 |
| Total 2008A Road and Street Improvement Sales Tax Revenue Bonds | | <u>3,461,471</u> |
| <u>2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds</u> | | |
| Louisiana Asset Management Pool | 0.01-0.31 | 116,914 |
| JP Morgan Chase Bank: | | |
| Cash in Bank | | 628,609 |
| Certificates of Deposit - Whitney Bank | 0.10 | 904,747 |
| Total 2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds | | <u>1,650,270</u> |

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS
AND INVESTMENTS
DECEMBER 31, 2015**

EXHIBIT F - 1
(Continued)

| <u>Description</u> | <u>Interest Rate (%)</u> | <u>Carrying Amount</u> |
|--|------------------------------|----------------------------|
| <u>PRIMARY GOVERNMENT (Continued)</u> | | |
| <u>2009A Road and Street Improvement Sales Tax Revenue Bonds</u> | | |
| JP Morgan Chase Bank: | | |
| Cash in Bank | | \$ 467,017 |
| Certificates of Deposit - Whitney Bank | 0.10-0.11 | 1,827,706 |
| Total 2009A Road and Street Improvement Sales Tax Revenue Bonds | | <u>2,294,723</u> |
| <u>2010A Public Improvement Sales Tax Revenue Bonds</u> | | |
| JP Morgan Chase Bank: | | |
| Cash in Bank | | <u>527,444</u> |
| <u>2010B Public Improvement Sales Tax Revenue Bonds</u> | | |
| JP Morgan Chase Bank: | | |
| Cash in Bank | | 142,453 |
| Certificates of Deposit - Whitney Bank | 0.10-0.11 | 570,473 |
| Total 2010B Public Improvement Sales Tax Revenue Bonds | | <u>712,926</u> |
| <u>2012 LCDA Road Improvements Project</u> | | |
| JP Morgan Chase Bank: | | |
| Cash in Bank | | 219,183 |
| Certificates of Deposit - Whitney Bank | 0.10 | 874,768 |
| Total 2012 LCDA Road Improvements Project | | <u>1,093,951</u> |
| <u>2015 Road and Street Improvement Sales Tax Revenue Refunding Bonds</u> | | |
| JP Morgan Chase Bank: | | |
| Cash in Bank | | 247,380 |
| Certificates of Deposit - Whitney Bank | 0.10 | 990,707 |
| Total 2015 Road and Street Improvement Sales Tax Revenue Refunding Bonds | | <u>1,238,087</u> |
| <u>2015 LCDA Road Improvements Project</u> | | |
| JP Morgan Chase Bank: | | |
| Cash in Bank | | 260,386 |
| Certificates of Deposit - Whitney Bank | 0.10-0.11 | 1,042,501 |
| Total 2015 LCDA Road Improvements Project | | <u>1,302,887</u> |
| Grand Total Cash, Cash Equivalents and Investments - Primary Government excluding Employees' Retirement System Pension Trust Fund | | <u>\$ 963,747,463</u> |

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS
AND INVESTMENTS
DECEMBER 31, 2015**

EXHIBIT F - 1
(Continued)

| <u>Description</u> | <u>Interest Rate (%)</u> | <u>Carrying Amount</u> |
|--|------------------------------|----------------------------|
| <u>Employees' Retirement System Pension Trust Fund</u> | | |
| Cash in Bank | | \$ 14,138,891 |
| U.S. Treasury Inflation - Protected Securities | | 49,915,172 |
| Other securities held in trust | | 3,855 |
| International Equities and Fixed Income | | 221,448,210 |
| Emerging Markets Equities | | 71,367,975 |
| Domestic Equities and Fixed Income | | 532,954,111 |
| Short-Term Investment Fund/Cash Equivalents | | 4,781,827 |
| Equity Real Estate Fund | | 64,441,591 |
| Hedge Fund of Funds | | 56,916,580 |
| Private Equity | | 19,133,188 |
| Total Employees' Retirement System Pension Trust Fund | | <u>\$ 1,035,101,400</u> |

COMPONENT UNITS

| | |
|--|----------------------|
| District Attorney of the Nineteenth Judicial District | \$ 1,861,205 |
| Nineteenth Judicial District Court | 2,776,613 |
| Nineteenth Judicial District Court Building Commission | 15,261,807 |
| E.B.R. Parish Family Court | 119,258 |
| E.B.R. Parish Juvenile Court | 348,061 |
| E.B.R. Parish Clerk of Court | 4,669,142 |
| E.B.R. Redevelopment Authority | 1,166,598 |
| Cyntreniks Group King Hotel Special Taxing District | 12,795 |
| Bluebonnet Convention Hotel Taxing District | 58,961 |
| EBRATS Building Special Taxing District | 6,124 |
| Capital Area Transit System | 4,254,220 |
| Grand Total Cash, Cash Equivalents and Investments - Component Units | <u>\$ 30,534,784</u> |

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO MAYOR-PRESIDENT
FOR THE YEAR ENDED DECEMBER 31, 2015**

EXHIBIT F - 2

| <u>Purpose</u> | <u>Amount</u> |
|---|--------------------------|
| Salary | \$ 158,337 |
| Benefits - insurance | 9,142 |
| Benefits - retirement | 23,230 |
| Benefits - other (FICA and OPEB) | 21,207 |
| Travel | 2,200 |
| Registration fees | 2,745 |
| Conference Travel | 9,805 |
| Cell Phone | 1,414 |
| Special meals | <u>176</u> |
| Total Compensation, Benefits and Other Payments to Mayor-President | <u><u>\$ 228,256</u></u> |



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATISTICAL SECTION
DECEMBER 31, 2015

This section which is composed of accounting and non-accounting data is presented in order to provide the reader with additional information as an aid to understanding the financial activities of the governmental unit.

| <u>INDEX</u> | <u>Exhibit</u> | <u>Page Number</u> |
|--|----------------|------------------------|
| <u>FINANCIAL TRENDS INFORMATION</u> - These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. | | |
| Net Position by Component, Last Ten Fiscal Years | G-1 | 220 |
| Changes in Net Position, Last Ten Fiscal Years | G-2 | 222 |
| Governmental Activities Tax Revenues By Source, Last Ten Fiscal Years | G-3 | 226 |
| Fund Balances of Governmental Funds, Last Ten Fiscal Years | G-4 | 228 |
| Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years | G-5 | 230 |
| Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years | G-6 | 232 |
| <u>REVENUE CAPACITY INFORMATION</u> - These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. | | |
| Assessed and Estimated Actual Value of Taxable Property, Last Ten Years | G-7 | 234 |
| Property Tax Rates and Tax Levies - Direct and Overlapping Governments, Last Ten Years | G-8 | 236 |
| Principal Property Taxpayers, Current Year and Nine Years Ago | G-9 | 238 |
| Property Tax Levies and Collections, Last Ten Years | G-10 | 239 |
| Sales Tax Revenues, Last Ten Years | G-11 | 240 |
| Taxable Sales by North American Industry Classification, Last Ten Years | G-12 | 242 |
| <u>DEBT CAPACITY INFORMATION</u> - These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. | | |
| Ratios of Outstanding Debt by Type, Last Ten Fiscal Years | G-13 | 244 |
| Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years | G-14 | 246 |
| Direct and Overlapping Governmental Activities Debt, December 31, 2015 | G-15 | 248 |
| Legal Debt Margin Calculation, Last Ten Fiscal Years | G-16 | 249 |
| Pledged Revenue Coverage, Last Ten Fiscal Years | G-17 | 250 |
| <u>DEMOGRAPHIC AND ECONOMIC INFORMATION</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. | | |
| Demographic and Economic Statistics, Last Ten Calendar Years | G-18 | 252 |
| Principal Employers, Current Year and Nine Years Ago | G-19 | 253 |
| <u>OPERATING INFORMATION</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. | | |
| Full-time Equivalent City-Parish Government Employees by Function/Department, Last Ten Fiscal Years | G-20 | 254 |
| Operating Indicators by Function/Program, Last Ten Fiscal Years | G-21 | 256 |
| Capital Asset Statistics by Function/Program, Last Ten Fiscal Years | G-22 | 258 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

| | FISCAL YEAR | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2015 | 2014 | 2013 | 2012 |
| Governmental activities | | | | |
| Net investment in capital assets | \$ 665,195 | \$ 650,424 | \$ 626,659 | \$ 601,094 |
| Restricted | 166,069 | 195,913 | 198,502 | 217,949 |
| Unrestricted | (650,016) | (238,705) | (210,528) | (180,056) |
| Total governmental activities net position | <u>181,248</u> | <u>607,632</u> | <u>614,633</u> | <u>638,987</u> |
| Business-type activities | | | | |
| Net investment in capital assets | 652,391 | 668,571 | 704,172 | 698,119 |
| Restricted | 136,123 | 160,489 | 71,309 | 106,355 |
| Unrestricted | 35,333 | 54,088 | 150,046 | 137,766 |
| Total business-type activities net position | <u>823,847</u> | <u>883,148</u> | <u>925,527</u> | <u>942,240</u> |
| Primary government | | | | |
| Net investment in capital assets | 1,317,586 | 1,318,995 | 1,330,831 | 1,299,213 |
| Restricted | 302,192 | 356,402 | 269,811 | 324,304 |
| Unrestricted | (614,683) | (184,617) | (60,482) | (42,290) |
| Total primary government net position | <u>\$ 1,005,095</u> | <u>\$ 1,490,780</u> | <u>\$ 1,540,160</u> | <u>\$ 1,581,227</u> |

Source: Audited Comprehensive Annual Financial Reports

| FISCAL YEAR | | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| \$ 533,154 | \$ 496,724 | \$ 463,006 | \$ 450,561 | \$ 439,020 | \$ 402,159 |
| 256,925 | 216,364 | 225,949 | 232,424 | 211,570 | 187,174 |
| (128,550) | (24,683) | 25,292 | 45,834 | 75,909 | 78,292 |
| <u>661,529</u> | <u>688,405</u> | <u>714,247</u> | <u>728,819</u> | <u>726,499</u> | <u>667,625</u> |
| 645,336 | 541,065 | 487,352 | 415,957 | 411,324 | 402,395 |
| 80,202 | 41,844 | 33,605 | 89,985 | 37,116 | 39,753 |
| 201,564 | 315,079 | 371,621 | 331,435 | 333,552 | 272,361 |
| <u>927,102</u> | <u>897,988</u> | <u>892,578</u> | <u>837,377</u> | <u>781,992</u> | <u>714,509</u> |
| 1,178,490 | 1,037,789 | 950,358 | 866,518 | 850,344 | 804,554 |
| 337,127 | 258,208 | 259,554 | 322,409 | 248,686 | 226,927 |
| 73,014 | 290,396 | 396,913 | 377,269 | 409,461 | 350,653 |
| <u>\$ 1,588,631</u> | <u>\$ 1,586,393</u> | <u>\$ 1,606,825</u> | <u>\$ 1,566,196</u> | <u>\$ 1,508,491</u> | <u>\$ 1,382,134</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

| | FISCAL YEAR | | | |
|---|-------------|-----------|-----------|-----------|
| | 2015 | 2014 | 2013 | 2012 |
| Expenses | | | | |
| Governmental activities: | | | | |
| General government | \$ 104,655 | \$ 99,148 | \$ 97,833 | \$ 88,157 |
| Public safety | 243,512 | 233,012 | 237,028 | 238,291 |
| Transportation | 69,402 | 66,921 | 68,812 | 69,225 |
| Sanitation | -- | 6 | 6 | 6 |
| Health and welfare | 10,463 | 9,797 | 9,500 | 9,333 |
| Culture and recreation | 46,112 | 43,762 | 38,171 | 34,725 |
| Conservation and development | 43,998 | 46,084 | 50,034 | 55,607 |
| Interest and fiscal charges on long-term debt | 14,074 | 13,413 | 15,625 | 14,821 |
| Total governmental activities expenses | 532,216 | 512,143 | 517,009 | 510,165 |
| Business-type activities: | | | | |
| Airport | 27,754 | 28,542 | 28,609 | 26,609 |
| Sewer | 158,218 | 156,351 | 131,780 | 101,595 |
| Convention center | 13,902 | 13,382 | 13,305 | 13,352 |
| Parking facilities | 700 | 2,745 | 1,111 | 782 |
| Solid waste collection and disposal | 39,821 | 40,893 | 37,196 | 36,692 |
| Total business-type activities | 240,395 | 241,913 | 212,001 | 179,030 |
| Total primary government expenses | 772,611 | 754,056 | 729,010 | 689,195 |
| Program Revenues | | | | |
| Governmental activities | | | | |
| Charges for services: | | | | |
| General government | 23,309 | 22,796 | 22,639 | 21,608 |
| Public safety | 29,478 | 27,007 | 28,032 | 24,576 |
| Transportation | 151 | 216 | 269 | 267 |
| Sanitation | -- | 51 | 55 | 61 |
| Health and welfare | 952 | 800 | 798 | 788 |
| Culture and recreation | 316 | 299 | 321 | 289 |
| Conservation and development | 3,577 | 3,520 | 3,555 | 4,469 |
| Operating grants and contributions | 45,073 | 44,261 | 48,211 | 57,785 |
| Capital grants and contributions | 17,957 | 24,403 | 13,128 | 15,751 |
| Total governmental activities program revenues | 120,813 | 123,353 | 117,008 | 125,594 |
| Business-type activities | | | | |
| Charges for Services: | | | | |
| Airport | 17,633 | 17,237 | 17,581 | 16,866 |
| Sewer | 78,673 | 75,420 | 74,405 | 73,315 |
| Convention center | 6,466 | 6,491 | 6,460 | 7,418 |
| Parking facilities | 854 | 853 | 1,091 | 1,237 |
| Solid waste collection and disposal | 39,029 | 37,590 | 36,333 | 38,440 |
| Operating grants and contributions | 7,449 | 7,712 | 7,612 | 7,729 |
| Capital grants and contributions | 17,012 | 10,352 | 9,627 | 17,766 |
| Total business-type activities program revenues | 167,116 | 155,655 | 153,109 | 162,771 |
| Total primary government total revenues | 287,929 | 279,008 | 270,117 | 288,365 |

| FISCAL YEAR | | | | | |
|-------------|-----------|-----------|------------|-----------|-----------|
| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| \$ 98,488 | \$ 94,444 | \$ 98,469 | \$ 100,464 | \$ 87,775 | \$ 72,831 |
| 219,904 | 211,382 | 211,132 | 247,587 | 189,131 | 146,539 |
| 66,118 | 66,622 | 67,349 | 62,308 | 65,181 | 55,272 |
| 6 | 244 | 1,576 | 485 | 559 | 180 |
| 9,251 | 9,436 | 9,495 | 9,261 | 8,091 | 7,742 |
| 34,556 | 33,379 | 28,513 | 27,928 | 27,504 | 23,531 |
| 48,284 | 58,013 | 45,638 | 44,041 | 45,495 | 36,807 |
| 15,594 | 15,515 | 14,785 | 11,429 | 10,517 | 9,092 |
| 492,201 | 489,035 | 476,957 | 503,503 | 434,253 | 351,994 |
| 25,778 | 23,144 | 19,984 | 23,063 | 20,531 | 19,269 |
| 89,582 | 84,555 | 77,872 | 79,325 | 77,924 | 72,993 |
| 10,908 | 10,484 | 10,699 | 15,843 | 15,743 | 15,767 |
| 816 | 677 | 660 | 686 | 698 | 627 |
| 36,368 | 34,861 | 40,255 | 40,361 | 38,954 | 48,683 |
| 163,452 | 153,721 | 149,470 | 159,278 | 153,850 | 157,339 |
| 655,653 | 642,756 | 626,427 | 662,781 | 588,103 | 509,333 |
| 22,939 | 22,485 | 21,172 | 20,448 | 24,346 | 26,462 |
| 23,778 | 25,010 | 26,390 | 19,554 | 19,607 | 18,816 |
| 269 | 310 | 287 | 315 | 807 | 639 |
| 41 | 35 | 35 | 48 | 21 | 36 |
| 807 | 892 | 822 | 741 | 682 | 627 |
| 335 | 342 | 380 | 508 | 446 | 436 |
| 3,213 | 3,371 | 6,793 | 2,715 | 4,395 | 3,528 |
| 48,551 | 62,410 | 50,313 | 87,917 | 52,129 | 45,595 |
| 14,931 | 24,863 | 16,307 | 9,100 | 38,606 | 15,829 |
| 114,864 | 139,718 | 122,499 | 141,346 | 141,039 | 111,968 |
| 14,868 | 13,580 | 12,541 | 15,381 | 15,804 | 17,942 |
| 72,056 | 69,787 | 68,306 | 64,720 | 64,069 | 61,085 |
| 5,804 | 5,879 | 5,853 | 11,023 | 11,998 | 10,823 |
| 1,088 | 1,137 | 1,089 | 973 | 963 | 888 |
| 37,982 | 38,019 | 42,396 | 43,461 | 36,688 | 30,857 |
| 7,634 | 4,385 | 615 | 306 | 548 | 2,189 |
| 18,596 | 23,050 | 28,322 | 23,427 | 23,743 | 24,285 |
| 158,028 | 155,837 | 159,122 | 159,291 | 153,813 | 148,069 |
| 272,892 | 295,555 | 281,621 | 300,637 | 294,852 | 260,037 |

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

| | FISCAL YEAR | | | |
|---|--------------|--------------|--------------|--------------|
| | 2015 | 2014 | 2013 | 2012 |
| Net (expense)/revenue: | | | | |
| Governmental activities | \$ (411,403) | \$ (388,790) | \$ (400,001) | \$ (384,571) |
| Business-type activities | (73,279) | (86,258) | (58,892) | (16,259) |
| Total primary government net expense | (484,682) | (475,048) | (458,893) | (400,830) |
| General Revenues and Other Changes | | | | |
| in Net Position | | | | |
| Governmental activities | | | | |
| Taxes: | | | | |
| Property | 99,623 | 98,253 | 94,352 | 92,526 |
| Gross receipts business | 23,910 | 24,762 | 23,093 | 20,817 |
| Sales | 231,488 | 223,780 | 219,610 | 216,521 |
| Occupancy | 2,410 | 2,211 | 2,201 | 2,393 |
| Occupational | 10,656 | 10,664 | 10,383 | 9,687 |
| Insurance premium | 3,917 | 3,734 | 3,774 | 3,589 |
| Gaming admissions | 9,850 | 9,219 | 9,438 | 7,575 |
| Interest and penalties - delinquent taxes | 1,468 | 1,483 | 2,525 | 1,421 |
| Miscellaneous | 16 | 18 | 11 | 539 |
| Unrestricted grants and contributions | 6,112 | 5,552 | 7,675 | 5,330 |
| Investment earnings | 754 | 413 | 659 | 901 |
| Gain (loss) on sale of capital assets | 339 | 814 | 596 | -- |
| Transfers | 686 | 886 | 1,330 | 2,843 |
| Total governmental activities general revenues | 391,229 | 381,789 | 375,647 | 364,142 |
| Business-type activities | | | | |
| Taxes: | | | | |
| Sales | 44,792 | 43,583 | 42,997 | 42,145 |
| Miscellaneous | -- | -- | 75 | -- |
| Investment earnings | 1,318 | 1,035 | 1,348 | 2,284 |
| Gain (loss) on sale of capital assets | 41 | 147 | (911) | 18 |
| Special item-change in engineering method | -- | -- | -- | -- |
| Transfers | (686) | (886) | (1,330) | (2,843) |
| Total business-type activities general revenues | 45,465 | 43,879 | 42,179 | 41,604 |
| Total primary government general revenues | 436,694 | 425,668 | 417,826 | 405,746 |
| Change in Net Position | | | | |
| Governmental activities | (20,174) | (7,001) | (24,354) | (20,429) |
| Business-type activities | (27,814) | (42,379) | (16,713) | 25,345 |
| Total primary government change in net position | \$ (47,988) | \$ (49,380) | \$ (41,067) | \$ 4,916 |

* Due to the implementation of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, investment losses of \$14,975 and \$6,653 were recognized in 2010 and 2011, respectively.

Source: Audited Comprehensive Annual Financial Reports

| FISCAL YEAR | | | | | |
|-------------|--------------|--------------|--------------|--------------|--------------|
| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| \$ -- | \$ (349,317) | \$ (354,458) | \$ (362,157) | \$ (293,214) | \$ (240,026) |
| -- | 2,116 | 9,652 | 13 | (37) | (9,270) |
| -- | (347,201) | (344,806) | (362,144) | (293,251) | (249,296) |
| 89,006 | 86,395 | 85,244 | 83,990 | 78,081 | 72,125 |
| 23,334 | 24,510 | 22,181 | 28,057 | 26,635 | 27,442 |
| 201,831 | 192,910 | 199,909 | 206,744 | 204,231 | 205,856 |
| 2,064 | 1,956 | 1,952 | 2,442 | 2,336 | 1,390 |
| 9,945 | 9,870 | 10,082 | 9,750 | 9,950 | 8,916 |
| 3,580 | 3,590 | 3,522 | 3,458 | 3,475 | 3,180 |
| 5,845 | 5,741 | 7,542 | 5,740 | 6,362 | 7,006 |
| 1,344 | 1,294 | 2,392 | 2,291 | 1,623 | 1,982 |
| 9,420 | 4,918 | 4,906 | 5,313 | 4,741 | 4,688 |
| 889 | 1,672 | 4,311 | 15,829 | 23,338 | 18,146 |
| -- | 801 | 772 | 1,044 | 1,116 | 611 |
| 1,062 | (1,456) | (2,926) | (181) | (9,800) | (20,806) |
| 348,320 | 332,201 | 339,887 | 364,477 | 352,088 | 330,536 |
| 39,431 | 37,441 | 39,425 | 42,367 | 39,922 | 40,036 |
| -- | 425 | -- | -- | -- | 2,651 |
| (3,912) * | (12,934) * | 3,877 | 12,720 | 17,834 | 13,666 |
| 80 | 101 | (680) | 104 | (36) | 78 |
| -- | -- | -- | -- | -- | (10,341) |
| (1,062) | 1,456 | 2,926 | 181 | 9,800 | 20,806 |
| 34,537 | 26,489 | 45,548 | 55,372 | 67,520 | 66,896 |
| 382,857 | 358,690 | 385,435 | 419,849 | 419,608 | 397,432 |
| 348,320 | (17,116) | (14,571) | 2,320 | 58,874 | 90,510 |
| 34,537 | 28,605 | 55,200 | 55,385 | 67,483 | 57,626 |
| \$ 382,857 | \$ 11,489 | \$ 40,629 | \$ 57,705 | \$ 126,357 | \$ 148,136 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

EXHIBIT G - 3

| | General Property Taxes | Gross Receipts Business Taxes | General Sales and Use Taxes | Occupancy Taxes | Occu- pational Taxes | Insurance Premiums Taxes | Gaming Admissions Taxes | Interest and Penalties- Delinquent Taxes | Total |
|------|------------------------------|--|--------------------------------------|--------------------|----------------------------|--------------------------------|-------------------------------|---|-----------|
| 2015 | \$99,623 | \$23,910 | \$231,488 | \$2,410 | \$10,656 | \$3,917 | \$9,850 | \$1,468 | \$383,322 |
| 2014 | 98,253 | 24,762 | 223,780 | 2,211 | 10,664 | 3,734 | 9,219 | 1,483 | 374,106 |
| 2013 | 94,352 | 23,093 | 219,609 | 2,201 | 10,383 | 3,774 | 9,438 | 2,525 | 365,375 |
| 2012 | 92,526 | 20,817 | 216,521 | 2,393 | 9,687 | 3,589 | 7,575 | 1,421 | 354,529 |
| 2011 | 89,006 | 23,334 | 201,831 | 2,064 | 9,945 | 3,580 | 5,845 | 1,344 | 336,949 |
| 2010 | 86,395 | 24,510 | 192,910 | 1,956 | 9,870 | 3,590 | 5,741 | 1,294 | 326,266 |
| 2009 | 85,243 | 22,181 | 199,909 | 1,952 | 10,082 | 3,522 | 7,542 | 2,392 | 332,823 |
| 2008 | 83,990 | 28,057 | 206,744 | 2,442 | 9,750 | 3,458 | 5,740 | 2,291 | 342,472 |
| 2007 | 78,081 | 26,635 | 204,231 | 2,336 | 9,950 | 3,475 | 6,362 | 1,623 | 332,693 |
| 2006 | 72,125 | 27,442 | 205,856 | 1,390 | 8,916 | 3,180 | 7,006 | 1,982 | 327,897 |

Source: Audited Comprehensive Annual Financial Reports



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

| | FISCAL YEAR | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2015 | 2014 | 2013 | 2012 |
| General Fund (per GASB 54)* | | | | |
| Nondisposable | \$ 657 | \$ 557 | \$ 615 | \$ 640 |
| Restricted | 518 | 1,257 | 706 | 271 |
| Committed | 59,145 | 62,493 | 64,391 | 58,677 |
| Assigned | 28,346 | 32,590 | 29,981 | 27,786 |
| Unassigned | 13,138 | 15,436 | 15,654 | 15,483 |
| General Fund (prior GASB 54)** | | | | |
| Reserved | -- | -- | -- | -- |
| Unreserved | -- | -- | -- | -- |
| Total General Fund | \$ <u>101,804</u> | \$ <u>112,333</u> | \$ <u>111,347</u> | \$ <u>102,857</u> |
| All other governmental funds (per GASB 54)* | | | | |
| Nondisposable | \$ -- | \$ -- | \$ -- | \$ -- |
| Restricted | 321,516 | 280,287 | 282,470 | 305,133 |
| Committed | 32,914 | 30,123 | 28,671 | 24,812 |
| All other governmental funds (prior GASB 54)** | | | | |
| Reserved | -- | -- | -- | -- |
| Unreserved, reported in: | | | | |
| Special revenue funds | -- | -- | -- | -- |
| Capital projects fund | -- | -- | -- | -- |
| Total all other governmental funds | \$ <u>354,430</u> | \$ <u>310,410</u> | \$ <u>311,141</u> | \$ <u>329,945</u> |

* With the implementation of GASB 54 in FY 2011, fund balances are reclassified as Nondisposable, Restricted, Committed, Assigned, and Unassigned.

** Prior to FY 2011 and GASB 54, fund balances were classified as Reserved or Unreserved according to GASB 34.

Source: Audited Comprehensive Annual Financial Reports

| FISCAL YEAR | | | | | |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| \$ 584 | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| 55 | -- | -- | -- | -- | -- |
| 53,161 | -- | -- | -- | -- | -- |
| 32,409 | -- | -- | -- | -- | -- |
| 16,559 | -- | -- | -- | -- | -- |
| -- | 30,018 | 38,098 | 42,757 | 37,103 | 21,731 |
| -- | 66,684 | 65,349 | 74,994 | 89,328 | 96,492 |
| \$ <u>102,768</u> | \$ <u>96,702</u> | \$ <u>103,447</u> | \$ <u>117,751</u> | \$ <u>126,431</u> | \$ <u>118,223</u> |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| 322,519 | -- | -- | -- | -- | -- |
| 32,135 | -- | -- | -- | -- | -- |
| -- | 314,160 | 373,860 | 318,745 | 319,967 | 310,956 |
| -- | 85,333 | 89,389 | 69,794 | 81,132 | 64,132 |
| -- | 1,299 | 1,524 | 1,208 | 2,223 | 1,076 |
| \$ <u>354,654</u> | \$ <u>400,792</u> | \$ <u>464,773</u> | \$ <u>389,747</u> | \$ <u>403,322</u> | \$ <u>376,164</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands)

| | FISCAL YEAR | | | |
|--|-------------------------|----------------------|---------------------------|---------------------------|
| | 2015 | 2014 | 2013 | 2012 |
| REVENUES | | | | |
| Taxes | \$ 383,835 | \$ 374,403 | \$ 365,556 | \$ 353,706 |
| Licenses and permits | 4,907 | 4,681 | 4,346 | 3,912 |
| Intergovernmental | 60,647 | 63,357 | 66,321 | 76,536 |
| Charges for services | 44,208 | 41,503 | 45,339 | 37,235 |
| Fines and forfeits | 2,121 | 2,573 | 2,598 | 3,360 |
| Investment earnings | 725 | 396 | 638 | 876 |
| Miscellaneous revenues | 8,548 | 7,844 | 7,170 | 8,066 |
| Total revenues | <u>504,991</u> | <u>494,757</u> | <u>491,968</u> | <u>483,691</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 76,855 | 74,057 | 67,988 | 66,547 |
| Public safety | 209,673 | 204,081 | 202,155 | 203,370 |
| Transportation | 37,486 | 37,056 | 38,445 | 39,464 |
| Sanitation | -- | -- | -- | -- |
| Health and welfare | 9,486 | 8,906 | 8,641 | 8,502 |
| Culture and recreation | 38,849 | 37,303 | 32,856 | 29,635 |
| Conservation and development | 40,441 | 42,862 | 46,652 | 51,670 |
| Debt service: | | | | |
| Principal retirement | 17,866 | 16,831 | 15,754 | 21,921 |
| Interest and fiscal charges | 13,312 | 14,133 | 14,589 | 14,877 |
| Other charges | 1,082 | 57 | 94 | 1,195 |
| Capital outlay | 51,623 | 48,985 | 72,146 | 94,254 |
| Intergovernmental | 16,723 | 16,063 | 15,658 | 18,416 |
| Total expenditures | <u>513,396</u> | <u>500,334</u> | <u>514,978</u> | <u>549,851</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(8,405)</u> | <u>(5,577)</u> | <u>(23,010)</u> | <u>(66,160)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 26,366 | 28,710 | 15,009 | 18,846 |
| Transfers out | (25,680) | (27,820) | (13,679) | (16,002) |
| Long-term debt proceeds | 34,415 | 4,600 | 11,000 | 33,850 |
| Refunding bonds issued | 59,430 | -- | -- | 58,075 |
| Premium on debt issuance | 17,241 | -- | -- | 4,385 |
| Sale of capital assets | 107 | 343 | 366 | 231 |
| Payments to refunded bond escrow agent | <u>(69,984)</u> | <u>--</u> | <u>--</u> | <u>(57,845)</u> |
| Total other financing sources and uses | <u>41,895</u> | <u>5,833</u> | <u>12,696</u> | <u>41,540</u> |
| Net change in fund balances | \$ <u><u>33,490</u></u> | \$ <u><u>256</u></u> | \$ <u><u>(10,314)</u></u> | \$ <u><u>(24,620)</u></u> |
| Debt service as a percentage of noncapital expenditures | 6.8% | 6.9% | 6.9% | 8.1% |

Source: Audited Comprehensive Annual Financial Reports

| FISCAL YEAR | | | | | |
|--------------------|--------------------|------------------|--------------------|------------------|-------------------|
| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| \$ 338,742 | \$ 328,816 | \$ 332,052 | \$ 341,413 | \$ 331,355 | \$ 327,673 |
| 4,163 | 4,212 | 3,265 | 4,255 | 5,210 | 4,908 |
| 69,058 | 98,203 | 77,611 | 86,180 | 72,604 | 65,869 |
| 39,842 | 42,963 | 36,732 | 31,640 | 35,639 | 36,477 |
| 3,518 | 3,288 | 2,955 | 3,069 | 3,520 | 3,211 |
| 869 | 1,656 | 4,268 | 15,648 | 22,921 | 17,727 |
| 10,041 | 13,753 | 18,253 | 13,158 | 13,878 | 12,850 |
| <u>466,233</u> | <u>492,891</u> | <u>475,136</u> | <u>495,363</u> | <u>485,127</u> | <u>468,715</u> |
| 66,356 | 72,665 | 73,995 | 71,952 | 60,618 | 59,280 |
| 185,844 | 178,572 | 180,712 | 211,713 | 160,421 | 141,697 |
| 41,551 | 43,990 | 41,728 | 42,400 | 42,959 | 35,694 |
| -- | -- | 531 | 696 | 812 | 598 |
| 8,597 | 8,864 | 8,870 | 8,533 | 7,420 | 7,484 |
| 29,547 | 29,100 | 24,590 | 23,492 | 23,099 | 21,507 |
| 44,527 | 54,749 | 42,593 | 40,444 | 42,038 | 36,138 |
| 18,245 | 17,847 | 14,128 | 15,542 | 15,672 | 12,195 |
| 16,143 | 16,949 | 16,442 | 12,378 | 13,007 | 9,992 |
| 972 | 327 | 2,590 | 531 | 427 | 1,787 |
| 79,726 | 122,128 | 101,567 | 75,054 | 54,369 | 33,388 |
| 19,323 | 17,808 | 16,751 | 16,244 | 19,854 | 14,838 |
| <u>510,831</u> | <u>562,999</u> | <u>524,497</u> | <u>518,979</u> | <u>440,696</u> | <u>374,598</u> |
| (44,598) | (70,108) | (49,361) | (23,616) | 44,431 | 94,117 |
| 35,760 | 26,830 | 41,950 | 40,629 | 64,245 | 23,216 |
| (34,698) | (28,253) | (44,869) | (40,805) | (74,044) | (44,021) |
| 1,500 | 19,045 | 110,000 | 94,190 | 30,395 | 125,000 |
| -- | -- | -- | -- | -- | -- |
| -- | 716 | 2,591 | -- | 1,478 | 912 |
| 599 | 606 | 411 | 762 | 684 | 488 |
| -- | (19,562) | -- | (93,415) | (31,823) | -- |
| <u>3,161</u> | <u>(618)</u> | <u>110,083</u> | <u>1,361</u> | <u>(9,065)</u> | <u>105,595</u> |
| \$ <u>(41,437)</u> | \$ <u>(70,726)</u> | \$ <u>60,722</u> | \$ <u>(22,255)</u> | \$ <u>35,366</u> | \$ <u>199,712</u> |
| 8.0% | 7.9% | 7.2% | 6.3% | 7.4% | 6.5% |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands)

EXHIBIT G - 6

| | Property Taxes | Gross Receipts Business Taxes | General Sales and Use Taxes | Occupancy Taxes | Occu- pational Taxes | Insurance Premiums Taxes | Gaming Admissions Taxes | Interest and Penalties- Delinquent Taxes | Total |
|------|-------------------|--|--------------------------------------|--------------------|----------------------------|--------------------------------|-------------------------------|---|-----------|
| 2015 | \$100,137 | \$23,910 | \$231,488 | \$2,410 | \$10,656 | \$3,917 | \$9,850 | \$1,467 | \$383,835 |
| 2014 | 98,550 | 24,762 | 223,780 | 2,211 | 10,664 | 3,734 | 9,219 | 1,483 | 374,403 |
| 2013 | 94,516 | 23,093 | 219,626 | 2,201 | 10,383 | 3,774 | 9,438 | 2,525 | 365,556 |
| 2012 | 91,535 | 20,817 | 216,689 | 2,393 | 9,687 | 3,589 | 7,575 | 1,421 | 353,706 |
| 2011 | 90,578 | 23,334 | 202,051 | 2,064 | 9,945 | 3,580 | 5,845 | 1,345 | 338,742 |
| 2010 | 88,831 | 24,510 | 193,025 | 1,956 | 9,869 | 3,590 | 5,741 | 1,294 | 328,816 |
| 2009 | 84,305 | 22,181 | 200,077 | 1,952 | 10,082 | 3,521 | 7,542 | 2,392 | 332,052 |
| 2008 | 82,763 | 28,057 | 206,911 | 2,443 | 9,750 | 3,458 | 5,740 | 2,291 | 341,413 |
| 2007 | 77,598 | 26,635 | 203,376 | 2,336 | 9,950 | 3,475 | 6,362 | 1,623 | 331,355 |
| 2006 | 71,901 | 27,442 | 205,856 | 1,390 | 8,916 | 3,180 | 7,006 | 1,982 | 327,673 |

Source: Audited Comprehensive Annual Financial Reports



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(amounts expressed in thousands)

EXHIBIT G - 7

| <u>Year</u> | <u>Assessed Value</u> | <u>Less: Tax Exempt Property</u> | <u>Total Taxable Assessed Value</u> | <u>Total Direct Tax Rate</u> | <u>Estimated Actual Value</u> | <u>Assessed Value as a Percentage of Actual Value*</u> |
|-----------------------------------|-----------------------|----------------------------------|-------------------------------------|------------------------------|-------------------------------|--|
| <u>City of Baton Rouge</u> | | | | | | |
| 2015 | \$ 1,911,391 | - | \$ 1,911,391 | 7.12 | \$ 17,376,282 | 11.00 % |
| 2014 | 1,861,690 | - | 1,861,690 | 7.12 | 16,924,455 | 11.00 |
| 2013 | 1,795,308 | - | 1,795,308 | 7.12 | 16,320,982 | 11.00 |
| 2012 | 1,768,041 | - | 1,768,041 | 7.12 | 16,073,100 | 11.00 |
| 2011 | 1,675,472 | - | 1,675,472 | 7.42 | 15,231,564 | 11.00 |
| | | - | | | | |
| 2010 | 1,674,904 | - | 1,674,904 | 7.42 | 15,226,400 | 11.00 |
| 2009 | 1,649,392 | - | 1,649,392 | 7.42 | 14,994,473 | 11.00 |
| 2008 | 1,607,759 | - | 1,607,759 | 7.42 | 14,615,991 | 11.00 |
| 2007 | 1,501,386 | - | 1,501,386 | 7.84 | 13,648,964 | 11.00 |
| 2006 | 1,409,803 | - | 1,409,803 | 7.84 | 12,816,391 | 11.00 |
| <u>Parish of East Baton Rouge</u> | | | | | | |
| 2015 | \$ 4,582,080 | \$ 651,496 | \$ 3,930,584 | 3.44 | \$ 41,655,273 | 11.00 % |
| 2014 | 4,503,354 | 588,697 | 3,914,657 | 3.44 | 40,939,582 | 11.00 |
| 2013 | 4,380,432 | 599,929 | 3,780,503 | 3.44 | 39,822,109 | 11.00 |
| 2012 | 4,256,056 | 612,898 | 3,643,158 | 3.44 | 38,691,418 | 11.00 |
| 2011 | 4,067,423 | 626,501 | 3,440,922 | 3.54 | 36,976,573 | 11.00 |
| | | | | | | |
| 2010 | 4,005,089 | 588,830 | 3,416,259 | 3.54 | 36,409,900 | 11.00 |
| 2009 | 3,964,820 | 548,201 | 3,416,619 | 3.54 | 36,043,818 | 11.00 |
| 2008 | 3,810,976 | 527,907 | 3,283,069 | 3.54 | 34,645,236 | 11.00 |
| 2007 | 3,466,561 | 522,534 | 2,944,027 | 3.78 | 31,514,191 | 11.00 |
| 2006 | 3,233,132 | 548,660 | 2,684,472 | 3.78 | 29,392,109 | 11.00 |

*Actual Valuation (Market Value) as compared to Assessed Valuation

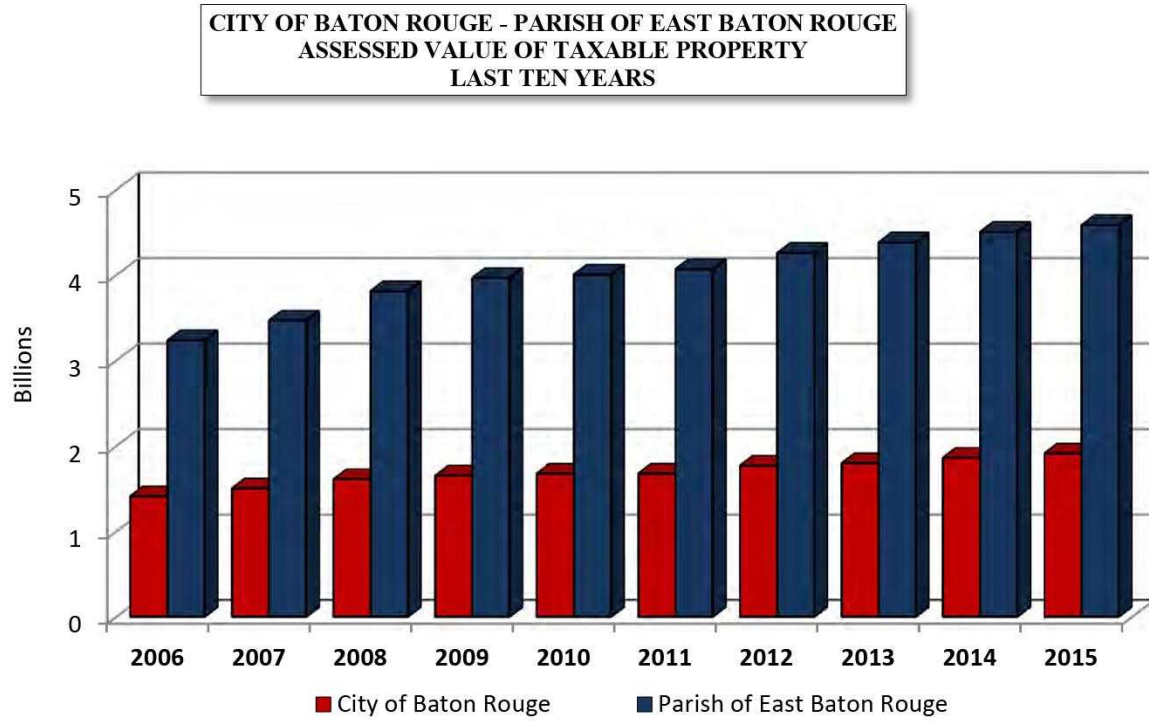
Residential Properties are assessed at 10% of fair market value' other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value
The overall assessed value is estimated to be 11% of actual market value.

Source: East Baton Rouge Parish Assessor's Grand Recapulation of the Assessment Roll for the Parish of East Baton Rouge.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS**

EXHIBIT G - 7
(Continued)



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS (1)
LAST TEN YEARS**

| Year | City | | Parish | | | |
|-------------------------------------|-----------|---|-----------|---------------------|----------------------------------|----------------------------------|
| | Operating | Municipal Fire Salaries and Benefits | Operating | Debt Service (2) | Mosquito and Rodent Tax | Emergency Medical Services |
| <u>TAX RATES (mills per dollar)</u> | | | | | | |
| 2015 | 7.12 | 6.00 | 3.44 | -- | 1.41 | 3.13 |
| 2014 | 7.12 | 6.00 | 3.44 | -- | 1.41 | 3.13 |
| 2013 | 7.12 | 6.00 | 3.44 | -- | 1.41 | 3.13 |
| 2012 | 7.12 | 6.00 | 3.44 | -- | 1.41 | 3.13 |
| 2011 | 7.42 | 6.00 | 3.54 | -- | 1.45 | 3.13 |
| 2010 | 7.42 | 6.00 | 3.54 | -- | 1.45 | 3.13 |
| 2009 | 7.42 | 6.00 | 3.54 | -- | 1.45 | 3.13 |
| 2008 | 7.42 | 6.00 | 3.54 | -- | 2.09 | 3.13 |
| 2007 | 7.84 | 6.00 | 3.78 | -- | 2.23 | 3.13 |
| 2006 | 7.84 | 6.00 | 3.78 | -- | 1.23 | 3.13 |

| <u>TAX LEVIES</u> | | | | | | | |
|-------------------|--------------|--------------|--------------|----|----|-------------|--------------|
| 2015 | \$13,609,103 | \$11,176,431 | \$15,762,356 | \$ | -- | \$6,460,733 | \$14,341,912 |
| 2014 | 13,255,235 | 10,972,597 | 15,491,537 | | -- | 6,349,729 | 14,095,497 |
| 2013 | 12,782,590 | 10,769,906 | 15,068,687 | | -- | 6,176,409 | 13,710,753 |
| 2012 | 12,588,453 | 10,608,247 | 14,640,832 | | -- | 6,001,039 | 13,321,455 |
| 2011 | 12,432,005 | 10,052,834 | 14,398,676 | | -- | 5,897,763 | 12,731,033 |
| | | | | | | | |
| 2010 | 12,427,786 | 10,049,472 | 14,178,016 | | -- | 5,806,700 | 12,535,916 |
| 2009 | 12,238,488 | 9,896,402 | 14,035,463 | | -- | 5,748,304 | 12,409,879 |
| 2008 | 11,929,569 | 9,646,603 | 13,490,853 | | -- | 7,964,581 | 11,928,356 |
| 2007 | 11,770,864 | 9,008,314 | 13,103,600 | | -- | 7,730,431 | 10,850,336 |
| 2006 | 11,052,854 | 8,458,817 | 12,221,238 | | -- | 3,976,752 | 10,119,702 |

The tax levies represent the original levy of the Assessor and include the homestead exemption amount.

All taxes are billed when assessment rolls are filed during the month of November of the current tax year. Taxes become delinquent on January 1 of the following year. Penalty for delinquent taxes is 15% per annum. No discounts are allowed for taxes, and there is no provision for partial payments.

Taxpayers who have not paid their taxes by January 2 of each year are notified by the Sheriff through registered mail that all taxes must be paid within 20 days from the date of notice. After expiration of the 20th day, the Sheriff shall sell the least quantity of property of any debtor which any bidder will buy for the amount of taxes, interest and costs due.

By agreement, the East Baton Rouge Parish Sheriff is the tax collector for City property taxes and receives a commission of 4.5% of total taxes collected for the City. The Sheriff, as provided by State Law, is the official tax collector of general property taxes levied by the Parish and Parish Special Districts.

| Library Board of Control | School District | Recreation and Park | Law Enforcement District | Assessor's Salary and Expense Fund | Total |
|-------------------------------------|--------------------|---------------------------|--------------------------------|---|--------|
| <u>TAX RATES (mills per dollar)</u> | | | | | |
| 10.78 | 43.45 | 14.46 | 14.99 | 1.34 | 106.12 |
| 10.78 | 43.45 | 14.04 | 14.99 | 1.34 | 105.70 |
| 10.78 | 43.45 | 14.04 | 14.99 | 1.34 | 105.70 |
| 10.78 | 43.45 | 14.04 | 14.99 | 1.34 | 105.70 |
| 11.10 | 43.45 | 14.46 | 14.99 | 1.38 | 106.92 |
| 11.10 | 43.45 | 14.46 | 14.99 | 1.38 | 106.92 |
| 11.10 | 43.45 | 14.46 | 14.99 | 1.38 | 106.92 |
| 11.10 | 43.45 | 14.46 | 14.99 | 1.38 | 107.56 |
| 11.10 | 43.45 | 14.46 | 14.99 | 1.38 | 108.36 |
| 11.10 | 43.45 | 14.46 | 14.99 | 1.38 | 107.36 |

| | | | | | |
|-------------------|---------------|--------------|--------------|-------------|---------------|
| <u>TAX LEVIES</u> | | | | | |
| \$49,394,826 | \$175,282,745 | \$66,270,628 | \$68,685,384 | \$6,139,988 | \$427,124,106 |
| 48,546,154 | 172,553,638 | 63,218,080 | 67,505,273 | 6,034,494 | 418,022,234 |
| 47,221,059 | 168,092,732 | 61,492,507 | 65,662,678 | 5,869,779 | 406,847,100 |
| 45,880,282 | 163,119,091 | 59,746,512 | 63,798,277 | 5,703,115 | 395,407,303 |
| 45,148,390 | 156,255,861 | 58,827,132 | 60,970,664 | 5,613,043 | 382,327,401 |
| 44,456,394 | 154,151,395 | 57,924,991 | 60,036,218 | 5,527,001 | 377,093,889 |
| 44,009,402 | 152,687,297 | 57,342,564 | 59,432,583 | 5,471,431 | 373,271,813 |
| 42,301,728 | 147,001,498 | 55,117,514 | 57,126,469 | 5,259,125 | 361,766,296 |
| 38,478,826 | 134,360,824 | 50,136,871 | 51,963,748 | 4,783,854 | 332,187,668 |
| 35,887,762 | 131,404,174 | 46,760,784 | 48,464,645 | 4,461,722 | 312,808,450 |

- (1) Not included are the following: Consolidated Road Lighting District No. 1, St. George Fire Protection District, Chaneyville Fire Protection District, Alsen Fire Protection District, Brownsfield Fire Protection District No. 3, Central Fire Protection District No. 4, Eastside Fire Protection District No. 5, East Baton Rouge Parish Fire Protection District No. 6, Pride Fire District No. 8, Zachary Fire District No. 1, Downtown Development District, Pontchartrain Levee District, Comite Diversion Canal, City of Baker, City of Central, City of Zachary and BR Capital Area Transit System. These represent isolated areas that affect less than a majority of City-Parish residents.
- (2) Parishwide debt.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

EXHIBIT G - 9

| Taxpayer | Type of Business | 2015 | | | 2006 | | |
|------------------------------|-----------------------------|---------------------------|------|---|---------------------------|------|---|
| | | Assessed Valuation (1) | Rank | Percentage of Total Assessed Valuation | Assessed Valuation (1) | Rank | Percentage of Total Assessed Valuation |
| ExxonMobil Corporation | Petroleum Products | \$348,011,910 | 1 | 7.60 % | \$259,175,400 | 1 | 8.02 % |
| Entergy, Inc. | Electric and Gas Utility | 103,601,680 | 2 | 2.26 | 64,645,430 | 2 | 2.00 |
| Georgia-Pacific Corporation | Pulp and Paper Products | 86,423,200 | 3 | 1.89 | 49,814,300 | 3 | 1.54 |
| J P Morgan/Chase | Bank | 47,068,750 | 4 | 1.03 | 32,500,850 | 5 | 1.01 |
| Bellsouth Communications | Telephone Utility | 35,239,900 | 5 | 0.77 | 48,643,420 | 4 | 1.50 |
| Higman Barge Lines, Inc. | Public Utility (Watercraft) | 24,562,590 | 6 | 0.55 | - | - | - |
| State Farm Insurance | Insurance | 23,344,550 | 7 | 0.51 | 18,239,350 | 7 | 0.56 |
| Capital One/Hibernia | Bank | 21,336,300 | 8 | 0.47 | 21,506,300 | 6 | 0.67 |
| Wal-Mart | Retail Store | 19,516,500 | 9 | 0.43 | 18,082,100 | 8 | 0.56 |
| Formosa Plastics | Plastics Manufacturer | 18,261,350 | 10 | 0.40 | 15,401,350 | 10 | 0.48 |
| Baton Rouge Water Company | Water Utility | - | | - | 15,554,280 | 9 | 0.48 |
| | | <u>\$727,366,730</u> | | <u>15.91 %</u> | <u>\$543,562,780</u> | | <u>16.82 %</u> |

(1) Source: East Baton Rouge Parish Assessor's Office

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

EXHIBIT G - 10

| <u>Year</u> | <u>Total Tax Levy</u> | <u>Collections</u> | <u>Percent of Levy Collected</u> | <u>Prior Year Tax Collections</u> | <u>Total Tax Collections</u> | <u>Ratio of Total Collections to Tax Levy</u> |
|--|---------------------------|--------------------|--|---|----------------------------------|---|
| <u>City of Baton Rouge Sub Fund</u> | | | | | | |
| 2015 | \$13,609,103 | | | | | |
| 2014 | 13,255,235 | \$13,042,284 | 98.39 % | \$159,067 | \$13,201,351 | 99.59 % |
| 2013 | 12,782,590 | 12,624,364 | 98.76 | 142,536 | 12,766,900 | 99.88 |
| 2012 | 12,588,453 | 12,354,225 | 98.14 | 89,328 | 12,443,553 | 98.85 |
| 2011 | 12,432,005 | 12,372,584 | 99.52 | 88,846 | 12,461,430 | 100.24 |
| 2010 | 12,427,786 | 12,253,689 | 98.60 | 68,041 | 12,321,730 | 99.15 |
| 2009 | 12,238,488 | 12,045,618 | 98.42 | 114,192 | 12,159,810 | 99.36 |
| 2008 | 11,929,569 | 11,654,039 | 97.69 | 75,959 | 11,729,998 | 98.33 |
| 2007 | 11,770,864 | 11,626,807 | 98.78 | 22,693 | 11,649,500 | 98.97 |
| 2006 | 11,052,854 | 10,925,292 | 98.85 | 59,938 | 10,985,230 | 99.39 |
| <u>Parish of East Baton Rouge Sub Fund</u> | | | | | | |
| 2015 | \$13,417,386 | | | | | |
| 2014 | 13,156,222 | \$12,957,191 | 98.49 % | \$84,151 | \$13,041,342 | 99.13 % |
| 2013 | 12,741,045 | 12,594,487 | 98.85 | 67,889 | 12,662,376 | 99.38 |
| 2012 | 12,310,364 | 12,107,642 | 98.35 | 50,208 | 12,157,850 | 98.76 |
| 2011 | 12,033,121 | 11,872,313 | 98.66 | 24,454 | 11,896,767 | 98.87 |
| 2010 | 11,819,400 | 11,628,549 | 98.39 | 36,387 | 11,664,936 | 98.69 |
| 2009 | 11,703,631 | 11,435,255 | 97.71 | 41,457 | 11,476,712 | 98.06 |
| 2008 | 11,165,622 | 10,903,757 | 97.65 | 30,995 | 10,934,752 | 97.93 |
| 2007 | 10,710,031 | 10,499,432 | 98.03 | 11,334 | 10,510,766 | 98.14 |
| 2006 | 9,874,532 | 9,648,655 | 97.71 | 19,531 | 9,668,186 | 97.91 |

"Total Tax Levy" represents the taxpayer portion of the original levy of the Assessor and is the amount to be paid by the taxpayer. The amounts to be paid by the taxpayer are ultimately collected in full except for adjustments due to assessment errors or delayed homestead exemptions.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SALES TAX REVENUES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands, except percentages)

EXHIBIT G-11

| | 2% City-Parish General | 2% City-Parish Dedicated to Economic Development | 1/2 % Roads Improvement and Maintenance | 1/2 % Sewerage Improvement and Maintenance | Total |
|------|------------------------------|--|---|--|------------|
| 2015 | \$ 185,021 | \$ 1,674 | \$ 44,793 | \$ 44,791 | \$ 276,279 |
| 2014 | 179,144 | 1,053 | 43,582 | 43,582 | 267,361 |
| 2013 | 176,475 | 154 | 42,997 | 42,997 | 262,623 |
| 2012 | 174,430 | 114 | 42,145 | 42,145 | 258,834 |
| 2011 | 162,488 | 132 | 39,431 | 39,431 | 241,482 |
| 2010 | 155,467 | 118 | 37,439 | 37,439 | 230,463 |
| 2009 | 160,524 | 129 | 39,424 | 39,424 | 239,501 |
| 2008 | 164,418 | 121 | 42,372 | 42,367 | 249,278 |
| 2007 | 163,368 | 89 | 39,920 | 39,922 | 243,299 |
| 2006 | 165,765 | 60 | 40,030 | 40,035 | 245,890 |

The following is a summary by area of sales and use taxes being levied within the Parish of East Baton Rouge as of December 31, 2015.

| Entity/Area | Parish | School Board Operating | School Board Capital Improvement | Municipal | State | Total |
|------------------|--------|------------------------------|---|-----------|-------|-------|
| East Baton Rouge | 3.00% | 1.00% | 1.00% | - | 4.00% | 9.00% |
| Baton Rouge | 1.00% | 1.00% | 1.00% | 2.00% | 4.00% | 9.00% |
| Baker | 1.00% | 2.00% | - | 2.50% | 4.00% | 9.50% |
| Zachary | 1.00% | 1.00% | 1.00% | 2.00% | 4.00% | 9.00% |
| Central | 1.00% | 1.00% | 1.50% | 2.00% | 4.00% | 9.50% |



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
TAXABLE SALES BY CATEGORY - GENERAL SALES AND USE TAX
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands)

| North American Industry Classification | FISCAL YEAR | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2015 | 2014 | 2013 | 2012 |
| Agriculture, Forestry, and Fishing | \$ 1,850 | \$ 1,800 | \$ 1,750 | \$ 1,729 |
| Mining | 1,850 | -- | 875 | -- |
| Construction | 140,606 | 148,517 | 156,627 | 154,729 |
| Manufacturing | 843,637 | 830,797 | 866,260 | 934,427 |
| Transportation and Public Utilities | 49,027 | 36,004 | 38,500 | 42,356 |
| Wholesale Trade | 405,168 | 416,749 | 389,379 | 366,510 |
| Other Retail Trade | 4,237,608 | 4,105,379 | 4,003,171 | 3,969,371 |
| Vehicle | 555,024 | 542,763 | 500,506 | 482,341 |
| Food Stores | 796,459 | 760,589 | 725,383 | 644,850 |
| Finance, Insurance, and Real Estate | 299,713 | 298,835 | 252,003 | 267,967 |
| Services | 1,919,458 | 1,859,617 | 1,815,646 | 1,779,820 |
| Public Administration | -- | -- | -- | -- |
| Total | \$ <u>9,250,400</u> | \$ <u>9,001,050</u> | \$ <u>8,750,100</u> | \$ <u>8,644,100</u> |

Source: City-Parish Finance Revenue Division
Collector of EBR Parish-wide Sales & Use Taxes
Based on 2% general sales and use tax with no exemptions for food and drugs.

| FISCAL YEAR | | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| \$ 1,627 | \$ 1,565 | \$ 2,182 | \$ 2,466 | \$ 5,473 | \$ 8,786 |
| 814 | 3,129 | 818 | 822 | 653 | 912 |
| 155,418 | 133,783 | 133,890 | 151,265 | 136,984 | 142,226 |
| 805,568 | 724,461 | 941,631 | 876,348 | 807,773 | 727,543 |
| 52,077 | 43,030 | 51,560 | 64,945 | 78,988 | 112,803 |
| 351,521 | 332,501 | 348,700 | 411,867 | 196,940 | 408,776 |
| 3,876,491 | 3,599,615 | 3,865,624 | 4,102,229 | 4,608,939 | 4,750,824 |
| 444,283 | 836,337 | 533,427 | 374,051 | 877,204 | 748,015 |
| 580,985 | 483,495 | 514,500 | 420,088 | 397,556 | 382,171 |
| 225,396 | 218,277 | 254,056 | 282,799 | 30,713 | 30,335 |
| 1,642,870 | 1,447,357 | 1,450,666 | 1,534,020 | 1,026,769 | 975,610 |
| -- | -- | -- | -- | 408 | 249 |
| \$ <u>8,137,050</u> | \$ <u>7,823,550</u> | \$ <u>8,097,054</u> | \$ <u>8,220,900</u> | \$ <u>8,168,400</u> | \$ <u>8,288,250</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)

| Year | Governmental Activities | | | Business - Type Activities | |
|-------------|---|--------------------------|---------------------------|---|--------------------------|
| | Excess Revenue Contracts Loans and Notes | Revenue Bonds | Capital Leases | Excess Revenue Contracts Loans and Notes | Revenue Bonds |
| 2015 | \$ 114,511 | \$ 232,165 | \$ -- | \$ 431,757 | \$ 1,031,195 |
| 2014 | 84,712 | 229,662 | -- | 433,404 | 1,029,618 |
| 2013 | 89,263 | 237,762 | -- | 225,976 | 995,995 |
| 2012 | 93,712 | 238,490 | -- | 12,083 | 1,007,089 |
| 2011 | 59,929 | 249,604 | -- | 2,291 | 1,018,218 |
| 2010 | 60,514 | 261,990 | -- | 2,679 | 837,562 |
| 2009 | 62,371 | 271,490 | -- | 3,551 | 471,359 |
| 2008 | 64,463 | 165,091 | -- | 3,677 | 323,569 |
| 2007 | 65,815 | 174,384 | -- | 26,221 | 277,749 |
| 2006 | 67,826 | 183,213 | 1 | 24,685 | 289,756 |

Source:

- (1) Long-term debt note disclosures, Audited Comprehensive Annual Financial Reports. See Note 10.
- (2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

| (1) Total Primary Government | (2) Percentage of Personal Income | (2) (in dollars) Debt Per Capita |
|---------------------------------------|--|--|
| \$ 1,809,628 | 9.56% | \$ 4,051 |
| 1,777,396 | 9.24% | 3,985 |
| 1,548,996 | 7.94% | 3,479 |
| 1,351,374 | 7.09% | 3,042 |
| 1,330,042 | 7.39% | 3,012 |
| 1,162,745 | 6.58% | 2,637 |
| 808,771 | 4.65% | 1,848 |
| 556,800 | 3.19% | 1,284 |
| 544,169 | 3.31% | 1,256 |
| 565,481 | 3.66% | 1,305 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)

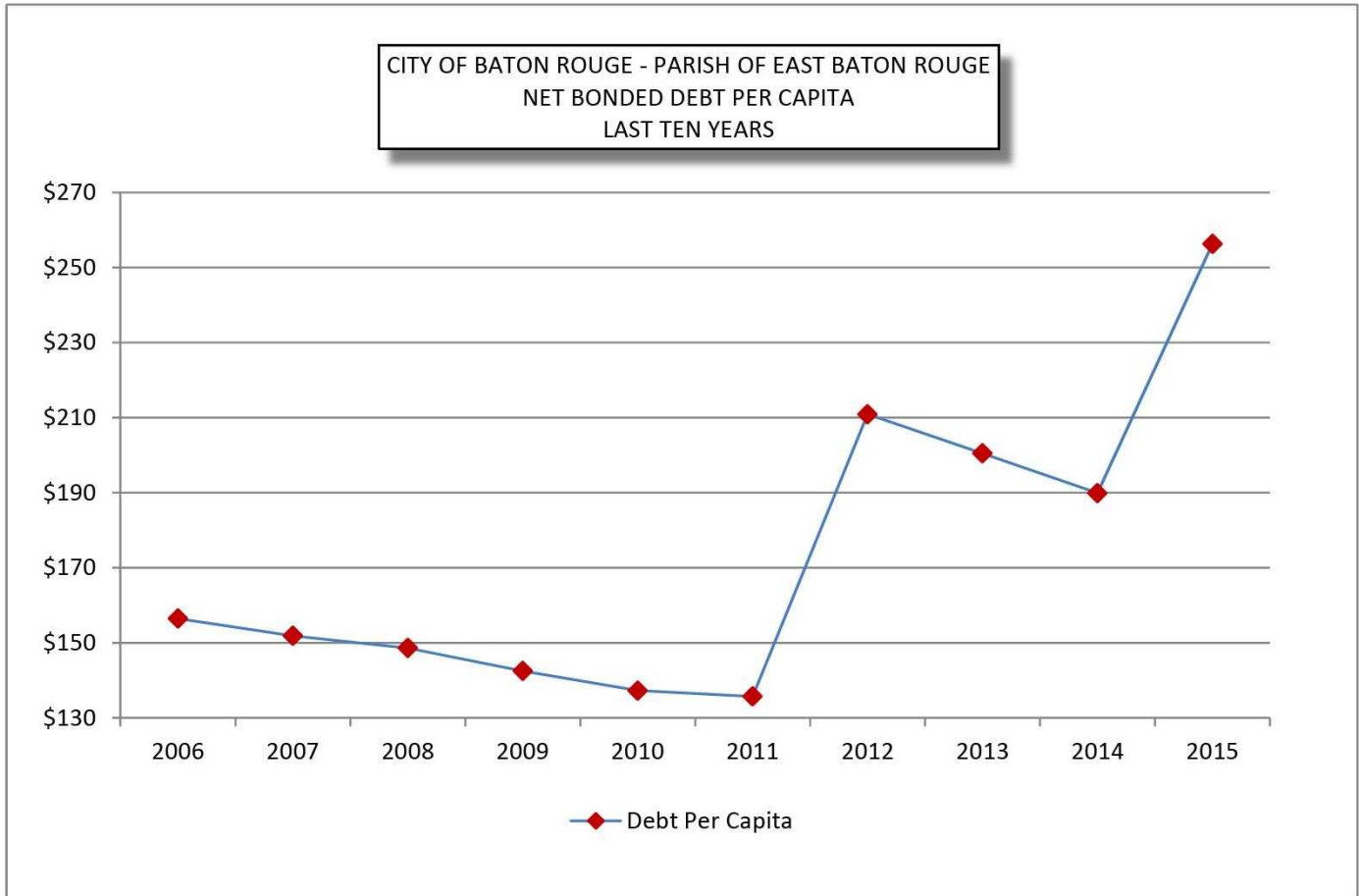
EXHIBIT G - 14

| Year | Excess Revenue Contracts Loans and Notes (1) | Less: Amount Available In Debt Service Fund (4) | Total | Percentage of Estimated Actual Value of Property (2) | (in dollars) Debt Per Capita (3) |
|------|--|---|-----------|--|---|
| 2015 | \$114,511 | \$ -- | \$114,511 | 0.66% | \$256 |
| 2014 | 84,712 | -- | 84,712 | 0.50% | 190 |
| 2013 | 89,263 | -- | 89,263 | 0.55% | 200 |
| 2012 | 93,712 | -- | 93,712 | 0.58% | 211 |
| 2011 | 59,929 | -- | 59,929 | 0.39% | 136 |
| 2010 | 60,514 | -- | 60,514 | 0.40% | 137 |
| 2009 | 62,371 | -- | 62,371 | 0.42% | 143 |
| 2008 | 64,463 | -- | 64,463 | 0.44% | 149 |
| 2007 | 65,815 | -- | 65,815 | 0.48% | 152 |
| 2006 | 67,826 | -- | 67,826 | 0.53% | 156 |

- (1) Long-term debt note disclosures, Audited Comprehensive Annual Financial Reports.
See Note 10 - Long-term debt.
- (2) See the Schedule of Assessed and Estimated Actual Value of Taxable Property.
- (3) Population data can be found in the Schedule of Demographic and Economic Statistics.
- (4) There is no general reserve fund requirement for excess revenue bonds in the State of Louisiana.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)

EXHIBIT G - 14
(Continued)



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2015**

EXHIBIT G - 15

| | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable (1)</u> | <u>Amount Applicable to Primary Government</u> |
|---|-----------------------------|--|--|
| <u>Overlapping Debt:</u> | | | |
| Central Community School System | \$ 36,759,609 | 4.00% | \$ 1,470,384 |
| City of Zachary | 18,362,799 | 3.00% | 550,884 |
| East Baton Rouge Parish School System | 30,714,834 | 88.00% | 27,029,054 |
| Hospital Service District No. 1 (Lane Memorial Hospital) | 20,340,000 | 100.00% | 20,340,000 |
| Nineteenth Judicial District Court | 90,185,000 | 100.00% | 90,185,000 |
| Zachary Community School Board | 89,570,570 | 6.00% | 5,374,234 |
| | | | <hr/> |
| Total overlapping debt | | | 144,949,556 |
| City of Baton Rouge/Parish of EBR direct debt | | | 346,675,282 |
| Total direct and overlapping debt | | | <u><u>\$ 491,624,838</u></u> |

Sources: Assessed value data used to estimate applicable percentages provided by the East Baton Rouge Parish Assessor.
Debt outstanding provided by staff of the separate governmental organizations and their audited financial statements.

Net Overlapping Debt is computed to demonstrate the total property tax burden on the taxpayers within the reporting governments' geographic jurisdiction and the total debt that their property taxes will be expected to repay.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Municipalities taxable assessed value that is within the Parish's boundaries and dividing it by the Parish's total taxable assessed value.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
LEGAL DEBT MARGIN CALCULATION
GENERAL OBLIGATION DEBT
LAST TEN YEARS**

EXHIBIT G - 16

| CITY OF BATON ROUGE | | | | | |
|----------------------------|--------------------------------|------------------------------|---------------------------------------|-----------------------------|----------------------------------|
| Year | Any One Purpose | Sewerage Purposes | Aggregate All Purposes | Debt Outstanding | Legal Debt Margin |
| 2015 | \$191,139,089 | \$286,708,633 | \$668,986,810 | \$ -- | \$668,986,810 |
| 2014 | 186,169,031 | 279,253,547 | 651,591,609 | -- | 651,591,609 |
| 2013 | 179,530,760 | 269,296,141 | 628,357,661 | -- | 628,357,661 |
| 2012 | 176,804,116 | 265,206,174 | 618,814,406 | -- | 618,814,406 |
| 2011 | 167,547,232 | 251,320,848 | 586,415,312 | -- | 586,415,312 |
| 2010 | 167,490,381 | 251,235,572 | 586,216,334 | -- | 586,216,334 |
| 2009 | 164,939,185 | 247,408,777 | 577,287,147 | -- | 577,287,147 |
| 2008 | 160,775,869 | 241,163,803 | 562,715,541 | -- | 562,715,541 |
| 2007 | 150,138,571 | 225,207,857 | 525,484,999 | -- | 525,484,999 |
| 2006 | 140,980,285 | 211,470,428 | 493,430,999 | -- | 493,430,999 |

| PARISH OF EAST BATON ROUGE | | | | | |
|-----------------------------------|--------------------------------|------------------------------|---------------------------------------|-----------------------------|----------------------------------|
| Year | Any One Purpose | Sewerage Purposes | Aggregate All Purposes | Debt Outstanding | Legal Debt Margin |
| 2015 | \$458,208,035 | \$687,312,053 | no limit | \$ -- | \$687,312,053 |
| 2014 | 450,335,379 | 675,503,069 | no limit | -- | 675,503,069 |
| 2013 | 438,043,217 | 657,064,825 | no limit | -- | 657,064,825 |
| 2012 | 425,605,585 | 638,408,377 | no limit | -- | 638,408,377 |
| 2011 | 406,742,254 | 610,113,381 | no limit | -- | 610,113,381 |
| 2010 | 400,508,930 | 600,763,395 | no limit | -- | 600,763,395 |
| 2009 | 396,481,999 | 594,722,999 | no limit | -- | 594,722,999 |
| 2008 | 381,097,556 | 571,646,334 | no limit | -- | 571,646,334 |
| 2007 | 346,656,093 | 519,984,140 | no limit | -- | 519,984,140 |
| 2006 | 323,313,174 | 484,969,761 | no limit | -- | 484,969,761 |

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY OF REVENUE BOND COVERAGE
LAST TEN YEARS

EXHIBIT G - 17

SCHEDULE A - CITY SALES TAX (2%)

| <u>Year</u> | <u>Gross Revenue (3)</u> | <u>Expenses (4)</u> | <u>Available for Debt Service</u> | <u>Debt Service Requirements</u> | | | <u>Coverage</u> |
|-------------|------------------------------|---------------------|---------------------------------------|----------------------------------|---------------------|--------------|-----------------|
| | | | | <u>Principal</u> | <u>Interest (1)</u> | <u>Total</u> | |
| 2015 | \$ 104,103,683 | \$ -- | \$ 104,103,683 | \$ 5,525,000 | \$ 3,494,067 | \$ 9,019,067 | 11.54 |
| 2014 | 97,843,371 | -- | 97,843,371 | 5,275,000 | 3,727,284 | 9,002,284 | 10.87 |
| 2013 | 93,493,918 | -- | 93,493,918 | 5,060,000 | 3,922,851 | 8,982,851 | 10.41 |
| 2012 | 90,799,213 | -- | 90,799,213 | 11,530,000 | 4,463,711 | 15,993,711 | 5.68 |
| 2011 | 87,494,793 | -- | 87,494,793 | 10,270,000 | 4,861,233 | 15,131,233 | 5.78 |
| 2010 | 85,137,892 | -- | 85,137,892 | 10,260,000 | 5,605,661 | 15,865,661 | 5.37 |
| 2009 | 87,038,718 | -- | 87,038,718 | 9,740,000 | 5,951,439 | 15,691,439 | 5.55 |
| 2008 | 97,069,860 | -- | 97,069,860 | 10,185,000 | 5,153,870 | 15,338,870 | 6.33 |
| 2007 | 99,525,928 | -- | 99,525,928 | 10,536,325 | 3,633,384 | 14,169,709 | 7.02 |
| 2006 | 98,807,202 | -- | 98,807,202 | 9,715,000 | 4,944,657 | 14,659,657 | 6.74 |

SCHEDULE B - PARISH SALES TAX (2%)

| <u>Year</u> | <u>Gross Revenue (3)</u> | <u>Expenses (4)</u> | <u>Available for Debt Service</u> | <u>Debt Service Requirements</u> | | | <u>Coverage</u> |
|-------------|------------------------------|---------------------|---------------------------------------|----------------------------------|---------------------|--------------|-----------------|
| | | | | <u>Principal</u> | <u>Interest (1)</u> | <u>Total</u> | |
| 2015 | \$ 80,939,830 | \$ -- | \$ 80,939,830 | \$ 905,000 | \$ 316,048 | \$ 1,221,048 | 66.29 |
| 2014 | 81,322,908 | -- | 81,322,908 | 525,000 | 266,855 | 791,855 | 102.70 |
| 2013 | 82,987,383 | -- | 82,987,383 | -- | -- | -- | -- |
| 2012 | 83,663,827 | -- | 83,663,827 | -- | -- | -- | -- (10) |
| 2011 | 75,032,120 | -- | 75,032,120 | -- | -- | -- | -- (10) |
| 2010 | 70,524,675 | -- | 70,524,675 | -- | -- | -- | -- (10) |
| 2009 | 73,640,958 | -- | 73,640,958 | -- | -- | -- | -- |
| 2008 | 67,839,512 | -- | 67,839,512 | 620,000 | 26,040 | 646,040 | 105.01 |
| 2007 | 64,728,994 | -- | 64,728,994 | 595,000 | 50,435 | 645,435 | 100.29 |
| 2006 | 67,819,184 | -- | 67,819,184 | 575,000 | 73,723 | 648,723 | 104.54 |

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY OF REVENUE BOND COVERAGE
LAST TEN YEARS**

EXHIBIT G - 17
(Continued)

SCHEDULE C - ROAD AND STREET IMPROVEMENT SALES TAX (1/2%)

| <u>Year</u> | <u>Gross Revenue (5)</u> | <u>Expenses (2)</u> | <u>Available for Debt Service</u> | <u>Total Senior Lien Debt Service (6)</u> | <u>Senior Lien Coverage</u> | <u>Total Sub Lien Debt Service</u> | <u>Sub Lien Coverage (12)</u> |
|-------------|--------------------------|---------------------|-----------------------------------|---|-----------------------------|------------------------------------|-------------------------------|
| 2015 | \$ 29,126,895 | \$ 249,575 | \$ 28,877,320 | \$ 17,052,382 | 1.69 | \$ 3,147,517 | 1.43 |
| 2014 | 28,320,339 | 255,767 | 28,064,572 | 17,807,013 | 1.58 | 2,626,506 | 1.37 |
| 2013 | 28,149,513 | 274,249 | 27,875,264 | 18,018,977 | 1.55 | 2,629,156 | 1.35 |
| 2012 | 27,680,742 | 245,166 | 27,435,576 | 17,991,217 | 1.52 | 2,189,898 | 1.36 |
| 2011 | 25,902,059 | 274,698 | 25,627,361 | 18,070,793 | 1.42 | -- | -- |
| 2010 | 24,662,586 | 231,255 | 24,431,331 | 17,792,521 | 1.37 | -- | -- |
| 2009 | 27,045,372 | -- | 27,045,372 | 13,947,352 | 1.94 | -- | -- |
| 2008 | 32,575,454 | -- | 32,575,454 | 10,846,689 | 3.00 | -- | -- |
| 2007 | 29,589,550 | -- | 29,589,550 | 8,355,458 | 3.54 | -- | -- |
| 2006 | 29,072,421 | -- | 29,072,421 | 1,363,451 | 21.32 | -- | -- |

SCHEDULE D - EAST BATON ROUGE SEWERAGE COMMISSION

| <u>Year</u> | <u>Gross Revenue (7)</u> | <u>Expenses (8)</u> | <u>Available for Debt Service</u> | <u>Total Senior Lien Debt Service (11)</u> | <u>Senior Lien Coverage</u> | <u>Total Sub Lien Debt Service</u> | <u>Sub Lien Coverage</u> |
|-------------|--------------------------|---------------------|-----------------------------------|--|-----------------------------|------------------------------------|--------------------------|
| 2015 | \$ 123,941,562 | \$ 40,419,170 | \$ 83,522,392 | \$ 43,356,611 | 1.93 | \$ 5,172,899 | 1.72 |
| 2014 | 119,056,182 | 38,507,830 | 80,548,352 | 54,988,340 | 1.46 | 5,147,212 | 1.34 |
| 2013 | 115,113,327 | 38,233,744 | 76,879,583 | 54,483,549 | 1.41 | 575,720 | 1.40 |
| 2012 | 112,655,153 | 36,840,298 | 75,814,855 | 53,731,684 | 1.41 | -- | -- |
| 2011 | 104,462,337 | 38,414,107 | 66,048,230 | 40,157,122 | 1.64 | -- | -- |
| 2010 | 100,325,918 | 35,992,997 | 64,332,921 | 23,542,882 | 2.73 | -- | -- |
| 2009 | 100,957,375 | 36,691,655 | 64,265,720 | 14,398,273 | 4.46 | -- | -- |
| 2008 | 102,154,884 | 38,223,916 | 63,930,968 | 12,605,190 | 5.07 | -- | -- |
| 2007 | 103,142,595 | 36,855,981 | 66,286,614 | 10,278,040 | 6.45 | -- | -- |
| 2006 | 84,485,242 | 34,431,919 | 50,053,323 | -- | -- | -- | -- (9) |

- (1) Fiscal charges included
 - (2) Total sales tax collection costs
 - (3) Total general sales and use taxes in the general and debt service funds plus interest earnings on sales tax revenues in the City and Parish Sales Tax Bonds Debt Service Funds and operating transfers in
 - (4) Refunding bond issuance costs
 - (5) Total general sales and use taxes in the Road and Street Improvement capital projects and debt service funds interest earnings and SWAP related revenue - Road and Street pledged revenues
 - (6) Includes liquidity fees, remarketing fees and transactions associated with the SWAP on the variable rate bonds
 - (7) Total operating revenues plus interest earnings on these revenues, Sewer Sales Tax Revenues pledged from the Parish
 - (8) Total operating expenses less depreciation, sales tax collection costs, change in net OPEB obligation, and net pension liability.
 - (9) No debt service requirement in 2006, debt service payments begin in 2007
 - (10) There were no outstanding Parish 2% Sales Tax Bonds.
 - (11) Debt service calculations are done on a cash basis rather than the accrual basis used in preparation of the financial statements and include a reduction for Build America Bond direct subsidy payments received.
 - (12) These Bonds are secured on a junior and subordinate lien basis by the Road and Street pledged revenues. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish as defined in the Bond documents.
- The City-Parish is in compliance with all legal debt covenants at December 31, 2015.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

EXHIBIT G - 18

| <u>Year</u> | <u>Popu- lation (1)</u> | <u>Personal Income (2)</u> | <u>Per Capita Personal Income (2)</u> | <u>Median Age (1)</u> | <u>Public School Enrollment (3)</u> | <u>EBR Parish Unemploy- ment Rate (4)</u> | <u>Labor Market Area Unemploy- ment Rate (5)</u> |
|-------------|-----------------------------|--------------------------------|---|---------------------------|---|---|--|
| 2015 | 446,753 | 18,930,264,869 (6) | 42,373 (6) | 32.9 (6) | 53,602 | 5.4 | 5.5 |
| 2014 | 446,042 | 19,227,032,000 | 43,106 | 32.9 | 54,055 | 5.8 | 5.8 |
| 2013 | 445,227 | 19,518,293,000 | 43,839 | 32.7 | 53,881 | 5.8 | 5.9 |
| 2012 | 444,275 | 19,047,316,000 | 42,873 | 32.7 | 54,439 | 6.3 | 6.4 |
| 2011 | 441,523 | 18,004,796,000 | 40,779 | 32.5 | 53,981 | 7.2 | 7.4 |
| 2010 | 440,856 | 17,660,971,000 | 40,061 | 32.6 | 53,790 | 7.1 | 7.4 |
| 2009 | 437,623 | 17,396,917,000 | 39,753 | 32.8 | 52,671 | 6.0 | 6.2 |
| 2008 | 433,723 | 17,456,948,000 | 40,249 | 32.8 | 53,849 | 4.2 | 4.3 |
| 2007 | 433,344 | 16,448,292,000 | 37,957 | 33.2 | 52,033 | 3.6 | 3.7 |
| 2006 | 433,474 | 15,433,129,000 | 35,603 | 33.5 | 55,033 | 3.9 | 3.9 |

Source: All information is parish-wide.

- (1) Estimate - U.S. Census
- (2) Estimates - Bureau of Economic Analysis, Regional Economic Accounts
- (3) Louisiana Department of Education
- (4) U.S. Department of Labor, Bureau of Labor Statistics (Estimated figures 2015) average annual unemployment rate, not seasonally adjusted. Figures for East Baton Rouge Parish only.
- (5) U.S. Department of Labor, Bureau of Labor Statistics (Estimated figures 2015) average annual unemployment rate, not seasonally adjusted. Figures for Baton Rouge Metropolitan Statistical Area (MSA).
- (6) Finance Department Estimate

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

EXHIBIT G - 19

| 2015 (2) | | | | 2006 (1) | |
|--|------------------|-------------|--|--|-------------|
| <u>Employer</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Parish Employment</u> | <u>Employer</u> | <u>Rank</u> |
| Louisiana State Government | 21,619 | 1 | 8.62 % | Exxon Mobil Refining & Supply | 1 |
| Turner Industries | 9,875 | 2 | 3.94 | Abide Home Care SVC, LLC | 2 |
| Louisiana State University | 6,250 | 3 | 2.49 | West Telemarketing | 3 |
| East Baton Rouge Parish School System | 6,040 | 4 | 2.41 | Southern University - Baton Rouge | 4 |
| Performance Contractors | 5,500 | 5 | 2.19 | Port Hudson Pulp Mill | 5 |
| City-Parish Government | 4,582 | 6 | 1.83 | Louisiana State University Medical Center | 6 |
| Our Lady of the Lake Regional Medical Center | 4,500 | 7 | 1.79 | Baton Rouge General Medical Center | 7 |
| ExxonMobil Corporation | 4,214 | 8 | 1.68 | Our Lady of the Lake Regional Medical Center | 8 |
| Baton Rouge General Medical Center | 4,000 | 9 | 1.59 | Performance Contractors | 9 |
| AT&T | 3,000 | 10 | 1.20 | Casino Rouge | 10 |
| | <u>69,580</u> | | <u>27.74 %</u> | | |

(1) Number of employees not available for 2006. Information was previously provided by Louisiana Department of Labor.

(2) Source 2015: Baton Rouge Area Chamber estimates
Louisiana Department of State Civil Service
East Baton Rouge Parish School System
Estimates - U.S. Bureau of Census (mid-year estimate)
Estimates - U.S. Bureau of Labor Statistics (Annual average data)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
FULL-TIME EQUIVALENT CITY-PARISH EMPLOYEES
BY FUND/DEPARTMENT
LAST TEN FISCAL YEARS

| | Full-time Equivalent Employees Allotted in Annual Budget | | | |
|--|--|-----------------|-----------------|-----------------|
| | 2015 | 2014 | 2013 | 2012 |
| <u>GENERAL FUND:</u> | | | | |
| Building & Grounds (1) | 106.00 | -- | -- | -- |
| Business Operations & Capital Programs (1) | 36.00 | -- | -- | -- |
| City Constable | 40.00 | 40.00 | 40.00 | 40.00 |
| City Court and City Court Judicial | 155.63 | 156.63 | 156.63 | 156.63 |
| Community Centers | 20.55 | 20.55 | 20.55 | 20.55 |
| Metropolitan Council and Administration | 41.00 | 41.00 | 41.00 | 41.00 |
| Emergency Preparedness | 7.00 | 7.00 | 6.00 | 6.00 |
| Development (1) | 109.00 | -- | -- | -- |
| EMS - Prison Medical Services | 36.00 | 36.00 | 36.00 | 36.00 |
| Finance | 121.00 | 121.00 | 121.00 | 125.00 |
| Fire - (City Fire Department Only) | 610.00 | 610.00 | 610.00 | 610.00 |
| Human Development & Services | 8.37 | 8.62 | 8.62 | 8.62 |
| Human Resources | 38.00 | 38.00 | 38.00 | 38.00 |
| Information Services | 47.00 | 47.00 | 45.00 | 45.00 |
| Juvenile Services | 84.00 | 84.00 | 84.00 | 84.00 |
| Maintenance (1) | 319.00 | -- | -- | -- |
| Mayor-President | 16.00 | 16.00 | 15.00 | 15.00 |
| Municipal Fire & Police Civil Service | 1.00 | 1.00 | 1.00 | 1.00 |
| Parish Attorney | 95.50 | 96.50 | 96.50 | 95.50 |
| Planning Commission | 27.00 | 27.00 | 27.00 | 27.00 |
| Police (City Police Only) | 886.00 | 886.00 | 886.00 | 886.00 |
| Public Information Office | 3.00 | 3.00 | 3.00 | 3.00 |
| Public Works (1) | -- | 681.00 | 691.00 | 691.00 |
| Purchasing | 13.00 | 13.00 | 13.00 | 13.00 |
| Transportation & Drainage (1) | 111.00 | -- | -- | -- |
| TOTAL GENERAL FUND | <u>2,931.05</u> | <u>2,933.30</u> | <u>2,939.30</u> | <u>2,942.30</u> |
| <u>SPECIAL FUNDS:</u> | | | | |
| Major Funds: | | | | |
| Library Board of Control Fund | 401.75 | 400.75 | 388.00 | 379.75 |
| Grants Fund | 367.82 | 377.57 | 377.57 | 382.82 |
| Comprehensive Sewerage System Fund | 318.20 | 327.40 | 326.40 | 326.40 |
| G. B. R. Airport District Fund | 81.00 | 81.00 | 80.00 | 82.00 |
| Solid Waste Collection Fund | 6.00 | 6.00 | 6.00 | 6.00 |
| Solid Waste Disposal Facility | 20.80 | 22.60 | 22.60 | 22.60 |
| Non-Major Funds: | | | | |
| Animal Control and Rescue Center | 22.00 | 22.00 | 22.00 | 22.00 |
| Central Garage | 45.00 | 45.00 | 45.00 | 45.00 |
| City Constable Court Costs Fund | 5.00 | 5.00 | 5.00 | 5.00 |
| City Court Sobriety Court (2) | 1.00 | -- | -- | -- |
| Downtown Development District | 5.00 | 5.00 | 4.00 | 4.00 |
| Emergency Medical Services | 170.00 | 170.00 | 170.00 | 166.00 |
| Employees' Retirement System | 13.00 | 13.00 | 12.00 | 12.00 |
| E.B.R. Parish Communications District | 52.00 | 52.00 | 51.00 | 47.00 |
| Gaming Enforcement Division | 2.50 | 2.50 | 2.50 | 2.50 |
| G. B. R. Parking Authority | 9.00 | 9.00 | 9.00 | 9.00 |
| Mosquito Abatement and Rodent Control | 37.00 | 33.00 | 33.00 | 33.00 |
| Parish Street Maintenance | 3.00 | 3.00 | 3.00 | 3.00 |
| TOTAL SPECIAL FUNDS | <u>1,560.07</u> | <u>1,574.82</u> | <u>1,557.07</u> | <u>1,548.07</u> |
| TOTAL ALL FUNDS | <u>4,491.12</u> | <u>4,508.12</u> | <u>4,496.37</u> | <u>4,490.37</u> |

- (1) Public Works was divided into multiple new departments in 2015 and all positions were allocated to each new department.
 (Building & Grounds, Business Operations & Capital Programs, Development, Maintenance, and Transportation & Drainage)
- (2) The City Court Sobriety Court Fund was established pursuant to the provisions of R.S. 13:1894.2 passed by Act 810 of the 2014 Legislative Session, which became effective August 1, 2014.

Full-time Equivalent Employees Allotted in Annual Budget

| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 |
| 157.63 | 157.63 | 157.63 | 152.63 | 145.50 | 144.50 |
| 20.55 | 20.55 | 20.55 | 20.55 | 20.55 | 20.55 |
| 41.00 | 41.00 | 41.00 | 41.00 | 41.00 | 41.00 |
| 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| -- | -- | -- | -- | -- | -- |
| 36.00 | 36.00 | 35.00 | 35.00 | 33.00 | 33.00 |
| 125.00 | 125.00 | 125.00 | 119.00 | 112.00 | 111.00 |
| 610.00 | 610.00 | 610.00 | 610.00 | 588.00 | 582.00 |
| 8.75 | 8.75 | 8.75 | 8.75 | 8.75 | 9.50 |
| 38.00 | 38.00 | 39.00 | 39.00 | 39.00 | 36.00 |
| 45.00 | 45.00 | 44.00 | 44.00 | 42.00 | 36.00 |
| 84.00 | 84.00 | 84.00 | 84.00 | 83.00 | 82.00 |
| -- | -- | -- | -- | -- | -- |
| 15.00 | 15.00 | 16.00 | 16.00 | 15.00 | 15.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 95.50 | 95.00 | 94.50 | 100.00 | 99.00 | 92.50 |
| 27.00 | 27.00 | 27.00 | 27.00 | 26.00 | 22.00 |
| 886.00 | 886.00 | 886.00 | 885.00 | 840.00 | 837.00 |
| 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| 692.00 | 692.00 | 697.40 | 699.10 | 679.10 | 647.00 |
| 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 |
| -- | -- | -- | -- | -- | -- |
| <u>2,943.43</u> | <u>2,942.93</u> | <u>2,947.83</u> | <u>2,943.03</u> | <u>2,833.90</u> | <u>2,771.05</u> |
| | | | | | |
| 335.00 | 335.00 | 319.25 | 318.25 | 313.25 | 306.75 |
| 401.77 | 407.23 | 375.48 | 428.94 | 417.98 | 416.19 |
| 326.40 | 326.40 | 328.20 | 329.40 | 331.90 | 336.00 |
| 84.00 | 84.00 | 93.00 | 91.00 | 91.00 | 89.00 |
| 6.00 | 6.00 | 6.00 | 21.10 | 21.00 | 21.00 |
| 22.60 | 22.60 | 15.40 | 13.40 | 10.00 | 10.00 |
| | | | | | |
| 22.00 | 32.00 | 31.00 | 31.00 | 21.00 | 20.00 |
| 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 |
| 5.00 | 5.00 | 5.00 | 5.00 | 4.00 | 4.00 |
| -- | -- | -- | -- | -- | -- |
| 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| 166.00 | 166.00 | 165.00 | 164.00 | 162.00 | 150.00 |
| 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 |
| 47.00 | 47.00 | 47.00 | 47.00 | 47.00 | 47.00 |
| 2.50 | 2.00 | 2.00 | 1.00 | 1.00 | 1.00 |
| 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| 33.00 | 33.00 | 31.00 | 31.00 | 31.00 | 31.00 |
| 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| <u>1,524.27</u> | <u>1,539.23</u> | <u>1,491.33</u> | <u>1,554.09</u> | <u>1,524.13</u> | <u>1,504.94</u> |
| | | | | | |
| <u>4,467.70</u> | <u>4,482.16</u> | <u>4,439.16</u> | <u>4,497.12</u> | <u>4,358.03</u> | <u>4,275.99</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| Function: | FISCAL YEAR | | | |
|--|-------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2013 | 2012 |
| Public Safety: | | | | |
| Police | | | | |
| Physical arrests | 15,244 | 15,620 | 16,458 | 20,913 |
| Parking violations | 5,471 | 3,176 | 7,662 | 14,442 |
| Traffic violations (2) | 49,630 | 66,453 | 72,562 | 65,200 |
| Fire | | | | |
| Number of responses | 32,769 | 31,384 | 29,434 | 30,097 |
| Inspections | 19,883 | 20,216 | 20,558 | 16,254 |
| Emergency Medical Services | | | | |
| Number of emergency responses | 59,627 | 55,946 | 51,875 | 52,689 |
| Number of patient transports | 35,663 | 33,865 | 31,095 | 31,170 |
| Communications district | | | | |
| Number of 911 calls (in thousands) | 432,119 | 457,870 | 416,231 | 387,583 |
| Transportation: | | | | |
| Parish street maintenance program | | | | |
| Number of miles of new streets | 1 | 6 | 1 | 1 |
| Rehab streets and roads | 14 | 17 | 22 | 25 |
| Number of potholes repaired | 1,620 | 1,173 | 1,337 | 1,457 |
| Airport | | | | |
| Number of enplanements | 378,772 | 394,772 | 407,235 | 413,873 |
| Sanitation: | | | | |
| Wastewater | | | | |
| Average daily sewerage treatment (millions of gallons) | 24,546 | 24,978 | 25,158 | 23,696 |
| Solid Waste Disposal | | | | |
| Average daily tonnage accepted at Landfill (3) | 1,428 | 1,337 | 1,243 | 1,457 |
| Administration Office and Boards | | | | |
| Construction Permits | | | | |
| Total Number of Permits issued | 24,553 | 22,985 | 22,569 | 21,698 |
| Total Valuation | 776,909,600 | 794,214,720 | 679,202,454 | 603,507,068 |
| Culture-Recreation | | | | |
| Libraries | | | | |
| Total registered borrowers | 373,481 | 346,363 | 325,303 | 304,431 |
| Total items circulated | 2,761,471 | 2,563,226 | 2,434,723 | 2,338,802 |
| Total reference questions answered | 1,007,100 | 898,255 | 885,764 | 868,222 |
| New branch libraries opened | 0 | 0 (6) | 1 | 0 |

Notes:

- (1) Including arrest or summons, 2,734 Juveniles, 24,048 adults.
- (2) Moving violations only
- (3) Tonnage without recycling. No adjustment for unscheduled closings of the landfill.
- (4) Road rehab reflects a reduction to 27% of the road sales tax money.
- (5) Projected from data thru Nov 2010. 25,614 adults, 2,500 juveniles
- (6) New Main Library at Goodwood is not included

| FISCAL YEAR | | | | | |
|-------------|-------------|-------------|-------------|---------------|-------------|
| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| 25,829 | 28,114 (5) | 27,158 | 26,158 | 26,782 (1) | 15,034 |
| 20,424 | 19,554 | 19,759 | 22,649 | 25,036 | 24,365 |
| 87,643 | 75,677 | 87,509 | 84,882 | 89,131 | 107,089 |
| 29,869 | 29,939 | 28,723 | 28,280 | 26,564 | 26,886 |
| 18,885 | 15,174 | 15,689 | 19,199 | 16,818 | 13,932 |
| 51,467 | 49,184 | 48,490 | 50,453 | 48,419 | 48,264 |
| 30,720 | 29,712 | 28,081 | 26,431 | 26,432 | 24,393 |
| 385,970 | 340,000 | 353,169 | 365,850 | 347,536 | 368,486 |
| 3 | 0 | 2 | 4 | 11 | 4 |
| 19 | 25 | 17 | 24 | 29 (4) | 24 (4) |
| 1,666 | 1,731 | 2,707 | 2,791 | 3,448 | 1,247 |
| 404,735 | 390,847 | 356,140 | 433,135 | 491,836 | 534,709 |
| 22,819 | 23,211 | 23,603 | 21,610 | 22,559 | 21,534 |
| 1,491 | 1,526 | 1,562 | 1,562 | 1,490 | 1,438 |
| 21,759 | 22,565 | 21,649 | 24,835 | 27,312 | 26,910 |
| 729,876,485 | 710,536,043 | 375,597,425 | 666,743,993 | 1,068,749,146 | 911,708,204 |
| 425,540 | 410,109 | 393,812 | 386,181 | 366,065 | 341,179 |
| 2,340,208 | 2,392,827 | 2,284,918 | 2,231,974 | 2,307,630 | 2,396,323 |
| 971,205 | 879,514 | 811,166 | 731,213 | 695,867 | 645,320 |
| 0 | 0 | 0 | 0 | 1 | 0 |

Sources:

City only:

Baton Rouge Police Department - Crime Stat & Traffic Records
 Baton Rouge Fire Department

Parish-wide:

EBR Parish Emergency Medical Services
 EBR Parish Communications District
 City-Parish Public Works
 GBR Airport District
 EBR Parish Library

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| Major Programs | FISCAL YEAR | | | |
|--|-------------|--------|--------|--------|
| | 2015 | 2014 | 2013 | 2012 |
| General Government | | | | |
| Number of general government buildings | 10 | 10 | 10 | 10 |
| Public Safety | | | | |
| Number of police stations | 5 | 5 | 5 | 5 |
| Police patrol units | 520 | 536 | 509 | 513 |
| Number of fire stations | 19 | 19 | 19 | 19 |
| Fire trucks | 41 | 41 | 41 | 41 |
| Number of EMS stations | 13 | 12 | 13 | 13 |
| Ambulances | 25 | 23 | 21 | 21 |
| Correction facilities | 2 | 2 | 2 | 2 |
| Transportation | | | | |
| Miles of streets | 1,956 (1) | 1,783 | 1,775 | 1,774 |
| Number of streetlights | 34,523 | 35,200 | 35,136 | 35,134 |
| Number of traffic signals | 499 | 499 | 489 | 489 |
| Sanitation | | | | |
| Miles of sanitary sewers | 1,786 | 1,784 | 1,783 | 1,781 |
| Miles of storm sewers | 105 | 104 | 103 | 102 |
| Culture and Recreation | | | | |
| Number of library branches | 14 | 14 | 14 | 13 |
| Number of community centers | 6 | 6 | 6 | 6 |
| Conservation and Development | | | | |
| Number of Headstart centers | 7 | 7 | 7 | 7 |
| Health and Welfare | | | | |
| Number of Health and Welfare buildings | 7 | 7 | 7 | 7 |

(1) Beginning in 2015, the Geographic Information System (GIS) was utilized to determine the total miles of streets

Sources:

City only:

Baton Rouge Fire Department

Parish-wide:

EBR Parish Emergency Medical Services

EBR Parish Communications District

City-Parish Public Works

EBR Parish Library

City Parish Capital Asset Records

| FISCAL YEAR | | | | | |
|-------------|--------|--------|--------|--------|--------|
| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| 10 | 10 | 10 | 10 | 10 | 10 |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 511 | 467 | 467 | 455 | 398 | 789 |
| 19 | 19 | 19 | 19 | 19 | 19 |
| 41 | 41 | 41 | 40 | 39 | 38 |
| 13 | 12 | 12 | 12 | 12 | 11 |
| 21 | 21 | 21 | 21 | 21 | 20 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 1,772 | 1,771 | 1,771 | 1,766 | 1,757 | 1,753 |
| 35,006 | 34,725 | 34,725 | 34,725 | 34,725 | 34,725 |
| 482 | 472 | 472 | 465 | 468 | 463 |
| 1,780 | 1,778 | 1,778 | 1,773 | 1,764 | 1,759 |
| 100 | 98 | 98 | 93 | 82 | 78 |
| 13 | 13 | 13 | 13 | 13 | 13 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 7 | 7 | 7 | 7 | 7 | 7 |
| 7 | 7 | 7 | 7 | 7 | 7 |



CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
REPORTS ON COMPLIANCE AND INTERNAL CONTROL
DECEMBER 31, 2015



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City-Parish's basic financial statements and have issued our report thereon dated June 22, 2016. Our report includes a reference to other auditors who audited the financial statements of certain discretely presented component units, as described in our report on the City-Parish's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. See item 2015-001.

Compliance and Other Matters

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

City-Parish's Response to Findings

The City-Parish's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City-Parish's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

Postthwaite & Hetherill

Baton Rouge, Louisiana
June 22, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Mayor-President
And Members of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge:

Report on Compliance for Each Major Federal Program

We have audited the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) compliance of with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the City-Parish's major federal programs for the year ended December 31, 2015. The City-Parish's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City-Parish's basic financial statements include the operations of the District Attorney of the Nineteenth Judicial District (the District Attorney), the Capital Area Transit System (the Transit System), and the East Baton Rouge Redevelopment Authority (the Authority), which received \$1,478,260, \$8,573,179, and \$3,002,020, respectively, of federal awards during their most recent respective fiscal years ending during 2015, which is not included in the accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2015. Our audit, described below, does not include the federal award activity of the District Attorney, the Transit System, or the Authority because the component units of the City-Parish separately engaged those audits in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

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

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

Basis for Adverse Opinion on CFDA No. 14.218 Community Development Block Grants/Entitlement Grants (CDBG)

As described in the accompanying schedule of findings and questioned costs, the City-Parish did not comply with requirements regarding CFDA No. 14.218 Community Development Block Grants/Entitlement Grants (CDBG) as described in finding numbers 2015-002 for Sub-recipient Monitoring, 2015-003 for Reporting, and 2015-004 and 2015-005 for Allowable Costs. Compliance with such requirements is necessary, in our opinion, for the City-Parish to comply with the requirements applicable to that program.

Adverse Opinion on CFDA No. 14.218 Community Development Block Grants/Entitlement Grants (CDBG)

In our opinion, because of the significance of the effects of the noncompliance described in the Basis for Adverse Opinion paragraph, the City-Parish did not comply, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA No. 14.218 Community Development Block Grants/Entitlement Grants (CDBG) for the year ended December 31, 2015.

Basis for Qualified Opinion on CFDA No. 14.239 – Home Investment Partnership Program (HOME), CFDA No. 14.241 – Housing Opportunities for People with Aids (HOPWA)

As described in the accompanying schedule of findings and questioned costs, the City-Parish did not comply with requirements regarding CFDA No. 14.239 HOME as described in finding numbers 2015-002 for Sub-recipient monitoring, and 2015-003 for Reporting. Compliance with such requirements is necessary, in our opinion, for the City-Parish to comply with the requirements applicable to that program.

As described in the accompanying schedule of findings and questioned costs, the City-Parish did not comply with requirements regarding CFDA No. 14.241 HOPWA as described in finding numbers 2015-002 for Sub-recipient monitoring, and 2015-003 for Reporting. Compliance with such requirements is necessary, in our opinion, for the City-Parish to comply with the requirements applicable to that program.

Qualified Opinion on CFDA No. 14.239 – Home Investment Partnership Program (HOME), CFDA No. 14.241 – Housing Opportunities for People with Aids (HOPWA)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City - Parish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA No. 14.239 – Home Investment Partnership Program for the year ended December 31, 2015.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City - Parish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA No. 14.241 – Housing Opportunities for People with Aids for the year ended December 31, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City-Parish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2015.

Other Matters

The results of our auditing procedures disclosed another instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2015-004. Our opinion on each major federal program is not modified with respect to these matters.

The City-Parish's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City-Parish's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2015-002, 2015-004, and 2015-005 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2015-003 and 2015-006 to be significant deficiencies.

The City-Parish's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City-Parish's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 22, 2016

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | <u>FEDERAL EXPENDITURES</u> | <u>AMOUNTS PROVIDED TO SUBRECIPIENTS</u> |
|--|---------------------------------|--|
| <u>FEDERAL AGENCY - SCHEDULE A</u> | | |
| U.S. Department of Housing and Urban Development | \$ 26,195,757 | \$ 3,796,346 |
| U.S. Department of Health and Human Services | 16,889,718 | 3,467,883 |
| U.S. Department of Homeland Security | 1,215,831 | -- |
| U.S. Department of Transportation | 9,054,086 | -- |
| U.S. Department of Agriculture | 1,394,776 | -- |
| U.S. Department of Labor | 2,551,156 | -- |
| U.S. Department of Justice | 838,900 | 430,398 |
| U.S. Environmental Protection Agency | 14,608 | -- |
| U.S. Department of the Treasury | 16,000 | -- |
| U.S. Department of Energy | 273,928 | -- |
| | <hr/> | <hr/> |
| TOTAL FEDERAL AGENCY - SCHEDULE A | \$ 58,444,760 | \$ 7,694,627 |
| | <hr/> | <hr/> |
| <u>FEDERAL AGENCY - SCHEDULE B</u> | | |
| U.S. Department of Transportation | \$ 5,510,507 | \$ -- |
| U.S. Environmental Protection Agency | 3,367,726 | -- |
| | <hr/> | <hr/> |
| TOTAL FEDERAL AGENCY - SCHEDULE B | \$ 8,878,233 | \$ -- |
| | <hr/> | <hr/> |
| TOTAL FEDERAL AGENCY - SCHEDULE A AND B | \$ 67,322,993 | \$ 7,694,627 |
| | <hr/> | <hr/> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

SCHEDULE A

| <u>Names of Grants & Sources</u> | <u>Code Numbers</u> | <u>Federal CFDA Numbers</u> | <u>Grant Numbers</u> | <u>Federal Expenditures</u> | <u>Amounts Provided to Subrecipients</u> |
|--|-------------------------|-------------------------------------|----------------------|---------------------------------|--|
| <u>FEDERAL GRANTS</u> | | | | | |
| <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u> | | | | | |
| <u>Direct Programs:</u> | 121004 | | | | |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-97-MC-22-0002 | \$ 3,251 | \$ -- |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-98-MC-22-0002 | 6,609 | -- |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-99-MC-22-0002 | 13,836 | -- |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-03-MC-22-0002 | 7,180 | -- |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-05-MC-22-0002 | 13,405 | -- |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-07-MC-22-0002 | 10,747 | -- |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-08-MC-22-0002 | 24,442 | 14,470 |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-09-MC-22-0002 | 34,412 | 34,412 |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-10-MC-22-0002 | 135,551 | 134,212 |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-11-MC-22-0002 | 90,784 | 53,761 |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-12-MC-22-0002 | 354,681 | 1,830 |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-13-MC-22-0002 | 757,087 | 191,961 |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-14-MC-22-0002 | 2,024,606 | 554,694 |
| Community Development Block Grants/Entitlement Grants | 182..431602 | 14.218 | B-15-MC-22-0002 | 371,919 | 23,708 |
| Prior Years Outstanding Loans With Continuing Compliance Requirements | 182..431602 | 14.218 | Various | 2,953,685 | -- |
| SUBTOTAL CFDA NUMBER 14.218 | | | | 6,802,195 | 1,009,048 |
| Home Investment Partnerships Program | 183..431602 | 14.239 | M-08-MC-22-0204 | 58 | -- |
| Home Investment Partnerships Program | 183..431602 | 14.239 | M-10-MC-22-0204 | 8,161 | -- |
| Home Investment Partnerships Program | 183..431602 | 14.239 | M-13-MC-22-0204 | 203 | -- |
| Home Investment Partnerships Program | 183..431602 | 14.239 | M-14-MC-22-0204 | 138,536 | -- |
| Home Investment Partnerships Program | 183..431602 | 14.239 | M-15-MC-22-0204 | 73,719 | -- |
| Current Year Loans Disbursements | 183..431602 | 14.239 | Various | 1,255,529 | -- |
| Prior Years Outstanding Loans With Continuing Compliance Requirements | 183..431602 | 14.239 | Various | 10,719,676 | -- |
| SUBTOTAL CFDA NUMBER 14.239 | | | | 12,195,882 | -- |
| Continuum of Care Program | 184..431602 | 14.267 | LA-48-B130-40 | 645,898 | 629,732 |
| Continuum of Care Program | 184..431602 | 14.267 | LA-48-B140-40 | 288,236 | 273,617 |
| SUBTOTAL CFDA NUMBER 14.267 | | | | 934,134 | 903,349 |
| Housing Opportunities for Persons with AIDS | 185..431602 | 14.241 | LAH13F002 | 658,246 | 107,334 |
| Housing Opportunities for Persons with AIDS | 185..431602 | 14.241 | LAH14F002 | 1,166,444 | 1,087,701 |
| Housing Opportunities for Persons with AIDS | 185..431602 | 14.241 | LAH15F002 | 39,336 | -- |
| SUBTOTAL CFDA NUMBER 14.241 | | | | 1,864,026 | 1,195,035 |
| Emergency Solutions Grant Program | 182..431602 | 14.231 | S-11-MC-22-0002 | 7,111 | -- |
| Emergency Solutions Grant Program | 182..431602 | 14.231 | S-12-MC-22-0002 | 1,495 | 1,495 |
| Emergency Solutions Grant Program | 182..431602 | 14.231 | S-13-MC-22-0002 | 60,421 | 60,421 |
| Emergency Solutions Grant Program | 182..431602 | 14.231 | S-14-MC-22-0002 | 232,313 | 217,446 |
| Emergency Solutions Grant Program | 182..431602 | 14.231 | S-15-MC-22-0002 | 11,384 | -- |
| <u>Passed through Louisiana Housing Corporation</u> | 121119 | | | | |
| Emergency Solutions Grant Program | 170..432401 | 14.231 | 11/13 | 6,593 | 6,379 |
| Emergency Solutions Grant Program | 170..432401 | 14.231 | 13/15 | 16,282 | 15,830 |
| Emergency Solutions Grant Program | 170..432401 | 14.231 | 14/16 | 56,707 | 55,297 |
| SUBTOTAL CFDA NUMBER 14.231 | | | | 392,306 | 356,868 |

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

SCHEDULE A
(Continued)

| <u>Names of Grants & Sources</u> | <u>Code Numbers</u> | <u>Federal CFDA Numbers</u> | <u>Grant Numbers</u> | <u>Federal Expenditures</u> | <u>Amounts Provided to Subrecipients</u> |
|---|-------------------------|-------------------------------------|----------------------|---------------------------------|--|
| <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)</u> | | | | | |
| <u>Passed through Louisiana Office of Community</u> | | | | | |
| <u>Development Disaster Recovery Unit</u> | 121120 | | | | |
| Community Development Block Grants/State's program | 152..432495 | 14.228 | CEA #684377 | \$ 2,063,270 | \$ 258,901 |
| Community Development Block Grants/State's program | 152..432609 | 14.228 | B-08-DI-22-001 | 68,957 | -- |
| SUBTOTAL CFDA NUMBER 14.228 | | | | <u>2,132,227</u> | <u>258,901</u> |
| <u>Direct Programs:</u> | | | | | |
| | 121004 | | | | |
| Section 8 Housing Choice Vouchers | 170..431602 | 14.871 | LA-48-E0003-001/004 | 73,711 | -- |
| Section 8 Housing Choice Vouchers | 170..431602 | 14.871 | LA-219 CY14 | 7,216 | -- |
| Section 8 Housing Choice Vouchers | 170..431602 | 14.871 | LA-219 CY15 | 1,709,745 | -- |
| <u>Passed through other Section 8 Agencies</u> | | | | | |
| | 121120 | | | | |
| Section 8 Housing Choice Vouchers | 170..434605 | 14.871 | LA-219 CY15 | 945 | -- |
| SUBTOTAL CFDA NUMBER 14.871 (1) | | | | <u>1,791,617</u> | <u>--</u> |
| <u>Direct Programs:</u> | | | | | |
| | 121004 | | | | |
| Choice Neighborhoods Planning Grants | 170..431602 | 14.892 | LA6H003CNP113 | 83,370 | 73,145 |
| Total U. S. Department of Housing and Urban Development | | | | <u>26,195,757</u> | <u>3,796,346</u> |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | | | |
| <u>Direct Programs:</u> | | | | | |
| | 121006 | | | | |
| Head Start | 160..431601 | 93.600 | 06CH0065/36 | (375) | -- |
| Head Start | 160..431601 | 93.600 | 06CH0065/37 | 546,126 | -- |
| Head Start | 160..431601 | 93.600 | 06CH0065/38 | 10,543,002 | -- |
| SUBTOTAL CFDA NUMBER 93.600 | | | | <u>11,088,753</u> | <u>--</u> |
| HIV Emergency Relief Project Grants | 160..431601 | 93.914 | H89HA11432-06 | 1,290,657 | 1,206,921 |
| HIV Emergency Relief Project Grants | 160..431601 | 93.914 | H89HA11432-07 | 2,340,154 | 1,890,300 |
| HIV Emergency Relief Project Grants | 160..431601 | 93.914 | H89HA11432-06 | 101,930 | 94,235 |
| HIV Emergency Relief Project Grants | 160..431601 | 93.914 | H89HA11432-07 | 323,306 | 276,427 |
| SUBTOTAL CFDA NUMBER 93.914 | | | | <u>4,056,047</u> | <u>3,467,883</u> |
| <u>Passed through Louisiana Housing Corporation</u> | | | | | |
| | 121119 | | | | |
| Low-Income Home Energy Assistance Program | 160..432401 | 93.568 | 2013/2015 | 102,019 | -- |
| <u>Passed through Louisiana Workforce Commission</u> | | | | | |
| | 121118 | | | | |
| Community Services Block Grant | 160..432604 | 93.569 | 2014P0019 | 290,884 | -- |
| Community Services Block Grant | 160..432604 | 93.569 | 2015P0019 | 1,163,944 | -- |
| SUBTOTAL CFDA NUMBER 93.569 | | | | <u>1,454,828</u> | <u>--</u> |
| Temporary Assistance for Needy Families | 161..432604 | 93.558 (2) | 2000139553 | 28,889 | -- |
| <u>Passed through Louisiana Department of Public Safety & Corrections Office of Juvenile Services</u> | | | | | |
| | 121127 | | | | |
| Foster Care Title IV-E | 171..432104 | 93.658 | 031-LA-1401 | 159,182 | -- |
| Total U. S. Department of Health and Human Services | | | | <u>16,889,718</u> | <u>3,467,883</u> |
| (1) Housing Choice Vouchers Cluster | \$ 1,791,617 | | | | |
| (2) TANF Cluster | \$ 28,889 | | | | |

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

SCHEDULE A
(Continued)

| <u>Names of Grants & Sources</u> | <u>Code Numbers</u> | <u>Federal CFDA Numbers</u> | <u>Grant Numbers</u> | <u>Federal Expenditures</u> | <u>Amounts Provided to Subrecipients</u> |
|--|-------------------------|-------------------------------------|-----------------------|---------------------------------|--|
| <u>U.S. DEPARTMENT OF HOMELAND SECURITY</u> | | | | | |
| <u>Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness</u> | | | | | |
| Hazard Mitigation Grant | 121126 170..432103 | 97.039 | HMPG 1792-033-0005 | \$ 773,848 | \$ -- |
| Homeland Security Grant Program | 170..432103 | 97.067 | EMW-2013-SS-00122-S01 | 188,950 | -- |
| Homeland Security Grant Program | 170..432103 | 97.067 | EMW-2014-SS-00045-S01 | 160,428 | -- |
| SUBTOTAL CFDA NUMBER 97.067 | | | | 349,378 | -- |
| Emergency Management Performance Grants | 001..432103 | 97.042 | EMW-2014-EP-00035-S01 | 77,479 | -- |
| <u>Passed through Capital Area United Way</u> | | | | | |
| Emergency Food and Shelter National Board Program | 121432 170..434602 | 97.024 | LRO ID:361400-001 | 15,126 | -- |
| Total U. S. Department of Homeland Security | | | | 1,215,831 | -- |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | | | |
| <u>Direct Programs:</u> | | | | | |
| National Infrastructure Investments | 121003 346..431202 | 20.933 | LA-79-1001 | 211,841 | -- |
| <u>Passed through Louisiana Department of Transportation and Development-Office of Highways</u> | | | | | |
| Highway Planning and Construction | 121101 341..432200 | 20.205 | H.4077.5 H.1609.6 | 552,316 | -- |
| Signal Synchronization System-Phase IV & V | | | H.000452 | | |
| Highway Planning and Construction | 341..432200 | 20.205 | H.4343.5 H.007137.6 | 3,962,301 | -- |
| Jones Creek Rd (Tiger Bend to Coursey) | 449..432200 | | | | |
| Highway Planning and Construction | 341..432200 | 20.205 | H.004081.5 | 19,627 | -- |
| Nicholson Dr at Brightside/ W. Lee Intersection Improvement | | | | | |
| Highway Planning and Construction | 341..432200 | 20.205 | H.4578.5 | 241,335 | -- |
| N. Sherwood Forest Improvement Choctaw to Greenwell Springs | | | | | |
| Highway Planning and Construction | 341..432200 | 20.205 | H.006500 | 185,311 | -- |
| Baton Rouge Riverfront Development Improvement | | | | | |
| Highway Planning and Construction | 341..432200 | 20.205 | H.007147 H.002303.6 | 144,586 | -- |
| Central Thruway-South Choctaw to Greenwell Springs | | | | | |
| Highway Planning and Construction | 341..432200 | 20.205 | H.4104.5 | 1,025,672 | -- |
| Pecue Lane at I-10 Intersection | | | | | |
| Highway Planning and Construction | 341..432200 | 20.205 | H.002344 | 1,355,831 | -- |
| Perkins Rd/Siegen To Pecue | | | | | |
| Highway Planning and Construction | 341..432200 | 20.205 | H.7163.6 | 161,636 | -- |
| College/Highland/Sherwood Signal Synchronization | | | | | |
| SUBTOTAL CFDA NUMBER 20.205 (3) | | | | 7,648,615 | -- |
| <u>Federal Highway Administration (FHWA) Passed through Louisiana Department of Culture Recreation and Tourism</u> | | | | | |
| Recreational Trails Program | 121121 170..432102 | 20.219 | H.007691 | 130,607 | -- |
| <u>Passed through East Baton Rouge Parish Redevelopment Agency (RDA)</u> | | | | | |
| Recreational Trails Program | 170..432102 | 20.219 | H.009356 | 63,575 | -- |
| SUBTOTAL CFDA NUMBER 20.219 (3) | | | | 194,182 | -- |
| <u>Passed through Capital Region Planning Commission</u> | | | | | |
| Metropolitan Transportation Planning | 121425 170..434101 | 20.505 | PL-H.972104.1 | 47,024 | -- |
| Metropolitan Transportation Planning | 170..434101 | 20.505 | H.972104.1 | 18,000 | -- |
| Metropolitan Transportation Planning | 170..434101 | 20.505 | H.972163.1 | 18,000 | -- |
| SUBTOTAL CFDA NUMBER 20.505 | | | | 83,024 | -- |
| (3) Highway Planning and Construction Cluster | \$ 7,842,797 | | | | |

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

SCHEDULE A
(Continued)

| <u>Names of Grants & Sources</u> | <u>Code Numbers</u> | <u>Federal CFDA Numbers</u> | <u>Grant Numbers</u> | <u>Federal Expenditures</u> | <u>Amounts Provided to Subrecipients</u> |
|---|-------------------------|-------------------------------------|----------------------|---------------------------------|--|
| <u>U.S. DEPARTMENT OF TRANSPORTATION (Continued)</u> | | | | | |
| <u>National Highway Traffic Safety Administration (NHTSA)</u> | | | | | |
| <u>Passed through the Louisiana Highway Safety Commission (LHSC)</u> | | | | | |
| | 121105 | | | | |
| State and Community Highway Safety | 170..432101 | 20.600 | 2015-30-13 | \$ 449,861 | \$ -- |
| State and Community Highway Safety | 170..432101 | 20.600 | 2015-30-13 | 48,595 | -- |
| | | | | <hr/> | <hr/> |
| SUBTOTAL CFDA NUMBER 20.600 (4) | | | | 498,456 | -- |
| | | | | <hr/> | <hr/> |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | 170..432101 | 20.601 | 2015-10-30 | 86,191 | -- |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | 170..432101 | 20.601 | 2016-10-30 | 9,650 | -- |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | 170..432101 | 20.601 | 2015-10-26 | 45,300 | -- |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | 170..432101 | 20.601 | 2016-10-26 | 19,450 | -- |
| | | | | <hr/> | <hr/> |
| SUBTOTAL CFDA NUMBER 20.601 (4) | | | | 160,591 | -- |
| | | | | <hr/> | <hr/> |
| Occupant Protection Incentive Grants | 170..432101 | 20.602 (4) | 2015-30-13 | 167,069 | -- |
| | | | | <hr/> | <hr/> |
| National Priority Safety Programs | 170..432101 | 20.616 (4) | 2016-30-12 | 60,440 | -- |
| | | | | <hr/> | <hr/> |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 170..432101 | 20.608 | 2016-30-13 | 29,868 | -- |
| | | | | <hr/> | <hr/> |
| Total U. S. Department of Transportation | | | | 9,054,086 | -- |
| | | | | <hr/> | <hr/> |
| <u>U.S. DEPARTMENT OF AGRICULTURE</u> | | | | | |
| <u>Passed through Louisiana Department of Education</u> | | | | | |
| | 121110 | | | | |
| Child and Adult Care Food Program | 160..432607 | 10.558 | 93-188 | 19,053 | -- |
| Child and Adult Care Food Program | 160..432607 | 10.558 | 93-188 | 43,735 | -- |
| Child and Adult Care Food Program | 160..432607 | 10.558 | 93-188 | 865,325 | -- |
| Child and Adult Care Food Program | 160..432607 | 10.558 | 93-188 | 400,789 | -- |
| | | | | <hr/> | <hr/> |
| SUBTOTAL CFDA NUMBER 10.558 | | | | 1,328,902 | -- |
| | | | | <hr/> | <hr/> |
| School Breakfast Program | 001..432106 | 10.553 (5) | N/A | 25,861 | -- |
| | | | | <hr/> | <hr/> |
| National School Lunch Program | 001..432106 | 10.555 (5) | N/A | 40,013 | -- |
| | | | | <hr/> | <hr/> |
| Total U. S. Department of Agriculture | | | | 1,394,776 | -- |
| | | | | <hr/> | <hr/> |
| <u>U.S. DEPARTMENT OF LABOR</u> | | | | | |
| <u>Passed through Louisiana Workforce Commission</u> | | | | | |
| | 121118 | | | | |
| WIA/WIOA Adult Program | 161..432604 | 17.258 | FY2014 | 254,353 | -- |
| WIA/WIOA Adult Program | 161..432604 | 17.258 | FY2015 | 619,395 | -- |
| WIA/WIOA Adult Program | 161..432604 | 17.258 | PY2014 | 50,787 | -- |
| WIA/WIOA Adult Program | 161..432604 | 17.258 | FY2014 | 75,000 | -- |
| WIA/WIOA Adult Program | 161..432604 | 17.258 | FY2015 | 93,475 | -- |
| | | | | <hr/> | <hr/> |
| SUBTOTAL CFDA NUMBER 17.258 (6) | | | | 1,093,010 | -- |
| | | | | <hr/> | <hr/> |
| WIA/WIOA Youth Activities | 161..432604 | 17.259 | PY2013 | 82,908 | -- |
| WIA/WIOA Youth Activities | 161..432604 | 17.259 | FY2014 | 659,236 | -- |
| | | | | <hr/> | <hr/> |
| SUBTOTAL CFDA NUMBER 17.259 (6) | | | | 742,144 | -- |
| | | | | <hr/> | <hr/> |
| (4) Highway Safety Cluster | | | | \$ 886,556 | |
| (5) Child Nutrition Cluster | | | | \$ 65,874 | |
| (6) WIA/WIOA Cluster | | | | \$2,494,981 | |

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

SCHEDULE A
(Continued)

| <u>Names of Grants & Sources</u> | <u>Code Numbers</u> | <u>Federal CFDA Numbers</u> | <u>Grant Numbers</u> | <u>Federal Expenditures</u> | <u>Amounts Provided to Subrecipients</u> |
|---|-------------------------|-------------------------------------|----------------------|---------------------------------|--|
| <u>U.S. DEPARTMENT OF LABOR (Continued)</u> | | | | | |
| <u>Passed through Louisiana Workforce Commission (Continued)</u> | | | | | |
| WIA/WIOA Dislocated Worker Formula Grants | 161..432604 | 17.278 | FY2014 | \$ 297,433 | \$ -- |
| WIA/WIOA Dislocated Worker Formula Grants | 161..432604 | 17.278 | FY2015 | 245,899 | -- |
| WIA/WIOA Dislocated Worker Formula Grants | 161..432604 | 17.278 | PY2014 | 116,495 | -- |
| SUBTOTAL CFDA NUMBER 17.278 (6) | | | | 659,827 | -- |
| Employment Service/Wagner-Peyser Funded Activities | 161..432604 | 17.207 (7) | 749387 | 6,007 | -- |
| <u>Passed through Local Workforce Investment Board LWIA 20</u> | | | | | |
| WIOA National Dislocated Worker Grants/WIA National Emergency Grants | 161..434131 | 17.277 | 7/14-9/16 | 50,168 | -- |
| Total U. S. Department of Labor | | | | 2,551,156 | -- |
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | | | |
| <u>Direct Programs:</u> | 121005 | | | | |
| Community-Based Violence Prevention Program | 170..431103 | 16.123 | 2012-PB-FX-K001 | 376,171 | 290,452 |
| Byrne Criminal Justice Innovation Program (BCJI) | 170..431103 | 16.817 | 2013-AJ-BX-0002 | 156,914 | 139,946 |
| <u>Passed through East Baton Rouge Parish Sheriff's Office</u> | | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 170..431103 | 16.738 | 2013-DJ-BX-0241 | 34,393 | -- |
| Edward Byrne Memorial Justice Assistance Grant Program | 170..431103 | 16.738 | 2014-DJ-BX-0712 | 120,728 | -- |
| Edward Byrne Memorial Justice Assistance Grant Program | 170..434107 | 16.738 | 2013-DJ-01-1431 | 4,801 | -- |
| <u>Passed through Louisiana Commission on Law Enforcement</u> | | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 170..432102 | 16.738 | 2013-DJ-01-2092 | 30,726 | -- |
| Edward Byrne Memorial Justice Assistance Grant Program | 170..432102 | 16.738 | B11-5-007 | 5,000 | -- |
| Edward Byrne Memorial Justice Assistance Grant Program | 170..432102 | 16.738 | B12-5-037 | 6,895 | -- |
| Edward Byrne Memorial Justice Assistance Grant Program | 170..432102 | 16.738 | 2014-DJ-06-2272 | 29,055 | -- |
| Edward Byrne Memorial Justice Assistance Grant Program | 170..432102 | 16.738 | 2014-DJ-02-2402 | 12,544 | -- |
| SUBTOTAL CFDA NUMBER 16.738 | | | | 244,142 | -- |
| Juvenile Accountability Block Grants | 170..432102 | 16.523 | 2012-JB-01-1608 | 15,593 | -- |
| Juvenile Accountability Block Grants | 170..432102 | 16.523 | 2013-JB-01-2479 | 16,795 | -- |
| SUBTOTAL CFDA NUMBER 16.523 | | | | 32,388 | -- |
| Violence Against Women Formula Grants | 170..432102 | 16.588 | 2013-WF-04-1913 | 8,107 | -- |
| Violence Against Women Formula Grants | 170..432102 | 16.588 | 2013-WF-05-2579 | 21,178 | -- |
| SUBTOTAL CFDA NUMBER 16.588 | | | | 29,285 | -- |
| Total U. S. Department of Justice | | | | 838,900 | 430,398 |
| <u>U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u> | | | | | |
| <u>Direct Programs:</u> | 121011 | | | | |
| Brownfields Assessment and Cleanup Cooperative Agreements | 170..431605 | 66.818 | BF-01F07401-0 | 2,097 | -- |
| <u>Passed through Louisiana State University Agricultural Center</u> | | | | | |
| Solid Waste Management Assistance Grants | 170..434132 | 66.808 | 83566501-0 | 12,511 | -- |
| Total U. S. Environmental Protection Agency | | | | 14,608 | -- |
| (6) WIA/WIOA Cluster | \$2,494,981 | | | | |
| (7) Employment Service Cluster | \$ 6,007 | | | | |

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

SCHEDULE A
(Continued)

| <u>Names of Grants & Sources</u> | <u>Code Numbers</u> | <u>Federal CFDA Numbers</u> | <u>Grant Numbers</u> | <u>Federal Expenditures</u> | <u>Amounts Provided to Subrecipients</u> |
|---|-------------------------|-------------------------------------|----------------------|---------------------------------|--|
| <u>U.S. DEPARTMENT OF THE TREASURY</u> | | | | | |
| <u>Passed through Capital Area United Way</u> | 121432 | | | | |
| Volunteer Income Tax Assistance | 170..434602 | 21.009 | FY2015 | \$ 16,000 | \$ -- |
| Total U. S. Department of the Treasury | | | | 16,000 | -- |
| <u>U.S. DEPARTMENT OF ENERGY</u> | | | | | |
| <u>Passed through Louisiana Housing Corporation</u> | 121119 | | | | |
| Weatherization Assistance for Low-Income Persons | 170..432401 | 81.042 | 2013-2014 | 46 | -- |
| Weatherization Assistance for Low-Income Persons | 170..432401 | 81.042 | 2014-2015 | 273,882 | -- |
| SUBTOTAL CFDA NUMBER 81.042 | | | | 273,928 | -- |
| Total U. S. Department of Energy | | | | 273,928 | -- |
| TOTAL FEDERAL GRANTS - SCHEDULE A | | | | 58,444,760 | 7,694,627 |

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

SCHEDULE B

| <u>Names of Grants & Sources</u> | <u>Code Numbers</u> | <u>Federal CFDA Numbers</u> | <u>Grant Numbers</u> | <u>Federal Expenditures</u> | <u>Amounts Provided to Subrecipients</u> |
|---|-------------------------|-------------------------------------|----------------------|---------------------------------|--|
| <u>FEDERAL GRANTS</u> | | | | | |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | | | |
| <u>Direct Programs:</u> | | | | | |
| <u>Federal Aviation Administration:</u> | 121007 | | | | |
| Airport Improvement Program | 482..504001 | 20.106 | 3-22-0006-97 | \$ 2,430 | \$ -- |
| Airport Improvement Program | 482..504001 | 20.106 | 3-22-0006-98 | 27,704 | -- |
| Airport Improvement Program | 482..504001 | 20.106 | 3-22-0006-99 | 931,825 | -- |
| Airport Improvement Program | 482..504001 | 20.106 | 3-22-0006-100 | 662,709 | -- |
| Airport Improvement Program | 482..504001 | 20.106 | 3-22-000G-101 | 1,733,583 | -- |
| Airport Improvement Program | 482..504001 | 20.106 | 3-22-0006-102 | 1,695,720 | -- |
| Airport Improvement Program | 482..504001 | 20.106 | 3-22-0006-103 | 387,252 | -- |
| Airport Improvement Program | 482..504001 | 20.106 | 3-22-0006-104 | 69,284 | -- |
| SUBTOTAL CFDA NUMBER 20.106 | | | | <u>5,510,507</u> | <u>--</u> |
| Total U. S. Department of Transportation- FAA | | | | <u>5,510,507</u> | <u>--</u> |
| <u>U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u> | | | | | |
| <u>Passed through Louisiana Department</u> | | | | | |
| <u>of Environmental Quality</u> | 121125 | | | | |
| Capitalization Grants for Clean Water State Revolving Funds | 440 | 66.458 | | 3,254,441 | -- |
| Capitalization Grants for Clean Water State Revolving Funds | 437 | 66.458 | | 113,285 | -- |
| SUBTOTAL CFDA NUMBER 66.458 (8) | | | | <u>3,367,726</u> | <u>--</u> |
| Total U. S. Environmental Protection Agency | | | | <u>3,367,726</u> | <u>--</u> |
| TOTAL FEDERAL GRANTS - SCHEDULE B | | | | <u>\$ 8,878,233</u> | <u>\$ --</u> |

(8) Clean Water State Revolving Fund Cluster \$ 3,367,726

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
Notes to Schedule of Expenditures of Federal Awards
For The Year Ended December 31, 2015

Note A – General

The City-Parish Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the primary government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, (City-Parish). All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed through other agencies.

Note B – Basis of Accounting

The City-Parish Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City-Parish's financial statements for the year ended December 31, 2015. Schedule A details federal awards recorded in governmental fund types wherein revenues are recognized to the extent of expenditures. Schedule B details federal awards for proprietary fund types where government subsidies or contributions are recorded.

The City-Parish has a negotiated indirect cost rate. The City-Parish did not elect to use the 10% de minimis cost rate as allowed by 2 CFR 200.414 Indirect (F&A) costs.

Note C – Relationship to Financial Statements

The Schedule of Expenditures of Federal Awards (SEFA) was prepared from the same accounting records as were used to prepare the financial statements. Differences between amounts reported in the SEFA and the financial statements may exist due to different accounting bases used for financial reporting.

Note D – Loan Assistance

The City-Parish had outstanding loans with continuing compliance requirements at December 31, 2015 in the following programs:

| <u>Program</u> | <u>CFDA Number</u> | <u>Loan Balance</u> |
|---|------------------------|-------------------------|
| HOME Investment Partnerships Program | 14.239 | \$ 10,714,428 |
| Community Development Block Grant (CDBG) | 14.218 | <u>3,943,215</u> |
| Total gross loans | | 14,657,643 |
| Allowance for loan losses | | <u>(11,726,114)</u> |
| Total net loans with continuing compliance requirements | | <u>\$ 2,931,529</u> |

In addition to the net loans with continuing compliance requirements shown above, the City-Parish had loans funded under the Home Investment Partnerships Program (CFDA#14.239) that are outside of the period of affordability and no longer require monitoring under the terms of the grant award. Outstanding loans of \$5,920,308 with a corresponding allowance for loan losses of \$4,736,246 are included in the loans receivable recorded in the City-Parish's financial statements at a net amount of \$1,184,062.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
Notes to Schedule of Expenditures of Federal Awards
For The Year Ended December 31, 2015

Note E – Loan Assistance Received

The City-Parish received loan assistance for the following program:

| <u>Program</u> | <u>CFDA Number</u> | <u>Outstanding Balance as of 12/31/2015</u> | <u>New Loans Made During the Year Ended 12/31/15</u> |
|--|------------------------|---|--|
| Capitalization Grants for Clean Water State Revolving Funds | 66.458 | \$5,018,498 | \$3,367,726 |

Note F – Prior Year Expenditures Reconciliation

Prior year expenditures for U.S. Department of Transportation N. Sherwood Forest Improvement Choctaw to Greenwell Springs project (CFDA Number 20.205) was understated by \$51,594. The grantor has requested that the City-Parish include this amount on the 2015 Schedule of Expenditures of Federal Awards.

N. Sherwood Forest Improvement Choctaw to Greenwell Springs H.4578.50

| | |
|---|---------------|
| 2015 Expenditures | \$189,741 |
| 2014 Expenditures included on 2015 schedule | <u>51,594</u> |
| Total 2015 Expenditures | \$241,335 |

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

A. Summary of Auditors' Results

Financial Statements –

Type of auditors' report issued: Unmodified

- Material weakness (es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal controls over major programs:

- Material weakness (es) identified? ☒ yes ☐ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☒ yes

Type of auditors' report issued on compliance for major programs:

Adverse - CFDA No. 14.218;
Qualified - CFDA No. 14.239 and 14.241;
Unmodified - CFDA No. 93.600, CFDA No. 93.914, CFDA No. 20.106

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ yes ☐ no

Identification of major programs:

| <u>CFDA Numbers</u> | <u>Name of Federal Program</u> |
|---------------------|--|
| 14.218 | Community Development Block Grants/Entitlement Grants (CDBG) |
| 14.239 | Home Investment Partnerships Program (HOME) |
| 14.241 | Housing Opportunities for Persons with AIDS (HOPWA) |
| 93.600 | Head Start |
| 93.914 | HIV Emergency Relief Project Grants (Ryan White) |
| 20.106 | Airport Improvement Program |

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$2,019,690.
- The City of Baton Rouge and Parish of East Baton Rouge did not qualify as a low-risk auditee.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

B. Findings – Financial Reporting

2015-001) Fire Protection Districts Payroll Procedures and Policies

Criteria: A system of internal controls should be in place to provide reasonable assurance as to the safeguarding of assets against loss from unauthorized use or disposition and for maintaining accountability for assets.

Condition(s): Alsen – St Irma-Lee Fire Protection District is reported as a blended component unit of the City-Parish in their annual financial statements. The following deficiencies were noted with respect to this entity's internal controls over payroll:

- There is no documented evidence that a reconciliation or review of payroll reports received from the third party payroll service provider to the employees' work schedules were being performed.
- 20 out of 28 time cards did not convert minutes to decimals in a consistent manner. The result was \$75 underpayment among several employees.
- For one pay period selected for testing, one employee submitted a total of 16 hours of paid leave which did not agree to the 8 actual hours for which the employee was paid.
- While testing payroll transactions, we noted that employees are paid on a strict adherence to a 12 hour shift schedule regardless of the actual hours worked. However, this is not documented in the employees' contracts or in the current policies and procedures manual.
- LA R.S. 11:2253 requires all full-time firefighters (defined as 35 hours per week) to be enrolled as members of the Firefighters Retirement System of Louisiana as a condition of their employment. While testing payroll transactions, we noted that several employees who exceeded 35 hours per week that were not participating in the Firefighters Retirement System. A determination of whether these employees should be enrolled as a condition of their employment in the retirement plan is not being documented by the fire district.

Several of these items are repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2014-001.

Cause: The above deficiencies are a result of the lack of segregation of duties due to a small staff environment, and lack of training, supervisory review, and updated policies and procedures.

Effect: Without proper internal controls over payroll and segregation of duties for cash procedures there is a potential for misappropriation of public funds and for non-compliance with laws and regulations.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

B. Findings – Financial Reporting (Continued)

2015-001) Fire Protection Districts Payroll Procedures and Policies (Continued)

Recommendation: The fire district should update its written policies and procedures to address each of the matters identified above and ensure adherence to these policies in the future. In addition, the fire district should identify and document its consideration of those employees who work in excess of the 35 required hours for enrollment into the Firefighters Retirement System to ensure compliance with state regulations.

View of Responsible Official:

The Alsen-St. Irma Lee Fire Protection District Board and Chief will prepare written policies and procedures for the payroll process. The policies and procedures will include guidance for the following:

- Providing benefits, such as leave, retirement, and insurance, for full-time employees and contract workers;*
- Determining the basis of pay for full-time employees and contract workers;*
- Reconciling and reviewing payroll reports and time cards; and*
- Calculating hours worked.*

The Alsen-St. Irma Lee Fire Protection District Board and Chief will consult with a legal advisor to determine their responsibility for providing retirement benefits to full-time employees and contract workers.

C. Findings – Federal Award Programs

2015-002) Sub-recipient Monitoring

Questioned Costs: None

Department of Housing and Urban Development

14.218 Community Development Block Grants/Entitlement Grants (CDBG)

Grant No(s): B- (97-99) -MC-22-0002; B- (03) -MC-22-0002, B- (05) -MC-22-0002; B- (07-15) -MC-22-0002

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M-(06-08) -MC-22-0204; M- (10) –MC-22-0204; M- (12-15) –MC-22-0204

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H13-H15) F002

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

C. Findings – Federal Award Programs (Continued)

2015-002) Sub-recipient Monitoring (Continued)

Criteria: The Uniform Guidance Subpart D indicates that a pass-through entity is responsible for monitoring the activities of its sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals is achieved. Additionally, when assistance is provided to developers of multi-family properties, whether or not they are considered to be sub-recipients, HOME regulations require monitoring of the property during the period of affordability.

The pass-through agency is also responsible for reviewing financial and programmatic reports required to be submitted under the terms of the grant award, following-up and ensuring timely and appropriate actions on deficiencies pertaining to Federal awards detected through audits, on-site reviews, and other means, as well as ensuring that sub-recipients expending \$750,000 or more in Federal awards during the sub-recipient's fiscal year as required under Uniform Guidance Subpart F have met the audit requirements.

Condition: The City-Parish's Office of Community Development (OCD) administers the CDBG, HOME and HOPWA programs. In considering the OCD's compliance with its sub-recipient monitoring requirements, we noted the following with respect to the 12 sub-recipients of the HOME program, 7 sub-recipients of the HOPWA program, and 11 sub-recipients of the CDBG program:

- The OCD did not provide documentation for a method for tracking its sub-recipients under the CDBG, HOME or HOPWA programs to ensure these sub-recipients met audit requirements and did not provide evidence of a review or retention of these audit reports of the sub-recipients
- A risk assessment of a listing of program sub-recipients of CDBG, HOME and HOPWA programs was performed by the assigned OCD staff; however, a lack of documentation existed to indicate management's review and approval of the risk assessment performed. In addition, there was also a lack of documentation of evidence of a reconciliation to ensure completeness of the sub-recipient listing used in the risk assessment process.

A portion of this finding is repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2014-005.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

C. Findings – Federal Award Programs (Continued)

2015-002) Sub-recipient Monitoring (Continued)

Cause: The monitoring of sub-recipients and borrowers (developers) of CDBG, HOME and HOPWA funds became more difficult for the OCD due to resource constraints and personnel turnover.

A centralized process for tracking and monitoring the receipt of sub-recipient audit reports does not exist. In addition, no documentation of whether sub-recipients have met the audit requirements is maintained or whether sub-recipients have taken appropriate corrective actions on all audit findings identified in the audit reports.

Effect: The City-Parish is non-compliant with sub-recipient monitoring requirements for the CDBG, HOME and HOPWA programs. In addition, without proper internal controls over the risk assessment processes, appropriate levels of sub-recipient monitoring may not occur and therefore the City-Parish may not be complying with all of its sub-recipient pass-through monitoring responsibilities.

Recommendation: The City-Parish should establish a centralized process for tracking and obtaining, on an annual basis, sub-recipient audit reports. The OCD should also establish procedures for ensuring appropriate sub-recipient follow-up on corrective actions. The OCD should also develop a process to ensure appropriate supervisory review and approval of the risk assessment documentation. The OCD should also develop procedures and checklists for desk monitoring of sub-recipients and maintain the documentation of the results of the desk monitoring.

View of Responsible Official:

The OCD will centralize the process of obtaining sub-recipient audit reports. The OCD will establish procedures to ensure that sub-recipients implement the necessary corrective actions to comply with all applicable regulatory requirements. The OCD will develop a process to ensure supervisory review and proper approval for risk assessment documentation. The OCD will develop procedures and a checklist for desk monitoring of sub-recipients. The OCD will maintain the results of the desk monitoring for the required retention period.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

C. Findings – Federal Award Programs (Continued)

2015-003) Reporting

Questioned Costs: None

14.218 Community Development Block Grants/Entitlement Grants (CDBG)

Grant No(s): B- (97-99) -MC-22-0002; B- (03) -MC-22-0002, B- (05) -MC-22-0002; B- (07-15) -MC-22-0002

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M-(06-08) -MC-22-0204; M- (10) –MC-22-0204; M- (12-15) –MC-22-0204

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H13-H15) F002

Criteria: Federal regulations require the annual reporting of the Section 3 Annual Submission Report (Form HUD 60002). The report is required to be submitted through the Section 3 Performance Evaluation and Registration System (SPEARS). Both the 2013 and the 2014 report submissions were extended by HUD due to technical problems with the system; however, HUD sent a notice in October 2015 to require the reports to be submitted by December 31, 2015.

Condition: Sub-grant awards granted by the OCD under those programs administered by their office which included CDBG, HOME and HOPWA during the calendar were not submitted in accordance with the established deadline of December 31, 2015.

Effect: The OCD is non-compliant with Federal award terms.

Cause: The non-compliance is a result of staff turnover, resource constraints and the lack of written policies and procedures to ensure compliance with Federal reporting requirements.

Recommendation: The OCD must establish written policies and procedures to ensure that all reporting requirements are met and documentation maintained in accordance with grant terms.

View of Responsible Official:

The OCD will prepare written policies and procedures that provide guidance for determining and documenting all reporting requirements and record retention requirements for each grant, including annual submission reports. Once the requirements are listed for each grant, the OCD will document their compliance with meeting the requirements.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

C. Findings – Federal Award Programs (Continued)

2015-004) Allowable Costs

Department of Housing and Urban Development and Department of Health and Human Services

14.218 Community Development Block Grants/Entitlement Grants (CDBG) Questioned Costs: \$93,000

Grant No(s): B- (97-99) -MC-22-0002; B- (03) -MC-22-0002, B- (05) -MC-22-0002; B- (07-15) -MC-22-0002

14.241 Housing Opportunities for Persons with AIDS (HOPWA) Questioned Costs: \$29,000

Grant No(s): LA (H13-H15) F002

93.600 Head Start Questioned Costs: \$45,000

Grant No(s): 06CH0065/ (36-38)

Criteria: Costs charged to Federal grants must meet the provisions of the standards for documentation of personnel expenses contained in 2 CFR 200.400(i) which requires that charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and these records must be supported by a system of internal controls which provide a reasonable assurance that the charges are accurate, allowable, and properly allocated.

Condition: Salaries and wages of employees charged to the following programs were not accurately supported by the time records of each employee for the work performed:

- Out of a total population of 31 employees whose salaries and wages were charged to the CDBG program, 26 employees with wages totaling approximately \$93,000 were not accurately supported by actual time and effort records of these employees
- Out of a total population of 16 employees whose salaries and wages were charged to the HOPWA program, 5 employees with wages totaling approximately \$29,000 were not accurately supported by actual time and effort records of these employees
- 3 administrative employees whose salaries and wages totaling approximately \$45,000 were charged to the Head Start program were not accurately supported by actual time and effort records of these employees

Effect: The City-Parish is not in compliance with the provisions and standards of documentation as the cost allocated was based on an estimated percentage instead of actual time as reflected in the employees' timesheets.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

C. Findings – Federal Award Programs (Continued)

2015-004) Allowable Costs (Continued)

Cause: The non-compliance is a result of staff turnover, resource constraints and the lack of written policies and procedures to ensure compliance with Federal reporting requirements. Costs allocated to these programs were not adjusted to the actual time and effort records on a periodic basis throughout the year.

Recommendation: The Office of Community Development and the Division of Human Development and Services must establish written policies and procedures to ensure that all salaries and wages and related benefit costs are charged to the Federal program based on records that reflect the work performed.

View of Responsible Official:

The OCD and the Finance Department prepared written policies and procedures to detail the practice implemented in March 2016. The new practice allocates payroll charges to Federal programs based on the employee's actual hours worked. The charges are supported by employee time records and expenditures are charged to the program when the payroll is posted to the general ledger. Allocations have been corrected retroactively to October 2015.

As of June 2016, DHDS issued a written policy that requires each staff person who allocates hours to various grant programs to complete a projected Personnel Activity Report and an actual Personnel Activity Report with each bi-weekly timesheet. The Appointing Authority or his/her designee and the Fiscal Manager will review on a monthly basis the estimated time to the actual time and adjust salary and fringe benefits accordingly.

2015-005) Allowable Costs

Department of Housing and Urban Development

14.218 Community Development Block Grants/Entitlement Grants (CDBG) Questioned Costs: \$428,000

Grant No(s): B- (97-99) -MC-22-0002; B- (03) -MC-22-0002, B- (05) -MC-22-0002; B- (07-15) -MC-22-0002

Criteria: Under the CDBG program, the U.S. Department of Housing and Urban Development (HUD) awards grants to State and local governments to aid in the development of viable urban communities. Recipients are required to use grant funds to provide decent housing and suitable living environments and to expand economic opportunities, principally for persons of low and moderate income. In addition, each CDBG-funded

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

C. Findings – Federal Award Programs (Continued)

2015-005) Allowable Costs (Continued)

Criteria: (Continued)

activity must meet one or more of the following three national objectives:

- Benefit low- and moderate-income persons,
- Aid in preventing or eliminating slums or blight, or
- Address a need with a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community.

Projects approved for CDBG awards must include documentation to support the projects met their intended national objective of benefiting low and moderate income persons.

Condition:

The CDBG grant program requires each project to include documentation to support how the national objective of benefiting low or moderate income persons was met. Out of a sample of 34 projects, the City-Parish was unable to provide the documentation to support 13 projects met these national objectives totaling approximately \$428,000.

Effect:

The City-Parish is not in compliance with the provisions of this grant as the required documentation was not in the files.

Cause:

The non-compliance is a result of staff turnover, resource constraints and the lack of written policies and procedures to ensure compliance with Federal reporting requirements. The City-Parish did not maintain documentation to support how these projects met one of the three national objectives.

Recommendation:

The Office of Community Development must establish written policies and procedures to ensure that all documentation required by a Federal program is obtained and kept on file. Also, the Office of Community Development personnel should obtain the necessary training on this program to ensure they follow policies to keep the documentation required by the grant in the files.

View of Responsible Official:

The OCD will prepare written policies and procedures that provide guidance for determining and documenting all reporting requirements and record retention requirements for each grant, including those associated with national objectives. Once the requirements are listed for each grant, the OCD will document their compliance with meeting the requirements.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

C. Findings – Federal Award Programs (Continued)

2015-006) Suspension and Debarment

Department of Housing and Urban Development

14.218 Community Development Block Grants/Entitlement Grants (CDBG) Questioned Costs: None

Grant No(s): B- (97-99) -MC-22-0002; B- (03) -MC-22-0002, B- (05) -MC-22-0002; B- (07-15) -MC-22-0002

Criteria: Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000.

Condition: While testing compliance with the Federal program criteria regarding suspension and debarment, out of a sample of 7 vendor contracts, we were unable to obtain documentation to support that the Office of Community Development verified that 4 of these vendors were not suspended, debarred, or otherwise excluded from doing business with the Federal government. However, based on a search on sam.gov these 4 vendors were not on the excluded parties listing.

Effect: Without verification and documentation of the procedures over these requirements may result in non-compliance.

Cause: The OCD does not have written policies and procedures to ensure compliance with the Federal requirements.

Recommendation: The Office of Community Development must establish written policies and procedures to ensure that all Federal compliance requirements are adhered to.

View of Responsible Official:

The OCD will prepare written policies and procedures to determine if a vendor meets the Federal program requirements before procuring goods or services from the vendor. The procedures will include guidance to determine if a vendor has been suspended, debarred, or excluded from program eligibility for another reason.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2015

Findings Related to the Financial Statements

2015-001 Fire Protection District Payroll Procedures and Policies

Management's response and corrective actions are as follows:

Policies and Procedures

The Alsen-St. Irma Lee Fire Protection District Board and Chief will prepare written policies and procedures for the payroll process to include guidance for the following:

- Providing benefits, such as leave, retirement, and insurance, for full-time employees and contract workers;
- Determining the basis of pay for full-time employees and contract workers;
- Reconciling and reviewing payroll reports and time cards; and
- Calculating hours worked.

In practice, the Chief and the Board will perform the following duties:

- The Alsen-St. Irma Lee Fire Protection District Board and Chief will revise the employee contracts to state that contract workers are paid for actual hours worked and are not paid based on their scheduled shift. Additionally, the contracts will state that contract workers are not eligible for benefits.
- The Chief will review the time cards and calculate each employee's hours worked. The District is obtaining a computer program to convert hours and minutes into decimals to achieve accurate calculations. The Chief will submit the employee's hours to the accounting service, who will compute the employees' pay based on the hours submitted. The Chief will review each employee's gross pay to ensure it was computed correctly. The Chief will sign and date the payroll worksheet prepared by the accounting service indicating his agreement with the computations on the worksheet. In the event he finds an error, the Chief will contact the accounting service to resolve the issue.
- The Board will review payroll documentation at the monthly meeting. A board member will sign and date the payroll worksheet indicating his review and agreement with the worksheet.

Consultation

The Alsen-St. Irma Lee Fire Protection District Board and Chief will consult with a legal advisor to determine their responsibility for providing retirement benefits to full-time employees and contract workers.

Expected Implementation Date: September 30, 2016

Contact person: Chief Lawrence Duncan, Alsen-St. Irma Lee Fire Protection District

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2015

Findings and Questioned Costs Related to Federal Awards

2015-002 Sub-recipient Monitoring

Management's response and corrective action is as follows:

The Office of Community Development (OCD) will centralize the process for tracking and monitoring sub-recipients' audit reports. Staff will track the implementation status of corrective action for all projects. Staff will follow-up with the sub-recipient to obtain the status and supporting documentation for all unresolved corrective action.

The OCD will prepare a checklist to be used as a guide for desktop monitoring of programs. The checklist will include all necessary information to monitor the program adequately for the required period. Program Analysts will provide periodic results of desktop monitoring to an OCD Division Manager who will review the reports for compliance.

Program Analyst will submit risk assessments to an OCD Division Manager who will review the assessments for compliance.

The OCD will keep all monitoring and risk assessment documentation on file for the period required by program guidelines.

The OCD will work with Human Resources and the Finance Department to hire additional staff and maximize resources to implement this recommendation.

Expected Implementation Date: September 30, 2016

Contact Person: Mukadas Alli-Balogun, Assistant Urban Development Director, Office of Community Development

2015-003 Reporting

Management's response and corrective actions are as follows:

The OCD will prepare written policies and procedures that provide guidance for determining and documenting all reporting requirements and record retention requirements for each grant, including annual submission reports. The policies and procedures will include guidance for the following:

- Assigning responsible staff to determine, document, monitor, and report all required information, including annual submission reports;
- Determining and documenting reporting requirements;
- Monitoring reporting requirements and submissions to ensure compliance; and
- Maintaining documentation on file for all requirements and submissions.

The OCD will work with Human Resources and the Finance Department to hire additional staff and maximize resources to implement this recommendation.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2015

Findings and Questioned Costs Related to Federal Awards (Continued)

2015-003 Reporting (Continued)

Expected Implementation Date: September 30, 2016

Contact Person: Mukadas Alli-Balogun, Assistant Urban Development Director, Office of Community Development

2015-004 Allowable Costs

Management's response and corrective action is as follows:

The OCD and the Finance Department prepared written policies and procedures to detail the practice implemented in March 2016. The new practice allocates payroll charges to Federal programs based on the employee's actual hours worked. The charges are posted to the program when the payroll is posted to the general ledger. Allocations have been corrected retroactively to October 2015.

As of June 2016, Division of Human and Development Services (DHDS) issued a written policy that requires each staff person who allocates hours to various grant programs to complete a projected Personnel Activity Report and an actual Personnel Activity Report with each bi-weekly timesheet. The Appointing Authority or his/her designee and the Fiscal Manager will review on a monthly basis the estimated time to the actual time and adjust salary and fringe benefits accordingly.

Expected Implementation Date: Implemented

Contact Person(s): Mukadas Alli-Balogun, Assistant Urban Development Director, Office of Community Development

Paula Roddy, Director, Division of Human Development and Services

2015-005 Allowable Costs

Management's response and corrective action is as follows:

The OCD will prepare written policies and procedures that provide guidance for determining and documenting all reporting requirements and record retention requirements for each grant, including those associated with national objectives. The policies and procedures will include guidance for the following:

- Assigning responsible staff to determine, document, and supervise compliance with the national objectives of the program;
- Determining how achievement of national objectives will be measured;
- Obtaining documentation to support compliance with national objectives;
- Documenting progress towards achievement of national objectives;

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2015

Findings and Questioned Costs Related to Federal Awards (Continued)

2015-005 Allowable Costs (Continued)

- Supervisory review of documentation and program progress to ensure compliance with national objectives; and
- Documenting the required action when national objectives are not met.

Additionally, the OCD will continue to provide staff with training related to determining, documenting, and monitoring program requirements.

The OCD will work with Human Resources and the Finance Department to hire additional staff and maximize resources to implement this recommendation.

Expected Implementation Date: September 30, 2016

Contact Person: Mukadas Alli-Balogun, Assistant Urban Development Director, Office of Community Development

2015-006 Suspension and Debarment

Management's response and corrective action is as follows:

The OCD will prepare written policies and procedures to determine if a vendor meets the Federal program requirements before procuring goods or services from the vendor. The procedures will include guidance to determine if a vendor has been suspended, debarred, or excluded from program eligibility for another reason. The policies and procedures will include guidance for the following:

- Assigning responsible staff to determine, document, and supervise vendor eligibility requirements;
- Determining how eligibility requirements will be identified;
- Determining how a vendor's eligibility will be confirmed and documented;
- Monitoring a vendor's eligibility throughout his relationship with the program;
- Terminating a relationship with a vendor if his eligibility changes; and
- Supervisory review of a vendor's eligibility documentation.

The OCD will work with Human Resources and the Finance Department to hire additional staff and maximize resources to implement this recommendation.

Expected Implementation Date: September 30, 2016

Contact Person: Mukadas Alli-Balogun, Assistant Urban Development Director, Office of Community Development

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 726000137
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2015

A. Findings – Financial Reporting

2014-001) Fire Protection Districts Payroll Procedures and Policies

Criteria: A system of internal controls should be in place to provide reasonable assurance as to the safeguarding of assets against loss from unauthorized use or disposition and for maintaining accountability for assets.

Condition: Alsen–St. Irma Lee Fire Protection District is reported as a blended component unit of the City-Parish in their annual financial statements. The following deficiencies were noted with respect to this entity's internal controls over payroll and payroll bank accounts:

A majority of these items are repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2013-001.

- Out of a sample of 28 employment contracts, six were not obtained for its employees.
- One employee submitted a total of 16 hours of paid leave which did not agree to the 24 hours of leave reported on the time record for the pay period selected for testing.
- The time sheet of the fire chief is not reviewed or approved by another individual.
- There is no documented evidence that reconciliations or reviews of payroll reports received from the payroll processing service to the work schedules are being performed.
- The district maintains a payroll imprest account which is funded from the City-Parish. Bank account reconciliations\activities are not being reviewed by an individual independent of the disbursement process.

Cause: The above deficiencies are a result of the lack of segregation of duties due to a small staff environment and lack of training, supervisory review, and standardized policies and procedures.

Effect: Without proper internal controls over payroll and segregation of duties for cash procedures there is a potential for misappropriation of public funds.

Recommendation: The fire district should establish written policies and procedures to address each of the internal control deficiencies identified above and ensure adherence to these policies in the future.

View of Responsible Official and Planned Corrective Action:

In February 2015, the Alsen-St. Irma Lee Fire Protection District appointed a new interim Fire Chief. The new Chief has reviewed and signed all employment contracts for active employees.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 726000137
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2015

A. Findings – Financial Reporting (Continued)

2014-001) Fire Protection Districts Payroll Procedures and Policies (Continued)

View of Responsible Official and Planned Corrective Action: (Continued)

ATAD, the payroll processing company, has been directed to correct the sick leave balance for the employee whose sick leave was underreported by eight hours. Since February, the interim Fire Chief has reviewed and approved all payroll reports.

As of June 12, 2015, all time sheets, including the interim Fire Chief's time sheets, will be reviewed and approved by the Chairman of the Alsen-St. Irma Lee Fire Protection District Board. At the July 2015 board meeting, the Board will consider converting the Fire Chief position to a salaried position.

In 2014, the Secretary reconciled the bank statements. Beginning immediately, the interim Fire Chief will review the bank statement reconciliation and submit it to the Board for their review at each monthly meeting.

Updated Response: All employment contracts are being reviewed and signed by the Fire Chief as of February 2015.

Contract workers will not receive any benefits which were approved at the July 2015 board meeting.

Effective July 2015, the Fire Chief was converted to a salaried position which does not require time sheet review and approval by Chairman of the Board.

As of February 2015, the Fire Chief reviews and approves reconciliations of all payroll reports. All bank account statements are reviewed by the Fire Chief and submitted for review at each monthly board meeting.

2014-002) Internal Controls Over Parking Garage Fees

Criteria: A system of internal controls should be in place to provide reasonable assurance as to the safeguarding of assets against loss from unauthorized use or disposition and for maintaining accountability for assets.

Condition: The Greater Baton Rouge Parking Garage Authority lacks a procedure for ensuring that cash collected from each customer is entered into the cash register of the teller collecting the funds. In addition, parking facility equipment, which includes the car counters in and out of the parking garage, is not functioning to its full capacity resulting in a lack of

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 726000137
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2015

A. Findings – Financial Reporting (Continued)

2014-002) Internal Controls Over Parking Garage Fees (Continued)

Condition: (Continued)

reports available to management for analysis and review. These matters were identified through observations from our audit as well as through separate audits of the City-Parish Internal Auditing Division.

This is a repeat finding from the prior year. See the Summary Schedule of Prior Year Findings Item 2013-002.

Cause: The above deficiencies are a result of the lack of standardized policies and procedures, as well as equipment which is not operating properly.

Effect: Without proper internal controls over collections, there is a potential for misappropriation of public funds and under-collection of revenue. Revenues were down for 2014 approximately \$45,000, or 5%.

Recommendation: Management should address the internal control deficiency identified above and ensure adherence to these policies in the future. In addition, management should consider cost benefit of repairing the parking facility equipment that is not currently operative.

View of Responsible Official and Planned Corrective Action:

A procedure for cash collections was developed prior to the end of 2014. The cashiers were made aware of recommendations from Internal Auditing and the error level has been extremely low. The management of the Parking Garage has worked with the Information Services Department to update their system which will take effect June 12 – 15, 2015. This update will assist the Parking Garage staff with identifying issues with non-paid accounts along with serving as a tracking mechanism for payments and reconciliations. Management has received information and pricing from three (3) companies for equipment replacement considerations and the funds have been approved in the 2015 budget.

Updated Response: The Information Services Department updated the system for the Parking Garage in June 2015. This update has assisted the Parking Garage staff with identifying issues with non-paid accounts along with serving as a tracking mechanism for payments. System reports are available to assist in the reconciliation process. A review of vendor accounts by use of the aging reports and account reconciliations are performed by Parking Garage management to ensure account accuracy for the tenants of the parking garages. A professional services agreement was approved by Council on January 13, 2016 for development and implementation of a downtown parking strategy. The scope of the professional services agreement includes consideration of

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 726000137
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2015

A. Findings – Financial Reporting (Continued)

2014-002) Internal Controls Over Parking Garage Fees (Continued)

Updated Response: (Continued)

updated equipment such as automated revenue collection stations, online management tools, Smart parking apps, and review of normalizing rates in the downtown parking garages. All of these methods can improve the internal controls for the cash collection process for the Parking Garage and increase revenue.

2014-003) Controls Over Tenant Rent Payments

Criteria: A system of internal controls should be in place to provide reasonable assurance as to the safeguarding of assets and financial reporting. Internal controls should also provide assurance on the completeness of revenues collected and reported.

Condition: The Office of Community Development is responsible for the collection of rental payments on approximately 20 single family properties owned by the City-Parish. Because of concerns over rent collections, the City-Parish's internal auditor reviewed the collection process. In the performance of that review and our audit procedures, it was determined that the Office of Community Development did not have written policies and procedures over the collection of the rental payments made by tenants. There was also noted a lack of basic controls over collection procedures such as receipts and check logs, segregation of duties, reconciliations, and no formal process for the review and collection of past due accounts and/or late fee assessments.

Cause: A lack of standardized policies and procedures, as well as limited staffing and changes in the organizational structure of the department, was the reason for the above condition.

Effect: Without proper internal controls over rent collections, there is a potential for misappropriation of public funds.

Recommendation: Management address the internal control deficiency identified above and ensure adherence to these policies in the future.

View of Responsible Official and Planned Corrective Action:

Revenues from rental payments increased in 2014 due to the addition of properties managed by the Office of Community Development (OCD). Also, during a recent departmental reorganization, some duties associated with this program were not assigned to individual staff members for periods of time.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 726000137
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2015

A. Findings – Financial Reporting (Continued)

2014-003) Controls Over Tenant Rent Payments (Continued)

View of Responsible Official and Planned Corrective Action: (Continued)

In October 2014, OCD, with assistance from the Internal Auditing Division, implemented formal revenue collection and deposit procedures for tenant rent payments. The purpose was to ensure that deposits were made timely, revenues were properly safeguarded, and adequate records were maintained. The implemented controls included tenant receipts, check logs, segregation of duties, and reconciliation of deposits. All past due accounts will be turned over to the Parish Attorney's Office for collection. OCD management will prepare written policies and procedures for the entire rental program. The staff is currently updating rental agreements and files.

Updated Response: In August 2015, the Office of Community Development adopted policies and procedures for the tenant rent collection. The policies and procedures state that all money orders and checks are to be made out to the City of Baton Rouge, deposits are made daily, tenant notices are recorded, and rent collection is controlled and tracked on a rent roll system using tenant ledger cards, journal entries, and copied receipts.

2014-004) Central Garage Work Order and Inventory Policies and Procedures

Criteria: A system of internal controls should be in place to provide reasonable assurance as to the safeguarding of assets against loss from unauthorized use or disposition and for maintaining accountability of assets.

Condition: The following deficiencies were noted with respect to the Central Garage operations as part of an internal audit:

- Lack of segregation of duties with initiating, assigning, completing and approving work orders.
- Lack of segregation of duties with the inventory controls including ordering, receiving, stocking, issuing, and recording transactions.
- Access and security of the inventory storage area is inadequate.
- The Central Garage personnel are not using all the features of a computer software system purchased and installed for the purpose of tracking work orders and billing services to the various departments.

Cause: The City-Parish Central Garage personnel lacked the necessary supervision to require them to follow policies and procedures when completing work orders and organizing and tracking inventory.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 726000137
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2015

A. Findings – Financial Reporting (Continued)

2014-004) Central Garage Work Order and Inventory Policies and Procedures (Continued)

Effect: Without proper internal controls and segregation of duties over the handling of work orders and inventory controls, there is a potential that services are performed for other City-Parish departments without being correctly invoiced and there is a potential for misappropriation of public funds and a misstatement in the reporting of fund financial statements.

Recommendation: Policies and procedures should be adopted including training of the personnel of the Central Garage in the proper procedures with completing work orders and inventory controls including the importance of maintaining a segregation of duties. Adequate supervision of the Central Garage personnel is necessary to make certain the adopted procedures are being followed.

View of Responsible Official and Planned Corrective Action:

The administration has contracted an independent consultant to assess the operations of Central Garage. The consultant has been placed at Central Garage to assist in developing proper internal controls and segregation of duties over handling work orders, inventory and other areas identified during the Fleet study. Proper policies and procedures are being developed and adopted to improve areas of concern recommended by the consultant. There was a reorganization of the Department of Public Works effective April 18, 2015. Through this reorganization, a Director of Fleet Management position was created. With the Director, the consultant, and filling critical supervisory positions, adequate supervision will be in place by July 31, 2015, to ensure policies and procedures are being followed. Training was conducted in April 2015 by Asset Works to instruct Central Garage personnel on all the features of the M5 computer system. The training was recorded for future use for new hires.

Updated Response: Central Garage hired 2 shop supervisors at the end of 2015 and has put into place policies and procedures for writing, assigning, and approving work orders. Continuing training and key metrics were developed to ensure that all objectives are being met on internal controls.

A parts room supervisor was hired at the end of 2015. Policies and procedures were put in place so that only authorized personnel are allowed in the parts room. All parts are required to be ordered, received, and issued through the FMIS system.

In January 2016, the inventory area was rekeyed and only authorized personnel are given keys to access the area.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 726000137
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2015

A. Findings – Financial Reporting (Continued)

2014-004) Central Garage Work Order and Inventory Policies and Procedures (Continued)

Updated Response: (Continued)

Effective December 2015, the shop supervisor is issuing work orders, the mechanics are recording all time related to the work order via the computer, and the shop supervisor is auditing and approving the work order before it is completed.

B. Findings – Federal Award Programs

2014-005) Sub-recipient Monitoring

Questioned Costs: None

Department of Housing and Urban Development

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M-(06-08) -MC-22-0204; M- (10-14) –MC-22-0204

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H10-H13) F002

Criteria:

OMB Circular A-133 and the A-102 Common Rule indicate that a pass-through entity is responsible for monitoring the activities of its sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. Additionally, when assistance is provided to developers of multi-family properties, whether or not they are considered to be sub-recipients, HOME regulations require monitoring of the property during the period of affordability.

The pass-through agency is also responsible for assuring that sub-recipients expending \$500,000 or more in Federal awards during the sub-recipient's fiscal year as required under OMB Circular A-133 have met the audit requirements. The pass-through agency is also responsible for ensuring the required audits are completed within 9 months of the end of the sub-recipient's audit period, issuing a management decision on audit findings within 6 months of receipt of the sub-recipient's audit report, and ensuring that the sub-recipient takes timely and appropriate corrective action on all audit findings.

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B. Findings – Federal Award Programs (Continued)

2014-005) Sub-recipient Monitoring (Continued)

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| <u>Condition:</u> | The City-Parish Office of Community Development (OCD) administers the HOME and HOPWA programs. In considering the OCD's compliance with its monitoring requirements, we noted that none of the sub-recipients of the HOME and HOPWA programs were subject to on-site monitoring during 2014. |
| <u>Cause:</u> | <p>The monitoring of sub-recipients and borrowers (developers) of HOME and HOPWA funds became more difficult for the OCD due to resource constraints and personnel turnover.</p> <p>A centralized process for tracking and monitoring the receipt of sub-recipient audit reports does not exist. In addition, no documentation of whether sub-recipients have met the audit requirements is maintained or whether sub-recipients have taken appropriate corrective actions on all audit findings identified in the audit reports. OCD personnel were not provided with sufficient training in identifying omissions in single audit reporting.</p> |
| <u>Effect:</u> | The City-Parish is non-compliant with sub-recipient monitoring requirements for the HOME and HOPWA programs. |
| <u>Recommendation:</u> | The City-Parish should establish a centralized process for tracking and obtaining, on an annual basis, sub-recipient audit reports. OCD should also establish procedures for ensuring appropriate sub-recipient follow-up on corrective actions. Staff should be trained in analyzing single audit reports for omissions and evaluating its impact to OCD to ensure its ability to comply with applicable Federal regulations. The OCD should also develop a process to ensure all of its sub-recipients are tracked, risk assessed, and monitored. |

View of Responsible Official and Planned Corrective Action:

The OCD Compliance and Administration Division's staff met on June 11, 2015, to address the requirement that HOME funded projects are to be monitored on-site during the affordability period. A spreadsheet of all HOME and HOPWA sub-recipient awards was generated in June 2015 to be used to create a schedule for property monitoring visits. The Compliance and Administration Division will create a Microsoft Outlook calendar account for the purpose of electronically tracking all mandated Federal and State reports' due dates, sub-recipient A-133 audit monitoring, and HOME on-site monitoring visits. The Compliance and Administration Division will manage the OCD Compliance and Monitoring Calendar. Assigned staff will be shown on the calendar and they will be responsible for the monitoring and updating the status. Supervisors will ensure the assigned tasks are completed.

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B. Findings – Federal Award Programs (Continued)

2014-005) Sub-recipient Monitoring (Continued)

Updated Response: The Office of Community Development hired a second Assistant Director on November 17, 2014 to coordinate and manage the Compliance and Monitoring Section. The position was vacated on August 4, 2015. OCD Program Analysts and Division Manager absorbed the monitoring tasks with emphasis on desktop monitoring, risk assessment and field monitoring of all contracts when invoices are processed for reimbursement. OCD administers an average of 45 sub-recipient contracts annually.

2014-006) Allowable Costs

Questioned Costs: \$168,345

Department of Housing and Urban Development

14.218 Community Development Block Grant (CDBG)

Grant No(s): B- 97 -MC-22-0002; B- (07-14) -MC-22-0002

Criteria: Costs charged to Federal grants must meet the allowability provisions of OMB Circular A-87. One provision of allowability is the concept of allocability, that is, the program should only bear its fair share of costs in proportion to the benefits received.

Condition: CDBG funds were used to pay administrative costs in support of activities of other Federal programs administered by the City-Parish Office of Community Development (OCD), including the HOME program, Emergency Solutions Grant, HOPWA, Section 8 Voucher Program, and the Supportive Housing Program. Under current guidance, CDBG funds may only be used to pay costs for program administration of the HOME program.

This is a repeat finding from the prior year. See the Summary Schedule of Prior Year Findings Item 2013-004.

Cause: The current grant awards of the Federal programs listed above do not provide enough administrative support to cover the actual costs of administering those Federal programs.

Effect: CDBG funds were used to support administrative costs of other Federal award programs and, therefore, may be considered unallowable to the program. Despite these additional costs, CDBG did not exceed its allowed administrative percentage per the program regulations.

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B. Findings – Federal Award Programs (Continued)

2014-006) Allowable Costs (Continued)

Recommendation: The OCD must find alternate sources of funds to cover these administrative costs or the OCD should seek approval from the Department of Housing and Urban Development to utilize the excess capacity for administrative funds of the CDBG program to cover these costs of administering other HUD programs.

View of Responsible Official and Planned Corrective Action:

The OCD Compliance and Administration Division, with the help of the Internal Auditing Division, is in the process of designing and implementing a cost allocation program to ensure that OCD staff hours worked are allocated to the correct HUD program funding source and administrative and operational categories. Working in conjunction with the City-Parish Internal Auditing Division, a detailed time sheet was implemented in May 2015 in order to completely and consistently capture information needed for cost allocations. The OCD accounting staff will use a spreadsheet recapping salaries and fringe benefits disbursements which will be sent monthly to the Finance Department.

Updated Response: *The Office of Community Development staff allocates their time according to the programs worked. As of March 2016 and corrected beginning October 2015, OCD now allocates each employee's time each payroll period through the payroll process. The City-Parish allocated \$500,000 in 2015 from the general fund to OCD's operations. This investment enables OCD the ability to cover departmental costs that exceeds each program's Federal funds.*

2014-007) Reporting

Questioned Costs: None

Department of Housing and Urban Development

14.218 Community Development Block Grant (CDBG)

Grant No(s): B- 97 -MC-22-0002; B- (07-14) -MC-22-0002

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M-(06-08) -MC-22-0204; M- (10-14) –MC-22-0204

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H10-H13) F002

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B. Findings – Federal Award Programs (Continued)

2014-007) Reporting (Continued)

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| <u>Criteria:</u> | The Federal Funding Accountability and Transparency Act (FFATA) requires information on Federal awards (Federal financial assistance and expenditures) be made available to the public via a single, searchable website. As defined in the act, prime awardees awarded a Federal grant are required to file a FFATA sub-award report by the end of the month following the month in which the prime awardee awards any sub-grant equal to or greater than \$25,000. |
| <u>Condition:</u> | Sub-grant awards granted by the OCD under those programs administered by their office, which included CDBG, HOME, and HOPWA during the calendar year, were not reported in accordance with the Federal Funding Accountability and Transparency Act. |
| <u>Cause:</u> | The non-compliance is a result of staff turnover and the lack of written policies and procedures to ensure compliance with Federal reporting requirements. |
| <u>Effect:</u> | The OCD is non-compliant with Federal award terms. |
| <u>Recommendation:</u> | The OCD must establish written policies and procedures to ensure that all reporting requirements are met and documentation maintained in accordance with grant terms. |

View of Responsible Official and Planned Corrective Action:

As of June 2015, the OCD Compliance and Administration Division will begin to report all sub-recipients that are awarded \$25,000 or greater on the FFATA website. As of June 2015, the City-Parish has contracted with a consultant to help establish policies and procedures for OCD to comply with Federal regulations.

Updated Response: The Office of Community Development has posted 2014 contracts on the Federal Funding Accountability and Transparency Act (FFATA) website through FFATA Sub-award Reporting System (FSRS). Adopted policies and procedures require staff responsible for executing contracts to forward copies as they are executed to the OCD's Compliance Section for reporting to the FFATA website. The 2015 contracts were executed in April and May 2015, but staff encountered technical difficulties in submitting applicable information to the system. OCD's staff has contacted the help desk for assistance.

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B. Findings – Federal Award Programs (Continued)

2014-008) Earmarking

Questioned Costs: None

Department of Housing and Urban Development

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M- (12) –MC-22-0204

Criteria: Each participating jurisdiction must invest at least 15 percent of each year's HOME allocation in projects which are owned, developed, or sponsored by special non-profit organizations called CHDOs.

Condition: The Office of Community Development (OCD) administers the HOME program. The OCD did not invest the required 15% of the HOME allocation in projects owned, developed, or sponsored by CHDOs.

This is a repeat finding from the prior year. See the Summary Schedule of Prior Year Findings Item 2013-007.

Cause: There are no written policies and procedures in place to ensure projects are identified which meet the requirements for allocation.

Effect: The OCD is not in compliance with Federal regulations and may result in loss of funding.

Recommendation: We recommend OCD develop policies and procedures to ensure compliance with the 15% allocation to CHDO projects. If OCD is unable to meet the requirement in a given grant period they should request a waiver from the Department of Housing and Urban Development with respect to the 15% requirement.

View of Responsible Official and Planned Corrective Action:

Beginning in March 2013, OCD began receiving U.S. Department of Housing and Urban Development (HUD) technical assistance (TA) that continued throughout 2014. TA specifically targeted HOME funds, failed CHDO projects, and strategies on program development and guidelines. During this time, OCD did not award HOME funds or set aside funding for CHDOs. An insufficient number of organizations having adequate capacity and/or meeting the definition of CHDO presented specific local projects to OCD. As a result, OCD did not meet the minimum 15% set-aside for CHDOs.

In August 2014, OCD submitted a request to HUD to allow more time to expend HOME funds including funding for CHDOs. OCD requested an update on several occasions and has been advised by the HUD New Orleans Field Office (NOFO) that a response from HUD headquarters is

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B. Findings – Federal Award Programs (Continued)

2014-008) Earmarking (Continued)

View of Responsible Official and Planned Corrective Action: (Continued)

still pending. HUD NOFO recommended approval of the waiver in 2014. OCD management will prepare written policies and procedures for CHDO set-aside funding. OCD will make efforts to identify CHDOs that are capable of carrying out elements of the jurisdiction's approved consolidated plan.

Updated Response: The Office of Community Development has committed all HOME CHDO funds. OCD has established policies and procedures to designate local CHDO's. OCD provided technical assistance to non-profits that expressed interest in CHDO certification requirements in 2015. CHDO applications were solicited in conjunction with the 2016 Notice of Federal Award. A workshop was held in May 2016 for non-profits to maintain their CHDO status.

2014-009) Special Tests and Provisions

Questioned Costs: None

Department of Housing and Urban Development

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M-(06-08) -MC-22-0204; M- (10-14) –MC-22-0204

Criteria: A participating jurisdiction must perform on-site inspections to determine compliance with property standards and verify the information submitted by the owners no less than (a) every three years for projects containing 1 to 4 units, (b) every two years for projects containing 5 to 25 units, and (c) every year for projects containing 26 or more units.

Condition: During the period under audit these inspections were not performed.

Cause: The non-compliance is a result of staff turnover and the lack of written policies and procedures to ensure compliance with the above criteria.

Effect: The City-Parish Office of Community Development (OCD) is non-compliant with Federal award terms.

Recommendation: The OCD must establish written policies and procedures to ensure that all inspections are performed and documentation maintained to demonstrate compliance with grant regulations.

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B. Findings – Federal Award Programs (Continued)

2014-009) Special Tests and Provisions (Continued)

View of Responsible Official and Planned Corrective Action:

In June 2015, the City-Parish contracted with a grant consultant to work with OCD to develop written policies and procedures to ensure that all program activities are performed and documentation is maintained to demonstrate compliance with Federal grant regulations.

Updated Response: Policies and procedures were adopted for monitoring and long-term compliance. OCD has completed all HQS and UFCS inspections required in 2015. A total of 66 inspections were completed in 2015.

2014-010) Allowable Costs

Questioned Costs: \$875

Department of Labor

17.258 Workforce Investment Act (WIA) Adult Program

Grant No(s): PY 2013; FY 2013-2014

Criteria: Costs charged to Federal grants must meet the allowability provisions of OMB Circular A-87. One requirement of allowability is the requirement that costs paid are consistent with policies, regulations, and procedures of the governmental unit.

Condition: The City-Parish's Workforce Investment Administration (WIA) Office is responsible for administering the adult programs according to policies, regulations, and procedures of the Federal grant and the Baton Rouge Workforce Investment Board. One of the services provided in the WIA Adult Program is assistance with tuition costs of eligible participants in the program in occupations that are designated as high demand in the local area. The tuition is paid directly to an approved educational facility according to the program policies. The tuition paid to providers varies by type of training received and the length of the training. In our test of 25 tuition payments, we noted one payment that was paid prior to the participant completing the coursework and receiving a certificate of program completion. In this instance, the WIA policy requires the certificate of program completion be received prior to the final tuition payment being disbursed.

Cause: The education facility included the request for reimbursement on an invoice based on the participant being in a semester program instead of a short-term non-credit program. WIA paid the final invoice without reviewing and making certain the required documentation showing the participant had satisfactorily received the completion certificate.

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B. Findings – Federal Award Programs (Continued)

2014-010) Allowable Costs (Continued)

Effect: The City-Parish is non-compliant with the grant requirements and its internal policy by paying the tuition prior to the completion of the training program.

Recommendation: The City-Parish should update its internal processes to determine that provider invoices are correct and the amount invoiced meets the criteria for reimbursement based on the program completion requirement prior to payments being made.

View of Responsible Official and Planned Corrective Action:

In providing the service of tuition payment to approved training providers for eligible participants, the Workforce Investment Administration (WIA) Office's policy states that we will receive the certificate of completion from the provider prior to payment.

Based on our payment policy for a short term non-credit program, 80% of payment is made upon enrollment into the program and the remaining 20% is paid upon completion of the program. Upon receipt of the invoice for the full amount of the tuition, a WIA employee contacted the bursar's office of the school. The WIA employee was told that the participant had completed the program and the certificate of completion would be forwarded. The WIA employee was comfortable making the full tuition payment since the information was confirmed by the school.

On June 12, 2015, the school refunded the full amount of the tuition for this participant who did not complete the coursework. Moving forward, we will strictly adhere to our written policies so that no payments will be issued until all documentation has been received.

Updated Response: Policies for the Individual Training Account (ITA) Program have been revised and approved by our Local Board, effective January 14, 2016. Invoices are submitted according to the standards and payment terms outlined in the contract and the ITA Policy. The completion of training must be documented by the submission of a certificate, diploma or official transcript. This policy is reviewed with each training provider that contracts with the Local Workforce Development Board (LWDB) 21.

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B. Findings – Federal Award Programs (Continued)

2014-011) Sub-recipient Monitoring

Questioned Costs: None

Department of Labor

17.258 Workforce Investment Act (WIA) Adult Programs

Grant No(s): PY 2013; FY 2013-2014

17.259 Workforce Investment Act (WIA) Youth

Grant No(s): PY 2012; FY2014

17.278 Workforce Investment Act (WIA) Dislocated Workers

Grant No(s): PY 2013; FY 2013-2014

Criteria: OMB Circular A-133 and the A-102 Common Rule indicate that a pass-through entity is responsible for monitoring the activities of its sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

The compliance supplement for the WIA cluster contained in OMB Circular A-133 identifies that a WIA contractor is included in the requirements of subrecipient monitoring. This compliance supplement requires that the Baton Rouge City-Parish WIA must conduct regular oversight and monitoring of its contractors in order to determine whether or not there is compliance with provisions of the Act and applicable laws and regulations and provide technical assistance as necessary and appropriate (20 CFR section 667.400(c)).

Condition: The Baton Rouge City-Parish WIA Program management did not follow its monitoring policies and complete the required monitoring steps on all contractors. An employee assigned by the Louisiana Workforce Commission to the Baton Rouge City-Parish WIA program completed three reports on contractors but these reports did not include the monitoring checklists required by current policies and procedures.

Cause: Management of WIA did not assign any of its employees or contract with a provider to complete all of the monitoring activities required by its policy.

Effect: The Baton Rouge City-Parish WIA program is non-compliant with sub-recipient monitoring requirements due to not documenting and completing the required monitoring activities on its contractors.

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B. Findings – Federal Award Programs (Continued)

2014-011) Sub-recipient Monitoring (Continued)

Recommendation: The Baton Rouge City-Parish WIA should follow its policy of conducting monitoring procedures on its contractors in accordance with its policies and the Circular A-133 compliance supplement.

View of Responsible Official and Planned Corrective Action:

Local Workforce Investment Area (LWIA) 21 was in the process of contracting with a provider to complete all monitoring requirements during the time period identified in this audit; however, these actions were halted when the Louisiana Workforce Commission (LWC) assigned an individual from the LWC Compliance and Monitoring office to the Plank Road location. This individual was assigned the duties of regular comprehensive monitoring of WIA activities, including, but not limited to, recipients and sub-recipients of LWIA 21. This individual was reassigned to the LWC, at which time it was determined that the activities required for comprehensive monitoring were not sufficiently performed.

LWIA 21 has successfully contracted with a qualified provider for the regular oversight and monitoring of its WIA activities and those of its sub-recipients and contractors to ensure compliance with Federal law, regulations and local policies. Further, the provider will utilize the monitoring guide developed by LWIA 21 in accordance with required and suggested Federal, state, and local guidance.

Updated Response: The Local Workforce Development Area (LWDA) 21 has successfully contracted with a provider for this activity which will include regular oversight and monitoring of all WIOA and special grant activities. Monitoring will include activities, sub-recipients and contractors to ensure compliance with Federal law, regulations and local policies. The provider will utilize the monitoring guide developed by LWDA 21 in accordance with required and recommended Federal, state and local guidance. Further, the provider will attend all City-Parish, state, and Federal sponsored monitoring training activities to remain current and compliant with monitoring procedures according to all relevant circulars.

2014-012) Eligibility

Questioned Costs: None

Department of Housing and Urban Development

14.871 Section 8 Housing Choice Voucher Program

Grant No(s): LA-48-0046-009; LA-48 E003-001/004; LA-219-CEO-001-013/014

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B. Findings – Federal Award Programs (Continued)

2014-012) Eligibility (Continued)

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| <u>Criteria:</u> | <p>As a condition of admission or continued occupancy, the public housing authority is responsible for obtaining all necessary information from the applicant for documentation and verification of income eligibility. In addition to both family income examinations and reexaminations, the public housing authority is responsible for obtaining and documenting in each tenant file verification of (1) reported family income, (2) the value of assets, (3) expenses related to deductions for annual income, and (4) other factors that may affect the determination of adjusted income or income based rent.</p> <p>The public housing authority must reexamine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third-party verification (24 CFR Section 982.516).</p> |
| <u>Condition:</u> | <p>The Office of Community Development (OCD) administers the Section 8 Housing Choice Voucher Program. During our testing of eligibility of tenants, we did not identify any matters of non-compliance with respect to eligibility upon tenant acceptance. There is no control in place to ensure the accuracy of the information entered and documented in each tenant file.</p> <p>During our testing, we noted that out of 37 tenant files selected for testing, 3 did not have a recertification of income within 12 months as required by Federal regulations. A recertification of income was done in these three instances in the 13 month following acceptance into the program.</p> |
| <u>Cause:</u> | <p>The above conditions are a result of limited staffing and changes in organizational structure of the department, as well as the lack of written procedures.</p> |
| <u>Effect:</u> | <p>Without appropriate internal controls over the eligibility determinations and reexaminations, rental assistance provided could be overstated or understated for the program participants.</p> |
| <u>Recommendation:</u> | <p>A periodic review of the calculations of tenant eligibility should be performed by personnel prior to the acceptance of an applicant. This review should be documented in each tenant file. The OCD should implement a monthly monitoring process for each tenant's recertification date to ensure timely compliance with Federal regulations.</p> |

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B. Findings – Federal Award Programs (Continued)

2014-012) Eligibility (Continued)

View of Responsible Official and Planned Corrective Action:

OCD experienced staff turnover during 2014 that resulted in a backlog of the recertification process. OCD will assign additional staff who will implement a monthly monitoring process to ensure timely compliance with Federal regulations. OCD will develop a monitoring tool, such as a checklist that includes supervisory review.

Updated Response: The Office of Community Development staff has been in the process of streamlining its Housing Choice Vouchers process to ensure compliance with the Federal regulations. OCD supervisor was instructed in January 2014 to use the Quality Control Log form to review client files in conjunction with the SEMAP indicators and monitor the recertification process accordingly. Since the adoption of the Quality Control Log form, the OCD administrative rating and SEMAP score has remained high.

2014-013) Reporting - Financial

Questioned Costs: None

Department of Housing and Urban Development

14.871 Section 8 Housing Choice Voucher Program

Grant No(s): LA-48-0046-009; LA-48 E003-001/004; LA-219-CEO-001-013/014

Criteria: *Financial Reports (OMB No. 2535-0107) – Financial Assessment Sub-system, FASS-PH. The Uniform Financial Reporting Standards (24 CFR section 5.801) require PHAs to submit timely GAAP-based unaudited and audited financial information electronically to HUD. The FASS-PH system is one of HUD’s main monitoring and oversight systems for the public housing authorities participating in the voucher program.*

Condition: The City-Parish has not submitted the required financial information electronically to HUD. The City-Parish has been delinquent in this reporting requirement for several years.

Cause: The City-Parish has been unable to submit the required financial information due to system limitations and accessibility to the FASS-PH system.

Effect: The City-Parish is non-compliant with Federal regulations over reporting.

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B. Findings – Federal Award Programs (Continued)

2014-013) Reporting – Financial (Continued)

Recommendation: The City-Parish should continue to work with HUD representatives to resolve the system accessibility errors and file the required financial information.

View of Responsible Official and Planned Corrective Action:

OCD's staff turnover resulted in current staff not being adequately trained on how to submit the report. In past years, an OCD staff member, along with a member from the Finance Department, tried to submit the report in FASS-PH without success. OCD contacted HUD representatives and HUD's help desk to clear up the problems without success. OCD will meet with HUD representatives to work through each section of the report to correct the problems that are preventing the submission.

Updated Response: *The Office of Community Development staff is still actively working with HUD representatives to resolve this issue. The issues remain unresolved to date due to staff turnover. OCD is working with the Human Resources Department and Finance Department to fill the vacant positions in order to reassign the task to staff on or before September 30, 2016.*

2014-014) Special Tests and Provisions

Questioned Costs: None

Department of Housing and Urban Development

14.871 Section 8 Housing Choice Voucher Program

Grant No(s): LA-48-0046-009; LA-48 E003-001/004; LA-219-CEO-001-013/014

Criteria: The public housing authority must inspect the unit leased to a family at least annually to determine if the unit meets Housing Quality Standards (HQS), conduct quality control re-inspections, and prepare a unit inspection report (24 CFR sections 982.158(d) and 982.405(b)).

Condition: Out of a sample of 18 units selected for testing, 5 unit files did not have evidence that the HQS inspections were performed within the 12 months of the prior inspection date.

Cause: The above conditions are a result of limited staffing and changes in organizational structure of the department.

Effect: The City-Parish is non-compliant with Federal regulations over ensuring the units leased meet housing quality standards.

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YEAR ENDED DECEMBER 31, 2015

B. Findings – Federal Award Programs (Continued)

2014-014) Special Tests and Provisions (Continued)

Recommendation: The Office of Community Development should ensure an employee is assigned with the oversight for the housing quality inspections and provide adequate training to the inspectors and the administrator over the Federal program requirements.

View of Responsible Official and Planned Corrective Action:

OCD anticipates hiring a Housing Program Manager in 2015 to coordinate the Housing Quality Standards (HQS) inspection activities and provide the necessary oversight to ensure compliance with Federal regulatory requirements.

Updated Response: *A division manager has been hired and assigned to coordinate OCD inspector's activities. OCD's staff attended HQS training in August 2014 and received certificates. Tenmast Software was installed to generate monthly list of units due for inspections.*

2014-015) Special Tests and Provisions – Depository Agreements Questioned Costs: None

Department of Housing and Urban Development

14.871 Section 8 Housing Choice Voucher Program

Grant No(s): LA-48-0046-009; LA-48 E003-001/004; LA-219-CEO-001-013/014

Criteria: PHAs are required to enter into depository agreements with their financial institutions in the form required by HUD. The agreements serve as safeguards for Federal funds and provide third-party rights to HUD. Among the terms in many agreements are requirements for funds to be placed in an interest-bearing account (24 CFR section 982.156).

Condition: A depository agreement has not been entered into with the City-Parish's financial institution and a waiver of this requirement has not been received from HUD.

Cause: The City-Parish maintains a consolidated cash account in accordance with its established policies and procedures. A separate bank account for an individual grant program is not practical under the current financial system and would require additional resources and potential programming changes to record transactions and payment of invoices.

Effect: The City-Parish is non-compliant with Federal regulations over this special reporting requirement.

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B. Findings – Federal Award Programs (Continued)

2014-015) Special Tests and Provisions – Depository Agreements (Continued)

Recommendation: The City-Parish should obtain written acknowledgement from HUD to waive this Federal program requirement given their current financial system structure.

View of Responsible Official and Planned Corrective Action:

On October 25, 2012, HUD requested a copy of the PHA's General Depository Agreement. On November 1, 2012, the City-Parish OCD sent HUD a letter from the Department of Finance explaining the City-Parish's consolidated cash bank account policy. OCD has not received a response from HUD regarding this letter. OCD and the Mayor's Office will contact HUD to obtain a waiver from this requirement.

Updated Response: The Office of Community Development has not received a response from the HUD office to date. OCD will continue to reach out to HUD to obtain a waiver from this requirement.

2014-016) Special Tests and Provisions – Waiting List Selection Questioned Costs: None

Department of Housing and Urban Development

14.871 Section 8 Housing Choice Voucher Program

Grant No(s): LA-48-0046-009; LA-48 E003-001/004; LA-219-CEO-001-013/014

Criteria: The administrative plan of the public housing authority provides the policies for selecting applicants from the waiting list and must demonstrate adherence to these policies when selecting applicants for admission. Applicants are placed on the waiting list according to certain preferences for which they may qualify and then are ranked by the date and time their application was received by the PHA. The waiting list should be updated annually to ensure all applicants and information is current and timely.

Condition: While testing the selection of tenants from the waiting list, we noted out of a sample of 10 applicants, one applicant for which evidence of attempted notification was not documented in the applicant file in accordance with established policies.

In addition, the City-Parish's waiting list of applicants is currently maintained on a manual spreadsheet that can be accessed by all personnel. One individual is responsible for managing the applicants on the listing. However, there is no control to ensure once the applicant's

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 726000137
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2015

B. Findings – Federal Award Programs (Continued)

2014-016) Special Tests and Provisions – Waiting List Selection (Continued)

Condition: (Continued)

eligibility and ranking is established that it is not modified or an applicant removed without proper procedures being followed.

Cause:

The above conditions are a result of limited staffing and changes in organizational structure of the department and lack of internal controls over the waiting list procedures.

Effect:

The City-Parish is non-compliant with its established policies and procedures and HUD regulations over waiting list maintenance.

Recommendation:

The City-Parish should establish additional procedures to ensure controls over waiting list maintenance are in place. In addition, provide additional training to grant personnel over waiting list maintenance.

View of Responsible Official and Planned Corrective Action:

OCD will work with the Information Services Department to 1) restrict access to the waiting list and 2) develop a database program with an error/calendar notification system and an activities' checklist. This will ensure that applicants' files are updated accurately and timely and incorporate supervisory review of notification requirements.

Updated Response: OCD is actively working with the Information Services Department to finalize the new database program that will ensure compliance accordingly. The anticipated date for implementation is on or before September 30, 2016.

2014-017) Allowable Costs

Questioned Costs: \$110,978 (see Effect)

Department of Health and Human Services

93.600 Head Start

Grant No(s): 06CH0065/35-37

Criteria:

Costs charged to Federal grants must meet the allowability provisions of OMB Circular A-87. Unemployment compensation costs are allowed as long as the salaries and wages are chargeable to the Federal award and are compliant with state and local laws.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 726000137
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2015

B. Findings – Federal Award Programs (Continued)

2014-017) Allowable Costs (Continued)

Condition: The City-Parish Head Start teachers are hired to work in the program for approximately ten months with the other two months unemployed, or furlough period. These teachers can apply for unemployment compensation benefits with the Louisiana Workforce Commission (LWC) during the furlough period of unemployment, if they meet the eligibility requirements of Louisiana Revised Statute (LRS) 23:1600. The provisions of LRS 23:1600 are administered by the LWC. The LWC determines eligibility and monitors if the unemployment compensation beneficiary continues to meet the criteria for eligibility. The monitoring by LWC includes a requirement for those receiving benefits to submit documentation weekly certifying that they still meet the eligibility requirements. The unemployment benefits paid by LWC are required to stop once the beneficiary returns to work. The LWC invoices the City-Parish requesting reimbursement for the unemployment benefits paid.

During 2014, the City-Parish discovered that several of the Head Start teachers had continued to receive unemployment compensation benefits after returning to work. A certain number of teachers that continued to receive benefits beyond the eligibility period, or after returning to work, may have falsely certified to the LWC that they were still unemployed. The internal audit department of the City-Parish reviewed the LWC invoices for the years 2012 through 2014 and identified that 81 Head Start employees out of 191 may have declared and received unemployment compensation benefits for which they were not entitled for years 2012 through 2014.

The LWC has identified the employees that may have submitted false claims and received benefits beyond the eligibility period and has credited these costs to the City-Parish's account for reduction of future claims. The LWC has informed City-Parish that the Louisiana Attorney's General Office was notified of these occurrences. In addition, the City-Parish notified the Legislative Auditor in early 2015.

Cause: A reconciliation of the invoices the City-Parish received from LWC with those employees who returned to work after the furlough period was not being performed.

Effect: The City-Parish paid unemployment benefits from Federal resources for expenditures which were not compliant with OMB Circular A-87. The City-Parish and the Head Start Program anticipate receiving full credit/reimbursement for these false claims.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 726000137
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2015

B. Findings – Federal Award Programs (Continued)

2014-017) Allowable Costs (Continued)

Recommendation: The City-Parish should develop and implement procedures to analyze the invoices from LWC to identify if current employees are listed on the invoice as receiving unemployment benefits. These lists should be forwarded to the program supervisors to verify and approve that none of the employees listed on the LWC invoice are currently employed by the City-Parish. City-Parish should finalize its decision on the consequences to the employees involved in these unemployment compensation claims beyond the eligibility period.

View of Responsible Official and Planned Corrective Action:

The City-Parish developed a procedure to have the Human Resources Department notify department directors and managers quarterly of employees from their department who received unemployment payments or credits. This procedure was implemented following receipt of the allocation memo for the 2014- 4th quarter unemployment report.

Pre-termination and Pre-suspension hearing notices were issued to all affected Head Start staff. The hearings began on Wednesday, June 3, 2015. Head Start staff was offered the option of signing an Employee Work Agreement which stated they concurred with the overpayments. If the employee did not sign a Work Agreement, more severe disciplinary action would be issued. Head Start staff must provide proof of repayment or a repayment plan with the Louisiana Workforce Commission by Monday, August 17, 2015.

The Department of Human and Development Services Director issued an Unemployment Insurance Benefit Claims 2015 Instruction Memo along with an Unemployment Insurance Benefit Claims Policy on May 6, 2015 to all Head Start and Early Head Start employees. All employees signed an acknowledgement receipt form.

Updated Response: *All affected Head Start staff agreed to the Employee Work Agreement terms which stated that they concurred with the overpayment issue and reduced disciplinary action. All disciplinary actions were issued and completed by December 31, 2015. All affected staff have repaid the overpayment amount or made re-payment arrangements with the Louisiana Workforce Commission.*

The DHDS Director issued a return to work letter to all Head Start employees on August 3, 2015 indicating specific dates to cease filing for unemployment claims benefits and that Head Start employees would return to work on August 17, 2015.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 726000137
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2015

B. Findings – Federal Award Programs (Continued)

2014-017) Allowable Costs (Continued)

The DHDS Director requested an Unemployment Insurance benefits claims report regarding Head Start employees from the Louisiana Workforce Commission on August 20, 2015. The report was received by the DHDS Director on August 25, 2015. There were no affected Head Start employees on the list.

The DHDS Director continues to receive quarterly reports of employees who have received unemployment payments or credits from Human Resources.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE**

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

Report on Compliance

We have audited the compliance of the City of Baton Rouge and the Parish of East Baton Rouge (the City-Parish) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration in September 2000 (the Guide), for its Passenger Facility Charge Program for the year ended December 31, 2015.

Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations of the Passenger Facility Charge Program (the Program).

Auditors' Responsibility

Our responsibility is to express an opinion on the City-Parish's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Program occurred. An audit includes examining, on a test basis, evidence about the City-Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. However, our audit does not provide a legal determination of the City-Parish's compliance with those requirements.

Opinion on the Passenger Facility Charge Program

In our opinion, the City-Parish complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance. In planning and performing our audit, we considered the City-Parish's internal control over compliance with program regulations that could have a direct and material effect on compliance in order to determine the auditing procedures that are appropriate under the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Guide but not for the purpose of expressing an opinion on the effectiveness of the City-Parish's internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of the City-Parish's internal control over compliance.

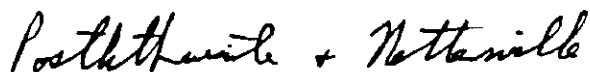
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance on a timely basis. A *material weakness in internal control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

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

Schedule of Passenger Facility Charges Revenues and Disbursements

We have audited the basic financial statements of the City of Baton Rouge and the Parish of East Baton Rouge as of and for the year ended December 31, 2015, and have issued our report thereon dated June 22, 2016, which includes a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Passenger Facility Charge Revenues and Disbursements for the year ended December 31, 2015 as required by the Guide is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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



Baton Rouge, Louisiana
June 22, 2016



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF PASSENGER FACILITY CHARGES (PFC)
REVENUES AND DISBURSEMENTS
BATON ROUGE METROPOLITAN AIRPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

| | | FY 2014 <u>Program Total</u> | Quarter 1 <u>Jan - Mar</u> |
|---|---|---------------------------------|-------------------------------|
| Revenue | | | |
| Passenger Facility Charge Net Collections | \$ | 30,584,304 | \$ 301,821 |
| Interest Earned on Investments | | 1,443,644 | 99 |
| Claim settlement | | 1,371,035 | - |
| Total Revenue | | <u>33,398,983</u> | <u>301,920</u> |
| Disbursements | | | |
| 93-02-U-00-BTR | Noise mitigation | 1,315,124 | - |
| 96-03-C-00-BTR | Terminal building and plan specifications | 1,290,899 | - |
| 97-04-C-00-BTR | Terminal development with financing | 19,527,814 | 52,048 |
| 00-05-C-00-BTR | Airport access road | 1,541,316 | - |
| 00-05-C-00-BTR | Acquire A/C loading bridges | 728,373 | - |
| 05-06-C-00-BTR | Expand general aviation apron | 448,504 | - |
| 05-06-C-00-BTR | Extend runway 4L/22R | 3,609,386 | - |
| 09-07-C-00-BTR | Terminal atrium expansion | 3,550,493 | - |
| 09-07-C-00-BTR | Acquisition of property for development | 481,060 | - |
| 09-07-C-00-BTR | Taxiway fillet construction | 244,732 | - |
| 09-07-C-00-BTR | Ticket lobby expansion | 322,263 | - |
| Total Disbursements | | <u>33,059,964</u> | <u>52,048</u> |
| Net PFC Revenue | | | 249,872 |
| PFC Account Balance (cash basis) | \$ | 339,019 | \$ 588,891 |

| Quarter 2 <u>Apr - Jun</u> | Quarter 3 <u>Jul - Sep</u> | Quarter 4 <u>Oct - Dec</u> | FY 2015 <u>Total</u> | FY 2015 <u>Program Total</u> |
|---|-------------------------------|-------------------------------|-------------------------|---------------------------------|
| \$ 445,685 | \$ 370,355 | \$ 333,153 | \$ 1,451,014 | \$ 32,035,318 |
| 111 | 184 | 125 | 519 | 1,444,163 |
| - | - | - | - | 1,371,035 |
| <u>445,796</u> | <u>370,539</u> | <u>333,278</u> | <u>1,451,533</u> | <u>34,850,516</u> |
| - | - | - | - | 1,315,124 |
| - | - | - | - | 1,290,899 |
| - | 350,246 | 373,048 | 775,342 | 20,303,156 |
| - | 38,308 | (6,857) | 31,451 | 1,572,767 |
| - | 56,628 | (10,136) | 46,492 | 774,865 |
| - | 191,099 | (34,206) | 156,893 | 605,397 |
| - | 7,997 | (1,431) | 6,566 | 3,615,952 |
| - | 396,627 | (70,995) | 325,632 | 3,876,125 |
| - | 53,739 | (9,619) | 44,120 | 525,180 |
| - | 27,339 | (4,894) | 22,445 | 267,177 |
| - | 36,000 | (6,444) | 29,556 | 351,819 |
| <u>-</u> | <u>1,157,983</u> | <u>228,466</u> | <u>1,438,497</u> | <u>34,498,461</u> |
| 445,796 | (787,444) | 104,812 | 13,036 | 352,055 |
| \$ 1,034,687 | \$ 247,243 | \$ 352,055 | \$ 352,055 | 352,055 |
| Accrued PFC revenues | | | | 183,637 |
| Accrued interest revenues | | | | 18 |
| Accrued interest payable | | | | (35,359) |
| Accrued project expenses | | | | <u>(59,503)</u> |
| Total Net Assets Restricted for PFC included in EXHIBIT A-10 | | | | <u>\$ 440,848</u> |

SPECIAL ACKNOWLEDGMENTS

Finance - Accounting

Sharon Campbell
Accounting Manager

Tammy Morgan
Shalanda Nalencz
Mary Ourso
Assistant Accounting Managers

Chief Financial Analyst

Shannon Hargrave
Tiffany Jukkola
Kathleen Kreko
Jeanine Romero
Nick Vidrine

**Senior Fiscal
Specialist**
Angela Banks
Rhonda Bankston
Latisha Cannon
Linda Hickerson
Adrica Nelson-
Druel
Oma Ringe
Gregory Spears

**Senior Financial
Analyst**
Jonathan Alford
Kay Ellzey
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CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

REPORT TO MANAGEMENT

DECEMBER 31, 2015



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

REPORT TO MANAGEMENT

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| Elements of Certain Matters | Attachment A |

June 22, 2016

Members of the Metropolitan Council
City of Baton Rouge, Parish of East Baton Rouge
Baton Rouge, Louisiana

We have audited the financial statements of the City of Baton Rouge-Parish of East Baton Rouge (City-Parish), for the year ended December 31, 2015 and have issued our report thereon. As part of our audit, we made a study and evaluation of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City-Parish's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls or operating efficiency. Our comments and suggestions regarding those matters are set forth below. This letter does not affect our reports dated June 22, 2016, on the financial statements of the City-Parish and the City-Parish's internal control over financial reporting.

Condition:

Louisiana Revised Statute 14:67 defines theft as the misappropriation or taking anything of economic value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. Five instances, or likely instances, of misappropriation were identified by the City-Parish and reported to the Legislative Auditor which are presented in attachment A to this letter.

Recommendation:

Employees are to be reminded of the proper procedures and their ethical responsibilities as public servants. We recommend the City-Parish continue their prosecution of these matters and that the internal controls of the City be reviewed and potentially revised to deter such instances from occurring in the future.

Management's Response and Corrective Action:

Ethics training is required for all City-Parish employees annually. Ethics training informs and reminds employees that using public assets for a private purpose is prohibited.

All five instances were self-reported to Baton Rouge Police Department for further investigation. In three instances, a suspect was arrested and those cases were transferred to the District Attorney's Office for prosecution. In the other two instances, the Police Department closed the cases without making an arrest.

The Parish Attorney-City Prosecutor's Office implemented new procedures that require investigators to secure laptop computers in a locking cabinet with limited access. Additionally, the investigators will maintain a log to record when the computer is "checked out" and removed from the cabinet and who is responsible for the computer while it is checked out.

The Police Department will implement a new procedure whereas the Fleet Division will be informed by hardcopy and email of all employee terminations to ensure that the Fleet Division is immediately aware of the termination. Based on the notification, the Fleet Division will cancel the fuel card for the terminated employee.

City Court Administration will implement controls to assign accountability for receiving and transferring appearance bond monies. City Court Accounting staff will reconcile bond documents to daily cashier transactions. Additionally, City Court Accounting staff will review suspense accounts monthly to ensure timely transfers from the suspense account to the case account. And, City Court Accounting staff will reconcile case accounts with appearance bonds to the City's financial system quarterly.

The Finance Department - Revenue Division revised procedures to require that two employees are present at all times during the counting and deposit process.

The Permits Inspection Division of the Department of Development now proactively monitors inspector reports and schedules to identify any suspicious activity by inspectors.

Condition: Under the Uniform Guidance (the Guidance), reserve funds are allowed with respect to central service costs. A working capital reserve as a part of fund balance of up to 60 calendar days for normal operating purposes is considered reasonable. In addition, with respect to allowable fringe benefit costs, specifically, post-retirement health care costs are allowable if they are funded for that year within six months after the end of that year. Costs funded after the six month period are allowable in the year funded (when claims are paid). The City-Parish is self-insured for health care claims of both active and retired employees, and all programs and activities (including federal grant programs) pay premiums into separate funds. Our analysis of fund balances (reserves) of the funds that account for the self-insurance activities identified that the reserves now approximate the maximum amount that the Guidance considers reasonable.

Recommendation: The City-Parish should monitor the fund balances (reserves) of its self-insurance health fund and its retiree health insurance fund to ensure that the reserves do not exceed the amounts considered reasonable under the Guidance. If reserves exceed reasonable levels, health care premium costs charged to federal grant programs may become unallowable.

Management's Response and Corrective Action:

Employer contributions and employee/retiree premiums for the City-Parish self-insured insurance program are set each year during the budget process and approved by the Metropolitan Council. Given the volatility experienced with health care claims it is difficult to accurately predict the exact funding needed to satisfy claims. Since this is a self-insured plan, rates must be established at an amount that will sustain the program throughout the year. The reserve balance is analyzed each year and rates are adjusted accordingly and set for the following budget year. Given the increase of health care costs, we do not anticipate having a reserve balance in excess of the allowable amount at the end of the current year.

We have already discussed these matters with the City's management. Their views on these matters and plans for corrective action are identified herein. This letter does not affect our report dated June 22, 2016 on the financial statements of the City-Parish, and furthermore, this letter is intended for use only by the City-Parish's management and audit committee and is not intended to be used, and should not be used, by anyone other than these specified parties.

Sincerely,

Postlethwaite + Nethermilb

Status of Prior Year Management Letter Comments

2014-1 **Collection of Service Fees – Police Department**

Condition: The Baton Rouge Police Department (BRPD) conducts concealed carry permit classes that are open to the public at a cost of \$100 per participant. These classes are taught by BRPD officers and are held at City-Parish owned facilities. The fees collected for these classes are not deposited into City-Parish bank accounts or accounted for through the City-Parish's accounting system, but are instead retained by the instructors as compensation for their services as approved by the BRPD. The total fees collected but not deposited were approximately \$20,000 for 2014.

Recommendation: The process of allowing the instructors to directly retain these fees presents several issues including a lack of internal control over the completeness of collections, use of facilities for non-government purposes and potential tax compliance matters. We recommend the fees be deposited and accounted for through the City-Parish accounting system and that the instructors compensated through the standard payroll process of the City-Parish.

Current Status: *The concealed carry classes resumed in October 2015 when the new policy was put into place. The Police Department's policy states that all instructors are considered on duty with the City and are paid overtime. Attendees pay for the classes in advance at Police Headquarters. All payments are made, processed, and tracked through Traffic Records.*

2014-2 **Theft of Public Assets**

Condition: Louisiana Revised Statute 14:67 defines theft as the misappropriation or taking anything of economic value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. Three instances, or likely instances, of misappropriation were identified by the City-Parish and reported to the Legislative Auditor which are presented in attachment A to this letter.

Recommendation: Employees are to be reminded of the proper procedures and their ethical responsibilities as public servants. We recommend the City-Parish continue their prosecution of these matters and that the internal controls of the City be reviewed and potentially revised to deter such instances from occurring in the future.

Current Status: *The Department of Maintenance has implemented key management systems at the maintenance lots to secure equipment. Inventory control and accountability processes have been put into place to limit access to inventory.*

The Finance Department - Revenue Division implemented a new cashier system (REVCR) in August 2015 which has eliminated the use of manual receipts in the daily process and improved internal controls over voided transactions and the reconciliation process through the security settings. Cameras were installed in January 2015 to monitor the activities in the cashier section. Policies have been updated to reflect the changes in processing due to the new system.

2014-2

Theft of Public Assets (continued)

Policies have been put into place at City Court to track all checks received by City Court and delivered to the Constable's Office. If checks are not picked up by the end of the work day, they are locked in a secure safe with limited access by authorized personnel. All contract employees are required to obtain a criminal background check and pass a drug screen test, in which City Court has a right to review.

2014-3

Violation of Bid Law – Baton Rouge River Center

Condition:

La RS 38:2211 (the state bid law) requires that purchases of public works in excess of \$150,000 undergo the bid process whereby the item or project is advertised, sealed bids are accepted, the contract awarded to the lowest qualified bidder. Two projects; a wireless network system upgrade and a lighting improvement project, each in excess of \$150,000 were procured without undergoing the bid process.

Recommendation:

All River Center purchases should comply with the state bid law when applicable.

Current Status:

SMG has updated and implemented new purchasing procedures as of November 2015. These procedures require material and equipment purchases with a total cost in excess of \$30,000 and public works projects in excess of \$10,000 to be completed through the City-Parish Purchasing Division to ensure compliance with state bid law.

Attachment A to Management Letter

The following 18 elements of the instances of misappropriation are presented below:

| Element of Finding | Misappropriation #1 (Parking meters) | Misappropriation #2 (Fuel Purchases) | Misappropriation #3 (Cash Bonds) | Misappropriation #4 (Laptop) | Incident #5 (malfeasance) |
|---|---|---|--|--|--|
| 1 A general statement describing the fraud or misappropriation that occurred. | Employee of Revenue Dept was charged with misappropriation of cash from parking meter collections | A former employee, Christopher Guerra, retained, possessed and improperly used a City-Parish fuel card after employment had ceased. | A cash bond posted on behalf of a defendant in City Court in the amount of \$200 went missing | A laptop computer that was used by investigators employed by City Court Prosecutor's Office turned up missing. | Employee of the Permits and Inspection Division of DPW is suspected of committing malfeasance by soliciting bribes during inspections. |
| 2 A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment). | Cash\coin from Parking meters | Fuel purchases | Cash | Laptop Computer | No assets of the City-parish were involved or misappropriated. |
| 3 The amount of funds or approximate value of assets involved. | Approximately \$15,000 | Approximately \$1,000 | \$200 | Approximately \$500 | Unknown at this point. |
| 4 The department or office in which the fraud or misappropriation occurred. | Revenue Division of the Finance Dept. | Police Department | City Court | City Court Prosecutor' office | Department of Public works, inspection division. |
| 5 The period of time over which the fraud or misappropriation occurred. | Four months | Five months | Dec-14 | January, 2016 | Approximately 10-11 months |
| 6 The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation. | Bryant McConnell, revenue division employee | Police Officer | Inconclusive | Inconclusive | Inspector |
| 7 The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated. | See above | Chris Guerra | Inconclusive | Inconclusive | Jeremy Johnson |
| 8 Is the person who committed or is believed to have committed the act of fraud still employed by the agency? | No, employee was terminated | No, the person's employment had ceased prior to these acts of misappropriation | N/A | N/A | No, employee was terminated |
| 9 If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation? | N/A | N/A | N/A | N/A | N/A |
| 10 Has the agency notified the appropriate law enforcement body about the fraud or misappropriation? | Yes. Police file 27500-15 | Yes. Police File 8628-16 | Yes. No case has been opened. | Yes. No case has been opened. | Yes. Police File 16-17031 |
| 11 What is the status of the investigation at the date of the auditor's/accountant's report? | Investigation is complete and an arrest has been made. Police file 27500-15 | Investigation is complete and an arrest has been made. Police file 8628-16. | The City-Parish's Internal Audit Department Completed and investigation and has made recommendations for improvements in internal controls | The City-Parish's internal audit department completed its audit March 14, 2016. | Defendant was arrested on March 3, 2016 |
| 12 If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person? | Yes. Police file 27500-15 | Yes. Police File 8628-16 | N/A | N/A | Yes. Police File 16-17031 |

Attachment A to Management Letter

The following 18 elements of the instances of misappropriation are presented below:

| Element of Finding | Misappropriation #1 (Parking meters) | Misappropriation #2 (Fuel Purchases) | Misappropriation #3 (Cash Bonds) | Misappropriation #4 (Laptop) | Incident #5 (malfeasance) |
|---|--|--|---|--|--|
| 13 What is the status of any related adjudication at the date of the auditor's/accountant's report? | Case continues in court. | Case continues in court. | N/A | N/A | Defendant was charged with extortion on 6-13-16 under bill # 06-16-0480 and DA # 04018-16 |
| 14 Has restitution been made or has an insurance claim been filed? | No. | No. | No | No | unknown |
| 15 Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)? | Yes | Yes | Yes | Yes | Yes |
| 16 Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner? | Yes, the issue surfaced as the City-Parish reconciled their consolidated cash bank statement. Cash deposits were being invalidated by the bank. Investigation ensued. | Yes, the issue surfaced during an internal audit of fuel purchases across all City-Parish Departments. | Yes. The matter was self reported to internal audit from an employee of the Court. | No. The laptop may have been missing for several months prior to reporting to internal audit. | Yes. The DPW fields calls from the public and has a method of researching the such complaints. This matter was detected by a supervisor upon researching the complaint. |
| 17 If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner. | N/A | See below | Although reported, the matter was discovered over a year later. Reconciliations of the balances per the caseware system, from which bond refund checks are processed), were not reconciled to the financial accounting system | The laptop was not secured, but rather was routinely left out in the courtroom and used intermittently. | N/A |
| 18 Management's plan to ensure that the fraud or misappropriation does not occur in the future | While internal controls allowed detection, the City-Parish Finance Department strengthened internal controls by way of requiring two persons to be present at all times during the collection and deposit process. | This matter was identified through an audit, which identified some weaknesses in day- to- day internal controls, namely, the communication between the Chief's Office and the Police Fleet Department upon termination of an employee. The communication process has been enhanced to ensure that the Fleet Department properly cancels are cards of terminated employees. | A reconciliation of the caseware system to the financial accounting system will be employed on a quarterly basis. | The City Prosecutor's Office implemented a new procedure requiring the investigators to secure the computers in a locked file with restricted access when not in use, and employing the use of a log to check out the computers. | Although this matter was self detected, the City-Parish DPW is now proactively monitoring the inspectors on a daily basis in a way that will allow detection more quickly. |