

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For The Year Ended
December 31, 2009**

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

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

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/4/10

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
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Department of Finance
Accounting Division

City of Baton Rouge
Parish of East Baton Rouge

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June 25, 2010

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:

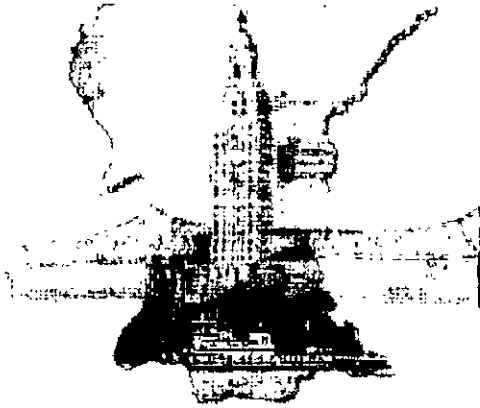
Pursuant to Louisiana State Statutes and The Plan of Government, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the consolidated government of the City of Baton Rouge and Parish of East Baton Rouge (City-Parish) for the fiscal year ended December 31, 2009. The Accounting Division 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 unqualified 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, 2009, 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 Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. 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.

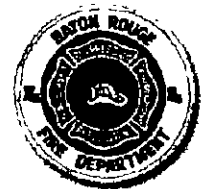
GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis (MD&A)*. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The 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 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 the Governmental Accounting Standards Board (GASB), Statement 14. 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
➤ East Baton Rouge Parish Family Court	Discrete Component Unit
➤ East Baton Rouge Parish Juvenile Court	Discrete Component Unit
➤ Nineteenth Judicial District Public Defender	Discrete Component Unit
➤ East Baton Rouge Parish Clerk of Court	Discrete Component Unit
➤ Parish Fire Protection Districts	Discrete Component Unit
➤ East Baton Rouge Parish Redevelopment Authority	Discrete Component Unit
➤ Crime Prevention Districts	Discrete Component Unit
➤ Capital Region Planning Commission	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-23.

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 is the state capital and is part of the second largest Metropolitan Statistical Area (MSA) only behind New Orleans. Baton Rouge 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 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 second largest refinery. It is also the home of one of the state's Fortune 500 firms, the Shaw Group.



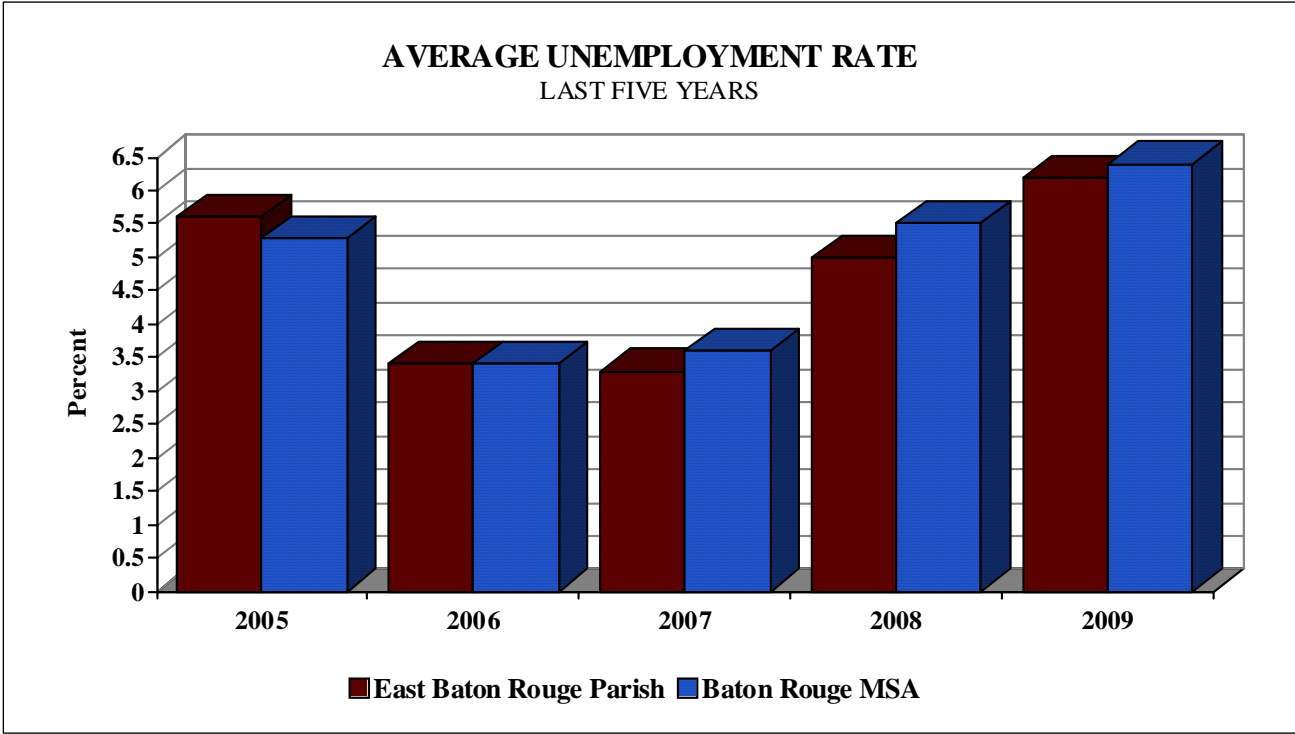
A number of significant companies engaged in oil refining, petrochemical processing, and wood products are found in the industrial corridor along the Mississippi River near Baton Rouge. These industries are major employers of Baton Rouge's labor force. Other important industries include government, construction,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

The national recession has had a limited affect on the area. According to the Louisiana Department of Labor, the annual average rate of local unemployment increased only 1.2% in East Baton Rouge Parish and 0.9% in the Baton Rouge MSA in 2009, as reflected in the following chart:

	<u>East Baton Rouge Parish</u>	<u>Baton Rouge MSA</u> ⁽¹⁾
2005	5.6	5.3
2006	3.4	3.4
2007	3.3	3.6
2008	5.0	5.5
2009 ⁽²⁾	6.2	6.4

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

⁽²⁾ Preliminary Figures



A report issued by the Brookings Institution ranked Baton Rouge as having the sixth strongest economy out of 100 major United States cities during the second quarter of this year. Reasons cited for the strong economy included stable employment and rising home prices. Local economists are predicting job growth in 2010 and 2011 in the capital region. CNNMoney.com recently named the area the ninth best place to launch a small business among midsize markets citing tax incentives for high-tech companies, educated talent from our local universities, and our cultural economy as a quality-of-life draw. The article praised our unique cultural offerings that provide “an atmosphere where people work hard but enjoy an active social scene after hours.” In October 2009, Dr. James A. Richardson, 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 2010-2011.

...We estimate that in 2010, the Baton Rouge region will add 4,000 jobs (+1.1 percent) and will follow that with an additional 5,500 jobs in 2011 (+1.5 percent). In percentage terms, this would make the Baton Rouge MSA the third fastest growing MSA in the state, behind Monroe, and Lake Charles. In absolute terms, its growth will be the fastest in the state.

As it has been since 2007, we expect the construction sector to be a key driver in Baton Rouge's economic growth over the next two years...On-going projects in the region... sum to almost \$5.1 billion. In a normal year pre-Katrina, \$725 million would have been considered a good construction list. This list is more than six times that amount.

The good news is that unlike New Orleans which is almost totally dependent for future growth on its construction sector, Baton Rouge has a large number of new and expanding firms that will add to its jobs over 2010-11.

Revenue growth for the City-Parish declined slightly in 2009, further evidence of the limited impact of the national recession on the local economy. General sales and use tax (2 percent) collections for General Fund operations and debt service dedications of the City and Parish combined were \$160.5 million, net of several large enterprise zone adjustments, a decrease of \$3.9 million under 2008 revenues, (a 2.37 percent decrease). Sales tax collections for the ½ percent sewerage tax and the ½ percent road and street improvement tax decreased by 6.94 and 6.96 percent, respectively, during fiscal year 2009. The general sales and use tax plays a significant role in financing the operations of the General Fund.

Major Initiatives in 2009

During 2009, the Baton Rouge Police Department was awarded federal grant funds from the United States Department of Justice, through the American Recovery and Reinvestment Act, for the purchase of a patrol helicopter. The newly-formed Air Support Unit began flying missions and air patrols in early 2010. The helicopter, a Robinson R-44 Raven II Police Interceptor, is equipped with the latest surveillance technology available. The Baton Rouge Police helicopter includes a powerful xenon search lamp, a fold-down monitor, a dual audio controller, and an infrared thermal imaging camera, all of which allow the Air Support officers to more easily track fleeing suspects at night, and radio their position to responding ground units. In addition to providing extra support for officers on the ground, the Air Support unit can be activated for special operations, search-and-rescue missions, and providing aerial coverage for large events.

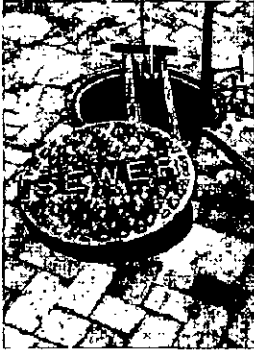


In keeping with our public safety goals, six fire stations are currently at various stages of construction. Approximately \$12 million has been appropriated for the purchase of land, design, and construction for the replacement of these fire stations. The stations being replaced are located on Laurel Street, North Foster Drive, Gus Young Avenue, Osage Street, Lobdell Avenue and Sharp Road. By relocating these stations we will assure continued coverage for our citizens in accordance with the PIAL (Property Insurance Association of Louisiana) standards.

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, 2014.



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.

The Parish's sanitary sewer system serves more than 450,000 customers. The system is extremely complex, consisting of more than 400 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, managing 56 projects with an approximate value of \$720 million either completed, in the design phase, or under construction at the end of the first quarter of 2010.

A comprehensive financing model has been developed and is being utilized by the Finance Department and Public Works 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, 2009, the City-Parish had appropriated \$1.07 billion for sewer capital improvements, including funding from long-term bonds, impact fees, EPA grants, and pay-as-you-go funding.

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.

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.

As of December 31, 2009, thirty-six "GreenLight" projects were in an "active" status ranging from corridor survey/design study through construction. During 2009, six projects included in the program were completed: N. Harrell's Ferry Road, Foster at Government, Coursey at Sherwood Forest, Downtown Signalization, Burbank Drive – Segment 1, and Picardy Avenue. In 2009, bids were accepted on twelve projects and construction began on sixteen projects.



It is anticipated that approximately 750 miles of additional City-Parish streets and roads will be rehabilitated during the next 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 along with the issuance of bonds and interest earnings will fund \$755 million in road improvement projects. The remainder of the tax will provide \$414 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, 2008. 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 21-year period ending December 31, 2008. 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 eighteenth 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



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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

Executive Director

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2009**



Mayor-President
Melvin "Kip" Holden



District 1
Trae Welch



District 2
Ulysses Z. Addison, Jr.



District 3
Chandler Loupe



District 4
Scott Wilson



District 5
Ronnie Edwards



District 6
Donna Collins-Lewis

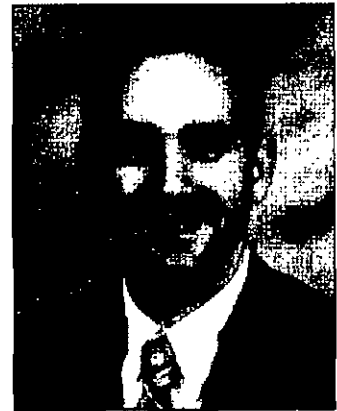
CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2009



President Pro-Tempore
District 8
J. Michael "Mike" Walker



District 7
C. Denise Marcelle



District 9
Joel Boe



District 10
Tara Wicker

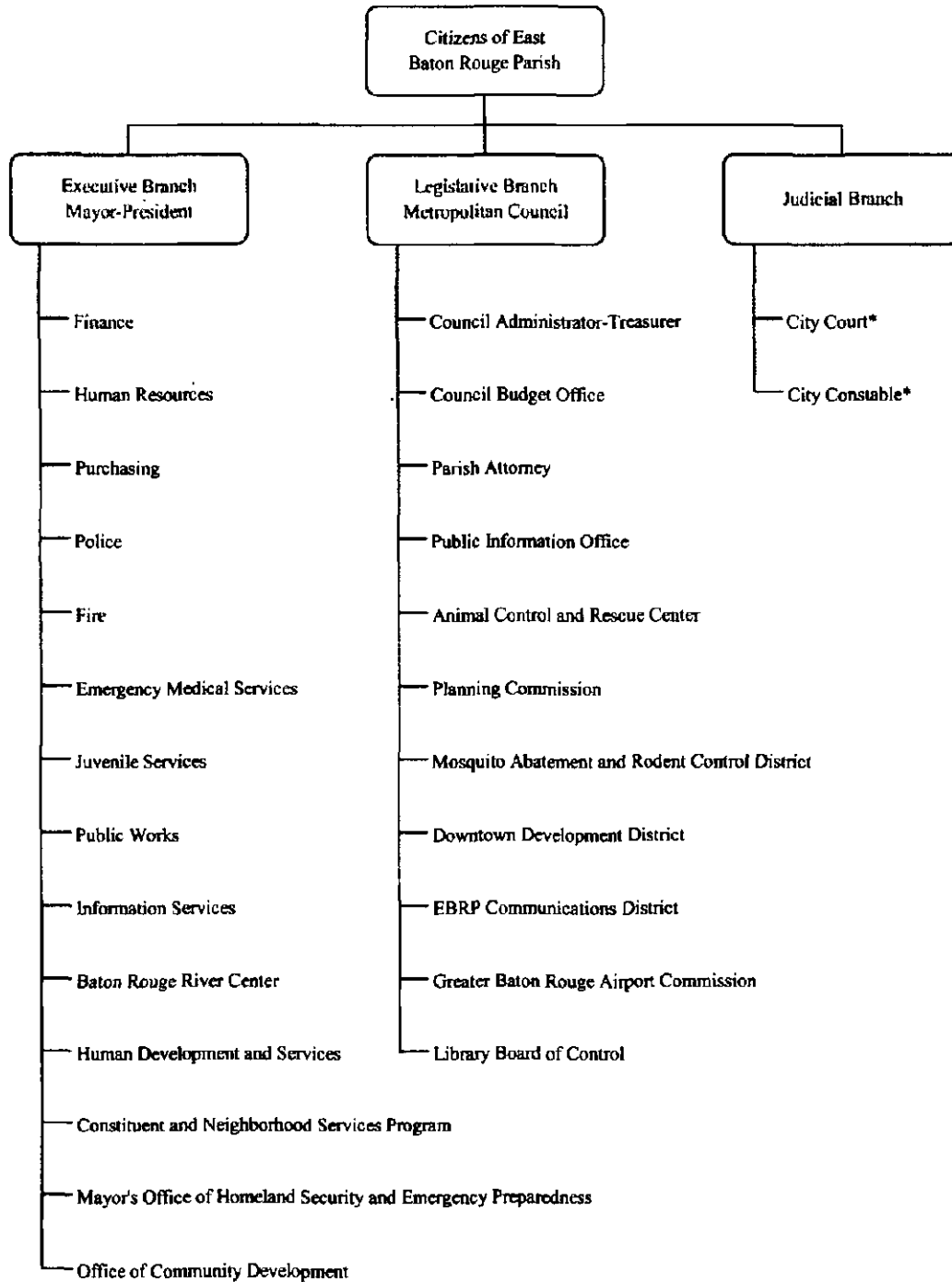


District 11
Alison Cascio



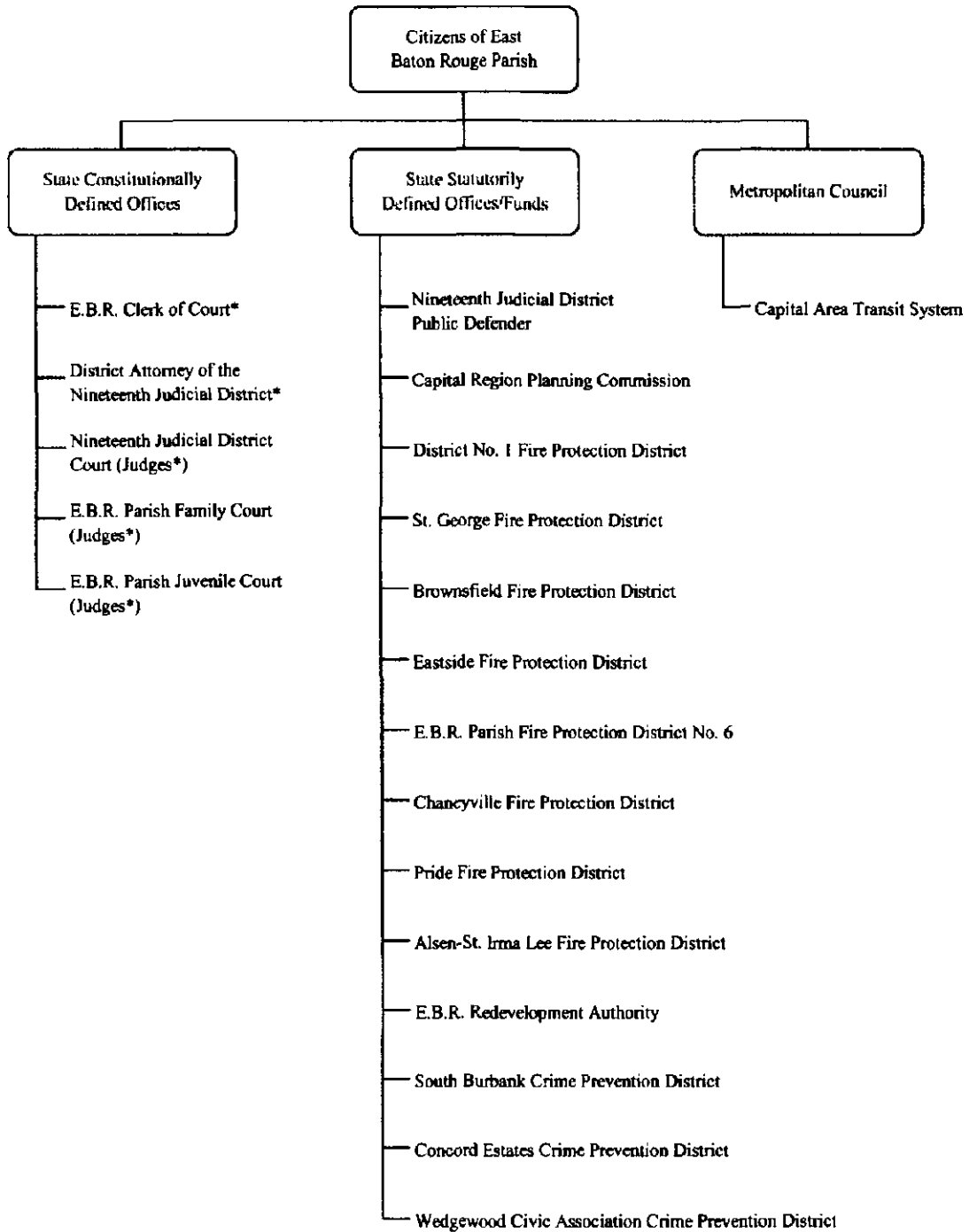
District 12
Rodney "Smokie" Bourgeois

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



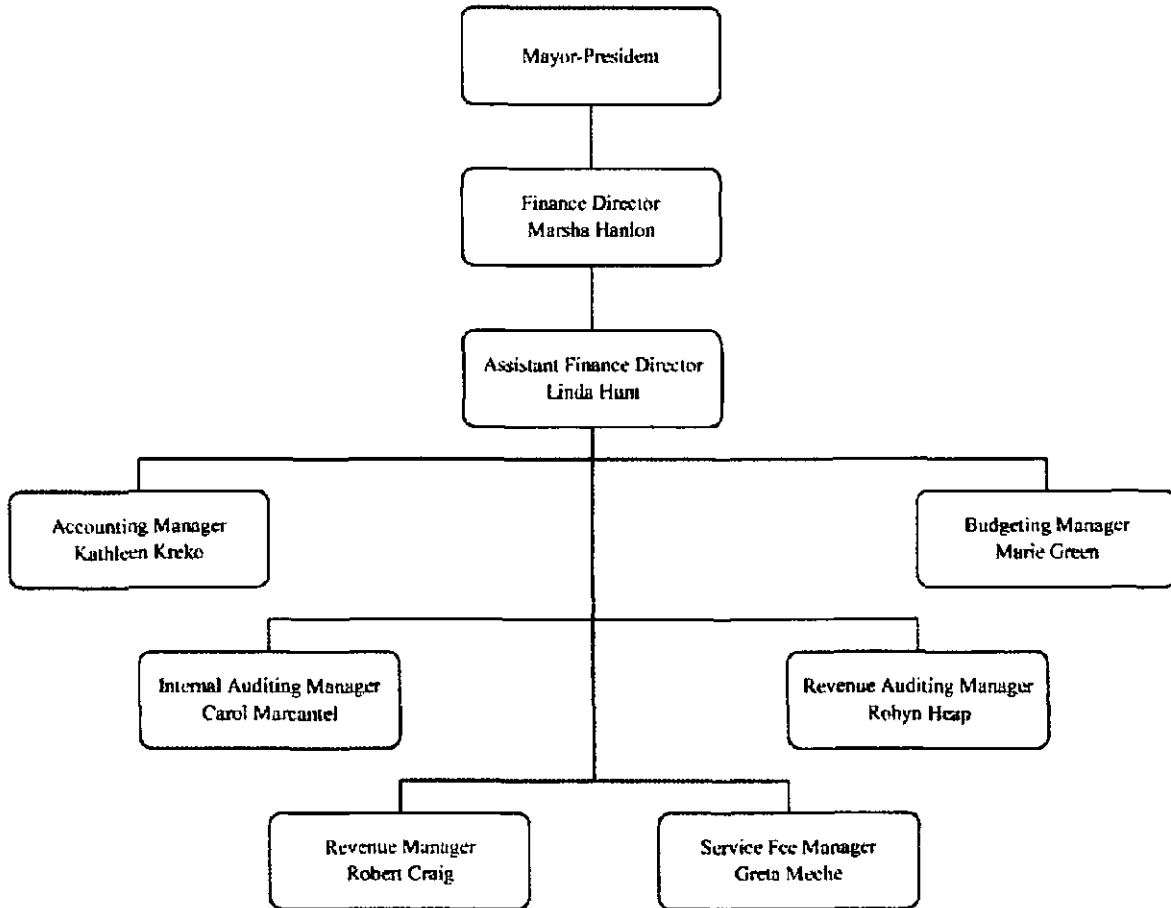
* Designates Elected Officials

**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

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 fiduciary fund, the budgetary comparison information for each major fund, and the aggregate other (non-major) 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, 2009, 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 selected non-major component units (fund level) contained within the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2009 listed in the table of contents as exhibits B-1 through E-12. These financial statements are the responsibility of the City-Parish's management. Our responsibility is to express an opinion 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 96% and 86%, respectively, of the assets 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 upon 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the basic 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 fiduciary fund, the budgetary comparison information, and the aggregate other (non-major) fund information of the City of Baton Rouge-Parish of East Baton Rouge as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principals 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 fund, and selected non-major component units (fund level) of the City-Parish as of December 31, 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2010, on our consideration of internal control over financial reporting of the City-Parish and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 17, and the Schedules of Funding Progress and Employer Contributions of the City-Parish's Postemployment Benefit Plan, exhibit A-18, 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. 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City-Parish's financial statements as a whole. The accompanying financial information listed in the Table of Contents as Supplementary Schedules, exhibits F-1 through G-3, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City-Parish. Exhibits F-1 through G-2 have been subjected to the auditing procedures applied in the audit of the basic financial statements and the combining and individual fund financial statements, and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole. We have applied certain limited procedures to exhibit G-3, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the exhibit. However, we did not audit the information and express no opinion on it.

The accompanying financial information in the Statistical Section, exhibits H-1 through H-22, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City-Parish. The information has not been audited by us, and accordingly, we express no opinion on this information.

Poatlethwaite + Netterville

Baton Rouge, Louisiana
June 25, 2010

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 of the City-Parish primary government exceeded its liabilities at the close of the most recent fiscal year by \$1,606.8 million (*net assets*). Of this amount, \$396.9 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The primary government's total net assets increased by \$40.6 million during 2009. Governmental activities' net assets decreased \$14.6 million during 2009, primarily as a result of the decrease in sales tax revenue (\$6.8 million) and gross receipts business tax revenue (\$5.9 million), a reduction in investment earnings (\$11.5 million), an increase in interest and fiscal charges on long-term debt (\$3.4 million), and other miscellaneous decreases (\$3.3 million), offset by contributions of capital assets from capital grants and donated infrastructure (\$16.3 million). An excess of revenues over expenses in the sewerage fund (\$27.4 million), contributions from the federal and state governments, subdivision developers, and impact fees (\$28.3 million), investment earnings on construction funds (\$3.9 million), and increased sewer user fees (\$3.6 million), offset by increased operating expenses resulting from other postemployment benefits (\$3.9 million), a decrease in airport revenues (\$2.8 million), and other miscellaneous decreases (\$1.3 million) resulted in a net increase in net assets in business-type activities.
- As of the close of the current fiscal year, the City-Parish's governmental funds reported combined ending fund balances of \$568.2 million, an increase of \$60.7 million in comparison with the prior year. Approximately 18% of the fund balances, \$99.4 million, is *available for spending* at the City-Parish's discretion (*unreserved, undesignated fund balance*).
- At December 31, 2009, unreserved fund balance for the General Fund was \$65.3 million, or 25% of total 2009 General Fund expenditures.

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. All City-Parish component unit agencies except for five fire protection districts and one crime prevention district (see Exhibits E-1 through E-12) issue separate independently audited financial statements.

The Statement of Net Assets (Exhibit A-1) presents information on all the government's assets and liabilities, with the difference between the two reported as net assets. Over time, changes in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 subsidy 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), sanitation (street-sweeping), 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 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.

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

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 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.

Fund financial statements also allow 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, easements, buildings, vehicles, machinery and equipment, infrastructure, and all other tangible 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

The audited combining statements referred to earlier in connection with the nonmajor governmental and proprietary funds are presented in Exhibits B-1 through E-12.

Certain supplementary financial information can be found in Exhibits F-1 through G-3 of this report. These schedules and the statistical section (Exhibits H-1 through H-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 A-133 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)**

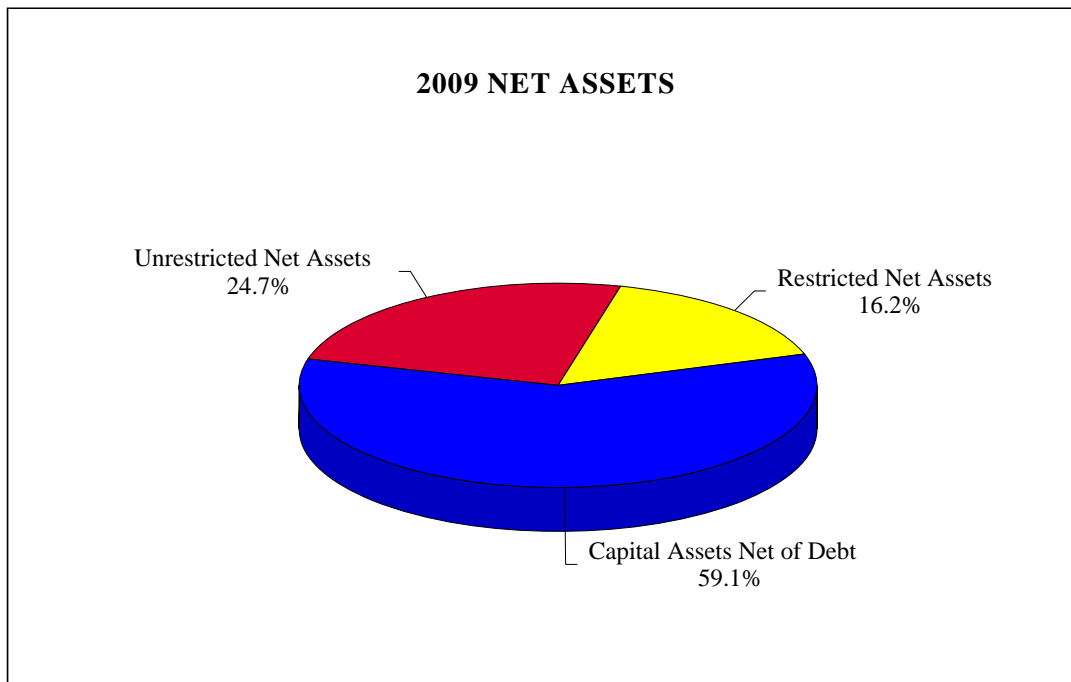
Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Assets for 2009, with comparative figures from 2008:

City of Baton Rouge, Parish of East Baton Rouge
Condensed Statement of Net Assets
December 31, 2009 & 2008
(in millions)

	Governmental		Business-		Total	
	Activities		Type			
	2009	2008	2009	2008	2009	2008
Assets:						
Current and Other Assets	\$ 669.2	\$ 620.3	\$ 443.8	\$ 381.3	\$1,113.0	\$1,001.6
Restricted Assets	--	--	220.8	153.8	220.8	153.8
Capital Assets	<u>632.4</u>	<u>558.5</u>	<u>766.1</u>	<u>672.6</u>	<u>1,398.5</u>	<u>1,231.1</u>
Total Assets	<u>1,301.6</u>	<u>1,178.8</u>	<u>1,430.7</u>	<u>1,207.7</u>	<u>2,732.3</u>	<u>2,386.5</u>
Liabilities:						
Current Liabilities	75.6	82.4	38.1	23.8	113.7	106.2
Non-current Liabilities	<u>511.8</u>	<u>367.6</u>	<u>500.0</u>	<u>346.5</u>	<u>1,011.8</u>	<u>714.1</u>
Total Liabilities	<u>587.4</u>	<u>450.0</u>	<u>538.1</u>	<u>370.3</u>	<u>1,125.5</u>	<u>820.3</u>
Net Assets:						
Invested in Capital Assets Net of Debt	463.0	450.6	487.4	416.0	950.4	866.6
Restricted	225.9	232.4	33.6	90.0	259.5	322.4
Unrestricted	<u>25.3</u>	<u>45.8</u>	<u>371.6</u>	<u>331.4</u>	<u>396.9</u>	<u>377.2</u>
Total Net Assets	<u>\$ 714.2</u>	<u>\$ 728.8</u>	<u>\$ 892.6</u>	<u>\$ 837.4</u>	<u>\$1,606.8</u>	<u>\$1,566.2</u>

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



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

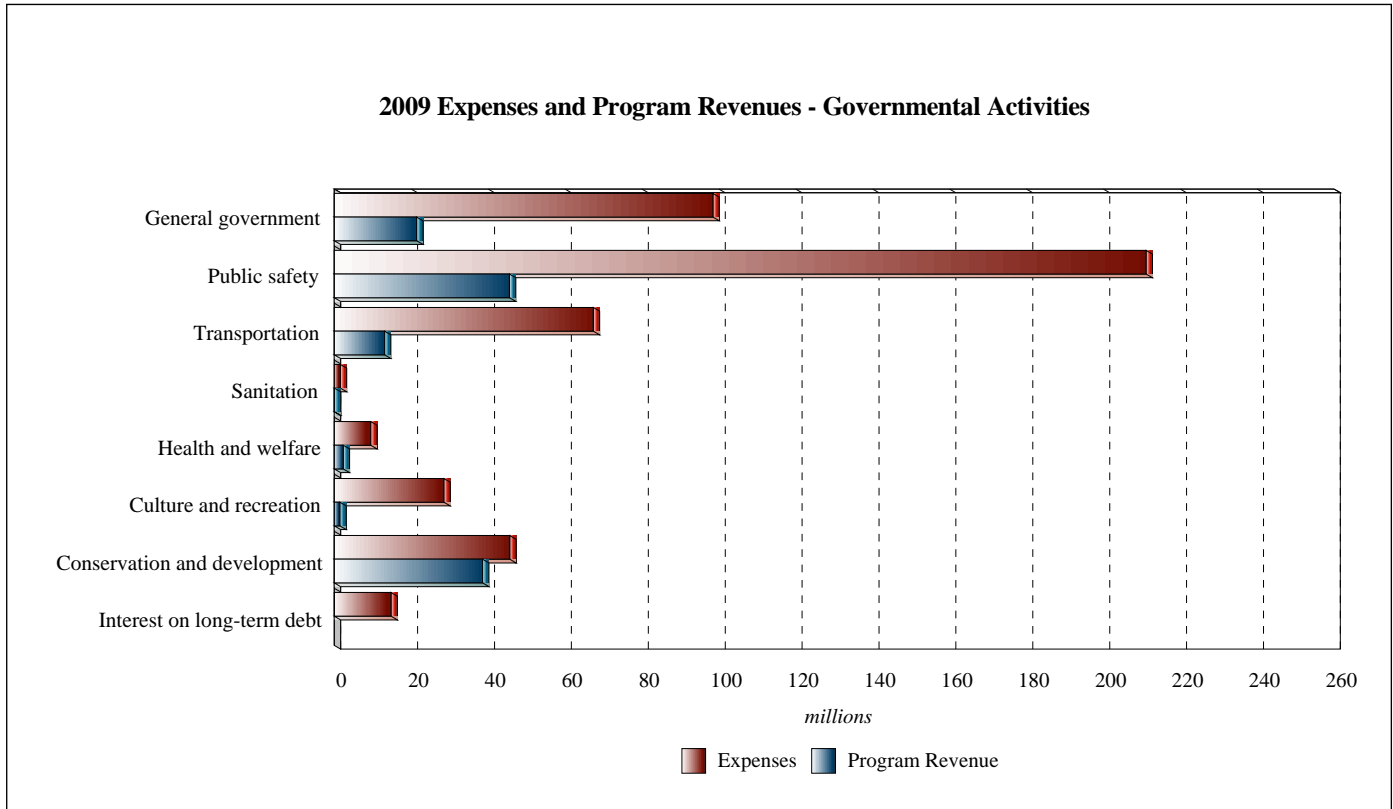
Approximately 59.1% (\$950.4 million) of the City-Parish's net assets as of December 31, 2009, reflect the government's investment in capital assets (land, buildings, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The City-Parish government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 16.2% (\$259.5 million) of the government's net assets is subject to external restrictions on how those assets may be used, such as a property tax approved by the electorate for specific purposes. The remaining 24.7% of net assets, referred to as *unrestricted* (\$396.9 million), may be used to meet the ongoing obligations of the government to citizens and creditors.

The table below provides a summary of the changes in net assets for the year ended December 31, 2009, with comparative figures from 2008:

City of Baton Rouge, Parish of East Baton Rouge
Condensed Statement of Changes in Net Assets
For the Years Ended December 31, 2009 & 2008
(in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 55.9	\$ 44.3	\$130.2	\$130.3	\$ 186.1	\$ 174.6
Operating Grants and Contributions	50.3	87.9	0.6	0.3	50.9	88.2
Capital Grants and Contributions	16.3	9.1	28.3	23.4	44.6	32.5
General Revenues:						
Sales Taxes	199.9	206.7	39.4	42.4	239.3	249.1
Other Taxes	132.9	135.8	--	--	132.9	135.8
Grants and Contributions Not Restricted to Specific Programs	4.9	5.3	--	--	4.9	5.3
Other	<u>5.0</u>	<u>16.9</u>	<u>3.3</u>	<u>12.8</u>	<u>8.3</u>	<u>29.7</u>
Total Revenues	<u>465.2</u>	<u>506.0</u>	<u>201.8</u>	<u>209.2</u>	<u>667.0</u>	<u>715.2</u>
Expenses:						
General Government	98.5	100.5	0.7	0.7	99.2	101.2
Public Safety	211.1	247.6	--	--	211.1	247.6
Transportation	67.3	62.3	20.0	23.1	87.3	85.4
Sanitation	1.6	0.5	118.1	119.7	119.7	120.2
Health and Welfare	9.5	9.3	--	--	9.5	9.3
Culture and Recreation	28.5	27.9	10.7	10.5	39.2	38.4
Conservation and Development	45.6	44.0	--	--	45.6	44.0
Interest on Long-Term Debt	<u>14.8</u>	<u>11.4</u>	<u>--</u>	<u>--</u>	<u>14.8</u>	<u>11.4</u>
Total Expenses	<u>476.9</u>	<u>503.5</u>	<u>149.5</u>	<u>154.0</u>	<u>626.4</u>	<u>657.5</u>
Increase in Net Assets Before Transfers and Special Item Transfers	(11.7)	2.5	52.3	55.2	40.6	57.7
Increase In Net Assets	<u>(2.9)</u>	<u>(0.2)</u>	<u>2.9</u>	<u>0.2</u>	<u>--</u>	<u>--</u>
Increase In Net Assets	(14.6)	2.3	55.2	55.4	40.6	57.7
Net Assets, January 1 restated	<u>728.8</u>	<u>726.5</u>	<u>837.4</u>	<u>782.0</u>	<u>1,566.2</u>	<u>1,508.5</u>
Net Assets, December 31	<u>\$714.2</u>	<u>\$728.8</u>	<u>\$892.6</u>	<u>\$837.4</u>	<u>\$1,606.8</u>	<u>\$1,566.2</u>

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



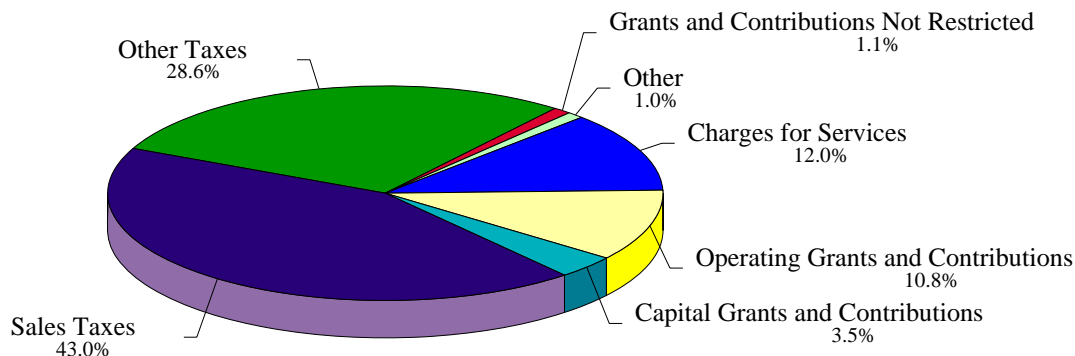
The government's net assets increased \$40.6 million during the current fiscal year.

Governmental Activities' net assets decreased \$14.6 million in 2009, primarily due to:

- (1) Sales tax revenues decreased \$6.8 million. This decrease in comparison to 2008 was primarily due to the effect of the spike in sales tax collections subsequent to the 2008 hurricanes.
- (2) Gross receipts business tax revenues decreased \$5.9 million as a result of a decrease in the cost of electricity and gas.
- (3) Investment earnings decreased \$11.5 million as a result of the decline in the effective rate of interest received on investments.
- (4) Interest and fiscal charges on long-term debt increased primarily due to the issuance of bonds during 2009 for the road and street improvement program (\$3.4 million).
- (5) Other miscellaneous decreases in net assets (\$3.3 million).
- (6) These decreases were offset by an increase in net assets due to capital grants and contributions of \$16.3 million capitalized during the year from the following external sources: Capital grants from the State of Louisiana for transportation purposes (\$6.5 million), donated infrastructure from developers and private sources (\$5.5 million), and miscellaneous capital grants for public safety and conservation and development from the federal and state governments (\$4.3 million).

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

2009 Revenues by Source - Governmental Activities

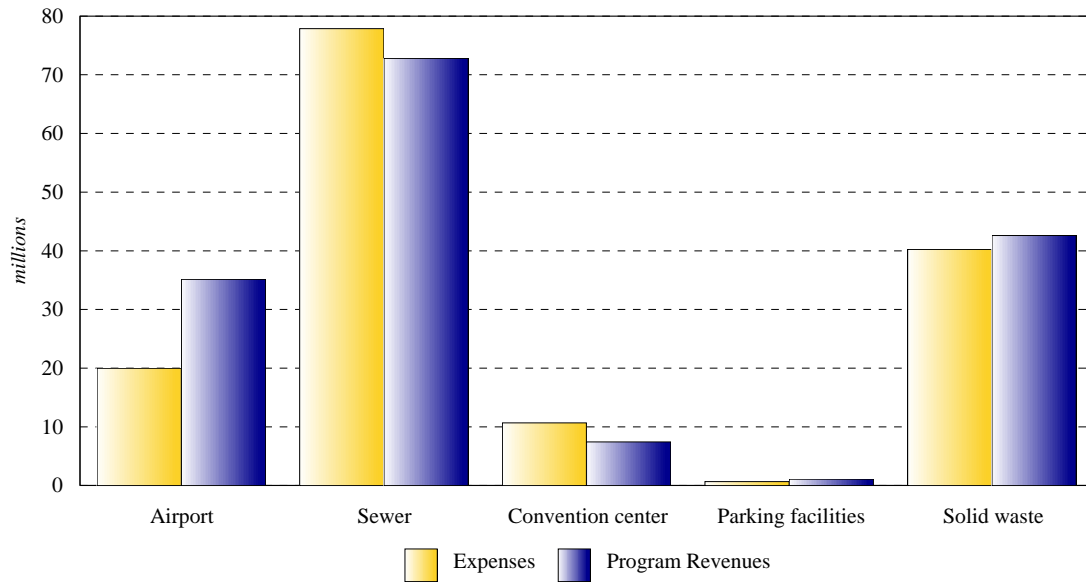


Business-Type Activities' net assets increased by \$55.2 million in 2009. The increase in net assets is a result of revenues exceeding expenses for the year. An analysis of major revenues and expenses is as follows:

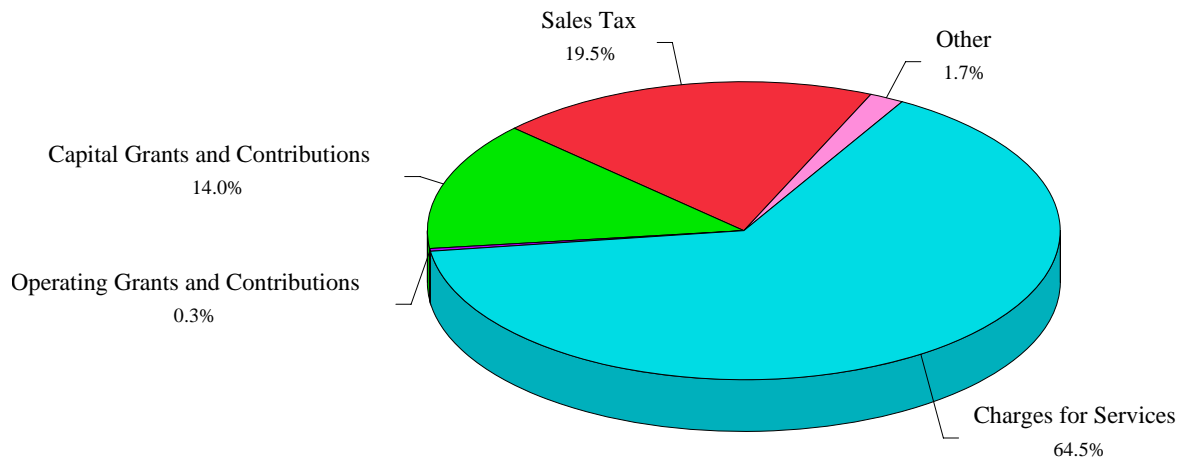
- (1) The Comprehensive Sewerage System Fund reported an excess of revenues over expenses causing an increase in net assets. The primary contributor to the positive increase in net assets was the sales tax (non-operating) revenues collected in excess of debt service interest and operating expenses in the sewerage capital improvements program in the amount of \$27.4 million.
- (2) Enterprise fund contributions from external parties of \$28.3 million from the following sources: airport grants from federal and state agencies (\$22.5 million), sewer capital grants from the U.S. Environmental Protection Agency (\$0.6 million), capital grants from the State of Louisiana for the Baton Rouge River Center (\$1.4 million), contributions of infrastructure from private developers to the sewerage system (\$1.8 million), and sewer impact fees (\$2.0 million).
- (3) Investment earnings of \$3.9 million as a result of large cash balances invested from pay-as-you-go funds for the sewer construction program and the issuance of bonds.
- (4) Sewer user fees increased \$3.6 million primarily as a result of the 4% annual increase recommended by the comprehensive financing model developed to manage the finances of the Sanitary Sewer Overflow Capital Improvements Program.
- (5) These increases were offset by:
 - An increase in operating expenses as a result of Other Post Employment Benefits (\$3.9 million). (See Note 8).
 - A decrease in operating revenues, customer facility charges and passenger facility charges for the Greater Baton Rouge Airport District (\$2.8 million) as a result of the reduction in enplanements.
 - Other miscellaneous decreases in net assets (\$1.3 million).

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

2009 Expenses and Program Revenues - Business-Type Activities



2009 Revenues by Source - Business-Type Activities



**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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for 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 \$568.2 million, an increase of \$60.7 million in comparison with the prior year. Approximately 28% of total governmental funds fund balance (\$156.3 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to: (1) liquidation of contracts and purchase orders of the prior period (\$153.8 million), (2) payment of debt service (\$24.2 million), (3) loans to low-income recipients (\$4.8 million), (4) legal appropriations in the 2010 operating budget (\$12.9 million), (5) continuing projects carried forward to the next fiscal year (\$215.6 million), or (6) investment of inventories at December 31, 2009 (\$0.6 million).

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, unreserved and undesignated fund balance of the General Fund was approximately \$10.1 million, while total fund balance was \$103.4 million. Compared with total fund balance of \$117.7 million at the end of 2008, fund balance decreased approximately \$14.3 million during 2009. Public safety expenditures increased approximately \$6.2 million primarily due to a full years funding of 31 new police positions that were added in 2008, an eight percent increase in health benefits, a six percent increase in dental benefits and a 1.08 percent increase in post-employment benefits.

The Library Board of Control Fund collected revenues that exceeded expenditures by \$14.0 million in 2009. The primary source of revenue for this fund is an 11.1 mill property tax, which provides funding for all operating expenses of the library system and a pay-as-you-go capital improvement program. All revenues remaining after operational expenditures are funded are applied to the capital improvement program. Total fund balance for the Library Board of Control Fund fell approximately \$4.9 million as a result of the fund sending \$19.0 million to the capital projects fund for appropriations for the new main library and the addition of branches in the southern and eastern portions of the Parish.

At December 31, 2009, the Grants Fund reflected an excess of revenues over expenditures in the amount of almost \$14.4 million primarily related to the 2008 hurricanes. The Governor's Office of Homeland Security and Emergency Preparedness reimbursed the government \$17.0 million during 2009 for the allowable costs of Hurricane Gustav, which had caused a fund deficit in 2008. In addition, approximately \$2.9 million of insurance settlement revenue and \$3.7 million of expenses related to the hurricane were recognized in 2009.

Fund balance in the Capital Projects Fund increased \$61.5 million in 2009. This was primarily due to the sale of \$110.0 million of Series 2009A Road and Street Public Improvement Sales Tax Revenue Bonds. In addition, funds were transferred from the General Fund and Special Revenue Funds for improvements to fire stations, libraries, public buildings and infrastructure projects (\$30.1 million). 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 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 assets of the Greater Baton Rouge Airport District were \$8.9 million at December 31, 2009. Most of this major fund's assets are capital assets with an investment in capital assets net of related debt of almost \$210.7 million. The fund reported a net loss of \$7.8 million before capital contributions and transfers for the year ended December 31, 2009. During 2009, the airport continued to experience a decrease in enplanements primarily due to the downturn in the economy resulting in a decrease of operating revenues, customer facility charges, and passenger facility charges of approximately \$2.8 million.

Unrestricted net assets of the Comprehensive Sewerage System Fund were \$345.9 million at December 31, 2009. 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. Net assets invested in capital assets, net of related debt totaled approximately \$211.8 million, reflecting a heavy investment in capital assets. The fund realized a net income of approximately \$33.5 million before government contributions and transfers for the year ended December 31, 2009. During 2009, sales tax (non-operating) revenues were collected in excess of debt service interest in the amount of \$27.4 million. These revenues have been pledged as security on outstanding sewer sales tax revenue bonds and East Baton Rouge Sewerage Commission revenue bonds. Also, investment earnings increased net assets approximately \$3.5 million due to large cash balances invested from pay-as-you-go funds and the prior year issuance of Sewer Bonds. Other postemployment benefits costs decreased net assets for this fund by \$2.8 million.

Unrestricted net assets of the Solid Waste Collection and Disposal Fund were \$11.4 million at December 31, 2009. Most of this major fund's assets are capital assets with an investment in capital assets net of related debt of \$21.2 million. The fund reported an insignificant change in total net assets for the year ended December 31, 2009.

General Fund Budgetary Highlights

The net change from the original General Fund budget and the final amended budget (inclusive of transfers out) was a net increase in the final budget of \$2.2 million. Total budget supplements approved by the governing authority during the year were \$6.6 million offset by a net reduction in estimated revenues and appropriations late in the year of \$4.4 million. The majority of the additional appropriations were funded from 2008 excess funds in fund balance-undesignated. Designated fund balances generally were used as a source for the risk management appropriations. Changes in the General Fund budget were made in the following areas:

	<u>(in millions)</u>
Replacement of two fire stations	\$ 4.7
Community and economic development projects	1.2
Risk compromised judgements and claims settlements	0.4
Net reductions in departmental budgets for operational costs	<u>(4.1)</u>
Total increase in general fund budget	<u>\$ 2.2</u>

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

- Gaming admissions taxes were collected in excess of budget by approximately \$4.5 million. Beginning in 2009, there was a change in the fee structure paid by the riverboat gaming establishments from a \$2.50 per passenger admission fee to a percentage of monthly net gaming revenues as allowed for in State law. This change resulted in an increase in gaming admissions revenues collected during 2009.

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

- Sales and use tax collections were \$2.9 million less than budget, and general property tax collections were approximately \$0.2 under budget for 2009, primarily as a result of the changes in the local economy.
- Gross receipts business taxes were \$2.0 million less than budget primarily as a result of decreases in electricity and gas costs.
- Approximately \$27.8 million of the appropriations for departmental budgets were not spent during 2009. 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 \$23.3 million, are listed on the balance sheet as "reserved for continuing projects." The majority of these funds are appropriated to purchase needed police and fire vehicles and other public safety equipment, 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, traffic calming, and repairs 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, 2009, amounts to \$1,398.5 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 \$167.4 million, a 13.2% increase for governmental activities and a 13.9% increase for business-type activities.

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

- Began planning, design, right-of-way acquisition, and construction on approximately thirty-six major street or intersection improvements funded by the one-half percent sales and use tax dedicated for street and road improvements (\$58.3 million).
- Completion of facility improvements for public safety:
 - Rosenwald Road Fire Station (\$1.7 million)
 - 1st District Police Station (\$1.1 million)
 - 4th District Police Station (\$2.1 million)
 - Police K-9 and Special Response Team Facility (\$1.0 million)

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

- Completion and capitalization of several infrastructure projects:
 Downtown Signal Synchronization (\$11.6 million)
 Picardy Avenue (\$2.9 million)
 North Harrell's Ferry Road (\$2.2 million)
 Lobdell Improvements (\$4.7 million)
 Foster at Government Street Intersection Improvements (\$5.0 million)
 Coursey Blvd. at Sherwood Forest Blvd. Intersection Improvements (\$7.0 million)
- Capital improvements to the sewerage system, including upgrades to treatment plants and rehabilitation of major sewer lines (\$92.8 million).
- Renovations and improvements to the Airport terminal building, runways, and other Airport improvements (\$34.3 million).
- Depreciation expense of \$36.4 million for governmental activities and \$37.2 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, 2009 & 2008
 (in millions)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$127.1	\$104.3	\$ 63.0	\$ 80.0	\$ 190.1	\$ 184.3
Buildings	80.1	78.5	104.0	97.0	184.1	175.5
Noise Mitigation Costs	--	--	50.9	24.2	50.9	24.2
Improvements (Other Than Buildings) and Infrastructure	304.8	281.3	446.1	420.8	750.9	702.1
Machinery and Equipment	31.3	29.3	1.5	1.3	32.8	30.6
Construction Work-In-Progress	<u>89.1</u>	<u>65.1</u>	<u>100.6</u>	<u>49.3</u>	<u>189.7</u>	<u>114.4</u>
Total	<u>\$632.4</u>	<u>\$558.5</u>	<u>\$766.1</u>	<u>\$672.6</u>	<u>\$1,398.5</u>	<u>\$1,231.1</u>

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

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

Long-Term Debt: At the end of the current fiscal year, the City-Parish had total bonded debt outstanding of \$811.3 million. Of this amount, \$66.0 million comprises debt backed by the full faith and credit of the government. The remainder of the debt represents bonds secured solely by specified revenue sources such as sales tax and user fees. There were no general obligation bonds outstanding for the City of Baton Rouge or the Parish of East Baton Rouge at the end of the fiscal year.

City of Baton Rouge, Parish of East Baton Rouge
Summary of Excess Revenue and Revenue Bonds
December 31, 2009 & 2008
(in millions)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Excess Revenue Contracts, Loans and Notes	\$ 62.4	\$ 64.5	\$ 3.6	\$ 3.7	\$ 66.0	\$ 68.2
Sales Tax Revenue Bonds	<u>269.8</u>	<u>165.9</u>	<u>475.5</u>	<u>325.7</u>	<u>745.3</u>	<u>491.6</u>
Total All Bonds, Contracts, Loans and Notes	<u>\$332.2</u>	<u>\$230.4</u>	<u>\$479.1</u>	<u>\$329.4</u>	<u>\$811.3</u>	<u>\$559.8</u>

On February 12, 2009, the Parish of East Baton Rouge issued \$110,000,000 Road and Street Public Improvement Sales Tax Revenue Bonds, Series 2009A for the purpose of (1) providing funds to pay the costs of widening existing public roads and streets, and/or the construction of new public roads and streets within the parish, (2) paying the costs of issuance and (3) purchasing a reserve fund surety bond. The 2009A bonds were issued as serial bonds that mature on August 1 of each year through 2030 with interest from 3.00 - 5.625 percent.

On May 14, 2009, the East Baton Rouge Sewerage Commission issued \$164,965,000 Revenue Bonds, Series 2009A, for the purpose of (1) paying the cost of acquiring and constructing sewers and sewerage disposal work within and for the Parish, (2) paying the costs of issuance and (3) funding a portion (20 percent) of the reserve fund. The 2009A bonds were issued as a combination of serial and term bonds that mature on February 1 of each year beginning 2016, through 2039, with interest from 3.50 - 5.25 percent.

In 2009, the City-Parish borrowed additional funds from the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) program for airport improvements (\$226,845). Details of the loan agreements and outstanding amounts at December 31, 2009 are detailed in Note 10(a)14(a) and (b).

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

As of December 31, 2009, City-Parish bonds were rated by three of the major rating services as follows:

	<u>Underlying Ratings</u>		
	<u>Moody's Investors Service</u>	<u>Standard and Poor's</u>	<u>Fitch Investors</u>
City of Baton Rouge (2%) Sales Tax Revenue Bonds	Aa3	AA	AA
Parish of East Baton Rouge Sewer Improvement (½%) Sales Tax Revenue Bonds	A3	AA	No rating
Parish of East Baton Rouge Road and Street Improvements (½%) Sales Tax Revenue Bonds	A2	A+	A+
East Baton Rouge Sewerage Commission Revenue Bonds	A1	AA-	AA-

In May 2010, Moody's Investors Service and Fitch Investors recalibrated the underlying ratings for municipal debt to a global rating scale. The ratings resulting from the recalibration are as follows:

	<u>Recalibrated Underlying Ratings May 2010</u>	
	<u>Moody's Investors Service</u>	<u>Fitch Investors</u>
	City of Baton Rouge (2%) Sales Tax Revenue Bonds	Aa2
Parish of East Baton Rouge Sewer Improvement (½%) Sales Tax Revenue Bonds	A1	No rating
Parish of East Baton Rouge Road and Street Improvements (½%) Sales Tax Revenue Bonds	Aa3	AA-
East Baton Rouge Sewerage Commission Revenue Bonds	Aa2	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.

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

Economic Factors and Next Year's Budget and Rates

The City-Parish's General Fund receives over 55 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 2010 operating budget assumes a 1.0 percent growth rate for sales and use tax revenues in 2010 over the 2009 anticipated collections.

The proposed budget for the year 2010 for all funds, exclusive of operating transfers between funds, totals \$701.1 million. The increase of \$6.2 million or 0.90% over the 2009 budget is the result of increases in employee benefits. The public safety function represents nearly 52.3% of the 2010 budget. Major changes in proposed public safety funding in the 2010 budget are primarily capital related: the installation of Wi-Fi modems in all police cars, continued funding for construction of six fire stations and two EMS stations, design of a new EMS Headquarters building, and the purchase of various other public safety equipment and tools necessary to maintain professional accreditations.

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.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

EXHIBIT A - I

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents (Note 3)	\$ 383,120,608	\$ 305,323,556	\$ 688,444,164	\$ 32,378,895
Investments (Note 3)	141,608,678	112,927,891	254,536,569	45,179,660
Receivables - net (Note 13)	55,617,857	13,552,066	69,169,923	3,656,321
Due from other governments (Note 11)	78,035,440	4,099,831	82,135,271	5,683,038
Due from component units (Note 11)	91,522	--	91,522	--
Due from primary government (Note 11)	--	--	--	10,430
Prepaid items	--	62,646	62,646	134,157
Loans receivable	4,827,491	--	4,827,491	--
Inventory	964,389	67,140	1,031,529	685,287
Net pension asset	--	--	--	1,740,774
Other assets	--	--	--	26,982
Restricted assets:				
Cash and cash equivalents (Note 3)	--	164,937,569	164,937,569	158,191
Investments (Note 3)	--	55,584,944	55,584,944	--
Receivables - net (Note 13)	--	224,109	224,109	--
Investment in joint venture (Note 19)	--	2,223,958	2,223,958	--
Deferred bond issuance costs	4,908,431	5,587,085	10,495,516	309,639
Capital assets (Note 6):				
Non-depreciable	216,227,825	163,607,328	379,835,153	76,976,497
Depreciable, net	416,206,879	602,462,574	1,018,669,453	23,399,301
Total assets	<u>1,301,609,120</u>	<u>1,430,660,697</u>	<u>2,732,269,817</u>	<u>190,339,172</u>
LIABILITIES				
Accounts payable and other current liabilities	39,049,822	27,343,667	66,393,489	7,143,275
Due to other governments	299,221	--	299,221	--
Due to primary government (Note 11)	--	--	--	91,522
Due to component units (Note 11)	10,430	--	10,430	--
Accrued payables	13,270,733	10,108,691	23,379,424	1,324,635
Unearned revenue	2,214,581	669,650	2,884,231	--
Deposits and escrow accounts	20,697,030	--	20,697,030	--
Other liabilities	--	--	--	300,164
Non-current liabilities (Note 10):				
Due within one year	29,879,770	18,350,245	48,230,015	3,315,906
Due in more than one year	481,939,895	481,610,641	963,550,536	126,278,145
Total liabilities	<u>587,361,482</u>	<u>538,082,894</u>	<u>1,125,444,376</u>	<u>138,453,647</u>
NET ASSETS				
Invested in capital assets, net of related debt	463,006,096	487,352,133	950,358,229	12,920,556
Restricted for (Note 14):				
Capital projects	115,329,659	13,608,047	128,937,706	20,207,547
Debt service	20,076,584	17,810,527	37,887,111	10,818,539
Passenger facility charges	--	2,186,089	2,186,089	--
External legal constraints	90,543,164	--	90,543,164	230,782
Unrestricted	25,292,135	371,621,007	396,913,142	7,708,101
Total net assets	<u>\$ 714,247,638</u>	<u>\$ 892,577,803</u>	<u>\$ 1,606,825,441</u>	<u>\$ 51,885,525</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, 2009

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Programs				
Primary government:				
Governmental activities:				
General government	\$ 98,468,690	\$ 21,172,300	\$ 259,821	\$ 13,978
Public safety	211,131,676	26,390,258	15,068,626	4,126,768
Transportation	67,349,465	287,315	761,086	12,049,969
Sanitation	1,575,617	35,484	--	--
Health and welfare	9,494,756	822,324	1,504,136	--
Culture and recreation	28,513,365	379,492	1,069,688	--
Conservation and development	45,638,404	6,792,526	31,649,374	115,884
Interest and fiscal charges on long-term debt	14,785,563	--	--	--
Total governmental activities	<u>476,957,536</u>	<u>55,879,699</u>	<u>50,312,731</u>	<u>16,306,599</u>
Business-type activities:				
Airport	19,983,573	12,540,705	115,110	22,499,610
Sewer	77,871,940	68,306,362	45,061	4,451,096
Convention center	10,699,281	5,852,837	222,972	1,370,922
Parking facilities	660,118	1,089,521	--	--
Solid waste collection and disposal	40,254,763	42,395,942	231,758	--
Total business-type activities	<u>149,469,675</u>	<u>130,185,367</u>	<u>614,901</u>	<u>28,321,628</u>
Total primary government	<u>\$ 626,427,211</u>	<u>\$ 186,065,066</u>	<u>\$ 50,927,632</u>	<u>\$ 44,628,227</u>
Component units:				
Judicial court services	\$ 45,606,329	\$ 26,754,800	\$ 19,915,398	\$ --
Fire protection districts	18,861,938	1,835,436	376,546	7,700
Economic development districts	811,786	--	1,143,399	--
Crime prevention districts	253,423	191,668	--	--
Mass transit	16,697,831	3,562,744	984,019	1,573,916
Total component units	<u>\$ 82,231,307</u>	<u>\$ 32,344,648</u>	<u>\$ 22,419,362</u>	<u>\$ 1,581,616</u>

General revenues:

Taxes:

- Property
- Gross receipts business
- Sales
- Occupancy
- Occupational
- Insurance premium
- Gaming admissions
- Interest and penalties - delinquent taxes
- Grants and contributions not restricted to specific programs
- Investment earnings
- Gain (loss) on sale of capital assets
- Transfers (to) from other funds
- Total general revenues and transfers

Change in net assets

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

Net Assets - end of year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (77,022,591)	\$ --	\$ (77,022,591)	\$ --
(165,546,024)	--	(165,546,024)	--
(54,251,095)	--	(54,251,095)	--
(1,540,133)	--	(1,540,133)	--
(7,168,296)	--	(7,168,296)	--
(27,064,185)	--	(27,064,185)	--
(7,080,620)	--	(7,080,620)	--
(14,785,563)	--	(14,785,563)	--
<u>(354,458,507)</u>	<u>--</u>	<u>(354,458,507)</u>	<u>--</u>
--	15,171,852	15,171,852	--
--	(5,069,421)	(5,069,421)	--
--	(3,252,550)	(3,252,550)	--
--	429,403	429,403	--
--	2,372,937	2,372,937	--
--	9,652,221	9,652,221	--
<u>(354,458,507)</u>	<u>9,652,221</u>	<u>(344,806,286)</u>	<u>--</u>
--	--	--	1,063,869
--	--	--	(16,642,256)
--	--	--	331,613
--	--	--	(61,755)
--	--	--	(10,577,152)
<u>--</u>	<u>--</u>	<u>--</u>	<u>(25,885,681)</u>
85,243,443	--	85,243,443	15,490,211
22,181,146	--	22,181,146	--
199,909,086	39,425,377	239,334,463	--
1,951,928	--	1,951,928	1,237,134
10,082,218	--	10,082,218	--
3,521,596	--	3,521,596	--
7,542,077	--	7,542,077	--
2,391,985	--	2,391,985	--
4,905,807	--	4,905,807	11,379,445
4,311,170	3,877,073	8,188,243	4,521,409
772,285	(679,855)	92,430	--
<u>(2,925,816)</u>	<u>2,925,816</u>	<u>--</u>	<u>--</u>
<u>339,886,925</u>	<u>45,548,411</u>	<u>385,435,336</u>	<u>32,628,199</u>
(14,571,582)	55,200,632	40,629,050	6,742,518
<u>728,819,220</u>	<u>837,377,171</u>	<u>1,566,196,391</u>	<u>45,143,007</u>
<u>\$ 714,247,638</u>	<u>\$ 892,577,803</u>	<u>\$ 1,606,825,441</u>	<u>\$ 51,885,525</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General Fund	Library Board of Control	Grants
ASSETS			
Cash and cash equivalents (Note 3)	\$ 71,019,044	\$ 52,961,522	\$ 5,949,141
Investments (Note 3)	26,267,894	19,588,508	2,200,367
Property taxes receivable - net (Note 4)	6,941,185	9,955,088	--
Gross receipts business taxes receivable	4,025,248	--	--
Sales taxes receivable	15,026,666	--	--
Interest and penalties receivable on taxes	53,276	--	--
Accounts receivable - net (Note 13)	1,516,891	9,817	348,641
Accrued interest receivable	34,738	25,365	1,921
Special assessments receivable	39,506	--	--
Due from other funds (Note 11)	6,527,691	--	--
Due from other governments (Note 11)	17,722,402	24,911,995	9,304,129
Due from component units	91,522	--	--
Loans receivable	1,500,000	--	3,327,491
Inventory	590,533	--	--
	\$ 151,356,596	\$ 107,452,295	\$ 21,131,690
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	\$ 19,206,700	\$ 668,098	\$ 4,834,132
Due to other funds (Note 11)	--	53,877,972	--
Due to other governments	134,584	--	--
Due to component units	10,430	--	--
Accrued payables	5,546,848	443,418	495,675
Deferred revenue	2,404,532	2,342,980	2,163,488
Deposits and escrow accounts	20,606,077	--	90,953
Total liabilities	47,909,171	57,332,468	7,584,248
Fund balances:			
Reserved for:			
Encumbrances	3,255,222	570,873	2,354,364
Loans receivable	1,500,000	--	3,327,491
Inventory	590,533	--	--
Debt service - principal	--	--	--
Debt service - interest	--	--	--
Subsequent year expenditures (Note 1)	9,488,930	--	--
Continuing projects (Note 1)	23,263,830	--	3,219,740
Unreserved, designated, reported in:			
General Fund:			
Insurance	33,728,772	--	--
Special purposes	5,423,036	--	--
Gaming revenues	1,992,147	--	--
Budget stabilization	14,154,200	--	--
Capital Projects Fund:			
Arbitrage rebate	--	--	--
Unreserved, Undesignated, reported in:			
General Fund			
General Fund	10,050,755	--	--
Special Revenue Funds	--	49,548,954	4,645,847
Total fund balances	103,447,425	50,119,827	13,547,442
Total liabilities and fund balances	\$ 151,356,596	\$ 107,452,295	\$ 21,131,690

The accompanying notes are an integral part of this statement.

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 187,924,106	\$ 56,887,355	\$ 374,741,168
79,907,556	13,644,353	141,608,678
--	7,497,932	24,394,205
--	--	4,025,248
2,355,934	1,330,618	18,713,218
--	--	53,276
71,878	2,011,411	3,958,638
87,861	50,065	199,950
9,955	--	49,461
53,877,972	--	60,405,663
234,360	17,640,919	69,813,805
--	--	91,522
--	--	4,827,491
--	--	590,533
<u>\$ 324,469,622</u>	<u>\$ 99,062,653</u>	<u>\$ 703,472,856</u>
\$ 9,202,985	\$ 3,660,794	\$ 37,572,709
--	6,527,691	60,405,663
--	164,637	299,221
--	--	10,430
--	999,899	7,485,840
9,955	1,860,722	8,781,677
--	--	20,697,030
<u>9,212,940</u>	<u>13,213,743</u>	<u>135,252,570</u>
144,675,539	2,977,808	153,833,806
--	--	4,827,491
--	--	590,533
--	18,554,207	18,554,207
--	5,666,831	5,666,831
--	3,372,750	12,861,680
169,056,948	20,083,672	215,624,190
--	--	33,728,772
--	--	5,423,036
--	--	1,992,147
--	--	14,154,200
1,524,195	--	1,524,195
--	--	10,050,755
--	35,193,642	89,388,443
<u>315,256,682</u>	<u>85,848,910</u>	<u>568,220,286</u>
<u>\$ 324,469,622</u>	<u>\$ 99,062,653</u>	<u>\$ 703,472,856</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

EXHIBIT A - 4

Fund balances - total governmental funds		\$ 568,220,286
Amounts reported for governmental activities in the statement of net assets 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	1,103,194,837	
Less accumulated depreciation	<u>(480,725,911)</u>	622,468,926
Assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds		
Deferred bond issuance costs		4,908,431
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	5,854,558	
Louisiana revenue sharing	712,538	
Emergency Medical Services transport charges	4,221,304	
U.S. Health and Human Services	702,733	
La. Department of Transportation and Development	6,999,406	
Cities of Baker and Zachary	<u>519,496</u>	19,010,035
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	(5,724,021)	
Bonds payable	(332,217,512)	
Net deferred amount on refunding and premium	(1,643,560)	
Compensated absences payable	(21,295,865)	
Arbitrage payable	(1,524,195)	
Claims and judgments payable	(27,346,473)	
Employee benefits payable	(5,533,399)	
Net other post employment benefit obligation	<u>(122,079,318)</u>	(517,364,343)
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 assets.		
		<u>17,004,303</u>
Net assets of governmental activities		<u>\$ 714,247,638</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, 2009**

	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Grants</u>
REVENUES			
Taxes:			
Property	\$ 23,244,953	\$ 35,647,598	\$ --
Gross receipts business taxes	22,181,146	--	--
Sales	148,942,221	--	--
Occupancy	1,109,897	--	--
Occupational	10,082,218	--	--
Insurance premiums	3,521,596	--	--
Gaming admissions	7,542,077	--	--
Interest and penalties - delinquent	2,391,985	--	--
Licenses and permits	2,813,945	--	--
Intergovernmental revenues	13,788,868	--	58,262,877
Charges for services	21,063,123	75,673	--
Fines and forfeits	2,235,647	279,140	--
Investment earnings	648,515	451,811	(18,486)
Miscellaneous revenues	8,917,807	11,009	6,683,858
Total revenues	<u>268,483,998</u>	<u>36,465,231</u>	<u>64,928,249</u>
EXPENDITURES			
Current:			
General government	72,236,487	--	273,391
Public safety	140,074,767	--	7,122,149
Transportation	26,838,156	--	36,042
Sanitation	531,201	--	--
Health and welfare	1,811,317	--	1,152,437
Culture and recreation	1,948,139	22,378,359	263,427
Conservation and development	3,650,922	--	37,447,737
Debt service:			
Principal retirement	--	--	--
Interest and fiscal charges	--	--	--
Bond issuance costs	--	--	--
Capital outlay	--	63,366	4,256,630
Intergovernmental	15,143,802	--	--
Total expenditures	<u>262,234,791</u>	<u>22,441,725</u>	<u>50,551,813</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,249,207</u>	<u>14,023,506</u>	<u>14,376,436</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 12)	2,608,780	--	208,751
Transfers out (Note 12)	(23,519,457)	(18,980,436)	--
Issuance of long-term debt	--	--	--
Premium on debt issuance	--	--	--
Proceeds of capital asset disposition	358,208	28,727	15,658
Total other financing sources and uses	<u>(20,552,469)</u>	<u>(18,951,709)</u>	<u>224,409</u>
Net change in fund balances	<u>(14,303,262)</u>	<u>(4,928,203)</u>	<u>14,600,845</u>
Fund balances, January 1	117,750,687	55,048,030	(4,447,465)
Prior year adjustment	--	--	3,394,062
Fund balances, January 1, restated	<u>117,750,687</u>	<u>55,048,030</u>	<u>(1,053,403)</u>
Fund balances, December 31	<u>\$ 103,447,425</u>	<u>\$ 50,119,827</u>	<u>\$ 13,547,442</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ --	\$ 25,412,217	\$ 84,304,768
--	--	22,181,146
10,040,968	41,093,427	200,076,616
--	842,031	1,951,928
--	--	10,082,218
--	--	3,521,596
--	--	7,542,077
--	--	2,391,985
--	451,255	3,265,200
2,284,438	3,275,213	77,611,396
--	15,593,514	36,732,310
--	439,753	2,954,540
2,705,842	479,739	4,267,421
1,057,766	1,582,670	18,253,110
<u>16,089,014</u>	<u>89,169,819</u>	<u>475,136,311</u>
--	1,485,425	73,995,303
--	33,515,566	180,712,482
--	14,853,615	41,727,813
--	--	531,201
--	5,906,424	8,870,178
--	--	24,589,925
--	1,494,806	42,593,465
--	14,127,455	14,127,455
--	16,441,842	16,441,842
2,585,586	4,097	2,589,683
94,324,636	2,921,912	101,566,544
360,000	1,247,200	16,751,002
<u>97,270,222</u>	<u>91,998,342</u>	<u>524,496,893</u>
<u>(81,181,208)</u>	<u>(2,828,523)</u>	<u>(49,360,582)</u>
30,130,579	9,001,523	41,949,633
--	(2,369,337)	(44,869,230)
110,000,000	--	110,000,000
2,591,309	--	2,591,309
--	8,150	410,743
<u>142,721,888</u>	<u>6,640,336</u>	<u>110,082,455</u>
<u>61,540,680</u>	<u>3,811,813</u>	<u>60,721,873</u>
253,716,002	82,037,097	504,104,351
--	--	3,394,062
<u>253,716,002</u>	<u>82,037,097</u>	<u>507,498,413</u>
<u>\$ 315,256,682</u>	<u>\$ 85,848,910</u>	<u>\$ 568,220,286</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, 2009**

EXHIBIT A - 6

Net change in fund balances - total governmental funds	\$	60,721,873
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	101,566,544	
Depreciation expense	<u>(32,569,816)</u>	68,996,728
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donations, is to increase net assets.		4,425,749
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	938,675	
Motor vehicle sales tax audit	(167,530)	
Louisiana revenue sharing	(9,614)	
Emergency Medical Services transport charges	3,239,793	
U.S. Health and Human Services	302,733	
La. Department of Transportation and Development	1,373,991	
La. Department of Military Affairs	(13,333,005)	
La. Department of Treasury	<u>(40,897)</u>	(7,695,854)
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 assets. 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	(110,000,000)	
Premium on debt issuance	(2,591,309)	
Bond issuance costs	2,589,683	
Amortization of bond issuance costs	(338,984)	
Amortization of amount on refunding	107,467	
Principal payments	14,127,455	
Adjustment for debt recorded in business type activities	<u>(5,950,391)</u>	(102,056,079)
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	(40,353,213)	
Accrued interest payable	403,760	
Compensated absences payable	(126,820)	
Claims and judgments payable	1,278,643	
Employee benefits payable	(353,638)	
Arbitrage payable	<u>(315,830)</u>	(39,467,098)
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.		<u>503,099</u>
Change in net assets of governmental activities	\$	<u><u>(14,571,582)</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, 2009**

EXHIBIT A - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 23,415,000	\$ 23,415,000	\$ 23,244,953	\$ (170,047)
Gross receipts business taxes	27,454,030	24,163,030	22,181,146	(1,981,884)
General sales and use taxes	151,838,970	151,838,970	148,942,221	(2,896,749)
Occupancy taxes	1,000,000	1,000,000	1,109,897	109,897
Occupational taxes	9,550,000	9,550,000	10,082,218	532,218
Insurance premiums taxes	3,400,000	3,400,000	3,521,596	121,596
Gaming admissions taxes	3,000,000	3,000,000	7,542,077	4,542,077
Interest and penalties - delinquent taxes	1,874,500	1,874,500	2,391,985	517,485
Total taxes	<u>221,532,500</u>	<u>218,241,500</u>	<u>219,016,093</u>	<u>774,593</u>
Licenses and permits:				
Use of streets:				
Public conveyances	13,000	13,000	11,664	(1,336)
Bicycle registration fees	45,000	45,000	43,665	(1,335)
Occupational and professional:				
Air conditioning and heating	35,000	35,000	38,995	3,995
Electrical contractors	42,000	42,000	50,785	8,785
Plumbers	30,000	30,000	36,325	6,325
House moving	300	300	950	650
Garbage collectors	22,200	22,200	29,000	6,800
Classified employees	110,000	110,000	130,300	20,300
Waiter / waitress	200	200	250	50
Retail clerks	73,500	73,500	69,620	(3,880)
Entertainers	5,500	5,500	8,525	3,025
Liquor and beer	505,000	505,000	507,836	2,836
Restaurant	21,050	21,050	22,530	1,480
Gaming	10,000	10,000	12,090	2,090
Chauffeurs	1,600	1,600	2,700	1,100
Second hand dealers	500	500	1,800	1,300
Construction permits:				
Air conditioning and heating	330,000	170,000	183,329	13,329
Electrical	535,000	277,000	287,695	10,695
Building	1,750,000	870,000	993,779	123,779
Plumbing and gas	375,000	215,000	229,433	14,433
House moving	3,000	3,000	1,890	(1,110)
Fence	500	500	1,100	600
Special events	15,500	15,500	26,100	10,600
Alarm user	100,000	100,000	87,740	(12,260)
Other permits	41,200	41,200	35,844	(5,356)
Total licenses and permits	<u>4,065,050</u>	<u>2,607,050</u>	<u>2,813,945</u>	<u>206,895</u>
Intergovernmental revenues:				
State grants:				
Public safety:				
Traffic signal maintenance	600,240	600,240	612,440	12,200
Department of Military Affairs	75,000	75,000	140,330	65,330
Juvenile meal reimbursement	60,000	60,000	70,763	10,763
Transportation:				
Street maintenance	350,000	350,000	725,044	375,044
Culture and recreation:				
Hotel/motel sales tax	558,520	558,520	446,260	(112,260)

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, 2009**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Intergovernmental revenues (continued):				
State shared revenues:				
Beer taxes	\$ 445,000	\$ 445,000	\$ 440,694	\$ (4,306)
Insurance company taxes	764,000	764,000	780,386	16,386
Louisiana revenue sharing	1,186,380	1,186,380	1,156,005	(30,375)
Mineral royalties	125,000	125,000	118,261	(6,739)
Severance taxes	900,000	900,000	1,065,751	165,751
On-behalf payments for salaries and benefits	8,468,500	8,063,560	8,068,535	4,975
Retiree drug subsidy	--	--	162,908	162,908
Payments in lieu of taxes - Federal government	--	--	1,491	1,491
Total intergovernmental revenues	13,532,640	13,127,700	13,788,868	661,168
Charges for services:				
General government:				
City court civil fees	1,440,000	1,440,000	1,304,671	(135,329)
Judiciary court costs	1,200,000	1,200,000	1,052,417	(147,583)
City court school fees	170,000	170,000	215,315	45,315
City court bench warrant fees	1,075,000	1,075,000	1,034,065	(40,935)
City court miscellaneous fees	375,000	375,000	325,827	(49,173)
City court credit card payment fees	90,000	90,000	112,232	22,232
City court expungement	40,000	40,000	37,800	(2,200)
City court home incarceration monitoring	11,000	11,000	10,432	(568)
City court bond posting fee	--	--	40,440	40,440
City constable civil fees	540,000	540,000	772,464	232,464
City prosecutor bond posting fee	--	--	143,306	143,306
Fiscal management fees	6,413,620	7,593,620	7,875,063	281,443
Fiscal management fees - inventory	32,800	32,800	106,857	74,057
Fiscal management fees - auction facility	89,560	89,560	55,859	(33,701)
Sales tax collection charges	2,200,000	2,400,000	2,387,134	(12,866)
Occupancy tax collection charges	12,000	12,000	12,000	--
NSF check fees	3,200	3,200	3,371	171
Credit card processing fees	100,000	100,000	28,295	(71,705)
Board of adjustment fees	6,000	6,000	4,956	(1,044)
Sale of construction codes and plans	15,000	15,000	52,179	37,179
Pre-trial diversion fees	350,000	350,000	404,456	54,456
Notice of intent	60,000	60,000	68,808	8,808
Adjudicated property	25,000	25,000	46,421	21,421
Zoning fees	80,000	80,000	145,565	65,565
Planning assistance	155,000	155,000	64,038	(90,962)
Planning advertising fees	30,000	30,000	30,100	100
Miscellaneous	32,000	32,000	37,417	5,417
Public safety:				
Subdivision inspection, testing and plan review	100,000	100,000	11,175	(88,825)
Flood determination fees	32,000	32,000	21,345	(10,655)
Commercial and residential plan review	360,000	360,000	249,612	(110,388)
Sale of reports and photos	270,000	270,000	276,137	6,137
Sobriety test	22,000	22,000	25,959	3,959
False alarm fees	50,000	50,000	54,151	4,151
Reimbursements for overtime	288,000	288,000	220,657	(67,343)
Traffic Safety Fees	1,076,930	2,267,564	3,089,221	821,657
Prison medical charges	66,670	66,670	74,401	7,731

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, 2009**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Charges for services (continued):				
Public safety (continued):				
Coroners report fee	\$ 100,000	\$ 170,000	\$ 224,560	\$ 54,560
Juvenile services fees	1,100	1,100	100	(1,000)
Miscellaneous	7,000	7,000	9,180	2,180
Transportation:				
Parking meters	250,000	250,000	287,315	37,315
Sanitation:				
Weed cutting charges	20,000	20,000	35,484	15,484
Culture and recreation:				
Summer programs:				
North Baton Rouge Community Center	12,000	13,620	13,620	--
Riverfront docking fees	750	750	50	(700)
Conservation and development:				
Rent/utilities/donations:				
Leo S. Butler Community Center	15,000	15,000	21,877	6,877
North Baton Rouge Community Center	--	7,820	9,010	1,190
Dr. Martin Luther King, Jr. Community Center	--	2,650	31,995	29,345
Chaneyville Community Center	--	--	4,276	4,276
Delmont Community Center	--	4,000	31,510	27,510
Total charges for services	<u>17,216,630</u>	<u>19,873,354</u>	<u>21,063,123</u>	<u>1,189,769</u>
Fines and forfeits:				
City court criminal fines and forfeitures	310,000	310,000	388,064	78,064
City court forfeitures	60,000	60,000	17,486	(42,514)
City court traffic fines	1,900,000	1,900,000	1,737,074	(162,926)
Parish parking fines	25,000	25,000	22,798	(2,202)
Alcoholic Beverage Control Board fines	60,000	60,000	70,225	10,225
Total fines and forfeits	<u>2,355,000</u>	<u>2,355,000</u>	<u>2,235,647</u>	<u>(119,353)</u>
Investment earnings	<u>2,164,000</u>	<u>490,000</u>	<u>648,515</u>	<u>158,515</u>
Miscellaneous revenues:				
Rentals:				
Land	19,000	19,000	17,944	(1,056)
Buildings	283,660	283,660	295,754	12,094
Oil, gas and mineral royalties	100,000	100,000	100,679	679
Airport note	415,290	415,290	415,292	2
East Baton Rouge sewerage commission	7,019,140	7,019,140	7,019,135	(5)
Emergency Operations Recoveries	--	--	2,796	2,796
Condemnations	90,000	90,000	98,601	8,601
Juvenile detention meals	5,000	5,000	5,492	492
Confiscated funds - police	83,000	108,000	138,028	30,028
Police - miscellaneous revenues	400,000	400,000	363,638	(36,362)
Juvenile detention reimbursement	250,000	250,000	237,101	(12,899)
Donations and Contributions	40,000	40,000	119,646	79,646
Other	6,200	6,200	103,701	97,501
Total miscellaneous revenues	<u>8,711,290</u>	<u>8,736,290</u>	<u>8,917,807</u>	<u>181,517</u>
Total revenues	<u>269,577,110</u>	<u>265,430,894</u>	<u>268,483,998</u>	<u>3,053,104</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, 2009**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
General government:				
Metropolitan council	\$ 1,073,074	\$ 1,097,554	\$ 1,049,846	\$ 47,708
Council administrator	1,767,204	2,082,257	2,060,072	22,185
Council budget office	216,742	216,742	211,386	5,356
Parish attorney	7,405,042	7,240,896	7,147,197	93,699
Public information office	365,373	375,053	371,964	3,089
Planning commission	1,798,275	1,788,498	1,703,686	84,812
City court - administration	8,488,186	8,418,186	8,153,477	264,709
City constable	2,328,020	2,366,020	2,353,261	12,759
Justice of peace and ward constables	73,230	73,230	65,640	7,590
Sheriff - costs of court	200,000	175,000	164,390	10,610
Registrar of voters	782,200	793,633	789,235	4,398
Mayor - president	1,990,564	1,982,564	1,862,452	120,112
Finance	10,128,080	9,145,569	8,647,815	497,754
Collection of funds	2,301,320	3,127,447	3,076,821	50,626
Information services	4,371,991	4,371,991	4,348,264	23,727
Computerized systems/geographic info	1,379,027	1,111,447	537,907	573,540
Purchasing	1,033,302	970,858	923,954	46,904
Human resources	3,167,977	3,136,977	3,063,824	73,153
Risk management	4,611,460	5,026,714	4,039,886	986,828
Municipal fire and police civil service board	65,270	65,270	64,922	348
Public works - administration, engineering, warehouse, citizen service center, and building maintenance	19,429,127	18,643,511	18,643,493	18
Priority building improvements	6,187,257	6,187,257	4,298,440	1,888,817
Miscellaneous public works projects	11,060,146	9,402,606	972,978	8,429,628
Capital area legal services	44,000	44,000	44,000	--
Municipal associations	118,170	118,170	112,876	5,294
Total general government	90,385,037	87,961,450	74,707,786	13,253,664
Public safety:				
Sheriff - correctional institution	7,391,743	9,039,687	7,993,785	1,045,902
E.B.R. Parish Coroner	1,212,090	1,350,155	1,316,992	33,163
Police	78,894,270	76,755,042	70,961,177	5,793,865
Fire	44,523,357	42,432,404	42,377,175	55,229
Emergency medical services	3,684,285	3,561,285	3,415,701	145,584
Juvenile services	5,147,473	4,900,807	4,527,591	373,216
Emergency preparedness	485,437	485,437	468,592	16,845
Public works - inspection and traffic engineering	10,412,664	9,965,664	9,567,410	398,254
Demolition program	663,997	663,997	155,764	508,233
Crimestoppers	14,000	14,000	14,000	--
Total public safety	152,429,316	149,168,478	140,798,187	8,370,291
Transportation:				
Public works - highway division	23,480,567	22,844,567	22,812,316	32,251
Street lighting	5,082,000	3,982,000	3,960,378	21,622
Federal urban system	150,000	150,000	--	150,000
Street maintenance	95,580	95,580	95,580	--
Total transportation	28,808,147	27,072,147	26,868,274	203,873

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, 2009**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Sanitation:				
Public works - waste management	\$ 657,700	\$ 657,700	\$ 531,201	\$ 126,499
Health and welfare:				
Health unit	512,450	512,450	507,193	5,257
Council on Aging projects	876,300	876,300	876,219	81
Crisis Care Center	252,600	252,820	252,820	--
Baton Rouge Area Alcohol and Drug Center	163,000	163,000	162,947	53
O'Brien House	17,100	17,100	17,100	--
Total health and welfare	<u>1,821,450</u>	<u>1,821,670</u>	<u>1,816,279</u>	<u>5,391</u>
Culture and recreation:				
Community Centers Summer Programs	12,000	17,440	17,440	--
Louisiana Arts and Science Museum	843,000	843,000	842,947	53
Arts Council of Greater Baton Rouge	397,500	397,500	397,469	31
Baton Rouge Symphony Association	95,000	95,000	95,000	--
U.S.S. Kidd	229,500	259,500	229,469	30,031
Baton Rouge Center for World Affairs	85,000	85,000	85,000	--
Opera Louisiane's Young Artist Program	47,120	47,120	47,120	--
Knock Knock Children's Museum	37,111	37,111	694	36,417
United States Bowling Congress	233,000	233,000	233,000	--
Total culture and recreation	<u>1,979,231</u>	<u>2,014,671</u>	<u>1,948,139</u>	<u>66,532</u>
Conservation and development:				
Economic Development Program	1,161,093	1,876,093	850,008	1,026,085
Urban Restoration Projects	435,800	435,800	3,500	432,300
Baton Rouge Film Commission	152,363	162,363	152,452	9,911
Community centers	1,363,867	1,357,038	1,167,875	189,163
Human Development and Services	707,966	707,966	671,495	36,471
Baton Rouge Area Chamber	--	500,000	500,000	--
Score Chapter 141-Baton Rouge	20,000	20,000	20,000	--
Earth Day	23,000	23,000	23,000	--
Cooperative Extension Service	60,998	60,998	55,385	5,613
Veterans Service Office	57,980	57,980	55,630	2,350
Big Buddy Program	59,000	59,000	59,000	--
Greater Baton Rouge Food Bank	23,000	23,000	23,000	--
CAFC/Children's Coalition	25,000	25,000	25,000	--
Downtown Merchants Association	40,000	40,000	40,000	--
City Year Louisiana	25,000	25,000	25,000	--
Teach for America	--	5,000	5,000	--
Total conservation and development	<u>4,155,067</u>	<u>5,378,238</u>	<u>3,676,345</u>	<u>1,701,893</u>
Capital outlay	<u>4,541,037</u>	<u>3,954,677</u>	<u>--</u>	<u>3,954,677</u>
Intergovernmental expenditures:				
Equivalent three mills on industrial area assessment	111,830	119,175	119,175	--
District Attorney of the Nineteenth Judicial District	4,200,490	4,169,490	4,169,492	(2)
Nineteenth Judicial District Court	4,915,160	4,887,330	4,837,591	49,739
E.B.R. Parish Family Court	844,940	844,940	836,686	8,254

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, 2009**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Intergovernmental expenditures (continued):				
E.B.R. Parish Juvenile Court	\$ 979,360	\$ 985,444	\$ 985,444	\$ --
E.B.R. Parish Clerk of Court	520,950	572,138	524,891	47,247
Brownsfield Fire Protection District	17,100	17,100	17,100	--
E.B.R. Parish Fire Protection District No. 6	75,000	75,000	75,000	--
Eastside Fire Protection District	71,280	71,416	71,416	--
Pride Fire Protection District	20,000	20,000	20,000	--
Chancyville Fire Protection District	37,750	37,750	37,750	--
Alscn-St. Irma Lee Fire Protection District	25,800	25,800	25,800	--
Capital Region Planning Commission	49,250	49,250	49,252	(2)
Capital Area Transit System	3,374,030	3,374,205	3,374,205	--
Total intergovernmental expenditures	<u>15,242,940</u>	<u>15,249,038</u>	<u>15,143,802</u>	<u>105,236</u>
Total expenditures	<u>300,019,925</u>	<u>293,278,069</u>	<u>265,490,013</u>	<u>27,788,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,442,815)</u>	<u>(27,847,175)</u>	<u>2,993,985</u>	<u>30,841,160</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Emergency Medical Services Fund	90,000	90,000	90,000	--
Solid Waste Collection and Disposal Fund	2,516,780	2,516,780	2,516,780	--
Fleet Rental and Replacement Fund	--	--	2,000	2,000
Total transfers in	<u>2,606,780</u>	<u>2,606,780</u>	<u>2,608,780</u>	<u>2,000</u>
Transfers out:				
Downtown Development District	(150,000)	(150,000)	(150,000)	--
Animal Control and Rescue Center Fund	(1,318,100)	(1,318,100)	(1,318,100)	--
Parish Transportation Beautification Fund	--	(1,273,520)	(1,273,520)	--
Grants Fund	(90,000)	(203,872)	(197,361)	6,511
Taxable Refunding Bonds Fund	(5,240,140)	(5,240,140)	(5,238,631)	1,509
Excess Revenue and Limited Tax Fund	(324,610)	(324,610)	(319,072)	5,538
Capital Projects Fund	(1,663,120)	(9,584,396)	(9,584,396)	--
Baton Rouge River Center	(1,407,960)	(1,127,960)	(1,097,960)	30,000
Greater Baton Rouge Parking Authority	(252,730)	(252,730)	(252,730)	--
Comprehensive Sewerage System Fund	(4,000,000)	(4,000,000)	(4,000,000)	--
Solid Waste Collection and Disposal Fund	(125,000)	(87,687)	(87,687)	--
Total transfers out	<u>(14,571,660)</u>	<u>(23,563,015)</u>	<u>(23,519,457)</u>	<u>43,558</u>
Proceeds of capital asset disposition	415,000	425,960	358,208	(67,752)
Total other financing sources and uses	<u>(11,549,880)</u>	<u>(20,530,275)</u>	<u>(20,552,469)</u>	<u>(22,194)</u>
Net change in fund balances	(11,549,880)	(48,377,450)	(17,558,484)	30,818,966
Fund balances, January 1	117,750,687	117,750,687	117,750,687	--
Fund balances, December 31	<u>\$ 106,200,807</u>	<u>\$ 69,373,237</u>	<u>\$ 100,192,203</u>	<u>\$ 30,818,966</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, 2009**

EXHIBIT A - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 34,667,910	\$ 34,667,910	\$ 35,647,598	\$ 979,688
Charges for services:				
Library - copy machine	61,000	61,000	75,673	14,673
Fines and forfeits:				
Fines	340,000	340,000	279,140	(60,860)
Investment earnings	2,000,000	2,000,000	451,811	(1,548,189)
Miscellaneous revenues:				
Donations	5,000	5,000	2,096	(2,904)
Other income	5,000	5,000	8,913	3,913
Total miscellaneous revenues	10,000	10,000	11,009	1,009
Total revenues	37,078,910	37,078,910	36,465,231	(613,679)
EXPENDITURES				
Current:				
Culture and recreation:				
Operations	26,983,907	26,983,907	22,588,894	4,395,013
Capital outlay	190,550	619,050	423,704	195,346
Total expenditures	27,174,457	27,602,957	23,012,598	4,590,359
Excess (deficiency) of revenues over (under) expenditures	9,904,453	9,475,953	13,452,633	3,976,680
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Capital Projects Fund	(3,845,280)	(18,980,436)	(18,980,436)	--
Proceeds of capital asset disposition	--	--	28,727	28,727
Total other financing sources and uses	(3,845,280)	(18,980,436)	(18,951,709)	28,727
Net change in fund balances	6,059,173	(9,504,483)	(5,499,076)	4,005,407
Fund balances, January 1	55,048,030	55,048,030	55,048,030	--
Fund balances, December 31	\$ 61,107,203	\$ 45,543,547	\$ 49,548,954	\$ 4,005,407

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, 2009**

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	\$ 981,417	\$ 1,003,582	\$ 566,382	\$ (437,200)
Department of Transportation	26,043	26,042	26,042	--
Department of Health and Human Services	17,251,200	17,142,958	13,898,543	(3,244,415)
Department of Housing and Urban Development	31,960,609	34,441,491	7,757,107	(26,684,384)
Environmental Protection Agency	176,570	176,529	103,634	(72,895)
National Endowment for the Arts	40,000	40,000	40,000	--
Institute of Museum and Library Services	2,740	2,740	2,313	(427)
American Recovery and Reinvestment Act:				
Department of Justice	946,119	946,119	945,846	(273)
Department of Health and Human Services	1,682,948	1,682,948	109,643	(1,573,305)
Department of Housing and Urban Development	2,869,098	2,869,098	62,689	(2,806,409)
State grants:				
Department of Health and Hospitals	94,080	94,080	72,714	(21,366)
Highway Safety Commission	1,196,467	1,196,467	769,406	(427,061)
Commission on Law Enforcement	287,389	289,021	271,870	(17,151)
Governor's Office of Homeland Security and Emergency Preparedness				
	33,200,432	33,298,927	21,610,186	(11,688,741)
Department of Public Safety and Corrections	--	(54,942)	102,731	157,673
Office of the Governor	35,000	45,000	24,964	(20,036)
Louisiana State Supreme Court	77,089	77,089	68,976	(8,113)
Department of Revenue	60,000	54,085	27,825	(26,260)
Louisiana Recovery Authority	22,926,896	22,926,896	833,223	(22,093,673)
Department of Culture, Recreation and Tourism	203,229	236,464	203,229	(33,235)
Louisiana Department of Treasury	53,568	49,499	49,149	(350)
Department of Social Services	1,069,692	1,069,692	638,227	(431,465)
Louisiana Workforce Commission	8,196,077	8,945,722	5,154,033	(3,791,689)
Department of Environmental Quality	182,751	182,751	5,570	(177,181)
Department of Education	3,726,257	3,154,760	2,068,579	(1,086,181)
Department of Economic Development	48,793	212,793	113,079	(99,714)
Office of Community Development	14,505	14,505	14,505	--
American Recovery and Reinvestment Act:				
Commission on Law Enforcement	24,467	24,467	--	(24,467)
Louisiana Workforce Commission	3,328,112	5,150,518	1,599,704	(3,550,814)
Other grants:				
Capital Region Planning Commission	136,992	104,879	80,141	(24,738)
Entergy	47,979	47,979	41,840	(6,139)
Baton Rouge Area Foundation	5,000	5,000	5,000	--
Pennington Foundation	16,000	16,000	--	(16,000)
Louisiana Association of Community Action Partner	1,055,007	1,839,695	790,765	(1,048,930)
Target Corporation	428	428	428	--
Arts Council of Greater Baton Rouge	12,458	21,042	12,458	(8,584)
Capital Area United Way	20,849	20,849	20,849	--
Mid City Redevelopment	20,000	20,000	20,000	--
Police Interoperable Communications Technology Program - other agencies contributions				
	101,264	101,264	101,260	(4)
American Recovery and Reinvestment Act:				
Louisiana Association of Community Action Partner	3,279,153	3,279,153	40,069	(3,239,084)
Capital Area United Way	9,898	9,898	9,898	--
Total intergovernmental revenues	<u>135,366,576</u>	<u>140,765,488</u>	<u>58,262,877</u>	<u>(82,502,611)</u>
Investment earnings	<u>49,851</u>	<u>69,617</u>	<u>(18,486)</u>	<u>(88,103)</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT A - 9
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Miscellaneous revenues:				
Program income (Housing and Urban Development)	\$ 900,000	\$ 1,625,945	\$ 1,625,945	\$ --
Insurance Reimbursement - Hurricane Gustav	3,653,320	3,653,320	2,879,406	(773,914)
Headstart - in kind contributions	2,097,374	2,171,530	2,171,530	--
Other	--	6,348	6,977	629
Total miscellaneous revenues	<u>6,650,694</u>	<u>7,457,143</u>	<u>6,683,858</u>	<u>(773,285)</u>
 Total revenues	 <u>142,067,121</u>	 <u>148,292,248</u>	 <u>64,928,249</u>	 <u>(83,363,999)</u>
EXPENDITURES				
Current:				
General government:				
Governor's Safe and Drug Free Schools and Communities	35,000	45,000	35,989	9,011
General Appropriation Act-City Constable	33,150	33,232	33,232	--
Louisiana State Uniform Construction Code Award	78,619	78,619	24,373	54,246
City Constable - DARE	298,411	296,536	181,517	115,019
Louisiana Commission on Law Enforcement-Info Sharing	5,851	5,911	4,306	1,605
Louisiana Domestic Violence Fatality Review Project	5,000	5,000	5,000	--
Total general government	<u>456,031</u>	<u>464,298</u>	<u>284,417</u>	<u>179,881</u>
Public safety:				
FEMA-Metropolitan Medical Response System	205,455	205,455	--	205,455
FEMA-Hurricane Gustav	13,426,548	13,426,548	3,866,516	9,560,032
Community Policing Unit Grant	337,771	331,960	296,624	35,336
Police Bulletproof Vest Program Grant	17,966	17,966	17,966	--
Edward Byrne Memorial Justice Assistance Grant	134,093	130,646	57,512	73,134
Project Safe Neighborhoods-Anti Gang Act	147,263	170,616	101,212	69,404
Project Safe Neighborhood	69,812	68,623	28,505	40,118
Police - Old South Baton Rouge Camera Project	2,136	2,136	--	2,136
State and Local Domestic Preparedness Equipment Program	715,537	668,332	250,771	417,561
Title IV-E Reimbursements	71,738	252,511	171,395	81,116
Hazardous Material Emergency Planning Grant	21,065	21,065	21,065	--
Citizen Corps Council	39,000	39,000	25,681	13,319
Urban Areas Security Initiative Grant	1,882,378	1,720,891	1,409,574	311,317
Metropolitan Medical Response System Grant	765,820	808,571	323,945	484,626
Hazard Mitigation Planning Grant	199,916	199,916	149,916	50,000
Interoperable Emergency Communications Grant	431,162	431,162	--	431,162
Emergency Preparedness - IP Communications Server	46,875	--	--	--
Emergency Preparedness - Radio Equipment Grant	218,802	--	--	--
Families In Need of Services	153,547	150,181	100,299	49,882
Juvenile and Underage Drinking Enforcement Task Force	60,000	54,085	27,825	26,260
Local Government Assistance Program - Eastside	14,505	14,505	14,505	--
Juvenile Accountability Incentive Block Grant	134,858	134,085	110,696	23,389
Law Enforcement Terrorism Prevention Program	15,587	15,587	15,587	--
Targeted Violent Offender Program	73,252	77,862	67,310	10,552
Juvenile Detention Alternatives Initiative	14,764	14,764	14,764	--
Juvenile Detention Center Assistance	5,256	5,246	5,246	--
State Homeland Security Grant	36,036	36,036	35,516	520
Reduce Underage Drinking	308,059	308,059	159,648	148,411
Operation Crossroads	505,395	505,758	226,300	279,458
Transportation Planning Study	124,808	89,914	65,176	24,738

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, 2009**

EXHIBIT A - 9
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Public safety (continued):				
Pennington Foundation Police K-9 Grant	\$ 16,000	\$ 16,000	\$ --	\$ 16,000
American Recovery and Reinvestment Act:				
Edward Byrne Memorial Justice Assistance Grant	1,132	1,132	859	273
Violence Against Women	24,467	24,467	--	24,467
Non-grant funds:				
Multi-Jurisdictional Investigative Narcotics Task Force Program Income	32,577	33,170	19,970	13,200
Total public safety	<u>20,253,580</u>	<u>19,976,249</u>	<u>7,584,383</u>	<u>12,391,866</u>
Transportation:				
Local Area Transit	32,553	26,042	26,042	--
Land Use and Socio-Economic Study	10,000	10,000	10,000	--
Mass transit local assistance	250,000	250,000	--	250,000
Total transportation	<u>292,553</u>	<u>286,042</u>	<u>36,042</u>	<u>250,000</u>
Health and welfare:				
Summer Food Program	1,259,350	1,032,684	1,032,684	--
Low Income Housing Energy Assistance Program	771,250	803,290	54,584	748,706
Low Income Housing Energy Assistance Program Client Education Grant	52,467	52,467	41,149	11,318
Federal Emergency Management Agency Emergency Shelter	20,849	20,849	20,849	--
American Recovery and Reinvestment Act:				
Federal Emergency Management Agency Emergency Food and Shelter Assistance	9,898	9,898	9,898	--
Non-grant funds:				
Health Insurance	468	468	468	--
Weatherization Assistance Program	640	640	--	640
Summer Food Program	9,051	9,051	8,374	677
Temporary Assistance to Needy Families	107,832	107,832	--	107,832
Total health and welfare	<u>2,231,805</u>	<u>2,037,179</u>	<u>1,168,006</u>	<u>869,173</u>
Culture and recreation:				
The Big Read-One Book/One Community	45,000	45,000	45,000	--
American Heritage Preservation Grant	2,740	2,740	2,313	427
State Aid to Public Libraries	203,229	236,464	203,229	33,235
Decentralized Arts Funding Grant	12,458	21,042	12,458	8,584
Target	428	428	428	--
Total culture and recreation	<u>263,855</u>	<u>305,674</u>	<u>263,428</u>	<u>42,246</u>
Conservation and development:				
Environmental Protection Agency Brownsfield Pilot Program	176,570	176,529	146,693	29,836
Section 8 Operating Reserve	350,981	350,981	1,059	349,922
Sharlo Terrace II	126,557	126,557	2,739	123,818
Section 8 Voucher Program	2,535,021	2,355,936	1,890,058	465,878
Katrina Disaster Housing Assistance Program	1,023	(14,687)	(14,687)	--
Headstart	11,970,999	10,697,206	10,697,206	--
Ryan White HIV/AIDS Treatment Grant	4,678,380	4,586,104	4,138,468	447,636
Ryan White Minority AIDS Initiative	503,635	488,509	264,001	224,508

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, 2009**

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):				
Headstart Food Program	\$ 2,466,907	\$ 2,123,500	\$ 1,037,320	\$ 1,086,180
Temporary Assistance to Needy Families	--	(1,424)	(1,424)	--
Community Services Block Grant	1,195,718	2,527,479	1,411,535	1,115,944
Louisiana Job Employment Training	870,323	870,323	459,045	411,278
Community Development Emergency Shelter Grants	199,369	199,369	196,543	2,826
Jewel J. Newman Center Treasury Grants	10,469	10,469	1,939	8,530
Brownsfield Cleanup Pilot	182,751	182,751	13,886	168,865
Workforce Investment Act:				
Adult Program	2,141,018	2,141,018	1,499,984	641,034
Youth Program	2,470,307	2,470,307	1,068,847	1,401,460
Dislocated Workers Program	794,314	794,314	584,582	209,732
Strategies to Empower People	272,977	290,860	154,094	136,766
State funds	16,700	16,700	16,700	--
Trade Adjustment Assistance	200,000	200,000	22,835	177,165
National Emergency Grant - Hurricane Gustav	1,105,043	505,043	461,102	43,941
Weatherization Assistance Program	672,581	1,372,229	359,706	1,012,523
Small and Emerging Business Development Program	87,209	251,209	131,591	119,618
Emergency Preparedness Entergy Grant	47,979	41,903	40,447	1,456
Mid City Redevelopment Alliance Grant	20,000	20,000	20,000	--
Non-grant funds:				
Headstart Programs	32,670	38,699	3,074	35,625
Rental Rehabilitation Local Funds	680,197	1,033,017	463	1,032,554
Head Start - In Kind Services	2,097,374	2,171,530	2,171,530	--
Louisiana Job Employment Training	47,222	47,222	1,460	45,762
Community Development Block Grant:				
Public Improvements, Facilities	40,715	40,715	--	40,715
Demolition and Clearance	465,634	274,000	--	274,000
Public Services	1,383,920	1,782,688	372,889	1,409,799
Relocation Assistance	55,000	55,000	--	55,000
Housing Rehabilitation	6,439,915	6,646,549	1,528,686	5,117,863
Economic Development	37,680	37,680	720	36,960
Planning	10,000	10,000	--	10,000
Program Administration	4,420,560	4,734,573	3,562,049	1,172,524
Contingencies	115,296	115,296	--	115,296
Community Development Home Program:				
Construction of Housing	56,488	56,488	--	56,488
Direct Home Ownership Assistance	6,857,686	6,857,686	5,508,215	1,349,471
Housing Rehabilitation	798,923	798,923	--	798,923
Program Administration	4,090,490	4,167,618	2,928,992	1,238,626
Community Housing Development Organization	3,561,852	3,561,852	752,033	2,809,819
Continuum of Care - Supportive Housing Program:				
Public Services	1,898,410	2,687,168	1,901,918	785,250
Program Administration	69,137	81,103	36,588	44,515
Housing Opportunities for Persons with AIDS Program:				
Public Services	1,678,363	2,974,645	1,494,305	1,480,340
Program Administration	878,093	1,280,093	401,553	878,540

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, 2009**

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:				
American Recovery and Reinvestment Act:				
Homelessness Prevention and Rapid Re-housing Program	\$ 1,734,745	\$ 1,734,745	\$ 1,355,996	\$ 378,749
Community Development Block Grant Recovery Funds	1,134,353	1,134,353	--	1,134,353
Headstart	667,348	667,348	109,643	557,705
Early Headstart	895,600	895,600	--	895,600
Community Services Block Grant	1,724,900	1,724,900	--	1,724,900
Workforce Investment Act - Discretionary Funds	97,506	97,506	--	97,506
Workforce Investment Act - Adult	661,379	661,379	191,000	470,379
Workforce Investment Act - Youth	1,867,143	1,867,143	1,250,773	616,370
Workforce Investment Act - Dislocated Workers	799,590	799,590	157,931	641,659
Weatherization Assistance Program	3,279,153	3,279,153	40,069	3,239,084
Louisiana Recovery Act	17,584,310	17,584,310	833,223	16,751,087
Total conservation and development	<u>99,258,483</u>	<u>102,681,757</u>	<u>49,207,379</u>	<u>53,474,378</u>
Capital outlay	<u>12,545,428</u>	<u>14,141,916</u>	<u>5,152,969</u>	<u>8,988,947</u>
Total expenditures	<u>135,301,735</u>	<u>139,893,115</u>	<u>63,696,624</u>	<u>76,196,491</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,765,386</u>	<u>8,399,133</u>	<u>1,231,625</u>	<u>(7,167,508)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	206,085	197,361	197,361	--
City Constable Court Costs Fund	11,390	11,390	11,390	--
Total transfers in	<u>217,475</u>	<u>208,751</u>	<u>208,751</u>	<u>--</u>
Proceeds of capital asset disposition	<u>14,350</u>	<u>15,658</u>	<u>15,658</u>	<u>--</u>
Total other financing sources and uses	<u>231,825</u>	<u>224,409</u>	<u>224,409</u>	<u>--</u>
Net change in fund balances	<u>6,997,211</u>	<u>8,623,542</u>	<u>1,456,034</u>	<u>(7,167,508)</u>
Fund balances, January 1	(8,046,151)	(8,046,151)	(8,046,151)	--
Prior year adjustment (Note 1)	<u>3,394,062</u>	<u>3,394,062</u>	<u>3,394,062</u>	<u>--</u>
Fund balances, January 1 restated	<u>(4,652,089)</u>	<u>(4,652,089)</u>	<u>(4,652,089)</u>	<u>--</u>
Fund balances, December 31	<u>\$ 2,345,122</u>	<u>\$ 3,971,453</u>	<u>\$ (3,196,055)</u>	<u>\$ (7,167,508)</u>

The accompanying notes are an integral part of this statement.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009

	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	\$ 10,420,918	\$ 274,802,619	\$ 15,625,328
Investments	3,854,312	101,639,325	5,779,231
Sales taxes receivable	--	3,617,221	--
Accounts receivable - net	264,105	5,525,144	3,494,343
Accrued interest receivable	4,118	121,626	6,389
Special assessments receivable	--	48,020	--
Due from other governments (Note 11)	3,511,975	57,632	--
Prepaid items	--	--	--
Inventory	--	--	--
Total current assets	<u>18,055,428</u>	<u>385,811,587</u>	<u>24,905,291</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	20,344,453	135,596,642	--
Investments	2,105,298	50,152,183	--
Accounts receivable - net	166,797	--	--
Accrued interest receivable	934	52,270	--
Total restricted assets	<u>22,617,482</u>	<u>185,801,095</u>	<u>--</u>
Investment in joint venture (Note 19)	--	--	--
Deferred bond issuance costs	<u>1,108,474</u>	<u>4,478,611</u>	<u>--</u>
Capital assets (Note 6):			
Land	35,992,922	15,202,785	9,174,358
Buildings	101,880,260	--	141,449
Noise mitigation costs	54,908,246	--	--
Improvements (other than buildings)	134,518,913	730,047,861	28,347,174
Equipment	3,759,263	7,120,437	66,476
Construction work in progress	13,219,092	86,197,669	--
Total capital assets	<u>344,278,696</u>	<u>838,568,752</u>	<u>37,729,457</u>
Accumulated depreciation	<u>(86,982,999)</u>	<u>(394,637,785)</u>	<u>(16,522,917)</u>
Net capital assets	<u>257,295,697</u>	<u>443,930,967</u>	<u>21,206,540</u>
Total noncurrent assets	<u>281,021,653</u>	<u>634,210,673</u>	<u>21,206,540</u>
Total assets	<u>299,077,081</u>	<u>1,020,022,260</u>	<u>46,111,831</u>

The accompanying notes are an integral part of this statement.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities Internal Service Funds</u>
<u>Other Enterprise Total</u>	<u>Total</u>	
\$ 4,474,691	\$ 305,323,556	\$ 8,379,440
1,655,023	112,927,891	--
--	3,617,221	--
469,911	9,753,503	--
1,189	133,322	2,557
--	48,020	--
530,224	4,099,831	--
62,646	62,646	--
67,140	67,140	373,856
<u>7,260,824</u>	<u>436,033,130</u>	<u>8,755,853</u>
8,996,474	164,937,569	--
3,327,463	55,584,944	--
--	166,797	--
4,108	57,312	--
<u>12,328,045</u>	<u>220,746,622</u>	<u>--</u>
<u>2,223,958</u>	<u>2,223,958</u>	<u>--</u>
<u>--</u>	<u>5,587,085</u>	<u>--</u>
2,654,217	63,024,282	47,568
81,226,658	183,248,367	2,213,798
--	54,908,246	--
6,297,222	899,211,170	7,190
1,045,845	11,992,021	30,211,257
1,166,285	100,583,046	--
<u>92,390,227</u>	<u>1,312,967,132</u>	<u>32,479,813</u>
<u>(48,753,529)</u>	<u>(546,897,230)</u>	<u>(22,514,035)</u>
<u>43,636,698</u>	<u>766,069,902</u>	<u>9,965,778</u>
<u>58,188,701</u>	<u>994,627,567</u>	<u>9,965,778</u>
<u>65,449,525</u>	<u>1,430,660,697</u>	<u>18,721,631</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009

	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	\$ 5,760,460	\$ 17,609,833	\$ 2,745,229
Due to other governments	--	--	--
Accrued salaries payable	160,643	530,279	31,705
Accrued interest payable	1,138,600	8,144,266	--
Unearned revenue	--	48,390	--
Obligations payable (Note 10)	241,250	6,228,445	--
Bonds payable (Note 10)	1,105,000	8,535,000	198,000
Compensated absences payable	387,334	1,335,282	36,259
Total current liabilities	<u>8,793,287</u>	<u>42,431,495</u>	<u>3,011,193</u>
Noncurrent liabilities:			
Obligations payable (Note 10)	3,725,834	3,732,659	--
Loans payable	1,500,000	--	--
Bonds payable (Note 10)	59,051,384	394,135,000	358,375
Net deferred amount on refunding and premiums (Note 10)	534,072	(4,708,337)	--
Compensated absences payable	--	--	--
Landfill closure and postclosure care liability (Note 17)	--	--	9,192,770
Net other postemployment benefit obligation	2,390,021	8,915,666	961,425
Total noncurrent liabilities	<u>67,201,311</u>	<u>402,074,988</u>	<u>10,512,570</u>
Total liabilities	<u>75,994,598</u>	<u>444,506,483</u>	<u>13,523,763</u>
NET ASSETS			
Invested in capital assets, net of related debt	210,685,358	211,823,537	21,206,540
Restricted for capital projects	1,280,002	--	--
Restricted for debt service	--	17,810,527	--
Restricted Passenger Facility Charges	2,186,089	--	--
Unrestricted	8,931,034	345,881,713	11,381,528
Total net assets	<u>\$ 223,082,483</u>	<u>\$ 575,515,777</u>	<u>\$ 32,588,068</u>

The accompanying notes are an integral part of this statement.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities Internal Service Funds</u>
<u>Other Enterprise Total</u>	<u>Total</u>	
\$ 1,228,145	\$ 27,343,667	\$ 1,477,113
--	--	--
103,198	825,825	60,872
--	9,282,866	--
621,260	669,650	--
--	6,469,695	--
174,000	10,012,000	--
109,675	1,868,550	179,343
<u>2,236,278</u>	<u>56,472,253</u>	<u>1,717,328</u>
--	7,458,493	--
--	1,500,000	--
1,599,500	455,144,259	--
--	(4,174,265)	--
9,017	9,017	--
--	9,192,770	--
213,255	12,480,367	--
<u>1,821,772</u>	<u>481,610,641</u>	<u>--</u>
<u>4,058,050</u>	<u>538,082,894</u>	<u>1,717,328</u>
43,636,698	487,352,133	9,965,778
12,328,045	13,608,047	--
--	17,810,527	--
--	2,186,089	--
<u>5,426,732</u>	<u>371,621,007</u>	<u>7,038,525</u>
<u>\$ 61,391,475</u>	<u>\$ 892,577,803</u>	<u>\$ 17,004,303</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
OPERATING REVENUES			
Charges for services	\$ 9,764,137	\$ 68,280,483	\$ 42,255,691
Miscellaneous revenues	303,347	25,879	140,251
Total operating revenues	<u>10,067,484</u>	<u>68,306,362</u>	<u>42,395,942</u>
OPERATING EXPENSES			
Personal services	3,312,044	11,516,183	781,637
Employee benefits	1,897,096	7,510,583	570,207
Supplies	439,075	2,926,264	327,572
Contractual services	5,382,322	17,933,783	36,779,788
Landfill closure and postclosure care expense	--	--	597,696
Cost of materials	--	--	--
Depreciation	7,276,123	25,238,058	1,188,436
Management fee	--	--	--
Total operating expenses	<u>18,306,660</u>	<u>65,124,871</u>	<u>40,245,336</u>
Operating income (loss)	<u>(8,239,176)</u>	<u>3,181,491</u>	<u>2,150,606</u>
NONOPERATING REVENUES			
(EXPENSES)			
Taxes pledged as securities for revenue bonds	--	39,425,377	--
Operating grants	115,110	45,061	231,758
Net income (loss) from joint venture	--	--	--
Passenger facility charges (Note 16)	1,433,216	--	--
Customer facility charges	1,040,005	--	--
Investment earnings	192,170	3,490,215	104,440
Interest expense	(1,630,967)	(11,980,859)	(9,427)
Bond issuance costs	(45,946)	(766,210)	--
Gain (loss) on disposition of capital assets	(695,600)	68,553	(53,818)
Total nonoperating revenues (expenses)	<u>407,988</u>	<u>30,282,137</u>	<u>272,953</u>
Income (loss) before contributions and transfers	<u>(7,831,188)</u>	<u>33,463,628</u>	<u>2,423,559</u>
Capital contributions	22,499,610	4,451,096	--
Transfers in	--	4,004,219	87,687
Transfers out	--	--	(2,516,780)
Change in net assets	<u>14,668,422</u>	<u>41,918,943</u>	<u>(5,534)</u>
Total net assets - January 1	<u>208,414,061</u>	<u>533,596,834</u>	<u>32,593,602</u>
Total net assets - December 31	<u>\$ 223,082,483</u>	<u>\$ 575,515,777</u>	<u>\$ 32,588,068</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	
\$ 6,244,097	\$ 126,544,408	\$ 18,730,088
519,889	989,366	--
<u>6,763,986</u>	<u>127,533,774</u>	<u>18,730,088</u>
2,572,547	18,182,411	1,416,378
471,176	10,449,062	666,809
1,232,834	4,925,745	246,078
3,263,864	63,359,757	3,855,109
--	597,696	--
--	--	8,688,052
3,498,417	37,201,034	3,817,592
293,934	293,934	--
<u>11,332,772</u>	<u>135,009,639</u>	<u>18,690,018</u>
<u>(4,568,786)</u>	<u>(7,475,865)</u>	<u>40,070</u>
--	39,425,377	--
222,972	614,901	--
178,372	178,372	--
--	1,433,216	--
--	1,040,005	--
90,248	3,877,073	43,749
(26,627)	(13,647,880)	--
--	(812,156)	--
1,010	(679,855)	425,499
<u>465,975</u>	<u>31,429,053</u>	<u>469,248</u>
(4,102,811)	23,953,188	509,318
1,370,922	28,321,628	--
1,350,690	5,442,596	--
--	(2,516,780)	(6,219)
(1,381,199)	55,200,632	503,099
<u>62,772,674</u>	<u>837,377,171</u>	<u>16,501,204</u>
<u>\$ 61,391,475</u>	<u>\$ 892,577,803</u>	<u>\$ 17,004,303</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	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	\$ 9,889,213	\$ 66,916,001	\$ 42,280,339
Payments to suppliers for goods and services	(5,774,720)	(19,359,755)	(37,302,526)
Payments to employees for services and benefits	(4,211,570)	(16,209,191)	(1,091,235)
Other operating receipts	--	25,879	--
Net cash provided by (used for) operating activities	<u>(97,077)</u>	<u>31,372,934</u>	<u>3,886,578</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Receipts from general property taxes	--	506	--
Receipts from general sales and use taxes	--	40,161,553	--
Operating grants received	115,110	45,061	231,758
Transfers in from other funds	--	4,004,219	87,687
Transfers out to other funds	--	--	(2,516,780)
Net cash provided by (used for) noncapital financing activities	<u>115,110</u>	<u>44,211,339</u>	<u>(2,197,335)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of debt	226,845	162,450,374	--
Proceeds from capital grants	21,446,161	906,722	--
Proceeds from sale of capital assets	103,170	75,426	--
Passenger facility charges	1,434,548	--	--
Customer facility charges	1,047,584	--	--
Acquisition and construction of capital assets	(32,352,120)	(76,762,942)	(618,770)
Principal paid on bonds, obligations and capital leases	(1,283,333)	(13,837,058)	(188,500)
Interest paid on bonds, obligations and capital leases	(3,014,678)	(16,298,824)	(9,427)
Loans from other funds	1,500,000	--	--
Repayment of loans from other funds	(200,000)	--	--
Capital contributed by other governments	--	--	--
Capital contributed from impact fees	--	2,020,785	--
Net cash provided by (used for) capital and related financing activities	<u>(11,091,823)</u>	<u>58,554,483</u>	<u>(816,697)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(5,959,610)	(151,791,508)	(5,779,231)
Proceeds from sales and maturities of investments	12,603,585	233,970,571	9,967,449
Cash received from joint venture activity	--	--	--
Cash paid for expenses of joint venture	--	--	--
Interest received on investments	263,824	5,057,622	190,280
Net cash provided by (used for) investing activities	<u>6,907,799</u>	<u>87,236,685</u>	<u>4,378,498</u>

The accompanying notes are an integral part of this statement.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental</u>
<u>Other</u>		<u>Activities</u>
<u>Enterprise</u>		<u>Internal</u>
<u>Total</u>	<u>Total</u>	<u>Service</u>
		<u>Funds</u>
\$ 12,828,623	\$ 131,914,176	\$ 18,730,088
(11,716,624)	(74,153,625)	(12,512,256)
(2,947,099)	(24,459,095)	(2,062,091)
--	25,879	--
<u>(1,835,100)</u>	<u>33,327,335</u>	<u>4,155,741</u>
--	506	--
--	40,161,553	--
222,972	614,901	--
1,350,690	5,442,596	--
--	(2,516,780)	(6,219)
<u>1,573,662</u>	<u>43,702,776</u>	<u>(6,219)</u>
--	162,677,219	--
--	22,352,883	--
1,010	179,606	459,852
--	1,434,548	--
--	1,047,584	--
(1,217,816)	(110,951,648)	(3,719,291)
(164,000)	(15,472,891)	--
(26,627)	(19,349,556)	--
--	1,500,000	--
--	(200,000)	--
1,881,571	1,881,571	--
--	2,020,785	--
<u>474,138</u>	<u>47,120,101</u>	<u>(3,259,439)</u>
(4,982,486)	(168,512,835)	--
--	256,541,605	--
351,093	351,093	--
(59,487)	(59,487)	--
143,023	5,654,749	65,415
<u>(4,547,857)</u>	<u>93,975,125</u>	<u>65,415</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
Net increase (decrease) in cash and cash equivalents (Note 1)	\$ (4,165,991)	\$ 221,375,441	\$ 5,251,044
Cash and cash equivalents, January 1	<u>34,931,362</u>	<u>189,023,820</u>	<u>10,374,284</u>
Cash and cash equivalents, December 31	<u>\$ 30,765,371</u>	<u>\$ 410,399,261</u>	<u>\$ 15,625,328</u>
Classified as:			
Current assets	\$ 10,420,918	\$ 274,802,619	\$ 15,625,328
Restricted assets	20,344,453	135,596,642	--
Totals	<u>\$ 30,765,371</u>	<u>\$ 410,399,261</u>	<u>\$ 15,625,328</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (8,239,176)	\$ 3,181,491	\$ 2,150,606
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	7,276,123	25,238,058	1,188,436
Landfill closure and postclosure care expense	--	--	597,696
Increase (decrease) in compensated absences payable	34,449	(53,981)	(6,397)
Increase (decrease) in net other post employment benefit obligation	777,588	2,835,639	265,184
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(13,869)	(722,302)	(115,602)
Decrease (increase) in prepaid items	--	--	--
Decrease (increase) in inventory	--	--	--
Increase (decrease) in accounts and contracts payable	46,677	858,112	(195,166)
Increase (decrease) in accrued salaries payable	21,131	35,917	1,821
Increase (decrease) in unearned revenue	--	--	--
Total adjustments	<u>8,142,099</u>	<u>28,191,443</u>	<u>1,735,972</u>
Net cash provided by (used for) operating activities	<u>\$ (97,077)</u>	<u>\$ 31,372,934</u>	<u>\$ 3,886,578</u>
Non cash investing, capital, and financing activities:			
Gain in fair value of investments	\$ 5,052	\$ 173,896	\$ 6,389
Loss on disposal of capital assets	(798,770)	(6,873)	(53,818)
Contributions of capital assets	--	1,847,176	--
Amortization of joint venture	--	--	--

The accompanying notes are an integral part of this statement.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities Internal Service Funds</u>
<u>Other Enterprise Total</u>	<u>Total</u>	
\$ (4,335,157)	\$ 218,125,337	\$ 955,498
17,806,322	252,135,788	7,423,942
<u>\$ 13,471,165</u>	<u>\$ 470,261,125</u>	<u>\$ 8,379,440</u>
\$ 4,474,691	\$ 305,323,556	\$ 8,379,440
8,996,474	164,937,569	--
<u>\$ 13,471,165</u>	<u>\$ 470,261,125</u>	<u>\$ 8,379,440</u>
<u>\$ (4,568,786)</u>	<u>\$ (7,475,865)</u>	<u>\$ 40,070</u>
3,498,417	37,201,034	3,817,592
--	597,696	--
19,883	(6,046)	12,031
69,497	3,947,908	--
165,068	(686,705)	--
53,855	53,855	--
6,844	6,844	(29,695)
(429,629)	279,994	306,678
7,244	66,113	9,065
(657,493)	(657,493)	--
<u>2,733,686</u>	<u>40,803,200</u>	<u>4,115,671</u>
<u>\$ (1,835,100)</u>	<u>\$ 33,327,335</u>	<u>\$ 4,155,741</u>
\$ 5,297	\$ 190,634	\$ 2,557
--	(859,461)	(34,353)
--	1,847,176	--
(62,500)	(62,500)	--

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009

EXHIBIT A - 13

	<u>Pension Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ 21,159,795
Receivables:	
Employee contributions	940,681
Employer contributions	2,010,413
Interest and dividends	491,814
Pending trades	4,808,828
Other contributions	845,012
Total receivables	<u>9,096,748</u>
Investments, at fair value	
Fixed income - domestic	227,405,253
Fixed income - international	14,207,992
Equity securities - domestic	343,466,712
Equity securities - international	238,739,928
Real estate investments	30,133,669
Total investments	<u>853,953,554</u>
Securities lending collateral:	
Short term securities - securities lending program	<u>4,654,585</u>
Capital assets:	
Land	550,628
Buildings	706,345
Equipment	41,962
Accumulated depreciation	(697,282)
Total capital assets	<u>601,653</u>
 Total assets	 <u>889,466,335</u>
LIABILITIES	
Accrued expenses and benefits payable	1,493,059
Pending trade payables	10,659,422
Securities lending obligations:	
Obligations held-securities lending program	<u>4,654,585</u>
 Total liabilities	 <u>16,807,066</u>
NET ASSETS	
Held in trust for pension benefits	<u>\$ 872,659,269</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 ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT A - 14

	<u>Pension Trust Fund</u>
ADDITIONS	
Contributions:	
Employee	\$ 13,398,458
Employer	27,299,381
Severance contributions from employee	<u>1,399,949</u>
Total contributions	<u>42,097,788</u>
Investment income:	
<i>From investment activities</i>	
Net appreciation (depreciation) in fair value of investments	174,967,376
Interest	3,354,452
Dividends	<u>163,940</u>
Total investment income	178,485,768
Less: investment expense	<u>4,164,131</u>
Net income from investing activities	<u>174,321,637</u>
<i>From securities lending activities</i>	
Securities lending income	19,065
Less: Borrower rebate, fees, and expenses	<u>7,696</u>
Net income from securities lending activities	<u>11,369</u>
Total net investment income	<u>174,333,006</u>
Total additions	<u>216,430,794</u>
DEDUCTIONS	
Benefit payments	73,696,868
Refunds and withdrawals	2,021,306
Administrative expenses	<u>1,492,348</u>
Total deductions	<u>77,210,522</u>
Change in net assets	139,220,272
Net assets - beginning of year	<u>733,438,997</u>
Net assets - end of year	<u>\$ 872,659,269</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2009

	Governmental Fund Types			
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court
ASSETS				
Cash and cash equivalents	\$ 3,447,732	\$ 15,885,662	\$ 386,242	\$ 650,454
Investments	--	44,587,437	--	--
Property taxes receivable - net (Note 4)	--	--	--	--
Accounts receivable	285,537	53,205	--	106
Accrued interest receivable	--	212,488	--	3,369
Due from other governments	--	828,996	--	55,233
Due from primary government (Note 11)	--	--	--	--
Prepaid items	--	--	--	15,661
Inventory	--	--	--	--
Net pension asset	--	--	--	--
Other assets	--	21,403	--	--
Restricted assets:				
Cash and cash equivalents	--	--	--	--
Deferred bond issuance costs	--	309,639	--	--
Capital assets: (Note 6)				
Land	--	--	--	--
Buildings	--	--	--	--
Equipment	1,822,961	905,589	214,693	392,301
Equipment under capital leases	--	--	--	--
Construction work in progress	--	76,024,136	--	--
Accumulated depreciation	(1,096,706)	(743,059)	(189,098)	(361,478)
Total assets	\$ 4,459,524	\$ 138,085,496	\$ 411,837	\$ 755,646
LIABILITIES				
Accounts payable and other current liabilities	\$ 242,200	\$ 4,177,595	\$ 2,499	\$ 9,891
Due to other governments	--	--	--	--
Due to primary government (Note 11)	--	--	--	--
Accrued payables	174,211	73,890	--	17,499
Other liabilities	242,229	--	--	--
Non-current liabilities: (Note 10)				
Due within one year	--	--	10,000	--
Due in more than one year:				
Bonds and notes payable	--	98,795,000	--	--
Deferred premium on bonds	--	2,636,160	--	--
Compensated absences payable	--	568,629	86,013	189,374
Net other postemployment benefit obligation	2,492,621	2,845,196	383,346	772,384
Obligation under capital leases	--	--	--	--
Claims and judgments payable	--	--	--	--
Total liabilities	3,151,261	109,096,470	481,858	989,148
NET ASSETS				
Invested in capital assets, net of related debt	726,255	(609,590)	25,595	30,823
Restricted for:				
Capital projects	--	20,207,547	--	--
Debt service	--	10,818,539	--	--
External legal constraints	--	--	--	72,591
Unrestricted	582,008	(1,427,470)	(95,616)	(336,916)
Total net assets	\$ 1,308,263	\$ 28,989,026	\$ (70,021)	\$ (233,502)

(1) As of June 30, 2009

(2) As of September 30, 2009

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types

Nineteenth Judicial District Public Defender (1)	E.B.R. Parish Clerk of Court (1)	District No. 1 Fire Protection District	St. George Fire Protection District (2)	Brownsfield Fire Protection District	Eastside Fire Protection District
\$ 2,129,042	\$ 5,870,568	\$ 247,863	\$ 1,702,765	\$ --	\$ 703,887
--	--	--	--	--	--
--	--	101,812	112,340	106,489	667,103
558,672	681,489	--	3,439	--	78,875
--	--	77	--	13	--
242,774	--	227,735	139,216	546,709	1,368,127
10,430	--	--	--	--	--
17,817	--	--	74,620	--	3,369
--	--	--	--	--	--
--	2,579	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	389,284	18,592	469,785
--	--	--	3,539,883	91,523	3,722,767
263,948	8,737,498	--	6,826,586	333,339	1,722,910
--	--	--	--	--	705,038
--	--	--	--	--	--
(198,354)	(5,985,399)	--	(3,406,017)	(380,302)	(1,970,262)
<u>\$ 3,024,329</u>	<u>\$ 9,306,735</u>	<u>\$ 577,487</u>	<u>\$ 9,382,116</u>	<u>\$ 716,363</u>	<u>\$ 7,471,599</u>
\$ 881,252	\$ 617,257	\$ --	\$ 84,890	\$ 31,253	\$ 42,496
--	--	--	--	--	--
--	--	--	--	87,243	--
--	727,995	--	268,964	--	51,327
--	--	--	--	--	--
--	--	--	1,402,330	16,455	278,099
--	--	--	1,638,234	--	1,297,500
--	--	--	--	--	--
--	682,150	--	83,535	--	190,185
--	1,655,488	--	3,967,204	165,778	72,323
--	--	--	906,093	--	449,882
--	--	--	--	--	--
<u>881,252</u>	<u>3,682,890</u>	<u>--</u>	<u>8,351,250</u>	<u>300,729</u>	<u>2,381,812</u>
65,594	2,752,099	--	4,133,079	63,152	2,624,757
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
2,077,483	2,871,746	577,487	(3,102,213)	352,482	2,465,030
<u>\$ 2,143,077</u>	<u>\$ 5,623,845</u>	<u>\$ 577,487</u>	<u>\$ 1,030,866</u>	<u>\$ 415,634</u>	<u>\$ 5,089,787</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2009

	Governmental Fund Types			
	E.B.R. Parish Fire Protection District No. 6	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District
ASSETS				
Cash and cash equivalents	\$ 312,865	\$ --	\$ 103,061	\$ 272,623
Investments	--	--	--	--
Property taxes receivable - net (Note 4)	241,728	18,360	21,047	107,728
Accounts receivable	43,996	--	--	--
Accrued interest receivable	--	5	38	102
Due from other governments	726,553	77,179	108,631	130,671
Due from primary government (Note 11)	--	--	--	--
Prepaid items	--	--	--	--
Inventory	--	--	--	--
Net pension asset	--	--	--	--
Other assets	--	--	--	--
Restricted assets:				
Cash and cash equivalents	--	--	--	--
Deferred bond issuance costs	--	--	--	--
Capital assets: (Note 6)				
Land	43,000	--	15,000	9,000
Buildings	493,238	109,334	140,853	256,496
Equipment	726,229	183,989	334,125	487,777
Equipment under capital leases	867,112	--	--	--
Construction work in progress	--	--	7,700	--
Accumulated depreciation	(1,120,738)	(293,323)	(315,284)	(643,050)
Total assets	<u>\$ 2,333,983</u>	<u>\$ 95,544</u>	<u>\$ 415,171</u>	<u>\$ 621,347</u>
LIABILITIES				
Accounts payable and other current liabilities	\$ 43,288	\$ 3,415	\$ 7,587	\$ 26,729
Due to other governments	--	--	--	--
Due to primary government (Note 11)	--	4,059	--	--
Accrued payables	--	--	--	--
Other liabilities	--	--	--	--
Non-current liabilities: (Note 10)				
Due within one year	93,953	--	--	--
Due in more than one year:				
Bonds and notes payable	--	--	--	--
Deferred premium on bonds	--	--	--	--
Compensated absences payable	13,955	--	--	--
Net other postemployment benefit obligation	--	--	--	18,437
Obligation under capital leases	305,498	--	--	--
Claims and judgments payable	--	--	--	--
Total liabilities	<u>456,694</u>	<u>7,474</u>	<u>7,587</u>	<u>45,166</u>
NET ASSETS				
Invested in capital assets, net of related debt	609,390	--	182,394	110,223
Restricted for:				
Capital projects	--	--	--	--
Debt service	--	--	--	--
External legal constraints	--	--	--	--
Unrestricted	1,267,899	88,070	225,190	465,958
Total net assets	<u>\$ 1,877,289</u>	<u>\$ 88,070</u>	<u>\$ 407,584</u>	<u>\$ 576,181</u>

(1) As of June 30, 2009

(2) As of September 30, 2009

The accompanying notes are an integral part of this statement.

Governmental Fund Types					Proprietary Fund Type	
East Baton Rouge Redevelop- ment Authority	South Burbank Crime Prevention District	Concord Estates Crime Prevention District	Wedgewood Crime Prevention District	Capital Region Planning Commission (1)	Capital Area Transit System	Totals
\$ 235,206	\$ 127,448	\$ 11,870	\$ 5,253	\$ 59,304	\$ 227,050	\$ 32,378,895
--	--	--	--	592,223	--	45,179,660
--	--	--	--	--	--	1,376,607
--	--	--	--	17,723	340,526	2,063,568
--	50	4	--	--	--	216,146
59,742	109,109	5,065	20,967	88,657	947,674	5,683,038
--	--	--	--	--	--	10,430
4,868	--	--	--	--	17,822	134,157
--	--	--	--	--	685,287	685,287
--	--	--	--	--	1,740,774	1,740,774
3,000	--	--	--	--	--	26,982
--	--	--	--	--	158,191	158,191
--	--	--	--	--	--	309,639
--	--	--	--	--	--	944,661
--	--	--	--	--	--	8,354,094
87,015	--	--	--	239,544	18,940,444	42,218,948
--	--	--	--	--	--	1,572,150
--	--	--	--	--	--	76,031,836
(5,645)	--	--	--	(202,253)	(11,834,923)	(28,745,891)
<u>\$ 384,186</u>	<u>\$ 236,607</u>	<u>\$ 16,939</u>	<u>\$ 26,220</u>	<u>\$ 795,198</u>	<u>\$ 11,222,845</u>	<u>\$ 190,339,172</u>
\$ 41,396	\$ 35,580	\$ --	\$ --	\$ 69,999	\$ 825,948	\$ 7,143,275
--	--	--	--	--	--	--
--	--	--	220	--	--	91,522
10,749	--	--	--	--	--	1,324,635
--	--	--	--	57,935	--	300,164
--	--	--	--	--	1,515,069	3,315,906
--	--	--	--	--	--	101,730,734
--	--	--	--	--	--	2,636,160
--	--	--	--	64,896	444,229	2,322,966
--	--	--	--	176,823	--	12,549,600
--	--	--	--	--	4,353,022	6,014,495
--	--	--	--	--	1,024,190	1,024,190
<u>52,145</u>	<u>35,580</u>	<u>--</u>	<u>220</u>	<u>369,653</u>	<u>8,162,458</u>	<u>138,453,647</u>
81,370	--	--	--	37,291	2,088,124	12,920,556
--	--	--	--	--	--	20,207,547
--	--	--	--	--	--	10,818,539
--	--	--	--	--	158,191	230,782
250,671	201,027	16,939	26,000	388,254	814,072	7,708,101
<u>\$ 332,041</u>	<u>\$ 201,027</u>	<u>\$ 16,939</u>	<u>\$ 26,000</u>	<u>\$ 425,545</u>	<u>\$ 3,060,387</u>	<u>\$ 51,885,525</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, 2009**

	Judicial Court Services				
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court	Nineteenth Judicial District Public Defender (1)
EXPENSES	\$ 11,828,374	\$ 11,639,797	\$ 1,668,058	\$ 2,238,439	\$ 2,579,006
PROGRAM REVENUES:					
Charges for services	2,907,847	9,438,801	96,448	563,990	1,934,935
Operating grants and contributions	7,825,459	7,475,925	1,444,251	1,369,345	1,275,492
Capital grants and contributions	--	--	--	--	--
Net program (expenses) revenue	<u>(1,095,068)</u>	<u>5,274,929</u>	<u>(127,359)</u>	<u>(305,104)</u>	<u>631,421</u>
GENERAL REVENUES:					
Taxes:					
Property	--	--	--	--	--
Occupancy	--	--	--	--	--
Grants and contributions not restricted to specific programs	--	949,834	--	5,415	--
Investment earnings	42,827	3,848,519	9,458	8,238	6,044
Total general revenues	<u>42,827</u>	<u>4,798,353</u>	<u>9,458</u>	<u>13,653</u>	<u>6,044</u>
Change in net assets	(1,052,241)	10,073,282	(117,901)	(291,451)	637,465
Net assets, beginning	<u>2,360,504</u>	<u>18,915,744</u>	<u>47,880</u>	<u>57,949</u>	<u>1,505,612</u>
Net assets, ending	<u>\$ 1,308,263</u>	<u>\$ 28,989,026</u>	<u>\$ (70,021)</u>	<u>\$ (233,502)</u>	<u>\$ 2,143,077</u>

(1) Period ending June 30, 2009

(2) Period ending September 30, 2009

The accompanying notes are an integral part of this statement.

Continued

Judicial Court Services		Fire Protection Districts				
E.B.R. Parish Clerk of Court (1)	Total Judicial Court Services	District No. 1 Fire Protection District	St. George Fire Protection District (2)	Brownsfield Fire Protection District	Eastside Fire Protection District	E.B.R. Parish Fire Protection District No. 6
\$ 15,652,655	\$ 45,606,329	\$ 15,074	\$ 14,477,787	\$ 740,083	\$ 1,826,499	\$ 1,301,307
11,812,779	26,754,800	55,384	1,068,060	108,595	315,059	165,883
524,926	19,915,398	--	--	22,200	186,176	134,825
--	--	--	--	--	--	--
<u>(3,314,950)</u>	<u>1,063,869</u>	<u>40,310</u>	<u>(13,409,727)</u>	<u>(609,288)</u>	<u>(1,325,264)</u>	<u>(1,000,599)</u>
--	--	298,245	11,582,984	540,125	1,796,318	901,135
--	--	--	--	--	--	--
203,855	1,159,104	--	590,230	126,127	124,929	155,348
482,278	4,397,364	1,102	43,523	753	9,643	7,910
<u>686,133</u>	<u>5,556,468</u>	<u>299,347</u>	<u>12,216,737</u>	<u>667,005</u>	<u>1,930,890</u>	<u>1,064,393</u>
(2,628,817)	6,620,337	339,657	(1,192,990)	57,717	605,626	63,794
<u>8,252,662</u>	<u>31,140,351</u>	<u>237,830</u>	<u>2,223,856</u>	<u>357,917</u>	<u>4,484,161</u>	<u>1,813,495</u>
<u>\$ 5,623,845</u>	<u>\$ 37,760,688</u>	<u>\$ 577,487</u>	<u>\$ 1,030,866</u>	<u>\$ 415,634</u>	<u>\$ 5,089,787</u>	<u>\$ 1,877,289</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF ACTIVITIES
ALL DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Fire Protection Districts			Economic Development	
	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District	Total Fire Protection Districts	East Baton Rouge Redevelop- ment Authority
EXPENSES	\$ 124,626	\$ 133,647	\$ 242,915	\$ 18,861,938	\$ 811,786
PROGRAM REVENUES:					
Charges for services	53,244	54,019	15,192	1,835,436	--
Operating grants and contributions	2,725	6,571	24,049	376,546	1,143,399
Capital grants and contributions	--	7,700	--	7,700	--
Net program (expenses) revenue	(68,657)	(65,357)	(203,674)	(16,642,256)	331,613
GENERAL REVENUES:					
Taxes:					
Property	60,230	91,576	219,598	15,490,211	--
Occupancy	--	--	--	--	--
Grants and contributions not restricted to specific programs	51,754	34,038	33,090	1,115,516	--
Investment earnings	99	671	1,756	65,457	428
Total general revenues	112,083	126,285	254,444	16,671,184	428
Change in net assets	43,426	60,928	50,770	28,928	332,041
Net assets, beginning	44,644	346,656	525,411	10,033,970	--
Net assets, ending	\$ 88,070	\$ 407,584	\$ 576,181	\$ 10,062,898	332,041

- (1) Period ending June 30, 2009
(2) Period ending September 30, 2009

The accompanying notes are an integral part of this statement.

Crime Prevention				Mass Transit			Total All Component Units
South Burbank Crime Prevention District	Concord Estates Crime Prevention District	Wedgewood Crime Prevention District	Total Crime Prevention Districts	Capital Region Planning Commission (1)	Capital Area Transit System	Total Mass Transit	
\$ 229,305	\$ 4,714	\$ 19,404	\$ 253,423	\$ 1,131,983	\$ 15,565,848	\$ 16,697,831	\$ 82,231,307
159,615	7,834	24,219	191,668	180,529	3,382,215	3,562,744	32,344,648
--	--	--	--	767,751	216,268	984,019	22,419,362
--	--	--	--	--	1,573,916	1,573,916	1,581,616
(69,690)	3,120	4,815	(61,755)	(183,703)	(10,393,449)	(10,577,152)	(25,885,681)
--	--	--	--	--	--	--	15,490,211
--	--	--	--	--	1,237,134	1,237,134	1,237,134
--	--	--	--	--	9,104,825	9,104,825	11,379,445
1,234	77	--	1,311	54,146	2,703	56,849	4,521,409
1,234	77	--	1,311	54,146	10,344,662	10,398,808	32,628,199
(68,456)	3,197	4,815	(60,444)	(129,557)	(48,787)	(178,344)	6,742,518
269,483	13,742	21,185	304,410	555,102	3,109,174	3,664,276	45,143,007
<u>\$ 201,027</u>	<u>\$ 16,939</u>	<u>\$ 26,000</u>	<u>\$ 243,966</u>	<u>\$ 425,545</u>	<u>\$ 3,060,387</u>	<u>\$ 3,485,932</u>	<u>\$ 51,885,525</u>



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

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CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 (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.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, established criteria for determining which component units should be considered part 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 including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the City-Parish governing authority (Metropolitan Council or Mayor-President) appoints a majority of board members of the potential component unit.
3. Fiscal interdependency between the City-Parish and the potential component unit.
4. Imposition of will by the City-Parish on the potential component unit.
5. Financial benefit/burden relationship between the City-Parish and the potential component unit.

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 (CPERS), a cost-sharing multiple-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 CPERS is the calendar year. The separately issued audit report on the retirement system can be obtained at the following address: Jeffrey R. Yates, Retirement Administrator; P.O. Box 1471, Baton Rouge, LA 70821-1471.

Discrete Component Units

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

approval is required for all transportation fare changes and operating subsidies. Operating subsidies are provided through a federal grant and by local matching funds appropriated by the Metropolitan Council. CATS's financial statements for the period ended December 31, 2009, are discretely presented in the basic financial statements.

The Louisiana State Constitution mandates that parish governments fund a significant portion of the operational budgets of certain legally separate state constitutionally defined parish officials. These budgets are adopted as part of the City-Parish budget process. These 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 certain 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, 2009)
Nineteenth Judicial District Court (for the period ended June 30, 2009)
E.B.R. Parish Clerk of Court (for the period ended June 30, 2009)
E.B.R. Parish Family Court (for the period ended December 31, 2009)
E.B.R. Parish Juvenile Court (for the period ended December 31, 2009)
Nineteenth Judicial District Public Defender (for the period ended June 30, 2009) (This agency changed their fiscal year during 2009, so the audit covers only six months.)

Capital Region Planning Commission - The Capital Region Planning Commission is a private non-profit government agency that administers federal funding from the U.S. Department of Transportation. A majority of the commissioners are appointed by the City-Parish governing authority. The Metropolitan Council also approves grant budgets and pass-through funding to the Commission. The Commission's financial statements for the year ended June 30, 2009, are included in the discrete component unit columns of the basic financial statements.

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 interdependency. The financial statements of the Authority for December 31, 2009, are included in the discrete component unit columns of the basic financial statements.

Parish Fire Protection Districts - Parish Fire Protection Districts (including District No. 1 Fire Protection District, St. George Fire Protection District, Brownsfield Fire Protection District, Eastside Fire Protection District, E.B.R. Parish Fire Protection District No. 6, Chaneyville Fire Protection District, Pride Fire Protection District, and Alsen-St. Irma Lee Fire Protection District) are established pursuant to State Statutes. The Metropolitan Council appoints a majority of the board members of each fire protection district. The Council has the right to approve the fire protection districts' tax rates and charges. Although the City-Parish has issued debt in the past on behalf of one or more of the fire protection districts, each district is legally responsible for the debt it incurs. The Metropolitan Council has the right to approve all fire protection district budgets if they so choose. The fiscal year for all fire protection districts is the calendar year except St. George Fire Protection District whose fiscal year end is September 30, 2009.

The Louisiana State Legislature statutorily authorized three crime prevention districts within East Baton Rouge Parish within the last few years. These districts held an election with the approval of the Metropolitan Council and the voting majority passed a crime prevention user fee to provide additional law enforcement within the districts. The fees are collected by the East Baton Rouge Parish Sheriff for the exclusive use of the district(s). In accordance with state statutes, all of the crime prevention budgets must be approved by the Metropolitan Council. The South Burbank Crime Prevention District, Concord Estates Crime Prevention District, and Wedgewood Crime Prevention District are reported as discrete component unit columns of the basic financial statements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

District No. 1 Fire Protection District, Brownsfield Fire Protection District, Chaneyville Fire Protection District, Pride Fire Protection District, Alsen - St. Irma Lee Fire Protection District and Concord Estates Crime Prevention District do not have separately issued audit reports. Fiscal agency services for these legally separate discrete component units are provided by the City-Parish financial management system. In accordance with agreements between these districts and the Metropolitan Council, individual fund financial statements for these six nonmajor component units are included in the Combining and Individual Fund Statements and Schedules section of this report. (see Exhibits E-1 through E-12.)

Separately issued financial statements of all other 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 <http://app1.la.state.la.us/PublicReports.nsf>) or at the following administrative offices:

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

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

Nineteenth Judicial District Court
JoAnn Bruce, Judicial Administrator
222 St. Louis Street, Sixth Floor
Baton Rouge, LA 70802

Wedgewood Crime Prevention District
Philip W. Mayeux, Chairman
10993 North Harrells Ferry Road
Baton Rouge, LA 70816

Capital Region Planning Commission
Don Neisler, Executive Director
333 North 19th Street
P.O. Box 3355
Baton Rouge, LA 70821

South Burbank Crime Prevention District
Tom Hanlon
8686 Bluebonnet Boulevard
Baton Rouge, LA 70810

Nineteenth Judicial District Public
Defender
Michael Mitchell
333 St. Louis Street
Baton Rouge, LA 70802

St. George Fire Protection District
13686 Perkins Road
Baton Rouge, LA 70810

East Baton Rouge Parish Family Court
Ronnie Bullion, Judicial Administrator
222 St. Louis Street, Seventh Floor
Baton Rouge, LA 70802

Capital Area Transit System
Gary D. Owens, CFO
2250 Florida Boulevard
Baton Rouge, LA 70802-3125

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

E.B.R. Parish Fire Protection District No. 6
7878 Prescott Road
Baton Rouge, LA 70812

East Baton Rouge Redevelopment Authority
Walter Monsour, Chief Executive Officer
801 North Boulevard, Suite 200
Baton Rouge, LA 70802

Eastside Fire Protection District
15094 Old Hammond Highway
Baton Rouge, LA 70816-1243

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

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
Arlene Norwood, Office Manager
10633 Zachary-Deerford Road
Zachary, LA 70791-9304

Baton Rouge Recreation and Park Commission
(BREC)
Mike Proctor, Finance Director
6201 Florida Boulevard
Baton Rouge, LA 70806

East Baton Rouge Housing Authority
Joseph F. Johnson, 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

East Baton Rouge Mortgage Finance Authority
Astrid Clements, Chairwoman
8555 United Plaza Boulevard
Suite 207, Four United Plaza
Baton Rouge, LA 70809-2251

Industrial Development Board
(No Financial Transactions)

b. Basis of Presentation

The City-Parish's **basic financial statements** consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial statements (individual major fund and combined nonmajor fund). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City-Parish has elected not to follow subsequent private-sector guidance.

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements include the statement of net assets 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued):

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.

FUND FINANCIAL STATEMENTS:

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

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

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

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

Special Revenue Funds -- Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The 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 for, and the payment of, general long-term debt principal, interest and related costs. There are 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (Continued):

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, and billing and collection of a user fee.

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

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

Fiduciary Fund:

Trust Funds -- The City-Parish Employees' Retirement System (CPERS) Pension Trust Fund (a blended component unit) is used to account for the accumulation of contributions for a defined-benefit cost-sharing multiple-employer pension plan to provide retirement benefits to qualified employees. 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.

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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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.

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. Special Assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types. 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:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

d. Budgetary Data (Continued)

BUDGET POLICIES AND BUDGETARY ACCOUNTING (Continued):

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

Budgets of the General, Special Revenue, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for the following deviations: (1) On the budget basis, encumbrances are considered expendable from current appropriations and are reported as expenditures in order to reserve appropriations. (2) Housing and Urban Development (HUD) loans to program recipients are reported as expenditures on the budget basis to facilitate reporting in accordance with federal regulations. The loans are recorded as "loans receivable" on the GAAP basis with a corresponding reservation 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 there is available an unappropriated cash surplus sufficient 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-Reserved for Continuing Projects. Such appropriations for continuing projects carried forward from 2008 to 2009 totaled \$30,452,931 for the General Fund, and \$5,783,159 for the Grants Fund, which are included in the original budget column. 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. At year-end, 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 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity

CASH, CASH EQUIVALENTS, AND INVESTMENTS:

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

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

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

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

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

Investments are reported 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 Assets 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

INTERFUND RECEIVABLES AND PAYABLES:

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

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 1/2 percent for the sewer user and solid waste collection fees with uncollectibles written off on a monthly basis. At December 31, 2009, an uncollectible allowance of 6.96 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 an uncollectible of approximately 61 percent based upon past trends of collection.

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 and land improvements 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 completion of construction projects. For capitalization purposes, projects are considered substantially complete when 80% of the project has been constructed. At this point the project costs are moved out of construction work in progress and capitalized.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

CAPITAL ASSETS (Continued):

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

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

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

The City-Parish capitalizes interest cost (net of interest earned) during the construction phase of major capital projects of proprietary funds in accordance with FASB Statements No. 34, *Capitalization of Interest Cost*, and No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*. 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, 2009, is disclosed by project in Note 6, Changes in Capital Assets.

LONG-TERM DEBT:

In the government-wide statement of net assets and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums, discounts, issuance costs, and gains (losses) on refunding 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

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 earn sick leave in varying amounts according to the employee's number of years of continuous service. Sick leave is accumulated without time limitations. Sick leave is payable only upon death or retirement.

Payments for accrued sick and vacation leave are limited to a combined 120 days under all circumstances except death. Upon death, the maximum accrued leave payable is 120 days sick leave and the equivalent of two years of accrued vacation. Vacation and sick leave may also be converted into time worked for retirement purposes. Per Metropolitan Council Ordinance 85011 effective January 1, 1988, the Employees' Retirement System assumed partial liability for separation benefits (accrued sick and vacation leave) for employees who retire or who die. At December 31, 2009, the City-Parish retains approximately 20.0% 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, 2009.

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 cash payments conditioned on the employees' termination or retirement. The City-Parish has recorded the following liabilities as of December 31, 2009, 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, 2009, 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 under GASB Statement No. 16 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, and Medicare 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, 2009, 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

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.

RESERVES AND DESIGNATIONS OF EQUITY:

Some portions of fund balance in the governmental fund types are reserved to indicate that a portion of equity is legally restricted to a specific future use or is not available for appropriation or expenditure in future years. "Reserved for Continuing Projects" are those portions of incomplete projects where appropriations are carried forward to the following year. "Reserved for Subsequent Year Expenditures" is fund balance that the Metropolitan Council legally appropriated before year-end for use in the 2009 budget. Designated portions of fund balance indicate tentative future spending plans, which may be changed and are subject to subsequent authorization before expenditures can be made. All designations are made for specific indicated purposes included in the title and require a council appropriation in subsequent years.

NET ASSETS:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, 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. Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Details of restricted net assets at year-end are presented in Note 14.

The City-Parish adopted *GASB Statement No. 46, Net Assets Restricted by Enabling Legislation* during fiscal 2004. This statement established and clarified requirements related to restrictions of net assets resulting from enabling legislation.

ACCOUNTING ESTIMATES:

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

f. Restatement of Prior Year Net Assets

Net assets for the primary government's governmental activities were restated for December 31, 2008, for the following:

1. Expenditures were over recognized for Hurricane Gustav in 2008, in the amount of \$3,394,062. This adjustment is shown as a "prior year adjustment" on Exhibit A-5 in the Grants Major Fund on the fund-level statements.
2. Prior year claims and judgements recorded in the entity-wide statements were underestimated by \$7,090,295 for workman's compensation liability.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

f. Restatement of Prior Year Net Assets (Continued)

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

<u>Primary Government - Governmental Activities</u>	
Total net assets, December 31, 2008,	
as previously reported	\$732,515,453
Adjustment for prior year overstated grant expense	3,394,062
Adjustment for increase in estimated claims liability	<u>(7,090,295)</u>
Total net assets, December 31, 2008, restated	<u>\$728,819,220</u>

NOTE 2 - Stewardship, Compliance, and Accountability

a. Budget Variances (Non-GAAP Budgetary Basis)

Actual investment earnings for the library board of control major fund were \$451,811 for 2009 compared to an amount of \$2 million included in the final budget. This under collection was a result of the fall in the average effective interest rate earned in consolidated cash from 2.72 percent in 2008, to 0.53 percent in 2009.

Total miscellaneous revenues in the grants major fund were under collected by \$773,285 because all of the estimated insurance settlements from Hurricane Gustav were not realized during the year.

b. Budgetary - GAAP Reporting Reconciliation

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

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

	General Fund	Library Board of Control	Grants Fund	Nonmajor Governmental Funds
Net change in fund balances (Budget Basis)	\$(17,558,484)	\$(5,499,076)	\$ 1,456,034	\$ 834,005
Adjustments:				
To adjust for encumbrances	3,255,222	570,873	13,416,006	2,977,808
To adjust for U.S. Housing and Urban Development loans receivable	<u> --</u>	<u> --</u>	<u>(271,195)</u>	<u> --</u>
Net change in fund balances (GAAP Basis)	<u>\$(14,303,262)</u>	<u>\$(4,928,203)</u>	<u>\$14,600,845</u>	<u>\$3,811,813</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

EXHIBIT A - 17
(Continued)

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

b. Budgetary - GAAP Reporting Reconciliation (Continued)

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. In accounting for grant funds, fund balance is not reserved for the grantor portion of encumbrances. Accordingly, grant encumbrances must be added to the reserve for encumbrances in calculating the adjustment necessary to reconcile GAAP basis to budgetary basis. For the Grants Fund, the adjustment for encumbrances is calculated as follows:

Reserve for encumbrances	\$ 2,354,364
Grant encumbrances	<u>11,061,642</u>
Total encumbrances	<u>\$13,416,006</u>

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 Assets 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.

a. Deposits - Primary Government

Deposits (including demand deposit accounts and certificates of deposits) at December 31, 2009, for the City-Parish primary government are summarized on the following page:

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

<u>Carrying Amount</u>	<u>Bank Balance</u>
\$286,656,309	\$301,924,520

Certificates of deposit with a maturity of 90 days or more are classified on the Statement of Net Assets as "Investments" (\$152,000,000). The remaining carrying amount of \$134,656,309 is classified as "Cash and cash equivalents."

The City-Parish's bank balance of deposits at December 31, 2009, 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 \$1,862,269 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 Fund:

At December 31, 2009, the carrying amount of the Retirement System's deposits was \$8,428,044 and the bank balance was \$8,580,293. The Retirement System's deposits at December 31, 2009, are not exposed to any custodial credit risk.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

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

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 1998A, 2001A, 2005B (Taxable), 2007A, 2008A-1, 2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds are government securities, certificates of deposit collateralized by government securities, and bonds issued by any state or political subdivision, provided that the bonds are rated in one of Moody's Investors Service or Standard and Poor's Corporation's two highest rating categories. All of the qualified investments must have maturities of five years or less at the time of investment.

Proceeds from the issuance of the Parish's 1999, 2005A, and 2005B Public Improvement Sales Tax Revenue Bonds, the East Baton Rouge Sewerage Commission's 2006A, 2006B and 2009A Revenue Bonds and the Road and Street Improvement 2006A, 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, 2009, are itemized as follows:

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

<u>Investment Type</u>	<u>Amortized Cost/ Fair Value</u>
U.S. Treasury Bills	\$ 80,850,943
U.S. Agency Securities	75,953,748
Repurchase Agreements	1,581,240
Louisiana Asset Management Pool (LAMP)	<u>716,863,155</u>
Total	<u>\$875,249,086</u>

Investments with a maturity of less than 90 days (\$716,863,155) are classified on the Statement of Net Assets as "Cash and cash equivalents." \$158,121,513 is classified on the Statement of Net Assets as "Investments." The remaining amount of \$264,418 is included in "Receivables - net" on the Statement of Net Assets. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 Fund:(Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		Less <u>Than 1</u>	<u>1-5</u>
U.S. Treasury Bills	\$ 80,850,943	\$ 80,850,943	\$ --
U.S. Agency Securities	75,953,748	75,953,748	--
Repurchase Agreements	<u>1,581,240</u>	--	<u>1,581,240</u>
Total	<u>\$158,385,931</u>	<u>\$156,804,691</u>	<u>\$1,581,240</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 Securities were rated AAA by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investors Service. 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 Securities are invested in the Federal Home Loan Mortgage Corporation Securities which are 8.67% of the City-Parish total investment. LAMP has a Standard & Poor's Rating of AAAm.

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

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. 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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 Fund:(Continued)

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 \$716,863,155 invested in LAMP is held by the Parish's Consolidated Cash pool (\$679,100,000), the East Baton Rouge Sewerage Commission (\$6,891,957), the City Sales Tax Bonds Debt Service Fund (\$10,526,745) and the Airport Construction Funds (\$20,344,453).

2. Employees' Retirement System Pension Trust Fund:

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 Trust. As fiduciaries of the Pension Trust, 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:

Currency Investments –	Foreign Exchange Futures, Forwards, Swaps (applies to global or non-US managers for hedging purposes)
Equity Investments –	common stocks, convertible bonds, preferred stocks
Fixed Income Investments –	bonds, mortgages and mortgage-backed securities, asset-backed securities, cash-equivalent securities, money market funds, bank short-term investment funds and short-term extendable portfolio funds, equity real estate (only under specific authorization)

Additionally, the Retirement System may authorize an agent to participate in securities lending transactions on its behalf. Investment in derivatives and reverse repurchase agreements are not specifically authorized under the Board's investment policy. However, in the case of commingled or mutual accounts, the prospectus of Declaration of Trust takes precedence over the investment policy.

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 represent 5 percent or more of the net assets available for pension benefits. There are no investments in loans to, or lease with, parties related to the Plan. Although the Board continued its contractual relationships with outside third party investment managers during 2009, final oversight of investments and investment performances for both the original CPERS trust and 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 utilizes 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 investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the Statement of Plan Net Assets.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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):

The fair value of the Retirement System's investments as of December 31, 2009 is:

	<u>Fair Value</u>
U.S. Treasury Bonds	\$ 8,159,757
U.S. Agency Notes	16,161,145
Mortgaged Backed Securities	22,212,727
Corporate Bonds	21,524,112
Asset Backed Securities	4,887,992
International Equities	212,747,827
Short-Term Investment Fund	12,731,751
Domestic Equities	502,580,818
Emerging Markets Equity	40,200,092
Equity Real Estate Fund	<u>30,133,669</u>
Total	<u>\$871,339,890</u>

The fair value of \$858,608,139 is classified on the Statement of Fiduciary Net Assets as "Investments" and "Securities lending collateral." \$12,731,751 is classified on the Statement of Fiduciary Net Assets 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 following table shows the Retirement System's domestic fixed-income investments and maturities in actively managed accounts at December 31, 2009:

		<u>Investments Maturities (in Years)</u>			
		<u>Fair Value</u>	<u>Less Than One</u>	<u>1-5</u>	<u>5-10</u>
U.S. Treasuries	\$ 8,159,757	\$ --	\$ --	\$ --	\$ 8,159,757
U.S. Agencies	16,161,145	3,130,353	10,581,308	1,597,356	852,128
Mortgage Backed Securities	22,212,727	6,300,882	347,952	1,515,873	14,048,020
Corporate Bonds	21,524,112	68,508	12,582,978	5,070,427	3,802,199
Asset Backed Securities	<u>4,887,992</u>	<u>--</u>	<u>2,620,271</u>	<u>1,201,121</u>	<u>1,066,600</u>
Total	<u>\$72,945,733</u>	<u>\$9,499,743</u>	<u>\$26,132,509</u>	<u>\$9,384,777</u>	<u>\$27,928,704</u>

Note: The above schedule does not include Core-Plus and Absolute Return fixed-income strategies managed in pooled accounts. Assets in the Core-Plus fund had a December 31, 2009, fair market value of \$82,136,574 with an average duration of 4.06 years. On the same date, the Absolute Return fund had a fair market value of \$89,661,293 with an average duration of 2.35 years.

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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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):

The following table is provided for use in determining the Retirement System's level of exposure to credit risk as of December 31, 2009. The "not rated" designation is applicable to medium term notes in default.

S&P/Moody Rating	Fair Value at 12/31/09
Government	\$12,320,123
Agency/AAA	18,253,376
AAA	20,692,671
AA	6,989,658
A	9,354,142
BBB	3,676,260
BB	200,567
B	47,824
CCC	1,411,022
NR (not rated)	90
	\$72,945,733

Note: The above schedule does not include Core-Plus and Absolute Return fixed-income strategies managed in pooled accounts. Assets in the Core-Plus fund had a December 31, 2009, fair market value of \$82,136,574 and carried an average quality rating of A+. On the same date, the Absolute Return fund had a fair market value of \$89,661,293 and carried an average quality rating of BBB+.

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, 2009, the System had exposure of less than 5 percent in any single investment issue.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. CPERS' 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, 2009, CPERS had no investments allocated in foreign currencies in non-pooled accounts of either fixed income or equity managers.

The System has authorized JPMorgan/Chase Bank to act as agent in lending the System's actively managed securities to approved broker-dealers (borrowers) through a Securities Lending Agreement for Non-ERISA Accounts. The terms of the agreement require the borrowers to deliver collateral against each loan for no less than a.) 102% of the market value of the loaned securities if the loaned securities were not foreign securities, b.) 105% of the market value of the loaned securities if the loaned securities were foreign securities, or c.) approved letters of credit.

JPMorgan/Chase Bank managed cash collateral received on the securities loaned in a separate collateral account for the System. The income generated from the collateral is allocated among the bank, the borrower, and the System in accordance with the contract. The System also receives non-cash collateral including U.S. Treasuries, government sponsored enterprises and federal agencies, mortgage backed securities (MBS), corporate bonds, asset backed securities (ABS), money market instruments, municipal securities, and private label mortgage backed securities and collateralized mortgage obligations (CMO). However, the System does not have the ability to pledge or sell these non-cash securities; even in the event of default. Both the System and the borrowers maintain the right to terminate securities lending transactions. Therefore, the securities loaned did not generally match the duration of the investments made with cash collateral.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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):

In December 2008, the System imposed a restriction on JPMorgan/Chase whereby the securities lending limit was capped at \$5,000,000 until further notice. In the event of a failure or default on the part of a borrower, the agent contractually agrees to act in the best interest of the System in executing loan collateral on behalf of the System. There were two names in the pool of securities held as collateral that defaulted in 2008 - Lehman Brothers and Sigma Finance Corporation. There were no new defaults in 2009. To protect the interest of its clients, in September of 2009, JPMorgan/Chase categorized the collateral security holdings and placed them in three newly created funds. The Active Fund is comprised of securities that continued to be traded and experienced no or little illiquidity. The great majority of CPERS' holdings are traded from this fund, and the investments of any new securities lending clients are designated exclusively for this fund. The Segregated Fund was created for securities that were under liquidity pressure in the investment market. Some of these securities had been downgraded, but there had been no defaults. These securities are predominantly Asset-Backed securities and debt of various insurance providers. A large percentage of these obligations have matured and paid the face amount to the holders. The others continue to pay down principal and interest but maturity dates are regularly extended beyond the original stated maturity dates at the time of issuance. When investments in this fund mature, the proceeds become part of the Active fund. The Liquidating Fund contains the non-performing or illiquid securities that have defaulted on the original obligation. At December 31, 2009, these consisted of only Lehman Brothers and Sigma Finance Corporation in the aggregate amount of \$99,152. The inclusion of these securities has a negative impact on both net asset value and portfolio yield.

At December 31, 2009, the System had no credit risk exposure to borrowers because the amounts the System owed the borrowers exceeded the amounts the borrowers owed the System. The collateral held was valued at \$4,654,585 and the market value of the securities on loan was \$4,560,142. The cash portion of the collateral is reflected in the Statement of Plan Net Assets.

The following table shows the December 31, 2009, fair value of the securities loaned and the fair value of the collateral held, categorized by security type. Cash collateral of \$4,654,585 consists of Equity Short-Term Securities and Government Short-Term Securities.

<u>Security Type</u>	<u>Fair Value of Securities Loaned at 12/31/2009</u>	<u>Fair Value of Collateral Held at 12/31/2009</u>
Equity Short-Term Securities	\$1,493,200	\$1,524,232
Government Short-Term Securities	<u>3,066,942</u>	<u>3,130,353</u>
Total	<u>\$4,560,142</u>	<u>\$4,654,585</u>

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:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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>
District Attorney of the Nineteenth Judicial District	\$ 3,447,732	\$ 3,447,732
Nineteenth Judicial District Court	15,885,662	16,011,476
E.B.R. Parish Family Court	386,242	389,092
E.B.R. Parish Juvenile Court	650,154	758,766
Nineteenth Judicial District Public Defender	2,129,042	2,129,042
E.B.R. Parish Clerk of Court	5,868,038	5,868,038
District No. 1 Fire Protection District	247,863	247,863
St. George Fire Protection District	1,702,765	1,729,243
Eastside Fire Protection District	703,887	726,155
District 6 Fire Protection District	312,865	312,865
Pride Fire Protection District	103,061	103,061
Alsen-St. Irma Lee Fire Protection District	272,623	272,623
E.B.R. Redevelopment Authority	235,206	235,206
South Burbank Crime Prevention District	127,448	127,448
Concord Estates Crime Prevention District	11,870	11,870
Wedgewood Crime Prevention District	5,253	5,253
Capital Region Planning Commission	59,304	98,519
Capital Area Transit System	<u>385,241</u>	<u>437,749</u>
Total Component Units	<u>\$32,534,256</u>	<u>\$32,912,001</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	\$15,511,476
E.B.R. Parish Juvenile Court	508,766
St. George Fire Protection District	1,479,243
Eastside Fire Protection District	476,155
Capital Area Transit System	<u>223,749</u>
Total	<u>\$18,199,389</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, 2009, there were no certificates of deposit with a maturity of 90 days or more classified on the Statement of Net Assets as "Investments". The carrying amount of \$32,534,256 is classified as "Cash and cash equivalents."

The carrying amounts of deposits do not include a cash on hand balance for E.B.R. Parish Juvenile Court (\$300) and Clerk of Court (\$2,530) which are not on deposit with a financial institution. Cash on hand includes petty cash and cash received but not yet deposited at year-end.

d. Investments - Discretely Presented Component Units

Investments for component units include a fair value amount of \$592,223 in securities held by Capital Region Planning Commission and \$44,587,437 in securities held by the Nineteenth Judicial District Court.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

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

e. 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 Statement of Net Assets.

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

Cash and cash equivalents:	
Deposits	\$ 134,656,309
Cash on hand	1,862,269
Louisiana Asset Management Pool	<u>716,863,155</u>
Sub-total cash and cash equivalents	<u>853,381,733</u>
Investments:	
Deposits	152,000,000
Investments	<u>158,121,513</u>
Sub-total investments	<u>310,121,513</u>
Cash, cash equivalents and investments, December 31, 2009	<u>\$1,163,503,246</u>

Summary of "Cash and cash equivalents" and "Investments" for the Primary Government on the Statement of Net Assets

Cash and cash equivalents	\$ 688,444,164
Restricted Assets - Cash and cash equivalents	<u>164,937,569</u>
Total cash and cash equivalents	<u>853,381,733</u>
Investments	254,536,569
Restricted Assets - Investments	<u>55,584,944</u>
Total investments	<u>310,121,513</u>
Total cash and cash equivalents and investments	<u>\$1,163,503,246</u>

B. Component units:

Cash and cash equivalents:	
Deposits	\$32,534,256
Cash on hand	<u>2,830</u>
Sub-total cash and cash equivalents	32,537,086
Investments	<u>45,179,660</u>
Cash, cash equivalents and investments, December 31, 2009	<u>\$77,716,746</u>

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

Cash and cash equivalents	\$32,378,895
Restricted Assets - Cash and cash equivalents	<u>158,191</u>
Total cash and cash equivalents	32,537,086
Investments	<u>45,179,660</u>
Total cash and cash equivalents and investments	<u>\$77,716,746</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

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

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

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

Cash and cash equivalents:	
Deposits	\$ 8,428,044
Investments	<u>12,731,751</u>
Sub-total cash and cash equivalents	21,159,795
Investments	<u>858,608,139</u>
Cash, cash equivalents and investments, December 31, 2009	<u>\$879,767,934</u>

NOTE 4 - Property Taxes

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years. Year 2008 was a 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."

The 2009 property tax calendar is as follows:

Levy date	November 25, 2009
Millage rates adopted	November 25, 2009
Tax bills mailed	November 28, 2009
Due date	December 31, 2009
Lien date	January 1, 2010

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 revenues in the year of levy. Such deferred revenues are recognized as revenue in the fiscal year in which they become available.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 4 - Property Taxes (Continued)

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

a. Property taxes receivable and estimated uncollectible taxes by fund type for the Primary Government are as follows:

	Property Taxes <u>Receivable</u>	Estimated Uncollectible Property Taxes	Net Property Taxes <u>Receivable</u>
General Fund	\$ 7,389,585	\$ 448,400	\$ 6,941,185
Library Board of Control Fund	10,762,438	807,350	9,955,088
Nonmajor Governmental Funds	<u>8,015,810</u>	<u>517,878</u>	<u>7,497,932</u>
Total	<u>\$26,167,833</u>	<u>\$1,773,628</u>	<u>\$24,394,205</u>

b. Property taxes receivable and estimated uncollectible taxes for the Component Units are as follows:

	Property Taxes <u>Receivable</u>	Estimated Uncollectible Property Taxes	Net Property Taxes <u>Receivable</u>
District No. 1 Fire Protection District	\$ 107,160	\$ 5,348	\$ 101,812
St George Fire Protection District	848,497	736,157	112,340
Brownsfield Fire Protection District	124,957	18,468	106,489
Eastside Fire Protection District	766,603	99,500	667,103
E.B.R. Parish Fire Protection District No. 6	282,149	40,421	241,728
Chaneyville Fire Protection District	20,650	2,290	18,360
Pride Fire Protection District	23,056	2,009	21,047
Alsen-St. Irma Lee Fire Protection District	<u>111,762</u>	<u>4,034</u>	<u>107,728</u>
Total	<u>\$2,284,834</u>	<u>\$908,227</u>	<u>\$1,376,607</u>

NOTE 5 - Federal and State Financial Assistance

a. Grants From Other Governments and Private Developers

Federal and State grant programs represent an important source of funding to finance housing, employment, construction, and social programs which are beneficial to the City and the Parish. These funds are recorded in the 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." 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 FASB Statement No. 5, *Accounting for Contingencies*. During 2009, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or contributions in the accompanying fund financial statements:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 5 - Federal and State Financial Assistance (Continued)

a. Grants From Other Governments and Private Developers (Continued)

	<u>Federal and State Operating Grants and Capital Contributions</u>	<u>Private Capital Contributions</u>
Primary Government:		
Governmental activities:		
Grants Fund	\$58,262,877	\$ --
Capital Projects Fund	3,342,204	--
Nonmajor governmental funds	3,204,068	--
Business-type activities:		
Greater Baton Rouge Airport District	22,614,720	--
Comprehensive Sewerage System Fund	628,196	3,867,961
Solid Waste Collection and Disposal Fund	231,758	--
Nonmajor business-type funds	<u>1,593,894</u>	<u>--</u>
Total primary government	<u>\$89,877,717</u>	<u>\$3,867,961</u>
Component Units:		
District Attorney of the Nineteenth Judicial District	\$ 1,136,652	\$ --
E.B.R. Parish Juvenile Court	79,360	--
St. George Fire Protection District	427,626	--
Eastside Fire Protection District	142,830	--
Pride Fire Protection District	14,271	--
Chaneyville Fire Protection District	2,275	--
Alsen-St. Irma Lee Fire Protection District	24,049	--
Capital Region Planning Commission	767,751	--
Capital Area Transit System	<u>9,321,093</u>	<u>--</u>
Total component units	<u>\$11,915,907</u>	<u>\$ --</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 2009, 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, judges' salaries and benefits for the three court systems and state supplemental salaries of the parish fire protection district component units.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 5 - Federal and State Financial Assistance (Continued)

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

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 2009 financial statements are as follows:

	<u>State Supplemental Salaries</u>	<u>MERS Contribution</u>	<u>Total 2009 On-Behalf Payments</u>
Primary Government:			
Governmental activities	\$ 7,252,488	\$832,766	\$ 8,085,254
Business-type activities	<u>140,861</u>	<u>--</u>	<u>140,861</u>
Total primary government	<u>7,393,349</u>	<u>832,766</u>	<u>8,226,115</u>
Component Units:			
District Attorney of the Nineteenth			
Judicial District	2,341,847	--	2,341,847
Nineteenth Judicial District Court	2,588,595	--	2,588,595
E.B.R. Parish Family Court	609,081	--	609,081
E.B.R. Parish Juvenile Court	304,541	--	304,541
St. George Fire Protection District	721,138	--	721,138
Brownsfield Fire Protection District	22,200	--	22,200
E.B.R. Parish Fire Protection			
District No. 6	59,825	--	59,825
Eastside Fire Protection District	<u>43,346</u>	<u>--</u>	<u>43,346</u>
Total component units	<u>6,690,573</u>	<u>--</u>	<u>6,690,573</u>
Total on-behalf payments	<u>\$14,083,922</u>	<u>\$832,766</u>	<u>\$14,916,688</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets

a. Primary government capital asset activity for the year ended December 31, 2009, was as follows:

	<u>Balance</u> <u>1/1/2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Balance</u> <u>12/31/2009</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land and right-of-way	\$ 104,258,604	\$22,814,227	\$ --	\$ --	\$ 127,072,831
Construction work in progress	<u>65,157,737</u>	<u>36,485,654</u>	<u>--</u>	<u>(12,488,397)</u>	<u>89,154,994</u>
Total capital assets not being depreciated	<u>169,416,341</u>	<u>59,299,881</u>	<u>--</u>	<u>(12,488,397)</u>	<u>216,227,825</u>
Capital assets being depreciated:					
Buildings	204,288,339	5,388,504	(285,603)	1,943,461	211,334,701
Improvements (other than buildings) and infrastructure	564,820,316	25,658,262	--	15,034,642	605,513,220
Equipment and equipment under lease	<u>92,869,707</u>	<u>15,560,101</u>	<u>(5,872,387)</u>	<u>41,483</u>	<u>102,598,904</u>
Total capital assets being depreciated	<u>861,978,362</u>	<u>46,606,867</u>	<u>(6,157,990)</u>	<u>17,019,586</u>	<u>919,446,825</u>
Less accumulated depreciation for:					
Building	(125,832,209)	(5,657,318)	285,603	--	(131,203,924)
Improvements (other than buildings) and infrastructure	(283,480,632)	(17,230,503)	--	--	(300,711,135)
Equipment and equipment under lease	<u>(63,555,934)</u>	<u>(13,499,587)</u>	<u>5,769,116</u>	<u>(38,482)</u>	<u>(71,324,887)</u>
Total accumulated depreciation	<u>(472,868,775)</u>	<u>(36,387,408)</u>	<u>6,054,719</u>	<u>(38,482)</u>	<u>(503,239,946)</u>
Total capital assets being depreciated, net	<u>389,109,587</u>	<u>10,219,459</u>	<u>(103,271)</u>	<u>16,981,104</u>	<u>416,206,879</u>
Total governmental activities capital assets, net	<u>\$ 558,525,928</u>	<u>\$69,519,340</u>	<u>\$ (103,271)</u>	<u>\$ 4,492,707</u>	<u>\$ 632,434,704</u>
Business-Type Activities:					
Capital assets not being depreciated:					
Land and right-of-way	\$ 80,039,109	\$ 8,272,969	\$ (778,095)	\$(24,509,701)	\$ 63,024,282
Construction work in progress	<u>49,264,020</u>	<u>74,333,947</u>	<u>--</u>	<u>(23,014,921)</u>	<u>100,583,046</u>
Total capital assets not being depreciated	<u>129,303,129</u>	<u>82,606,916</u>	<u>(778,095)</u>	<u>(47,524,622)</u>	<u>163,607,328</u>
Capital assets being depreciated:					
Buildings	170,121,649	6,471,029	--	6,655,689	183,248,367
Noise mitigation	28,106,475	1,224,909	--	25,576,862	54,908,246
Improvements (other than buildings) and infrastructure	843,495,261	38,678,824	(125,401)	17,162,486	899,211,170
Equipment	<u>12,136,051</u>	<u>685,346</u>	<u>(829,376)</u>	<u>--</u>	<u>11,992,021</u>
Total capital assets being depreciated	<u>1,053,859,436</u>	<u>47,060,108</u>	<u>(954,777)</u>	<u>49,395,037</u>	<u>1,149,359,804</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

a. Primary government capital asset activity (Continued)

	<u>Balance</u>		<u>Balance</u>
	<u>1/1/2009</u>	<u>Increases</u>	<u>12/31/2009</u>
		<u>Decreases</u>	
		<u>Adjustments</u>	
Business-Type Activities (Continued):			
Capital assets being depreciated (Continued):			
Less accumulated depreciation for:			
Buildings	\$ (73,150,839)	\$ (6,092,609)	\$ --
Noise mitigation costs	(3,952,203)	--	(23,239)
Improvements (other than buildings) and infrastructure	(422,651,059)	(30,567,540)	71,583
Equipment	(10,812,942)	(540,885)	822,503
Total accumulated depreciation	<u>(510,567,043)</u>	<u>(37,201,034)</u>	<u>894,086</u>
		<u>(23,239)</u>	<u>(546,897,230)</u>
Total capital assets being depreciated, net	<u>543,292,393</u>	<u>9,859,074</u>	<u>(60,691)</u>
		<u>49,371,798</u>	<u>602,462,574</u>
Total business-type activities capital assets, net	<u>\$ 672,595,522</u>	<u>\$ 92,465,990</u>	<u>\$(838,786)</u>
		<u>\$ 1,847,176</u>	<u>\$ 766,069,902</u>

The adjustments column includes the capitalization of \$4,489,706 in governmental activities and \$1,847,176 in business-type activities of donated assets from private sources. The adjustments column also includes \$12,488,397 in governmental activities and \$18,918,391 in business-type activities of prior year construction work in progress that was capitalized as assets during 2009. Also included in the adjustments column is \$25,213,064 for the reclassification of land to noise mitigation costs.

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

Governmental Activities:

Governmental fund-types:	
General government	\$ 1,558,122
Public safety	10,880,099
Transportation	17,391,635
Health and welfare	171,903
Culture and recreation	1,919,694
Conservation and development	648,363
Internal service fund capital assets are charged to the various functions based on their usage of the assets	<u>3,817,592</u>
Total depreciation expense - governmental activities	<u>\$36,387,408</u>

Business-Type Activities:

Airport	\$ 7,276,123
Sewer	25,238,058
Solid Waste Collection and Disposal	1,188,436
Nonmajor business-type activities	<u>3,498,417</u>
Total depreciation expense - business-type activities	<u>\$37,201,034</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 12/31/2009</u>	<u>Committed</u>	<u>Estimated Required Future Financing</u>
<u>Capital Projects Fund:</u>					
Miscellaneous Capital Improvements					
Branch Libraries	\$ 78,736,128	\$ 10,333,554	\$ 1,508,649	\$ 6,267,183	None
Capital Improvement					
Roads, Streets, Drainage, Other	95,294,763	68,828,451	4,481,942	1,796,182	None
Road and Street Improvement					
Pay-As-You-Go Dedicated Tax	231,535,412	113,485,675	20,047,841	57,270,995	None
Bonded Dedicated Sales Tax	254,503,920	83,404,370	53,314,162	71,653,858	None
LA DOTD Grants Capital Projects	83,658,641	65,384,511	5,451,756	7,123,300	None
Judicial Building Project	2,338,022	--	2,338,022	--	None
Downtown Signage/Visitor's Amenities Program	1,335,732	1,194,682	--	--	None
General Capital Expenditures	50,948,138	44,751,168	1,013,588	564,021	None
<u>Other Governmental Funds:</u>					
Parish Transportation	11,982,593	4,685,546	709,167	169,401	None
Generator Programs	<u>2,340,162</u>	<u>424,271</u>	<u>289,867</u>	<u>470,080</u>	None
Total	<u>\$812,673,511</u>	<u>\$392,492,228</u>	<u>\$89,154,994</u>	<u>\$145,315,020</u>	

Included in governmental activities construction work in progress is \$2,338,022 in engineering cost on the construction of the new Nineteenth Judicial District Court building. Louisiana Public Facilities Authority issued debt in the amount of \$100,000,000 to provide for the construction of the project. The debt is recorded and being serviced in the Nineteenth Judicial District Court component unit statements. In accordance with the legal documents, the building will be capitalized and maintained by the City-Parish upon completion. The building is projected to be complete in 2011.

d. **Construction work in progress at December 31, 2009, 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 12/31/09</u>
<u>Greater Baton Rouge Airport District:</u>				
Runways and apron improvements	\$ 17,744,151	\$ 8,350,697	\$ 239,182	\$ 8,111,515
Expand aircraft rescue and firefighting building	3,015,785	1,849,617	--	1,849,617
Landscaping project	3,171,536	325,249	--	325,249
Air cargo facility	2,700,000	1,527,378	--	1,527,378
Rotunda and terminal renovations	10,823,793	1,228,633	--	1,228,633
Loading bridges	983,919	73,097	--	73,097
Miscellaneous project costs	<u>140,962</u>	<u>103,603</u>	<u>--</u>	<u>103,603</u>
Total	<u>38,580,146</u>	<u>13,458,274</u>	<u>239,182</u>	<u>13,219,092</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

d. Construction work in progress at December 31, 2009, 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 12/31/09</u>
<u>Comprehensive Sewerage System Fund:</u>				
South wastewater treatment plant ballasted flocculation unit	\$157,737,071	\$ 30,886,258	\$ 4,185,933	\$ 26,700,325
Rehabilitation construction	89,492,279	8,977,683	7,888	8,969,795
Sanitary sewer overflow corrective action plan	203,722,099	61,020,966	11,071,332	49,949,634
Telemetry system	1,185,628	48,873	--	48,873
Rehabilitation of pump stations	<u>7,454,385</u>	<u>542,012</u>	<u>12,970</u>	<u>529,042</u>
Total	<u>459,591,462</u>	<u>101,475,792</u>	<u>15,278,123</u>	<u>86,197,669</u>
<u>Nonmajor business -type activities:</u>				
Baton Rouge River Center Fund:				
Miscellaneous building improvements	<u>8,238,244</u>	<u>1,166,285</u>	<u>--</u>	<u>1,166,285</u>
Total-all enterprise funds	<u>\$506,409,852</u>	<u>\$116,100,351</u>	<u>\$15,517,305</u>	<u>\$100,583,046</u>

Total construction period interest costs were capitalized in 2009 in the Comprehensive Sewerage System Fund (\$411,813) and the Greater Baton Rouge Airport District (\$481,801). Construction period interest costs of \$8,080,077 for the Comprehensive Sewerage System Fund and \$855,759 for the Greater Baton Rouge Airport District from the current and previous fiscal years remain in Construction Work in Progress at December 31, 2009. 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.

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 October 2009. CH2M HILL's estimated cost for completing the revised RMAP2 is \$1.2 billion. The deadline for completing the program is December 31, 2014, and the program is currently on schedule to meet this deadline.

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 for 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, 2009

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	\$ 1,911,460	\$ 196,448	\$(284,947)	\$ 1,822,961
Less: accumulated depreciation	<u>(1,150,380)</u>			<u>(1,096,706)</u>
Total District Attorney of the Nineteenth Judicial District	<u>\$ 761,080</u>			<u>\$ 726,255</u>
<u>Nineteenth Judicial District Court</u>				
Equipment	\$ 886,648	\$ 18,941	\$ --	\$ 905,589
Construction work in progress	<u>27,462,260</u>	<u>48,561,876</u>	--	<u>76,024,136</u>
Total	28,348,908	48,580,817	-	76,929,725
Less: accumulated depreciation	<u>(695,799)</u>			<u>(743,059)</u>
Total Nineteenth Judicial District Court	<u>\$ 27,653,109</u>			<u>\$ 76,186,666</u>
<u>E.B.R. Parish Family Court</u>				
Equipment	\$ 202,856	\$ 11,837	\$ --	\$ 214,693
Less: accumulated depreciation	<u>(181,109)</u>			<u>(189,098)</u>
Total E.B.R. Parish Family Court	<u>\$ 21,747</u>			<u>\$ 25,595</u>
<u>E.B.R. Parish Juvenile Court</u>				
Equipment	\$ 404,763	\$ 4,706	\$ (17,168)	\$ 392,301
Less: accumulated depreciation	<u>(362,018)</u>			<u>(361,478)</u>
Total E.B.R. Parish Juvenile Court	<u>\$ 42,745</u>			<u>\$ 30,823</u>
<u>Nineteenth Judicial District</u>				
<u>Public Defender</u>				
Equipment	\$ 262,487	\$ 1,461	\$ --	\$ 263,948
Less: accumulated depreciation	<u>(178,708)</u>			<u>(198,354)</u>
Total Nineteenth Judicial District Public Defender	<u>\$ 83,779</u>			<u>\$ 65,594</u>
<u>E.B.R. Parish Clerk of Court</u>				
Equipment	\$ 8,702,343	\$ 43,085	\$ (7,930)	\$ 8,737,498
Less: accumulated depreciation	<u>(5,279,203)</u>			<u>(5,985,399)</u>
Total E.B.R. Parish Clerk of Court	<u>\$ 3,423,140</u>			<u>\$ 2,752,099</u>
<u>St. George Fire Protection District</u>				
Land	\$ 289,532	\$ 99,752	\$ --	\$ 389,284
Buildings	3,459,800	80,083	--	3,539,883
Equipment	<u>6,710,391</u>	<u>143,717</u>	<u>(27,522)</u>	<u>6,826,586</u>
Total	10,459,723	323,552	(27,522)	10,755,753
Less: accumulated depreciation	<u>(2,872,014)</u>			<u>(3,406,017)</u>
Total St. George Fire Protection District	<u>\$ 7,587,709</u>			<u>\$ 7,349,736</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

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

	<u>Balance</u> <u>Beginning</u> <u>of Year</u>	<u>Additions</u>	<u>Adjustments</u> <u>and</u> <u>Deletions</u>	<u>Balance</u> <u>End of</u> <u>Year</u>
<u>Brownsfield Fire Protection District</u>				
Land	\$ 18,592	\$ --	\$ --	\$ 18,592
Buildings	91,523	--	--	91,523
Equipment	<u>333,339</u>	<u>--</u>	<u>--</u>	<u>333,339</u>
Total	443,454	--	--	443,454
Less: accumulated depreciation	<u>(372,142)</u>			<u>(380,302)</u>
Total Brownsfield Fire Protection District	<u>\$ 71,312</u>			<u>\$ 63,152</u>
<u>Eastside Fire Protection District</u>				
Land	\$ 469,785	\$ --	\$ --	\$ 469,785
Buildings	3,722,767	--	--	3,722,767
Equipment	1,702,138	72,124	(51,352)	1,722,910
Equipment under capital leases	<u>705,038</u>	<u>--</u>	<u>--</u>	<u>705,038</u>
Total	6,599,728	72,124	(51,352)	6,620,500
Less: accumulated depreciation	<u>(1,752,192)</u>			<u>(1,970,262)</u>
Total Eastside Fire Protection District	<u>\$ 4,847,536</u>			<u>\$ 4,650,238</u>
<u>E.B.R. Parish Fire Protection District No. 6</u>				
Land	\$ 43,000	\$ --	\$ --	\$ 43,000
Buildings	493,238	--	--	493,238
Equipment	726,812	42,462	(43,045)	726,229
Equipment under capital leases	<u>534,526</u>	<u>332,586</u>	<u>--</u>	<u>867,112</u>
Total	1,797,576	375,048	(43,045)	2,129,579
Less: accumulated depreciation	<u>(1,066,509)</u>			<u>(1,120,738)</u>
Total E.B.R. Parish Fire Protection District No. 6	<u>\$ 731,067</u>			<u>\$ 1,008,841</u>
<u>Chaneyville Fire Protection District</u>				
Buildings	\$ 109,334	\$ --	\$ --	\$ 109,334
Equipment	<u>183,989</u>	<u>--</u>	<u>--</u>	<u>183,989</u>
Total	293,323	--	--	293,323
Less: accumulated depreciation	<u>(293,323)</u>			<u>(293,323)</u>
Total Chaneyville Fire Protection District	<u>\$ --</u>			<u>\$ --</u>
<u>Pride Fire Protection District</u>				
Land	\$ 15,000	\$ --	\$ --	\$ 15,000
Buildings	140,853	--	--	140,853
Equipment	325,483	8,642	--	334,125
Construction work in progress	<u>--</u>	<u>7,700</u>	<u>--</u>	<u>7,700</u>
Total	481,336	16,342	--	497,678
Less: accumulated depreciation	<u>(273,521)</u>			<u>(315,284)</u>
Total Pride Fire Protection District	<u>\$ 207,815</u>			<u>\$ 182,394</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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>Alsen-St. Irma Lee Fire Protection District</u>				
Land	\$ 9,000	\$ --	\$ --	\$ 9,000
Buildings	256,496	--	--	256,496
Equipment	<u>467,487</u>	<u>20,290</u>	<u>--</u>	<u>487,777</u>
Total	732,983	20,290	--	753,273
Less: accumulated depreciation	<u>(631,926)</u>			<u>(643,050)</u>
Total Alsen-St. Irma Lee Fire Protection District	<u>\$ 101,057</u>			<u>\$ 110,223</u>
<u>East Baton Rouge Redevelopment Authority</u>				
Equipment	\$ --	\$ 87,015	\$ --	\$ 87,015
Less: accumulated depreciation	<u>--</u>			<u>(5,645)</u>
Total E.B.R. Redevelopment Authority	<u>\$ --</u>			<u>\$ 81,370</u>
<u>Capital Region Planning Commission</u>				
Equipment	\$ 213,896	\$ 25,648	\$ --	\$ 239,544
Less: accumulated depreciation	<u>(186,525)</u>			<u>(202,253)</u>
Total Capital Region Planning Commission	<u>\$ 27,371</u>			<u>\$ 37,291</u>
<u>Capital Area Transit System</u>				
Equipment	\$ 18,236,986	\$ 911,522	\$(208,064)	\$ 18,940,444
Less: accumulated depreciation	<u>(10,577,515)</u>			<u>(11,834,923)</u>
Total Capital Transportation Corporation	<u>\$ 7,659,471</u>			<u>\$ 7,105,521</u>
Total component units capital assets	\$ 79,091,822	<u>\$50,669,895</u>	<u>\$(640,028)</u>	\$129,121,689
Less: total accumulated depreciation	<u>(25,872,884)</u>			<u>(28,745,891)</u>
Total component units capital assets, net	<u>\$ 53,218,938</u>			<u>\$100,375,798</u>

NOTE 7 - Employees' Retirement Systems

a. Primary Government

1. Plan Description and Provisions

The City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS), a separate legal entity, administers a cost-sharing multiple-employer defined benefit pension plan. The participating local government employers include:

City of Baton Rouge, Parish of East Baton Rouge
District Attorney of the Nineteenth Judicial District
Nineteenth Judicial District Court
E.B.R. Parish Family Court

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description and Provisions (Continued)

Participating local government employers (Continued)

E.B.R. Parish Juvenile Court
St. George Fire Protection District
Brownsfield Fire Protection District
Central Fire Protection District
E.B.R. Parish Fire Protection District No. 6
Eastside Fire Protection District
East Baton Rouge Recreation and Park Commission (BREC) *

*Related Organization under GASB 14

The CPERS Retirement Plan is reported as a blended component unit of City-Parish as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. 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 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.

The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. All CPERS trust accounts are administered by the CPERS Board. The financial report may be obtained by writing to:

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

The Retirement System reports its financial activities under the provisions of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* as amended by GASB Statement No. 50, *Pension Disclosures - an amendment of GASB Statements 25 and 27*. 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 GASB Statement No. 25 and GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

Any person who becomes a regular full-time employee of the Primary Government, excluding commissioned law enforcement officers and elected City Court Judges, becomes a member of the Retirement System as a condition of employment. An employee's benefit rights vest after the employee has been a member of the Retirement System for 10 years (Ordinance 10779).

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

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description and Provisions (Continued)

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. Benefits paid to employees shall not exceed 90% of average compensation. Benefits are reduced by 3% for each year below age 55, if service is less than 25 years.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Retirement System are prepared using the accrual basis of accounting. Contributions from participating plan employers and their employees are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

The investments of the Retirement System are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

3. Concentrations of Investments

The Retirement System has no investments in any one organization representing 5% or more of the net assets available for pension benefits except for obligations of the federal government. There are no investments in loans to or leases with parties related to the pension plan. The investment activity of the Retirement System is subject to an investment policy adopted by the Board of Trustees and to oversight by the Board.

4. Funding Policy

The Plan of Government requires that the Retirement System be funded on an actuarially sound basis. Under the current plan, both employee and employer contributions are set by the CPERS board on an annual basis to properly fund the system. In 2009, employees made a mandatory contribution of 9.5% of gross earnings, while the employer contributed 18.68% of active payroll. The total employer contributions to CPERS for the year ended December 31, 2009, 2008, and 2007 were \$22,035,372, \$22,511,874, and \$21,745,887, respectively, and were equal to the CPERS Board required contributions for each year. The City-Parish has no net pension obligation with respect to CPERS under GASB Statement No. 27 at December 31, 2009.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

5. Police Guarantee Trust Account

The police guarantee trust account was established as part of CPERS on February 26, 2000, by the City-Parish and the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) as the result of the voluntary transfer of 637 public safety employees from CPERS to the Municipal Police Employees' Retirement System (MPERS). 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 CPERS Board of Trustees established a Police Guarantee Account to administer benefits to the transferred officers. 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.

6. Municipal Police Employees' Retirement System (MPERS)

Plan Description: The City-Parish contributes to the Municipal Police Employees' Retirement System (MPERS) Pension Plan, a cost sharing multiple-employer defined benefit pension plan 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. Section 5 of this note 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 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.

Funding Policy: Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. During 2009, Plan members continued to contribute 7.5% of earned compensation while employers contributed 9.5% from January through June, and 11.0% from July through December. Earned compensation in the MPERS system excludes certain overtime, but includes state supplemental pay. The City-Parish's contributions to MPERS for the years ended December 31, 2009, 2008, and 2007, were \$3,938,694, \$4,430,722, and \$4,842,112 respectively, and were equal to the statutorily required contributions for each year. The City-Parish had no net pension obligation with respect to MPERS under GASB Statement No. 27 at December 31, 2009.

7. Louisiana State Employees' Retirement System (LASERS)

Plan Description: 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 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.

Funding Policy: Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. During 2009, Plan members contributed 11.50% of earned compensation while employers contributed 18.5% from January through June and 18.6% from July through December. The City-Parish's contributions to LASERS for the year ended December 31, 2009, 2008, and 2007 were \$74,377, \$80,412, and \$77,999, respectively, and were equal to the statutorily required contributions for each year. The City-Parish had no net pension obligation with respect to LASERS under GASB Statement No. 27 at December 31, 2009.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units

1. Capital Area Transit System Pension Plan

Plan Description: Employees of Capital Area Transit System (CATS) are members of the Capital Area Transit System Pension Trust Fund ("Plan"), a defined-benefit single employer pension plan. The Plan is administered by a local actuarial consulting company under the direction of a Board of Trustees. CATS issues a Comprehensive Annual Financial Report (CAFR) which includes the financial statements and required supplementary information for CATS's Pension Trust Fund. CATS has adopted the reporting provisions of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and has implemented GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*. CATS's financial reports may be obtained by writing to: Capital Area Transit System, Gary Owens, Chief Financial Officer, 2250 Florida Boulevard, Baton Rouge, LA 70802-3125. Because CATS issues its own CAFR with detailed disclosures on the operations of its Pension Trust Fund and because said fund is immaterial to the Primary Government, the City-Parish has chosen to provide limited disclosure in accordance with the reporting provisions of GASB Statement No. 25, No. 27 and No. 50. CATS pension trust fund is not reported in the fiduciary fund statements included as a basic financial statement of the primary government.

Summary of Significant Accounting Policies: The financial statements of CATS's Pension Trust Fund are prepared using the accrual basis of accounting. Contributions from CATS and their employees are recognized in the period in which employees provide services to the entity. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. CATS's Pension Trust Fund investments, consisting of mutual funds, are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The System's annual pension cost and net pension asset for the year ended December 31, 2009, was as follows:

Annual required contribution	\$ 404,577
Interest on net pension asset	(123,556)
Adjustment to annual required contribution	<u>167,913</u>
Annual pension cost	448,934
Contributions made (including interest)	<u>(424,624)</u>
Increase (decrease) in net pension asset	(24,310)
Net pension asset beginning of year	<u>1,765,084</u>
Net pension asset end of year	<u>\$1,740,774</u>

Trend Information for the Capital Area Transit System's Pension Trust Fund

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Asset</u>
12/31/09	\$400,624	106.0%	\$1,740,774
12/31/08	321,312	130.0	1,765,084
12/31/07	304,276	149.0	1,668,484

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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

Louisiana District Attorneys' Retirement System (LDARS)

Plan Description: The district attorney and assistant attorneys, whose salaries are paid by the State of Louisiana and the Office of the District Attorney, are members of the Louisiana District Attorneys' Retirement System. This retirement system is a multiple employer cost sharing, defined-benefit, statewide public employee retirement system administered and controlled by a separate board of trustees. The Louisiana District Attorneys' Retirement System (LDARS) provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. 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.

Funding Policy: Plan members are required to contribute 7.0% of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. Member contributions and employer contributions for the LDARS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. There were no employer contributions required for 2009, 2008, or 2007.

3. Nineteenth Judicial District Court Pension Plans

Louisiana State Employees' Retirement System (LASERS)

Plan Description: The employees of the Commissioners' offices, whose salaries are paid from appropriations from the State of Louisiana, are members of the Louisiana State Employees' Retirement System ("System"), a cost-sharing, multiple-employer defined-benefit public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of state employees which is administered and controlled by a separate board of trustees. 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. The Louisiana State Employees' Retirement System 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 by calling 1.800.256.3000.

Funding Policy: Plan members are required by state statute to contribute 7.5% , 8% for employees hired after July 1, 2006, of gross salary to which District Court added a 18.5%, 20.4% and 19.1% contribution as an employer's match for the years ended June 30, 2009, 2008, and 2007, respectively. The contribution requirements of plan members and the District Court are established and may be amended by the system's Board of Trustees. The Commissioners' offices statutory and actual contributions for the years ending June 30, 2009, 2008, and 2007 were \$146,237, \$121,536, and \$93,097, respectively.

Louisiana Clerk of Court Retirement and Relief Fund

Plan Description: Other court employees, whose salaries are expenditures of the Judicial Expense Fund are members of the Louisiana Clerk of Court Retirement and Relief Fund, a multiple-employer, cost sharing public employee retirement system, controlled and administered by a separate Board of Trustees. See section b(5) of this note for further disclosure on this multiple-employer cost-sharing PERS.

Funding Policy: The Nineteenth Judicial District Court was required to contribute 11.75%, 11.75% and 16.75% of annual covered payroll for the years ended June 30, 2009, 2008, and 2007, respectively. The amount of employer contributions to the system for the years ended June 30, 2009, 2008 and 2007, were \$498,172, \$501,321, and \$693,264, respectively, which was equal to the required contributions for each year.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

4. Nineteenth Judicial District Public Defender Pension Plan

A pension plan was established in 1992. Substantially all of the employees of the Nineteenth Judicial District Public Defender are members of this plan. This defined contribution plan is invested in American Funds, a mutual fund account held at A.G. Edwards. Each participant is fully-vested at the time of the contribution and will receive his/her individual fund at the time of retirement. The Public Defender contributes 7.7% of each participant's salary. Contributions during the six months ended June 30, 2009, were 100% funded in the amount of \$104,430.

5. East Baton Rouge Parish Clerk of Court Pension Plan

Louisiana Clerk of Court Retirement and Relief Fund

Plan Description: Substantially all Clerk of Court employees participate in the Louisiana Clerk of Courts Retirement and Relief Fund ("Fund"), a multiple-employer (cost-sharing), defined-benefit public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service prior to July 1, 1999, and 3.33% for each year of credited service after June 30, 1999, not to exceed 100% of their final average salary. The system also provides death and disability benefits. Benefits are established and amended by state statute. 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, 11745 Bricksome Avenue, Suite B1, Baton Rouge, LA 70816.

Funding Policy: Plan members are required by state statute to contribute 8.25% of their annual covered salary and the E.B.R. Clerk of Court is required to contribute at an actuarially determined rate. The employer required contribution rates were 11.75%, 11.75%, and 16.75%, of annual covered payroll for the years ended June 30, 2009, 2008, and 2007, respectively. Contributions to the system also include one-fourth of 1% of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Clerk are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Clerk's Contributions to the System for the years ended June 30, 2009, 2008, and 2007, were \$777,768, 802,549, and \$1,024,856, respectively, and were equal to the required contributions for each year.

Effective July 1, 1999, the East Baton Rouge Parish Clerk of Court could elect to pay all or a portion of the 8.25% employee retirement contribution which would otherwise be deducted from the employees' salaries. This election can be changed annually by the Clerk. The East Baton Rouge Parish Clerk of Court elected to implement this policy for the years ended June 30, 2009, 2008, and 2007. The contributions to the System under this election were \$507,331, \$545,921, and \$492,575, respectively.

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, EBR Parish Juvenile Court, Brownsfield Fire Protection District and Alsen-St. Irma Lee Fire Protection 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

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

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

<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%

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 2009, the health/dental plan was funded with employees and retirees contributing 25%-48% of the health and dental premium and the City-Parish contributing 52%-75% of the health and dental premium, dependent upon the number of family members covered. One hundred percent of required premiums on the \$3,000 retiree life insurance policy is funded by the employer. 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 2009 totaled \$13,762,722; or approximately 9.50% of gross payroll as approved by the Metropolitan Council in the 2009 operating budget. There is no retiree contribution to the OPEB plan other than the retiree share of insurance premiums paid monthly which totaled \$5,356,195 for 2009.

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 GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over the actuarial amortization period. Since 2007 was the initial year of implementation for GASB 45, there are three years of trend information available. The ARC was calculated as part of the January 1, 2009, 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:

	City-Parish Plan				
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Component Units</u>	<u>Total OPEB Plan</u>
Annual required contribution (ARC)	\$ 52,371,325	\$ 5,123,686	\$ 57,495,011	\$2,819,930	\$ 60,314,941
Interest on net OPEB obligation	3,291,234	321,994	3,613,228	177,216	3,790,444
Adjustment to ARC	<u>(3,359,206)</u>	<u>(328,644)</u>	<u>(3,687,850)</u>	<u>(180,876)</u>	<u>(3,868,726)</u>
Annual OPEB cost (expense)	52,303,353	5,117,036	57,420,389	2,816,270	60,236,659
Less: Contributions made	<u>(11,950,140)</u>	<u>(1,169,128)</u>	<u>(13,119,268)</u>	<u>(643,454)</u>	<u>(13,762,722)</u>
Increase in net OPEB obligation	40,353,213	3,947,908	44,301,121	2,172,816	46,473,937
Net OPEB obligation-beginning of year	<u>81,726,105</u>	<u>8,532,459</u>	<u>90,258,564</u>	<u>4,502,531</u>	<u>94,761,095</u>
Net OPEB obligation-end of year	<u>\$122,079,318</u>	<u>\$12,480,367</u>	<u>\$134,559,685</u>	<u>\$6,675,347</u>	<u>\$141,235,032</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 2009 and the preceding year 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>
12/31/09	\$57,420,389	22.8%	\$44,301,121	\$134,559,685
12/31/08	58,303,635	20.5	46,345,535	90,258,564
12/31/07	55,440,646	20.8	43,913,029	43,913,029

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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>
12/31/09	\$2,816,270	22.8%	\$2,172,816	\$6,678,347
12/31/08	2,917,928	20.5	2,319,460	4,502,531
12/31/07	2,756,160	20.8	2,183,071	2,183,071

Funding status and funding progress:

As of January 1, 2009, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$869.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$869.1 million. The ratio of UAAL to the covered payroll amount of \$149.1 million was 582.8 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 individual entry age-normal cost method was used for the January 1, 2009, 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 1994 Group Annuity Mortality Table set forward two years. Turnover rates were based on the government's historical data and modified based on years of employment. Probabilities of disability were calculated in accordance with the Eleventh Actuarial Valuation of the Railroad Retirement System with adjustments for fire and police.

Both historical retiree claim costs and year 2009 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 3.75 percent, the plan assumed a medical inflation rate of eight percent beginning in 2005, decreasing one percent per year through 2013. The actuarial valuation also assumes that (1) eighty percent of employees are assumed to be married at retirement; (2) female spouses are assumed to be three years younger than males; (3) eighty percent of employees married at retirement will elect spouse's coverage; (4) zero percent of employees will have dependent children at retirement; and (5) one hundred percent of employees will elect medicare coverage when they are first eligible.

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 2.5 percent, compounded annually. The remaining amortization period at January 1, 2009, was thirty years.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
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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 GASB Statement No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and the 2008 *Codification of Governmental Accounting and Financial Reporting Standards* of the Governmental Accounting Standards Board, 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 Assets 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, 2009.

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. In accordance with FASB Statement No. 5, *Accounting for Contingencies*, 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. FASB No. 5 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. In accordance with GASB Statement No. 30, *Risk Financing Omnibus*, 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 \$27,346,473 has been recorded as a long-term obligation on the Government-wide Statement of Net Assets for estimated claims and judgments for risk management purposes. Incremental claim costs as required by GASB Statement No. 30, 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 and dental programs, providing medical and dental coverage to those City-Parish employees who choose to participate. During 2009, the minimum premium plan was funded with

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

NOTE 9 - Risk Management (Continued)

d. Employee Benefits (Continued)

employees and retirees contributing 25%-48% of the premium and the City-Parish contributing 52%-75% of the premium, dependent upon the number of family members covered. As of January 1, 2007, the dental plan is a fully insured plan and underwritten by a third party insurer. Premiums are paid jointly by the employee and the government.

The government's health plan is a self insured program with a third party administrator. The government's share of the health and dental 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 Designated for Insurance.

The value of self-insured claims incurred but not reported or paid as of December 31, 2009, for group health are estimated by the government's third party health care provider as follows:

Self-funded medical \$5,533,399

This amount has been included in the Government-wide Statement of Net Assets for December 31, 2009.

e. Changes in Liabilities for Claims

The following is a reconciliation of changes in long-term claims payable for the years ended December 31, 2009, 2008, and 2007:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Claims and judgments payable:</u>			
Beginning balance	\$28,625,116	\$ 25,117,417	\$29,174,425
Additions:			
Claims incurred and new estimates	4,698,892	4,256,793	2,444,137
Understated prior year estimates	-	7,090,295	-
Deductions:			
Claims paid	(2,295,342)	(4,827,223)	(1,991,720)
Claims dismissed and changes in estimates	<u>(3,682,193)</u>	<u>(3,012,166)</u>	<u>(4,509,425)</u>
Ending balance	<u>\$ 27,346,473</u>	<u>\$ 28,625,116</u>	<u>\$ 25,117,417</u>
<u>Employee benefits payable:</u>			
Beginning balance	\$ 5,179,761	\$ 4,728,390	\$ 4,477,326
Additions:			
Claims incurred	55,503,468	51,712,547	46,932,033
Deductions:			
Claims paid	<u>(55,149,830)</u>	<u>(51,261,176)</u>	<u>(46,680,969)</u>
Ending balance	<u>\$ 5,533,399</u>	<u>\$ 5,179,761</u>	<u>\$ 4,728,390</u>

f. Insurance Designation

The City-Parish maintains a practice of designating a portion of General Fund fund balance for self-insurance purposes. The amount designated for insurance at December 31, 2009, was determined as follows:

Insurance Designation, January 1, 2009	\$33,656,373
Less: Appropriations from Insurance Designation for risk management purposes	(453,254)
Plus: Additional amount designated for insurance by authority of the Budget Ordinance	316,407
Interest earned on designated funds during 2009	<u>209,246</u>
Insurance Designation, December 31, 2009	<u>\$33,728,772</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt

a. Primary Government

I. Summary of Changes in Long-Term Debt

Following is a summary of changes in long-term debt for the primary government for year 2009:

	<u>Balance</u> <u>1/1/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/09</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
Excess revenue contracts, loans and notes	\$ 64,463,155	\$ --	\$ 2,092,455	\$ 62,370,700	\$ 1,856,700
Deferred premium on bonds	1,454,297	2,591,309	414,415	3,631,191	--
Deferred amount on refunding	(2,294,579)		(306,948)	(1,987,631)	--
Revenue bonds payable, gross	185,810,000	110,000,000	12,035,000	283,775,000	15,990,000
Less: Intragovernment payable	(19,878,579)	--	(5,950,391)	(13,928,188)	(6,469,695)
Compensated absences payable	21,336,357	7,611,124	7,472,273	21,475,208	11,552,521
Claims and judgments payable (Note 9)	28,625,116	4,698,892	5,977,535	27,346,473	1,416,845
Employee benefits payable (Note 9)	5,179,761	55,503,468	55,149,830	5,533,399	5,533,399
Arbitrage payable for governmental activities	1,208,365	315,830	--	1,524,195	--
Net other postemployment benefit obligation	<u>81,726,105</u>	<u>52,303,354</u>	<u>11,950,141</u>	<u>122,079,318</u>	<u> --</u>
Total governmental activities	<u>\$367,629,998</u>	<u>\$233,023,977</u>	<u>\$88,834,310</u>	<u>\$511,819,665</u>	<u>\$29,879,770</u>
<u>Business-Type Activities:</u>					
Excess revenue contracts, loans and notes	\$ 3,676,914	\$ 226,845	\$ 352,500	\$ 3,551,259	\$ 372,000
Revenue bonds payable	305,810,000	164,965,000	9,170,000	461,605,000	9,640,000
Net deferred amount on refunding and premiums	(2,119,537)	(2,514,626)	(459,898)	(4,174,265)	--
Revenue bonds payable from City issues	19,878,579	--	5,950,391	13,928,188	6,469,695
Loans payable	200,000	1,500,000	200,000	1,500,000	--
Landfill closure and postclosure care liability (Note 17)	8,595,074	597,696	--	9,192,770	--
Compensated absences payable	1,883,613	178,365	184,411	1,877,567	1,868,550
Net other postemployment benefit obligation	<u>8,532,459</u>	<u>5,117,036</u>	<u>1,169,128</u>	<u>12,480,367</u>	<u> --</u>
Total business-type activities	<u>\$346,457,102</u>	<u>\$170,070,316</u>	<u>\$16,566,532</u>	<u>\$499,960,886</u>	<u>\$18,350,245</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, \$179,343 of compensated absences for internal service funds is included in the above amount. Also, for the governmental activities, compensated absences, employee benefits payable, and obligation under capital leases are liquidated by the governmental fund in which the liability is incurred. Claims and judgments payable are liquidated by the General Fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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, 2009:

	<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:					
2002A Fixed Rate Taxable Refunding	01/15-07/15	05/17/2002	01/01/2029	\$ 25,900,000	\$ 21,410,000
2002B Fixed Rate Taxable Refunding	01/15-07/15	10/01/2002	01/15/2029	47,550,000	40,240,000
LA Community Development 2000A Program					
Baton Rouge Convention and Visitors	Monthly	09/01/2007	11/30/2029	750,000	720,700
Parish of East Baton Rouge:					
LA Community Development Authority (LCDA)					
1999 Program	Monthly	08/11/99	05/31/2018	<u>7,643,873</u>	<u>--</u>
Total excess revenue contracts, loans and notes				<u>81,843,873</u>	<u>62,370,700</u>
<u>Revenue bonds</u>					
City of Baton Rouge:					
1997 Public Improvement Sales Tax	02/01-08/01	10/01/1997	08/01/2017	19,325,000	--
1998A Public Improvement Sales Tax	02/01-08/01	11/01/1998	08/01/2016	94,450,000	7,935,000
2001A Public Improvement Sales Tax	02/01-08/01	08/15/2001	08/01/2026	23,625,000	19,295,000
2007A Public Improvement Sales Tax	02/01-08/01	03/28/2007	08/01/2018	30,395,000	29,965,000
Less: debt recorded in business-type activities				(103,245,452)	(13,928,188)
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	23,140,000
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	<u>110,000,000</u>	<u>110,000,000</u>
Total revenue bonds				<u>300,749,548</u>	<u>269,846,812</u>
Total governmental activities				<u>382,593,421</u>	<u>332,217,512</u>
Business-Type Activities:					
<u>Excess revenue contracts, loans and notes</u>					
Parish of East Baton Rouge:					
LCDA loan 1999 Program	Monthly	08/11/1999	05/31/2018	<u>9,323,030</u>	<u>3,551,259</u>
Total excess revenue contracts, loans and notes				<u>9,323,030</u>	<u>3,551,259</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 (Continued):					
<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	\$ 1,860,000
2008A-1 Public Improvement Sales Tax	02/01-08/01	01/24/2008	08/01/2012	1,885,000	1,110,000
2008A-2 Public Improvement Sales Tax	02/01-08/01	01/24/2008	08/01/2037	47,205,000	47,205,000
2008B Public Improvement Sales Tax (Taxable)	02/01-08/01	01/24/2008	08/01/2022	9,505,000	8,760,000
Revenue bonds payable from City issues				103,245,452	13,928,188
Parish of East Baton Rouge:					
Sewer sales tax revenue bonds:					
1999 Public Improvement Sales Tax	02/01-08/01	08/01/1999	02/01/2024	43,000,000	--
2005A Public Improvement Sales Tax	02/01-08/01	05/05/2005	02/01/2024	33,255,000	32,765,000
2005B Public Improvement Sales Tax	02/01-08/01	11/03/2005	02/01/2014	25,855,000	17,135,000
Sewerage Commission					
2006 A/B Revenue Refunding bonds	02/01-08/01	08/17/2006	02/01/2036	196,930,000	187,805,000
2009A Revenue bonds	02/01-08/01	05/14/2009	02/01/2039	<u>164,965,000</u>	<u>164,965,000</u>
Total revenue bonds				<u>627,945,452</u>	<u>475,533,188</u>
Total business-type activities				<u>637,268,482</u>	<u>479,084,447</u>
Total all bonds, contracts, loans and notes				<u>\$1,019,861,903</u>	<u>\$811,301,959</u>

The City-Parish is in compliance with all legal debt covenants at December 31, 2009.

3. Changes in Bonds Payable

	<u>Outstanding January 1, 2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding December 31, 2009</u>
Governmental Activities:				
<u>Excess revenue contracts, loans and notes</u>				
City of Baton Rouge:				
2002A Fixed Rate Taxable Refunding	\$ 22,065,000	\$ --	\$ 655,000	\$ 21,410,000
2002B Fixed Rate Taxable Refunding	41,340,000	--	1,100,000	40,240,000
LA Community Development 2000A Program Baton Rouge Convention and Visitors	741,100	--	20,400	720,700
Parish of East Baton Rouge:				
LCDA 1999 Program	<u>317,055</u>	<u>--</u>	<u>317,055</u>	<u>--</u>
Total excess revenue contracts, loans and notes	<u>64,463,155</u>	<u>--</u>	<u>2,092,455</u>	<u>62,370,700</u>
<u>Revenue bonds</u>				
City of Baton Rouge:				
1997 Public Improvement Sales Tax	215,000	--	215,000	--
1998A Public Improvement Sales Tax	15,485,000	--	7,550,000	7,935,000
2001A Public Improvement Sales Tax	19,990,000	--	695,000	19,295,000
2007A Public Improvement Sales Tax	30,185,000	--	220,000	29,965,000
Less: debt recorded in business- type activities	(19,878,579)	--	(5,950,391)	(13,928,188)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable (Continued)

	<u>Outstanding January 1, 2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding December 31, 2009</u>
Governmental Activities: (Continued)				
<u>Revenue bonds (Continued)</u>				
Parish of East Baton Rouge:				
Road and Street Improvement				
2006A Sales Tax Bonds	\$ 26,495,000	\$ --	\$ 3,355,000	\$ 23,140,000
2008A Sales Tax Bonds (Variable)	93,440,000	--	--	93,440,000
2009A Sales Tax Bonds	--	110,000,000	--	110,000,000
Total revenue bonds	<u>165,931,421</u>	<u>110,000,000</u>	<u>6,084,609</u>	<u>269,846,812</u>
Total governmental activities	<u>230,394,576</u>	<u>110,000,000</u>	<u>8,177,064</u>	<u>332,217,512</u>
Business-Type Activities:				
<u>Excess revenue contracts, loans and notes</u>				
Parish of East Baton Rouge:				
LCDA loan 1999 Program	<u>3,676,914</u>	<u>226,845</u>	<u>352,500</u>	<u>3,551,259</u>
Total excess revenue contracts, loans and notes	<u>3,676,914</u>	<u>226,845</u>	<u>352,500</u>	<u>3,551,259</u>
<u>Revenue bonds</u>				
City of Baton Rouge:				
2005B Public Improvement Sales Tax (Airport -Taxable)	1,910,000	--	50,000	1,860,000
2008A-1 Public Improvement Sales Tax	1,625,000	--	515,000	1,110,000
2008A-2 Public Improvement Sales Tax	47,205,000	--	--	47,205,000
2008B Public Improvement Sales Tax (Taxable)	9,255,000	--	495,000	8,760,000
Revenue bonds payable from City issues	19,878,579	--	5,950,391	13,928,188
Parish of East Baton Rouge:				
Sewer sales tax revenue bonds:				
1999 Public Improvement Sales Tax	1,250,000	--	1,250,000	--
2005A Public Improvement Sales Tax	32,895,000	--	130,000	32,765,000
2005B Public Improvement Sales Tax	20,050,000	--	2,915,000	17,135,000
Sewerage Commission:				
2006 A/B Revenue Refunding Bonds	191,620,000	--	3,815,000	187,805,000
2009A Revenue Bonds	--	164,965,000	--	164,965,000
Total revenue bonds	<u>325,688,579</u>	<u>164,965,000</u>	<u>15,120,391</u>	<u>475,533,188</u>
Total business-type activities	<u>329,365,493</u>	<u>165,191,845</u>	<u>15,472,891</u>	<u>479,084,447</u>
Total all bonds, contracts, loans and notes	<u>\$559,760,069</u>	<u>\$275,191,845</u>	<u>\$23,649,955</u>	<u>\$811,301,959</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

4. Interest Requirements to Maturity

The following is a summary of bonded debt at December 31, 2009, and interest requirements to maturity:

	<u>Debt Payable</u> <u>12/31/2009</u>	<u>Interest</u> <u>Requirements</u> <u>to Maturity</u>	<u>Total</u>
Governmental Activities:			
<u>Excess revenue contracts, loans and notes</u>			
City of Baton Rouge:			
2002A Fixed Rate Taxable Refunding (5.65%)**	\$ 21,410,000	\$ 13,802,677	\$ 35,212,677
2002B Fixed Rate Taxable Refunding (5.73%)**	40,240,000	27,355,194	67,595,194
LA Community Development 2000A Program			
Baton Rouge Convention and Visitors	<u>720,700</u>	<u>170,191</u>	<u>890,891</u>
Total excess revenue contracts, loans and notes	<u>62,370,700</u>	<u>41,328,062</u>	<u>103,698,762</u>
<u>Revenue bonds</u>			
City of Baton Rouge:			
1998A City Sales Tax (4.43%)**	7,935,000	416,588	8,351,588
2001A City Sales Tax (4.85%)**	19,295,000	9,108,235	28,403,235
2007A City Sales Tax (3.82%)**	29,965,000	5,099,700	35,064,700
Less: Debt recorded in business-type activities	(13,928,188)	(2,434,313)	(16,362,501)
Parish of East Baton Rouge:			
Road and Street Improvement:			
2006A Sales Tax Bonds (4.09%)**	23,140,000	3,973,541	27,113,541
2008A Sales Tax Bonds (Variable)	93,440,000	56,485,119	149,925,119
2009A Sales Tax Bonds (4.83%)**	<u>110,000,000</u>	<u>70,430,840</u>	<u>180,430,840</u>
Total revenue bonds	<u>269,846,812</u>	<u>143,079,710</u>	<u>412,926,522</u>
Total governmental activities	<u>332,217,512</u>	<u>184,407,772</u>	<u>516,625,284</u>
Business-Type Activities:			
<u>Excess revenue contracts, loans and notes</u>			
Parish of East Baton Rouge			
LCDA loan 1999 Program	<u>3,551,259</u>	<u>348,460</u>	<u>3,899,719</u>
Total excess revenue contracts, loans and notes	<u>3,551,259</u>	<u>348,460</u>	<u>3,899,719</u>

During 1998, the City-Parish changed its policy for awarding competitive bids for sales tax revenue bonds from net interest cost to true interest cost.

*Net interest cost (NIC) ** True interest cost (TIC)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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>12/31/2009</u>	<u>Interest</u> <u>Requirements</u> <u>to Maturity</u>	<u>Total</u>
Business-Type Activities (Continued):			
<u>Revenue bonds</u>			
City of Baton Rouge:			
2005B Public Improvement Sales Tax (Airport -Taxable) (5.65%)**	\$ 1,860,000	\$ 1,302,760	\$ 3,162,760
2008A-1 Public Improvement Sales Tax (4.59%)**	1,110,000	72,362	1,182,362
2008A-2 Public Improvement Sales Tax (4.59%)**	47,205,000	42,428,008	89,633,008
2008B Public Improvement Sales Tax (Taxable) (4.59%)**	8,760,000	3,504,813	12,264,813
Revenue bonds payable from City issues	13,928,188	2,434,313	16,362,501
Parish of East Baton Rouge:			
Sewer sales tax revenue bonds:			
2005A Public Improvement Sales Tax (4.45%)**	32,765,000	14,315,181	47,080,181
2005B Public Improvement Sales Tax (3.81%)**	17,135,000	2,222,875	19,357,875
Sewerage Commission:			
2006 A/B Revenue Refunding Bonds (4.65%)**	187,805,000	134,609,250	322,414,250
2009A Revenue Bonds (5.33%)**	<u>164,965,000</u>	<u>196,537,631</u>	<u>361,502,631</u>
Total revenue bonds	<u>475,533,188</u>	<u>397,427,193</u>	<u>872,960,381</u>
Total business-type activities	<u>479,084,447</u>	<u>397,775,653</u>	<u>876,860,100</u>
Total all bonds, contracts, loans and notes	<u>\$811,301,959</u>	<u>\$582,183,425</u>	<u>\$1,393,485,384</u>

During 1998, the City-Parish changed its policy for awarding competitive bids for sales tax revenue bonds from net interest cost to true interest cost.
*Net interest cost (NIC) ** True interest cost (TIC)

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>Governmental</u> <u>Activities</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2010	\$ 1,856,700	\$ 3,419,913	\$ 5,276,613	\$ 9,520,305	\$ 11,955,574	\$ 21,475,879	\$ 26,752,492
2011	1,942,500	3,333,935	5,276,435	12,689,008	11,774,194	24,463,202	29,739,637
2012	2,037,800	3,239,720	5,277,520	17,201,667	11,363,837	28,565,504	33,843,024
2013	2,139,900	3,137,770	5,277,670	10,873,750	10,575,412	21,449,162	26,726,832
2014	2,251,400	3,024,444	5,275,844	11,311,666	10,145,154	21,456,820	26,732,664
2015-2019	13,152,400	13,111,129	26,263,529	55,646,249	42,780,473	98,426,722	124,690,251
2020-2024	17,262,500	8,908,969	26,171,469	62,449,167	29,837,249	92,286,416	118,457,885
2025-2029	21,727,500	3,152,182	24,879,682	73,820,000	13,996,459	87,816,459	112,696,141
2030-2034	--	--	--	<u>16,335,000</u>	<u>651,358</u>	<u>16,986,358</u>	<u>16,986,358</u>
Total	<u>\$62,370,700</u>	<u>\$41,328,062</u>	<u>\$103,698,762</u>	<u>\$269,846,812</u>	<u>\$143,079,710</u>	<u>\$412,926,522</u>	<u>\$516,625,284</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

5. Debt Service Requirements to Maturity (Continued)

Business-Type Activities:

<u>Year</u>	<u>Excess Revenue Contracts, Loans and Notes</u>			<u>Revenue Bonds</u>			<u>Total Business-Type Activities</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2010	\$ 372,000	\$ 61,529	\$ 433,529	\$ 16,109,695	\$ 23,091,037	\$ 39,200,732	\$ 39,634,261
2011	388,000	54,642	442,642	14,060,992	17,948,129	32,009,121	32,451,763
2012	338,375	47,458	385,833	10,803,333	17,263,252	28,066,585	28,452,418
2013	204,500	42,968	247,468	11,291,250	29,144,323	40,435,573	40,683,041
2014	215,500	39,127	254,627	11,658,334	20,333,177	31,991,511	32,246,138
2015-2019	2,032,884	102,736	2,135,620	55,603,751	94,501,850	150,105,601	152,241,221
2020-2024	--	--	--	74,825,833	78,935,163	153,760,996	153,760,996
2025-2029	--	--	--	74,900,000	60,550,589	135,450,589	135,450,589
2030-2034	--	--	--	93,865,000	40,786,904	134,651,904	134,651,904
2035-2039	--	--	--	<u>112,415,000</u>	<u>14,872,769</u>	<u>127,287,769</u>	<u>127,287,769</u>
Total	\$ 3,551,259	\$ 348,460	\$ 3,899,719	\$475,533,188	\$397,427,193	\$872,960,381	\$876,860,100

6. Future Year Obligations

Principal and interest requirements of various bond issues for the year 2010 are as follows:

<u>Governmental Activities:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
<u>Excess revenue contracts, loans and notes</u>			
City of Baton Rouge:			
2002A Fixed Rate Taxable Refunding	\$ 685,000	\$ 1,176,947	\$ 1,861,947
2002B Fixed Rate Taxable Refunding	1,150,000	2,228,608	3,378,608
LA Community Development 2000A Program			
Baton Rouge Convention and Visitors	<u>21,700</u>	<u>14,358</u>	<u>36,058</u>
Total excess revenue contracts, loans and notes	<u>1,856,700</u>	<u>3,419,913</u>	<u>5,276,613</u>
<u>Revenue bonds</u>			
City of Baton Rouge:			
1998A City Sales Tax	7,935,000	416,588	8,351,588
2001 City Sales Tax	755,000	910,923	1,665,923
2007A City Sales Tax	465,000	1,420,825	1,885,825
Less: Debt recorded in business-type activities	<u>(6,469,695)</u>	<u>(1,003,422)</u>	<u>(7,473,117)</u>
Parish of East Baton Rouge:			
Road and Street Improvement			
2006A Sales Tax Bonds	3,455,000	1,062,348	4,517,348
2008A Sales Tax Bonds (Variable)	--	3,934,144	3,934,144
2009A Sales Tax Bonds	<u>3,380,000</u>	<u>5,214,168</u>	<u>8,594,168</u>
Total revenue bonds	<u>9,520,305</u>	<u>11,955,574</u>	<u>21,475,879</u>
Total governmental activities	<u>11,377,005</u>	<u>15,375,487</u>	<u>26,752,492</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

6. Future Year Obligations (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
Business-Type Activities:			
<u>Excess revenue contracts, loans and notes</u>			
Parish of East Baton Rouge:			
LCDA loan 1999 Program	\$ 372,000	\$ 61,529	\$ 433,529
Total excess revenue contracts, loans and notes	<u>372,000</u>	<u>61,529</u>	<u>433,529</u>
<u>Revenue bonds</u>			
City of Baton Rouge			
2005B Public Improvement Sales Tax (Taxable-Airport)	55,000	103,838	158,838
2008A-1 Public Improvement Sales Tax	535,000	47,212	582,212
2008A-2 Public Improvement Sales Tax	--	2,131,662	2,131,662
2008B Public Improvement Sales Tax (Taxable)	515,000	449,928	964,928
Plus: Revenue bonds payable from City issues	6,469,695	1,003,422	7,473,117
Parish of East Baton Rouge:			
Sewer sales tax revenue bonds:			
2005A Public Improvement Sewer Sales Tax	1,485,000	1,546,218	3,031,218
2005B Public Improvement Sewer Sales Tax	3,080,000	779,750	3,859,750
Sewerage Commission			
2006 A/B Revenue Refunding Bonds	3,970,000	8,623,788	12,593,788
2009A Revenue Bonds	--	8,405,219	8,405,219
Total revenue bonds	<u>16,109,695</u>	<u>23,091,037</u>	<u>39,200,732</u>
Total business-type activities	<u>16,481,695</u>	<u>23,152,566</u>	<u>39,634,261</u>
Total all bonds, contracts, loans and notes	<u>\$27,858,700</u>	<u>\$38,528,053</u>	<u>\$66,386,753</u>

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, 2009 tax rolls	<u>\$1,649,391,848</u>
Debt limit: 10% of assessed valuation (for any one purpose)	\$ 164,939,185
Debt limit: 15% of assessed valuation (for sewerage purposes)	247,408,777
Debt limit: 35% of assessed valuation (aggregate, all purposes)	577,287,147

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, 2009 tax rolls	<u>\$3,964,819,994</u>
Debt limit: 10% of assessed valuation (for any one purpose)	\$ 396,481,999
Debt limit: 15% of assessed valuation (for sewerage purposes)	594,722,999

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

7. Legal Debt Margin - General Obligation Bonds (Continued)

Governing Authority: East Baton Rouge Sewerage Commission

Ad valorem taxes:

Assessed valuation, 2009 tax rolls \$3,964,819,994

Debt limit: 15% of assessed valuation (for sewerage purposes) \$ 594,722,999

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 for each respective issue, and paying the issuance costs thereof.

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, 2009, is as follows:

	City	Parish
Actual 2009 Revenues	<u>\$ 86,882,682</u>	<u>\$ 73,829,500</u>
Debt Capacity Before Outstanding Bonds (40%)	34,753,073	29,531,800
Highest Annual Debt Service on Outstanding Bonds	<u>15,783,588</u>	<u>--</u>
Debt Capacity	\$ 18,969,485	\$ 29,531,800
Interest factor for \$1 of debt, 5.5%, 25 years	0.074549353	0.074549353
Additional Bond Capacity (25 Years at 5.5%)	<u>\$254,455,394</u>	<u>\$396,137,576</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

8. 2% Sales Tax Revenue Bonds (Continued)

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, 2009, the following issues are outstanding:

<u>Bond Issue</u>	<u>Outstanding 12/31/2009</u>	<u>Primary Purpose of Issue</u>
City of Baton Rouge:		
<u>Governmental type activities:</u>		
\$94,450,000; Series 1998A	\$ 7,935,000	Advance refunding parity bond issues and improvements to public buildings
\$23,625,000; Series 2001A	19,295,000	Fund local match for the River Center expansion project and refund PFC note
\$30,395,000; Series 2007A	29,965,000	Current and advance refunding parity bond issues
<u>Business type activities:</u>		
\$ 2,100,000; Series 2005B	1,860,000	Provide capital improvement funds for airport projects
\$ 1,885,000; Series 2008 A-1	1,110,000	Provide capital improvement funds for airport projects
\$47,205,000; Series 2008 A-2	47,205,000	Provide and restructure prior District Indebtedness
\$ 9,505,000; Series 2008B	<u>8,760,000</u>	Provide and restructure prior District Indebtedness
Total	<u>\$116,130,000</u>	

Parish of East Baton Rouge:

As of 12/31/09, there are no Parish Sales Tax Revenue Bonds Outstanding

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

9. 1/2% Sewer Sales Tax Revenue 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.

Louisiana Revised Statute 39:698.5 requires that the maturities of the bonds shall be so arranged that the total amount of principal and interest falling due in any year, together with principal and interest falling due in any year on all parity bonds theretofore issued, and then outstanding, shall never exceed 75% of the amount of sales tax revenues estimated by the governing authority to be received by it in the calendar year in which bonds are issued. Provided however, 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 (after payment of Debt Service on the Outstanding Sales Tax Revenue Bonds) 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. The Parish is no longer authorized to issue additional 1/2% Sewer Sales Tax parity bonds.

Anticipated revenues based on 2010 annual operating budget	<u>\$40,668,000</u>
Debt Capacity Before Outstanding Bonds (75%)	30,501,000
Less: 2010 Debt Service on Outstanding Bonds	(6,890,969)
Less: Sales Tax Collection Costs (based on 2010 budget)	<u>(600,000)</u>
Debt Capacity Pledged for E.B.R. Sewerage Commission Revenue Bonds	<u>\$23,010,031</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

9. 1/2% Sewer Sales Tax Revenue Bonds (Continued)

These bonds are accounted for in the Comprehensive Sewerage System Enterprise 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, 2009, the following issues are outstanding:

<u>Bond Issue</u>	<u>Outstanding 12/31/2009</u>	<u>Primary Purpose of Issue</u>
Parish of East Baton Rouge:		
Sewer Sales Tax Revenue Bonds:		
\$33,255,000; Series 2005A	\$32,765,000	Advance Refunding Parity Bonds
\$25,855,000; Series 2005B	<u>17,135,000</u>	Advance Refunding Parity Bonds
Total	<u>\$49,900,000</u>	

All of the above proprietary fund sales tax revenue bonds issued by the Parish of East Baton Rouge are complete parity bonds and are secured by the net revenues from the special one-half percent sales and use tax dedicated to sewerage purposes.

10. 1/2% 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 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 2010 annual operating budget	<u>\$26,945,860</u>
Debt Capacity Before Outstanding Bonds (75%)	20,209,395
Highest Annual Debt Service on Outstanding Bonds	<u>17,133,815</u>
Debt Capacity	\$ 3,075,580
Interest factor for \$1 of debt, 5.00%, 21 years	0.077996107
Additional Bond Capacity (21 Years at 5.00%)	<u>\$39,432,480</u>

<u>Bond Issue</u>	<u>Outstanding 12/31/2009</u>	<u>Primary Purpose of Issue</u>
Parish of East Baton Rouge:		
Road and Street Sales Tax		
Revenue Bonds:		
\$ 32,760,000; Series 2006A	\$ 23,140,000	Road and Street Capital Improvements Program
\$ 93,440,000; Series 2008A	93,440,000	Road and Street Capital Improvements Program
\$110,000,000; Series 2009A	<u>110,000,000</u>	Road and Street Capital Improvements Program
Total	<u>\$226,580,000</u>	

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. East Baton Rouge Sewerage Commission Bonds

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 (after payment of Debt Service on the Outstanding Sales Tax Revenue Bonds) 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.

Debt Capacity Provided by 1/2% Sewer Sales Tax Revenue Before Outstanding Bonds	\$ 23,010,031
Budgeted 2010 Sewer User Fees and Other Revenues	70,086,300
Less: Operating and Maintenance Expense	<u>(47,338,692)</u>
Debt Capacity Before Outstanding Bonds	45,757,639
Highest Annual Debt Service on Outstanding Bonds	<u>23,252,294</u>
Debt Capacity	\$ 22,505,345
Interest factor for \$1 of debt, 4.5%, 35 year	0.057270448
Additional Bond Capacity (35 Years at 4.5%)	<u>\$392,966,107</u>

<u>Bond Issue</u>	<u>Outstanding 12/31/2009</u>	<u>Primary Purpose of Issue</u>
East Baton Rouge Sewerage Commission:		
\$154,915,000; Series 2006A	\$145,790,000	Sewerage Capital Improvements Program
\$ 42,015,000; Series 2006B	42,015,000	Sewerage Capital Improvements Program
\$164,965,000; Series 2009A	<u>164,965,000</u>	Sewerage Capital Improvements Program
Total	<u>\$352,770,000</u>	

12. Interest Rate Swaps

a. 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, remain in place and were amended to relate to the Series 2008A Bonds. 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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Interest Rate Swaps (Continued)

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

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, 2009, the swaps had a combined negative fair value of \$12,729,723. This mark-to-market valuation was established by market quotations obtained by the Counterparties, representing estimates of the amounts that would be paid or received for replacement transactions.

As of December 31, 2009, 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 swap counterparties as of December 31, 2009, are rated as follows:

<u>Counterparty</u>	<u>Moody's</u>	<u>Standard & Poor's</u>
Citibank, N.A.	A3	A
Merrill Lynch Capital Services, Inc.	A2	A

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, 2009, the variable rate on the bonds was 0.30% and 70% of one-month USD-LIBOR-BBA was 0.16%. 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.

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, 2009, 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>Interest Rate</u> <u>Swaps, Net**</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest*</u>		
2010	\$ --	\$ 280,320	\$ 3,604,828	\$ 3,885,148
2011	--	280,320	3,604,828	3,885,148
2012	--	281,088	3,604,414	3,885,502
2013	--	280,320	3,604,828	3,885,148
2014	--	280,320	3,604,828	3,885,148
2015 - 2019	19,545,000	1,292,994	16,624,888	37,462,882
2020 - 2024	29,475,000	902,659	11,613,860	41,991,519
2025 - 2029	36,230,000	412,448	5,318,018	41,960,466
2030	<u>8,190,000</u>	<u>14,271</u>	<u>184,919</u>	<u>8,389,190</u>
Total	<u>\$93,440,000</u>	<u>\$4,024,740</u>	<u>\$51,765,411</u>	<u>\$149,230,151</u>

* Computed using 12/31/09 variable rate (0.30%)

** Computed using (fixed swap rate (4.072%) - 70% of 12/31/09 LIBOR (0.16%)) x (\$92,240,000 - annual reduction)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Interest Rate Swaps (Continued)

b. Multiple Pay-Fixed, Receive-Variable Interest Rate Forward Swap Agreements dated July 26, 2006, and effective August 1, 2009, novated July 2, 2009, extending the effective date to August 1, 2011

In order to protect against the potential of higher future interest rates in connection with its anticipated issuance of not to exceed \$123,000,000 Variable Rate Road and Street Improvement Sales Tax Revenue Bonds (the "Bonds"), the Parish entered into two separate but substantially identical interest rate swaps with Citibank, N.A., New York (\$55,000,000 notional amount) and Merrill Lynch Capital Services, Inc. (\$55,000,000 notional amount) (collectively, the "Counterparties"). The intention of the swap agreements was to effectively change the Parish's interest rate on the Bonds to a synthetic fixed rate of 4.109%, excluding liquidity, remarketing, and other fees associated with the Bonds. Under the terms of the swap agreements dated July 26, 2006, the Parish will pay a fixed rate of 4.128% (which includes an adjustment from the synthetic fixed rate of 4.109% due to a combined up-front payment of \$150,000 made on the Parish's behalf by the Counterparties) and the Swap Counterparties will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA. The anticipated bonds are expected to be structured with a maturity date which corresponds with the related swap agreements that mature on August 1, 2030. The notional amounts of the swaps were structured to correspond with the anticipated maturity schedule of the Bonds. Settlement payments on these swaps will be made semiannually corresponding with the interest payment dates of the related bonds.

On July 2, 2009, the Parish entered into Novation Agreements which resulted in the termination of the original hedge agreements, the removal of the original counterparties, and the execution of a new ISDA Master Agreement between the Parish and Deutsche Bank AG, New York Branch, in the initial notional amount of \$110,000,000. Deutsche Bank paid a combined novation fee to the counterparties on behalf of the Parish of \$15,304,000 and up front payments of \$225,000. The revised hedge agreement resulted in the extension of the effective date from August 1, 2009, to August 1, 2011, the fixed SWAP rate was adjusted to 4.945% and the counterparty will pay a variable rate based upon an index of 70% of three-month USD-LIBOR-BBA. The Parish determined that it will not issue variable rate obligations in connection with the Parish Bonds 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 entered into a novation agreement to remove the Parish as the hedge counterparty. The resulting agreement is between the East Baton Rouge Sewerage Commission and Deutsche Bank. All other provisions of the July 2, 2009, hedge agreement remain the same. As of December 31, 2009, the swap had a negative fair value of \$15,904,574. This mark-to-market valuation was established by market quotations obtained by the Counterparty, representing estimates of the amounts that would be paid or received for replacement transactions.

As of December 31, 2009, the Sewerage 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 Sewerage 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. No collateral has been required to date.

The Sewerage Commission will receive from the counterparties 70% of three-month USD-LIBOR-BBA and will pay the bond rate to its bondholders set by the remarketing agent. The Sewerage Commission will be exposed to basis risk when its Bonds begin to trade at a yield which exceeds 70% of three-month USD-LIBOR-BBA. Should the Bonds trade higher than 70% of three-month USD-LIBOR-BBA, the Sewerage Commission will experience an increase in debt service above the fixed rate on the forward swap agreements.

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 anticipated variable-rate bonds would not carry a synthetic fixed interest rate. Also, if at the time of termination the

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Interest Rate Swaps (Continued)

b. Multiple Pay-Fixed, Receive-Variable Interest Rate Forward Swap Agreements dated July 26, 2006, and effective August 1, 2009, novated July 2, 2009, extending the effective date to August 1, 2011 (Continued)

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.

c. Multiple Pay-Fixed, Receive-Variable Interest Rate Forward Swap Agreements dated July 26, 2006, and effective August 1, 2011

In order to protect against the potential of higher future interest rates in connection with its anticipated issuance of \$103,000,000 Variable Rate East Baton Rouge Sewerage Commission Revenue Bonds, Series 2011 (the "2011 Bonds"), and \$90,000,000 Variable Rate East Baton Rouge Sewerage Commission Revenue Bonds, Series 2012 (the "2012 Bonds", and collectively the "Bonds"), the Commission entered into two separate but substantially identical interest rate swaps with Citibank, N.A., New York (\$92,500,000 notional amount) and Merrill Lynch Capital Services, Inc. (\$92,500,000 notional amount) (collectively, the "Counterparties"). The intention of the swap agreements was to effectively change the Commission's interest rate on the Bonds to a synthetic fixed rate of 4.134%, excluding liquidity, remarketing, and other fees associated with the Bonds. Under the terms of the swap agreements dated July 26, 2006, the Commission will pay a fixed rate of 4.149% (which includes an adjustment from the synthetic fixed rate of 4.134% due to a combined up-front payment of \$300,000 made on the Commission's behalf by the Counterparties) and the Swap Counterparties will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA. The anticipated bonds are expected to be structured with a maturity date which corresponds with the related swap agreements that mature on August 1, 2046. The notional amounts of the swaps were structured to correspond with the anticipated maturity schedule of the Bonds. Settlement payments on these swaps will be made semiannually corresponding with the interest payment dates of the related bonds. As of December 31, 2009, the swaps had a combined negative fair value of \$22,228,860. This mark-to-market valuation was established by market quotations obtained by the Counterparties, representing estimates of the amounts that would be paid or received for replacement transactions.

As of December 31, 2009, the Commission 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 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, 2009, no collateral was required.

The Commission 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 Commission will be exposed to basis risk when its Series 2011 or Series 2012 Bonds begin to trade at a yield which exceeds 70% of one-month USD-LIBOR-BBA. Should the Series 2011 or Series 2012 Bonds 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 agreements.

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 anticipated variable-rate bonds 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Interest Rate Swaps (Continued)

d. Implementation of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments

The City-Parish will be required to adopt GASB Statement No. 53 for the period ended December 31, 2010. The statement will require governments to measure and report most derivative instruments at fair value on their financial statements. Depending on economic conditions on the statement ending date the implementation of this Standard could significantly affect the financial statements.

13. 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 and the Comprehensive Sewerage System Fund have 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.

a. 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 Passenger Facility Charge Note of \$5,400,000 to make semi-annual payments to the City General Fund over a twenty-year period. Total principal paid prior to 2009 was \$1,209,583. In 2009, a principal payment of \$223,333 reduced the obligation payable to \$3,967,084. Scheduled maturities and interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 241,250	\$ 183,026	\$ 424,276
2011	258,333	173,220	431,553
2012	278,333	162,387	440,720
2013	296,250	150,436	446,686
2014	313,334	137,422	450,756
2015 and after	<u>2,579,584</u>	<u>500,006</u>	<u>3,079,590</u>
Total	<u>\$3,967,084</u>	<u>\$1,306,497</u>	<u>\$5,273,581</u>

b. East Baton Rouge Sewerage Commission

On April 1, 1992, the City of Baton Rouge issued \$85,000,000 in Public Improvement Sales Tax Revenue Bonds, Series 1992A (20 year term), for the purpose of providing funds to finance the acquisition of an undivided interest in the sewerage system owned and/or operated by the East Baton Rouge Sewerage Commission (the "Commission"). The Commission used the proceeds to refund the outstanding portion of the \$27,000,000 Public Improvement Certificates of Indebtedness and to defease the callable portion of the \$70,000,000 Sewer Revenue Bonds, Series 1987. The Commission, through an act of credit sale, repurchased the undivided interest in the sewerage system previously sold to the City of Baton Rouge for \$76,999,452. This transaction is recorded as a long-term obligation in the Comprehensive Sewerage System Fund. Payments to the City by the Commission are required semi-annually over a 19 year period. These payments are recorded as miscellaneous revenues in the General Fund, and will fully offset the impact that the scheduled debt service payments on the \$85,000,000 Public Improvement Sales Tax Revenue Bonds have on the General Fund. Total principal paid prior to 2009 was \$61,311,290. In 2009, a \$5,727,058 principal payment reduced the obligation payable to \$9,961,104. Scheduled maturities and future interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$6,228,445	\$ 820,396	\$ 7,048,841
2011	<u>3,732,659</u>	<u>307,420</u>	<u>4,040,079</u>
Total	<u>\$9,961,104</u>	<u>\$1,127,816</u>	<u>\$11,088,920</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

14. 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. 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") for the purpose of providing funds for the construction of the Advanced Traffic Management Facility. A total of \$7,643,873 was loaned to the Parish on the original 1999 program. This loan has been repaid as of December 31, 2009.

In 2004, the Parish borrowed additional funds on the 1999 LCDA program to aide in the construction of a new downtown parking facility. A total of \$2,500,000 has been loaned to the Parish at December 31, 2009. Total principal repaid is \$726,500, leaving an outstanding debt balance of \$1,773,500 at year-end. This loan is serviced and recorded in the Greater Baton Rouge Parking Authority Nonmajor Enterprise Fund. Future debt service is budgeted over a 9 year period at 1.82%.

In 2006, the Parish borrowed additional funds on the 1999 LCDA program for the Greater Baton Rouge Airport District to provide funds for airport improvements. A total of \$2,972,271 has been loaned to the Parish. This loan was prepaid in 2008 using proceeds of the City Sales Tax Bonds Series 2008.

In 2006, the Parish borrowed additional funds on the 1999 LCDA program to purchase garbage carts for residents to transition to automated garbage collection for East Baton Rouge Parish. A total of \$2,629,375 has been loaned to the Parish at December 31, 2009. A total of \$2,073,000 has been repaid, leaving an outstanding debt balance of \$556,375 at year-end. This loan is serviced and recorded in the Solid Waste Collection Fund. Future debt service is calculated over a 3 year period at 1.82%.

In 2008, the Parish borrowed additional funds on the 1999 LCDA program for the Greater Baton Rouge Airport District to provide funds for airport improvements. A total of \$1,221,384 has been loaned to the Parish at December 31, 2009. The loan will be repaid by the Airport District. Future debt service is budgeted over a 9 year period at 1.82%. The total LCDA authorization for the loan to the Airport is \$20,000,000. Funds are drawn down as the expenses are made on airport projects.

b. 2000A Program:

In 2001, the City applied for a LCDA Loan for the Greater Baton Rouge Airport District to provide funds for airport improvements. A total of \$9,000,000 has been loaned to the City. This loan was prepaid in 2008 using proceeds of the City Sales Tax Bonds Series 2008.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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

b. 2000A Program (Continued):

In 2004, the City applied for a LCDA Loan for the Greater Baton Rouge Airport District to provide funds for airport improvements. A total of \$12,274,417 has been loaned to the City. This loan was prepaid in 2008 using proceeds of the City Sales Tax Bonds Series 2008.

In 2008, the City borrowed additional funds on the 2000A LCDA program to provide funds to the Baton Rouge Area Convention and Visitors Bureau, 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, 2009. A total of \$29,300 has been repaid, leaving an outstanding debt balance of \$720,700. Future debt service is budgeted over a 20 year period at 2.02%. 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 assets. The Convention and Visitors Bureau is reimbursing the City for these debt payments.

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 are payable at a true interest cost of 5.65% over a 27 year period with final maturity on January 15, 2029. The debt service is 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 are payable at a net interest cost of 5.73% over a 27 year period with final maturity on January 15, 2029. The debt service is funded in the Taxable Refunding Bonds Debt Service Fund budget via transfers from the General Fund.

Amortization of Accounting Gain: Prior-Year Refunding-Governmental Activities:

The City recognized an accounting gain of \$987,729 on the above two refundings in 2002, when the reacquisition price was smaller than the carrying amount of the original obligation. In accordance with GASB 23, this gain must be deferred and amortized over the life of the debt on the entity-wide financial statements. During years 2002-2008, \$246,932 of the deferred amount on refunding was amortized. In 2009, \$35,276 of the recognized accounting gain was amortized, resulting in the reporting of an additional \$705,521 in total debt on the entity-wide statement of net assets for governmental activities as of December 31, 2009.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

16. Prior Year Refundings

a. Deferred Amount, Governmental-Type Activities

On March 28, 2007, the City of Baton Rouge issued \$30,395,000 of Revenue Refunding Bonds to current refund the City's \$4 million Series 1993 Public Improvement Sales Tax Revenue Bonds (original net interest cost 5.13%; principal refunded - \$2,615,000) and to advance refund the City's \$19.325 million Series 1997 Public Improvement Sales Tax Revenue Bonds (original net interest cost 4.79%; principal refunded - \$2,275,000), and the City's \$94.45 million Series 1998A Public Improvement Sales Tax Revenue and Refunding Bonds (original true interest cost 4.43%; principal refunded \$25,765,000). As a result of the refunding, the City-Parish recognized a deferred loss on refunding of \$1,167,623 and a premium of \$1,478,042 on the entity-wide financial statements. As of December 31, 2009, \$616,918 of the Deferred amount on refunding was amortized (\$192,927 in 2009 and \$423,991 in prior years) and \$780,929 of the premium was amortized (\$244,217 in 2009 and \$536,712 in prior years), resulting in a net Deferred amount on refunding of \$(146,408). This is reflected as an addition to bonds payable on the entity-wide statement of net assets for governmental activities as of December 31, 2009.

On April 17, 2008, the Parish of East Baton Rouge issued \$93,440,000 of variable rate Revenue Refunding Bonds to current refund the Parish's \$92.2 million Series 2006B Variable Rate Sales Tax Bonds. (principal refunded - \$92,240,000). As a result of the refunding, the Parish recognized a deferred loss on refunding of \$2,397,086 on the entity-wide financial statements. As of December 31, 2009, \$254,637 of the Deferred amount on refunding was amortized, resulting in a net Deferred amount on refunding of \$2,142,449. This is reflected as a reduction to bonds payable on the entity-wide statement of net assets for governmental activities as of December 31, 2009.

b. Deferred Amount, Business-Type Activities

On May 5, 2005, the Parish issued \$33,255,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds to advance refund the callable portion of the \$43.0 million Series ST-1999 Public Improvement (Sewer) Sales Tax Revenue Bonds (original net interest cost 5.69%; principal refunded - \$32,110,000). As a result of the refunding, the City-Parish recognized a Deferred amount on refunding of \$2,655,173 and a premium of \$1,754,487. As of December 31, 2009, \$915,647 of the Deferred amount on refunding was amortized (\$202,638 in 2009 and \$713,009 in prior years) and \$605,042 of the premium was amortized (\$133,899 in 2009 and \$471,143 in prior years), resulting in a net Deferred amount on refunding of \$590,081. This is reflected as a reduction of bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

On November 3, 2005, the Parish issued \$25,855,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds to current refund a portion of the \$65.0 million Series ST-1996 Public Improvement (Sewer) Sales Tax Revenue Bonds (original net interest cost 5.66%). As a result of the refunding, the City-Parish recognized a Deferred amount on refunding of \$1,651,919 and a premium of \$1,487,924. As of December 31, 2009, \$1,003,009 of the Deferred amount on refunding was amortized (\$253,051 in 2009 and \$749,958 in prior years) and \$903,435 of the premium was amortized (\$227,929 in 2009 and \$675,506 in prior years), resulting in a net Deferred amount on refunding of \$64,421. This is reflected as a reduction of bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

On August 17, 2006, the East Baton Rouge Sewerage Commission issued \$154,915,000 of Revenue Refunding Bonds Series 2006A to advance refund the Parish's \$16.8 million Series ST-1998B Public Improvement (Sewer) Sales Tax Revenue and Refunding Bonds (original true interest cost 4.66%; principal refunded - \$12,650,000), the Parish's \$20 million Series ST-2001 Public Improvement (Sewer) Sales Tax Revenue Bonds (original true interest cost 5.02%; principal refunded - \$19,585,000), the Parish's \$112.7 million Series ST-2003 Public Improvement (Sewer) Sales Tax Revenue and Refunding Bonds (original true interest cost 4.04%; principal refunded - \$99,245,000) and the Parish's \$24.8 million Series ST-2004 Public Improvement (Sewer) Sales Tax Revenue Refunding Bonds (original true interest cost 4.35%; principal refunded \$24,840,000).

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

16. Prior Year Refundings (Continued)

b. Deferred Amount, Business-Type Activities(Continued)

As a result of the refunding, the City-Parish recognized a deferred loss on refunding of \$4,290,015. The 2006A bonds were issued as a part of a combined issue with the East Baton Rouge Sewerage Commission Revenue Bonds, Series 2006B at a net premium of \$1,488,941. As of December 31, 2009, \$1,447,879 of the Deferred amount on refunding (\$429,001 in 2009 and \$1,018,878 in prior years) and \$234,338 of the premium was amortized (\$81,466 in 2009 and \$152,872 in prior years), resulting in a net Deferred amount on refunding of \$1,587,533. This is reflected as a reduction of bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

c. Advance Refundings

On September 5, 2001, the Parish of East Baton Rouge issued Public Improvement Sales Tax Revenue and Refunding Bonds Series ST-2001 in the amount of \$20,000,000 to pay the costs of acquiring and constructing sewers and sewerage disposal works. During 2006, the Parish defeased the maturities from February 1, 2007, through February 1, 2026, 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, 2009, \$18,895,000 of Parish Series ST-2001 Bonds Outstanding are considered defeased.

On April 9, 2003, the Parish of East Baton Rouge issued Public Improvement Sales Tax Revenue and Refunding Bonds Series ST-2003 in the amount of \$112,720,000 to provide sufficient funds to refund a portion of certain Outstanding Parity Bonds and pay the costs of acquiring and constructing sewers and sewerage disposal works. During 2006, the Parish defeased the maturities from February 1, 2007, through February 1, 2020, 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, 2009, \$81,965,000 of Parish Series ST-2003 Bonds Outstanding are considered defeased.

On October 28, 2004, the Parish of East Baton Rouge issued Public Improvement Sales Tax Revenue and Refunding Bonds Series ST-2004 in the amount of \$24,865,000 to provide sufficient funds to refund a portion of certain Outstanding Parity Bonds. During 2006, the Parish defeased the maturities from February 1, 2007, through February 1, 2021, 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, 2009, \$24,765,000 of Parish Series ST-2004 Bonds Outstanding are considered defeased.

17. Bonds of Other Governmental Units

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

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

18. Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of the Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities.

Arbitrage rebate calculations made on December 31, 2009, for the City-Parish show accrued arbitrage rebate liabilities to the U.S. Department of Treasury. In the business-type activities this liability is reflected as "due to other governments." The liability for the governmental activities fund bonds is reflected as a not-current liability on the government-wide statement of net assets. There is a fund balance designation for Arbitrage Rebate in the capital project fund for the governmental activities fund bonds. The arbitrage rebate liability on December 31, 2009, is detailed as follows:

Governmental Activities:	
Parish of East Baton Rouge:	
\$125,000,000; Series 2006 A/B (Road and Street)	<u>\$1,524,195</u>

19. Conduit Debt Obligations

The Parish and Parish Special Districts have issued industrial development revenue bonds and industrial pollution control revenue bonds. These bonds are limited obligations of the Parish or District payable from revenues of the projects. The bonds are not a charge upon other income of the Parish or District, nor are they a charge against the credit or taxing power of the District, the Parish of East Baton Rouge, or the City of Baton Rouge. As of December 31, 2009, there were 38 conduit bond obligations outstanding, with an aggregate principal amount payable of approximately \$171,000,000.

20. Lease Commitments

City-Parish current operating leases are primarily rental agreements for land or office space. The City-Parish does not have any operating leases with scheduled rent increases. Operating lease payments during 2009 totaled \$369,957. The future minimum rental payments at December 31, 2009, is detailed as follows:

	<u>Governmental Activities</u>
2010	\$ 148,126
2011	148,126
2012	147,151
2013	128,751
2014	116,431
Thereafter	<u>4,544,709</u>
Total future minimum lease payments	<u>\$5,233,294</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

b. Component Units Long-Term Debt

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
<u>District Attorney of the Nineteenth Judicial District</u>				
Net other postemployment benefit obligation	\$ 1,673,969	\$1,061,087	\$ 242,435	\$ 2,492,621
<u>Nineteenth Judicial District Court</u>				
Bonds and notes payable	100,000,000	--	1,205,000	98,795,000
Deferred premium on bonds	2,718,755	--	82,595	2,636,160
Compensated absences payable	561,629	90,922	83,922	568,629
Net other postemployment benefit obligation	1,927,377	1,186,488	268,669	2,845,196
Total	<u>105,207,761</u>	<u>1,277,410</u>	<u>1,640,186</u>	<u>104,844,985</u>
<u>E.B.R. Parish Family Court</u>				
Compensated absences payable	91,135	29,629	24,751	96,013
Net other postemployment benefit obligation	260,356	159,411	36,421	383,346
Total	<u>351,491</u>	<u>189,040</u>	<u>61,172</u>	<u>479,359</u>
<u>E.B.R. Parish Juvenile Court</u>				
Compensated absences payable	178,222	11,152	--	189,374
Net other postemployment benefit obligation	517,853	329,908	75,377	772,384
Total	<u>696,075</u>	<u>341,060</u>	<u>75,377</u>	<u>961,758</u>
<u>E.B.R. Parish Clerk of Court</u>				
Compensated absences payable	643,389	38,761	--	682,150
Net other postemployment benefit obligation	828,969	1,018,205	191,686	1,655,488
Total	<u>1,472,358</u>	<u>1,056,966</u>	<u>191,686</u>	<u>2,337,638</u>
<u>St. George Fire Protection District</u>				
Bonds and notes payable	2,183,412	--	272,589	1,910,823
Compensated absences payable	794,973	760,477	741,915	813,535
Net other postemployment benefit obligation	1,556,120	2,423,837	12,753	3,967,204
Obligation under capital leases	1,705,575	--	399,741	1,305,834
Total	<u>6,240,080</u>	<u>3,184,314</u>	<u>1,426,998</u>	<u>7,997,396</u>
<u>Brownsfield Fire Protection District</u>				
Compensated absences payable	11,708	4,747	--	16,455
Net other postemployment benefit obligation	110,666	71,433	16,321	165,778
Total	<u>122,374</u>	<u>76,180</u>	<u>16,321</u>	<u>182,233</u>
<u>Eastside Fire Protection District</u>				
Notes payable	1,730,000	--	216,250	1,513,750
Compensated absences payable	285,874	--	95,689	190,185
Net other postemployment benefit obligation	--	87,219	14,896	72,323
Obligation under capital leases	570,339	--	58,608	511,731
Total	<u>2,586,213</u>	<u>87,219</u>	<u>385,443</u>	<u>2,287,989</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

b. Component Units Long-Term Debt (Continued)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
<u>E.B.R. Parish Fire Protection</u>				
<u>District No. 6</u>				
Compensated absences payable	\$ 11,682	\$ 2,273	\$ --	\$ 13,955
Obligation under capital leases	<u>98,367</u>	<u>332,586</u>	<u>31,502</u>	<u>399,451</u>
Total	<u>110,049</u>	<u>334,859</u>	<u>31,502</u>	<u>413,406</u>
<u>Alsen-St. Irma Lee Fire Protection District</u>				
Compensated absences payable	881	--	881	--
Net other postemployment benefit obligation	<u>12,310</u>	<u>7,942</u>	<u>1,815</u>	<u>18,437</u>
Total	<u>13,191</u>	<u>7,942</u>	<u>2,696</u>	<u>18,437</u>
<u>Capital Region Planning Commission</u>				
Compensated absences payable	52,416	12,480	--	64,896
Net other postemployment benefit obligation	<u>118,676</u>	<u>63,109</u>	<u>4,962</u>	<u>176,823</u>
Total	<u>171,092</u>	<u>75,589</u>	<u>4,962</u>	<u>241,719</u>
<u>Capital Area Transit System</u>				
Compensated absences payable	659,320	81,061	--	740,381
Obligation under capital leases	5,650,266	--	632,869	5,017,397
Claims and judgements payable	<u>1,429,171</u>	<u>1,038,849</u>	<u>889,288</u>	<u>1,578,732</u>
Total	<u>7,738,757</u>	<u>1,119,910</u>	<u>1,522,157</u>	<u>7,336,510</u>
Total component units long-term debt	<u>\$126,383,410</u>	<u>\$8,811,576</u>	<u>\$5,600,935</u>	<u>\$129,594,051</u>

NOTE 11 - Interfund and Intergovernmental Receivables and Payables

a. Balances due to/from other funds at December 31, 2009, consist of the following:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>Temporary cash advances at December 31, 2009:</u>		
General Fund	\$ 6,527,691	\$ --
Nonmajor governmental funds	<u>--</u>	<u>6,527,691</u>
Total temporary cash advances	6,527,691	6,527,691
<u>Library Board of Control funding new branches in the Capital Projects Fund:</u>		
Capital Projects Fund	53,877,972	--
Library Board of Control Fund	<u>--</u>	<u>53,877,972</u>
Total Balance Sheet - Governmental Funds	<u>\$60,405,663</u>	<u>\$60,405,663</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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	\$ --	\$ 950,410	\$145,002	\$16,597,594	\$ 29,396	\$ 17,722,402
Library Board of Control	--	--	--	24,911,995	--	24,911,995
Grants Fund	6,758,671	2,425,717	--	--	119,741	9,304,129
Capital Projects Fund	--	234,360	--	--	--	234,360
Nonmajor governmental funds	--	469,738	--	17,171,181	--	17,640,919
Adjustments to full accrual basis of accounting	702,733	6,999,406	--	--	519,496	8,221,635
<u>Business-type Activities:</u>						
Greater Baton Rouge Airport District	2,779,548	732,427	--	--	--	3,511,975
Comprehensive Sewerage System Fund	57,578	--	--	54	--	57,632
Nonmajor enterprise funds	--	530,224	--	--	--	530,224
Totals	<u>\$10,298,530</u>	<u>\$12,342,282</u>	<u>\$145,002</u>	<u>\$58,680,824</u>	<u>\$668,633</u>	<u>\$82,135,271</u>

c. Receivable and payable balances at year-end between the Primary Government and Component Units were as follows:

	<u>Due (To)/From Primary Government</u>	<u>Due (To)/From Component Units</u>
<u>Primary Government:</u>		
General Fund	\$ --	\$ 91,522
General Fund	--	(10,430)
<u>Component Units:</u>		
Nineteenth Judicial District Public Defender	10,430	--
Brownsfield Fire Protection District	(87,243)	--
Chaneyville Fire Protection District	(4,059)	--
Wedgewood Crime Prevention District	(220)	--
Total	<u>\$(81,092)</u>	<u>\$ 81,092</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

EXHIBIT A - 17
(Continued)

NOTE 12 - Interfund Transfers

a. Interfund transfers for the year ended December 31, 2009 were as follows:

	Transfers Out					Total
	General Fund	Nonmajor Govern- mental Funds	Library Board of Control	Solid Waste Collection and Disposal	Internal Service Fund	
Transfers In:						
<u>Governmental Activities:</u>						
General Fund	\$ --	\$ 90,000	\$ --	\$2,516,780	\$2,000	\$ 2,608,780
Grants Fund	197,361	11,390	--	--	--	208,751
Capital Projects Fund	9,584,396	1,565,747	18,980,436	--	--	30,130,579
Nonmajor governmental funds	8,299,323	702,200	--	--	--	9,001,523
<u>Business-type Activities:</u>						
Comprehensive						
Sewerage System	4,000,000	--	--	--	4,219	4,004,219
Solid Waste Collection and Disposal	87,687	--	--	--	--	87,687
Nonmajor Enterprise Funds	<u>1,350,690</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,350,690</u>
Totals	<u>\$23,519,457</u>	<u>\$2,369,337</u>	<u>\$18,980,436</u>	<u>\$2,516,780</u>	<u>\$6,219</u>	<u>\$47,392,229</u>

- The capital projects major fund was subsidized \$30,130,579 during 2009 toward non-recurring capital improvements from the different sources as stated on the line above.
- The general fund subsidized operations of non-major governmental funds in the amount of \$2,741,620 in 2009.
- The general fund also transferred \$5,557,703 to service debt to non-major governmental funds in 2009.
- Enterprise operations were subsidized primarily by the general fund for approximately \$5,442,596 during the year.

b. The following exchange of funds between the Primary Government and its discretely presented component units during 2009 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)	\$ --	\$(15,024,627)
Nonmajor Special Revenue Fund:		
Parish Transportation Fund (to Capital Area Transit-operating subsidy)	--	(1,247,200)
<u>Component Units:</u>		
District Attorney of the Nineteenth Judicial District	4,169,492	--
Nineteenth Judicial District Court	4,837,591	--
E.B.R. Parish Family Court	836,686	--
E.B.R. Parish Juvenile Court	985,444	--
E.B.R. Parish Clerk of Court	524,891	--

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 12 - Interfund Transfers (Continued)

b. Exchange of funds between the Primary Government and its discretely presented component units (Continued):

	Operating Exchanges (To)/From Primary Government	Operating Exchanges (To)/From Component Units
<u>Component Units (Continued):</u>		
Brownsfield Fire Protection District	\$ 17,100	\$ --
E.B.R. Parish Fire Protection District No. 6	75,000	--
Eastside Fire Protection District	71,416	--
Pride Fire Protection District	20,000	--
Chaneyville Fire Protection District	37,750	--
Alsen-St. Irma Lee Fire Protection District	25,800	--
Capital Region Planning Commission	49,252	--
Capital Area Transit System	<u>4,621,405</u>	<u>--</u>
Total	<u>\$16,271,827</u>	<u>\$(16,271,827)</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	\$ 7,389,585	\$10,762,438	\$ --	\$ --	\$ 8,015,810	\$ --	\$26,167,833
Gross receipts business taxes	4,025,248	--	--	--	--	--	4,025,248
Sales taxes	15,026,666	--	--	2,355,934	1,330,618	--	18,713,218
Interest and penalties on taxes	53,276	--	--	--	--	--	53,276
Accounts	1,516,891	9,817	348,641	71,878	2,011,411	--	3,958,638
Accrued interest	34,738	25,365	1,921	87,861	50,065	2,557	202,507
Special assessments	<u>39,506</u>	<u>--</u>	<u>--</u>	<u>9,955</u>	<u>--</u>	<u>--</u>	<u>49,461</u>
Gross receivables	28,085,910	10,797,620	350,562	2,525,628	11,407,904	2,557	53,170,181
Less: allowance for uncollectibles	<u>(448,400)</u>	<u>(807,350)</u>	<u>--</u>	<u>--</u>	<u>(517,878)</u>	<u>--</u>	<u>(1,773,628)</u>
Net receivables-governmental funds	27,637,510	9,990,270	350,562	2,525,628	10,890,026	2,557	51,396,553
Adjustment to full accrual basis	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,221,304</u>	<u>--</u>	<u>4,221,304</u>
Net total receivables	<u>\$27,637,510</u>	<u>\$ 9,990,270</u>	<u>\$350,562</u>	<u>\$2,525,628</u>	<u>\$15,111,330</u>	<u>\$2,557</u>	<u>\$55,617,857</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 13 - Receivables (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	\$ --	\$ 3,617,221	\$ --	\$ --	\$ 3,617,221
Accounts	463,154	5,525,144	3,494,343	469,911	9,952,552
Accrued interest	5,052	173,896	6,389	5,297	190,634
Special assessments	<u>--</u>	<u>48,020</u>	<u>--</u>	<u>--</u>	<u>48,020</u>
Gross receivables	468,206	9,364,281	3,500,732	475,208	13,808,427
Less: allowance for uncollectibles	<u>(32,252)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(32,252)</u>
Net total receivables	<u>\$ 435,954</u>	<u>\$ 9,364,281</u>	<u>\$3,500,732</u>	<u>\$475,208</u>	<u>\$13,776,175</u>

Summary of other receivables reported on the Statement of Net Assets for Business-type activities:

Current assets - receivables	\$13,552,066
Restricted assets - receivables	<u>224,109</u>
Totals	<u>\$13,776,175</u>

NOTE 14 - Restricted Net Assets

Details of restricted net assets as reported in the entity-wide Statement of Net Assets are as follows:

	Governmental Activities	Business Type Activities	Total
Net Assets Restricted For:			
Capital projects:			
Bond funds from dedicated road sales tax	\$ 15,158,935	\$ --	\$ 15,158,935
Dedicated sales tax for street construction	100,170,724	--	100,170,724
Claim settlement for capital improvements	--	1,280,002	1,280,002
Dedicated hotel-motel taxes for River Center construction	<u>--</u>	<u>12,328,045</u>	<u>12,328,045</u>
Total net assets restricted for capital projects	<u>115,329,659</u>	<u>13,608,047</u>	<u>128,937,706</u>
Debt service:			
2% City sales tax revenue bonds	15,921,059	--	15,921,059
¼% Road sales tax revenue bonds	4,155,525	--	4,155,525
¼% Sewer parish sales tax revenue bonds	<u>--</u>	<u>17,810,527</u>	<u>17,810,527</u>
Total net assets restricted for debt service	<u>20,076,584</u>	<u>17,810,527</u>	<u>37,887,111</u>
Passenger facility charge:			
Greater Baton Rouge Airport District (see note 16)	<u>--</u>	<u>2,186,089</u>	<u>2,186,089</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 14 - Restricted Net Assets (Continued)

	<u>Governmental</u> <u>Activities</u>	<u>Business</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
Net Assets Restricted For:			
External legal constraints:			
Dedicated property taxes authorized by the electorate to specific special revenue funds and purposes	\$ 55,480,443	\$ --	\$ 55,480,443
Dedicated sales tax for street maintenance and beautification	14,070,183	--	14,070,183
State road funds dedicated for transportation	10,093,110	--	10,093,110
Telephone surcharge dedicated to communications district	5,871,880	--	5,871,880
Grant funds restricted to specific programs	<u>5,027,548</u>	<u>--</u>	<u>5,027,548</u>
Total net assets restricted for external legal constraints	<u>90,543,164</u>	<u>--</u>	<u>90,543,164</u>
Total Restricted Net Assets	<u>\$225,949,407</u>	<u>\$33,604,663</u>	<u>\$259,554,070</u>

NOTE 15 - Restricted Assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

	<u>Greater</u> <u>Baton Rouge</u> <u>Airport District</u>	<u>Comprehensive</u> <u>Sewerage</u> <u>System</u>	<u>Other</u> <u>Enterprise</u> <u>Total</u>	<u>Total</u>
Sales tax revenue bonds construction accounts	\$19,751,339	\$175,778,381	\$ --	\$195,529,720
Hotel-motel tax construction accounts	--	--	12,323,937	12,323,937
Passenger Facility Charges (PFC) account	2,698,412	--	--	2,698,412
Sales tax revenue bonds debt service accounts	--	9,970,444	--	9,970,444
Accounts receivable - PFC	166,797	--	--	166,797
Accrued interest receivable - sales tax revenue bonds	112	52,270	--	52,382
Accrued interest receivable - PFC	822	--	--	822
Accrued interest receivable - hotel-motel tax	<u>--</u>	<u>--</u>	<u>4,108</u>	<u>4,108</u>
Total restricted assets	<u>\$22,617,482</u>	<u>\$185,801,095</u>	<u>\$12,328,045</u>	<u>\$220,746,622</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 assets on the Statement of Net Assets. On the Statement of Revenues, Expenses, and Changes in Fund Net Assets, PFC revenue is classified as non-operating revenue, while on the Statement of Cash Flows, PFC collections are classified as capital in nature.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 16 - Passenger Facility Charges - Greater Baton Rouge Airport District (Continued)

The Airport began assessing the fee on December 1, 1992. 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 12/31/2009</u>
2 Noise mitigation	\$3.00	\$ 1,315,124	\$ 1,315,124
3 Terminal building and plan specifications	3.00	1,290,899	1,290,899
4 Terminal development with financing	3.00	34,863,776	14,935,920
5 Airport access road	3.00	3,089,499	1,242,643
5 Acquire A/C loading bridges	3.00	2,324,075	337,010
6 Runway 4L/22R extension project	4.50	11,815,660	2,335,280
6 Professional Fees-administration of PFC	4.50	434,000	--
6 General Aviation Apron Facility Expansion	4.50	598,529	217,916
7 Terminal Atrium Expansion	4.50	20,298,565	669,076
7 Acquisition of Property for Development	4.50	2,802,951	90,654
7 Taxiway Fillet Construction	4.50	1,429,025	46,119
7 Ticket Lobby Expansion	4.50	<u>1,097,133</u>	<u>60,729</u>
Total Approved Applications		<u>\$81,359,236</u>	<u>\$22,541,370</u>

Since the inception of the PFC, the Airport has recorded the following revenues and expenses through the 2009 fiscal year resulting in a restriction of net assets from passenger facility charges as follows:

	<u>Accrual Basis</u>	<u>Cash Basis</u>
Cumulative PFC receipts (1992 - 2009), net of administrative fee	\$ 22,608,809	\$ 22,442,012
Interest earnings	1,427,557	1,426,735
Claim settlement	<u>1,371,035</u>	<u>1,371,035</u>
Total revenues	<u>25,407,401</u>	<u>25,239,782</u>
Cumulative disbursements for PFC projects (1992 - 2009)	(9,801,023)	(9,674,086)
Cumulative bond principal payments	(5,908,117)	(5,908,117)
Cumulative bond interest payments	<u>(7,512,172)</u>	<u>(6,959,167)</u>
Total disbursements	<u>(23,221,312)</u>	<u>(22,541,370)</u>
Net PFC cash, December 31, 2009		<u>\$ 2,698,412</u>
Net assets restricted for PFC, December 31, 2009	<u>\$ 2,186,089</u>	

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

EXHIBIT A - 17
(Continued)

NOTE 17 - Solid Waste Disposal Facility Closure And Postclosure Care Liability

The City-Parish North Landfill opened in October 1993. The North Landfill is permitted by the U.S. Environmental Protection Agency (EPA) and the Louisiana Department of Environmental Quality (DEQ) to dispose of municipal solid waste and non-hazardous industrial waste from East Baton Rouge Parish and from surrounding cities, towns, and parishes. Regulations issued by the EPA and the DEQ require the City-Parish to perform certain closing functions and postclosure monitoring and maintenance functions for the North Landfill.

Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs are accounted for in accordance with guidelines recommended by GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*. GASB Statement No. 18 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 \$25,613,577. Total estimated capacity is 28,420,000 cubic yards and the projected life is 42 years. 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, 2009, totals \$9,192,770. The liability is based on the landfill capacity used to date of 10,200,001 cubic yards or 35.9% 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 \$16,420,807 will be recognized as the remaining estimated capacity is filled. The estimated remaining useful life of the landfill as of December 31, 2009, is 27 years.

NOTE 18 - State Required Disclosures

a. Council Members Compensation

Each Metropolitan Council Member receives monthly compensation in accordance with The Plan of Government. Compensation is currently \$1,000 a month for council members. In addition, members of the Metropolitan Council receive \$800 per month combined travel and auto allowance. (LRS 33:1233(B)) On the following page is a list of Council Members with gross wages, including auto allowance that was reported as paid in year 2009.

District 1	Trae Welch	\$21,600
District 2	Ulysses Z. Addison, Jr.	21,600
District 3	Chandler Loupe	21,600
District 4	Scott Wilson	21,600
District 5	Ronnie Edwards	21,600
District 6	Donna Collins-Lewis	21,600

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

NOTE 18 - State Required Disclosures (Continued)

a. Council Members Compensation (Continued)

District 7	C. Denise Marcelle	\$21,600
District 8	J. Michael "Mike" Walker	
	Council	21,600
	Mayor Pro Tem	18,000
District 9	Joel Boe'	21,600
District 10	Tara Wicker	21,600
District 11	Alison Cascio	21,600
District 12	Rodney "Smokie" Bourgeois	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 \$15.1 million in wireless fees. Approximately \$1,050,000 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.

NOTE 19 - Joint Venture

During 2003, the City-Parish entered into a joint venture with the State of Louisiana and Office Facilities Corporation (OFC) for the purpose of constructing a 468-space parking garage located at the corner of Convention Street and Third Street in the downtown area. Under the agreement, the City-Parish contributed funds, financed from the proceeds of an LCDA loan, for construction of the state-owned and operated facility. In return, the City-Parish is entitled to certain revenues generated from parking fees, which are applied to the City-Parish's proportionate share (35.9%) of operating expenses.

A management committee composed of four persons shall have the responsibility and authority for overall management of the parking garage. The Management Committee shall be composed of the Director of Facility and Planning Control of the Division of Administration of the State, the Director of Public Works of the City-Parish, one person appointed by the Commissioner of Administration of the State, and one person appointed by the Mayor of the City-Parish. The City's equity interest of \$2,223,958 is recorded as Investment in Joint Venture in the Greater Baton Rouge Parking Authority Enterprise Fund. The City's Parking Fund has reflected net income from joint venture of \$178,372 for 2009 and paid principal of \$164,000 and interest of \$26,627 in 2009 on the LCDA loan used to finance the City-Parish's contribution. The Third Street Parking Garage is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefits to or burden on the City.

OFC maintains the parking garage for the State. OFC is a blended component unit of the State and is reported as an internal service fund in the State's CAFR.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

EXHIBIT A - 17
(Continued)

NOTE 20 - Subsequent Events

a. City Series 2010A (GO Zone) Bonds

On January 28, 2010, the City of Baton Rouge issued \$6,000,000 Public Improvement Sales Tax Revenue Bonds, Series 2010 A (GO Zone) for the purpose of loaning the proceeds to the Greater Baton Rouge Airport District to enable the District to (1) construct and equip an aircraft hangar facility to be located at the Baton Rouge Metropolitan Airport to be leased by the District to Dow Chemical Company pursuant to a Lease Agreement; (2) pay the costs of issuance; (3) pay capitalized interest on the Series 2010A Bonds for a period of twelve months; and (4) provide a reserve fund. The 2010A Bonds were issued as a combination of serial and term bonds that mature on August 1 of each year beginning 2012 through 2039 with interest from 2.50 - 4.50 percent.

b. East Baton Rouge Sewerage Commission (Department of Environmental Quality Project), Series 2010 Bonds

On April 29, 2010, the East Baton Rouge Sewerage Commission authorized the issuance of \$8,300,000 Revenue Bonds (Department of Environmental Quality Project), Series 2010. 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 sewage 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 shall be payable only on the amount drawn from the date reimbursed. The bonds will mature on February 1 of each year beginning 2012, through 2031.

c. East Baton Rouge Sewerage Commission, Series 2010 A and B

On May 27, 2010, the East Baton Rouge Sewerage Commission issued \$374,980,000 Revenue Bonds in two sub-series. The 2010A (Tax-Exempt) Bonds in the amount of \$17,140,000 will mature serially on February 1 of each year through 2014 with interest from 3.00 - 5.00 percent. The Series 2010B (Taxable Direct Pay Build America) Bonds in the amount of \$357,840,000 were issued 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.



**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) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/09	0.00	\$869,098,994	\$869,098,994	0.00 %	\$149,127,888	582.8 %
01/01/08	0.00	865,362,027	865,362,027	0.00	153,021,360	565.5
01/01/07	0.00	829,249,403	829,249,403	0.00	145,271,905	570.8

Note: The actuary does not provide a separate schedule of funding progress for individual employers.

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PRIMARY GOVERNMENT

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Costs Contributed	Increase (Decrease) to Net OPEB Obligation	Net OPEB Obligation
12/31/09	\$57,420,389	\$13,119,268	22.8 %	\$44,301,121	\$134,559,685
12/31/08	58,303,635	11,958,100	20.5	46,345,535	90,258,564
12/31/07	55,440,646	11,527,617	20.8	43,913,029	43,913,029

SCHEDULE OF EMPLOYER CONTRIBUTIONS - COMPONENT UNITS

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Costs Contributed	Increase (Decrease) to Net OPEB Obligation	Net OPEB Obligation
12/31/09	\$2,816,270	\$643,454	22.8 %	\$2,172,816	\$6,675,347
12/31/08	2,917,928	598,468	20.5	2,319,460	4,502,531
12/31/07	2,756,160	573,089	20.8	2,183,071	2,183,071



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Juror Compensation Fund accounts for District Court Cost fees collected from certain criminal defendants 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.

Animal Control and Rescue Center Fund accounts for monies collected from services rendered in licensing and leashing of small animals.

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.

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.

Continued

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

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.

Debt Service Funds

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

City Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 1993, 1997, 1998A, 2001A and 2007A 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.

Taxable Refunding Bonds Debt Service Fund accounts for the payment of principal, interest, and related charges for the 2002A Fixed Rate Taxable Refunding Bonds and the 2002B Fixed Rate 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 2006 A/B Road and Street Improvement Sales Tax Bonds 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, 2009**

	<u>Special Revenue</u>			
	<u>Juror Compensation</u>	<u>City Constable Court Costs</u>	<u>Mosquito Abatement and Rodent Control</u>	<u>Downtown Development District</u>
ASSETS				
Cash and cash equivalents	\$ 335,349	\$ 226,275	\$ 2,800,445	\$ --
Investments	--	--	1,035,781	--
Property taxes receivable-net	--	--	1,300,225	170,285
Sales taxes receivable	--	--	--	--
Accounts receivable	40,199	--	313	10,000
Accrued interest receivable	102	115	1,578	--
Due from other governments	--	--	3,254,220	253,251
Total assets	<u>\$ 375,650</u>	<u>\$ 226,390</u>	<u>\$ 8,392,562</u>	<u>\$ 433,536</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ --	\$ 6,573	\$ 38,088	\$ 6,293
Due to other funds	--	--	--	235,601
Due to other governments	--	--	--	--
Accrued salaries payable	--	11,626	48,142	12,011
Deferred revenue	--	--	305,851	75,113
Total liabilities	<u>--</u>	<u>18,199</u>	<u>392,081</u>	<u>329,018</u>
Fund balances:				
Reserved for:				
Encumbrances	--	8,604	33,464	14,146
Debt service - principal	--	--	--	--
Debt service - interest	--	--	--	--
Subsequent year expenditures	--	36,710	--	--
Continuing projects	--	12,730	1,304,000	10,000
Unreserved:				
Undesignated	375,650	150,147	6,663,017	80,372
Total fund balances	<u>375,650</u>	<u>208,191</u>	<u>8,000,481</u>	<u>104,518</u>
Total liabilities and fund balances	<u>\$ 375,650</u>	<u>\$ 226,390</u>	<u>\$ 8,392,562</u>	<u>\$ 433,536</u>

The accompanying notes are an integral part of this statement.

Continued

Special Revenue

Gaming Enforcement Division	City Court Judicial Building	Animal Control and Rescue Center	Federal Forfeited Property	E.B.R. Parish Communications District	Emergency Medical Services
\$ 141,251	\$ 587,653	\$ 272,256	\$ 893,357	\$ 5,855,310	\$ 2,977,321
--	--	--	330,420	2,165,662	1,101,201
--	--	--	--	--	2,807,523
--	--	--	--	--	--
--	10,620	1,250	--	670,333	1,278,696
39	216	134	383	2,631	2,383
--	--	--	--	--	7,024,697
<u>\$ 141,290</u>	<u>\$ 598,489</u>	<u>\$ 273,640</u>	<u>\$ 1,224,160</u>	<u>\$ 8,693,936</u>	<u>\$ 15,191,821</u>
\$ 68	\$ 14,996	\$ 44,362	\$ --	\$ 975,840	\$ 1,071,019
--	--	--	--	--	--
--	--	--	--	--	--
4,078	--	43,413	7,631	95,004	423,271
--	--	--	--	--	661,045
<u>4,146</u>	<u>14,996</u>	<u>87,775</u>	<u>7,631</u>	<u>1,070,844</u>	<u>2,155,335</u>
--	144,887	3,051	--	199,767	658,152
--	--	--	--	--	--
--	--	--	--	--	--
--	134,820	--	192,780	--	1,249,380
--	14,455	15,596	396,409	698,611	--
137,144	289,331	167,218	627,340	6,724,714	11,128,954
<u>137,144</u>	<u>583,493</u>	<u>185,865</u>	<u>1,216,529</u>	<u>7,623,092</u>	<u>13,036,486</u>
<u>\$ 141,290</u>	<u>\$ 598,489</u>	<u>\$ 273,640</u>	<u>\$ 1,224,160</u>	<u>\$ 8,693,936</u>	<u>\$ 15,191,821</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	Special Revenue			
	B.R. Fire Department Pay Enhancement	Consolidated Road Lighting District No. 1	Parish Transpor- tation	Parish Beautification
ASSETS				
Cash and cash equivalents	\$ --	\$ 2,528,823	\$ 7,110,102	\$ 3,901,411
Investments	--	935,318	2,629,764	1,442,987
Property taxes receivable-net	3,039,600	180,299	--	--
Sales taxes receivable	--	--	--	100,969
Accounts receivable	--	--	--	--
Accrued interest receivable	--	1,158	2,974	1,251
Due from other governments	6,262,675	376,338	469,738	--
Total assets	\$ 9,302,275	\$ 4,021,936	\$ 10,212,578	\$ 5,446,618
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ 1,195	\$ 40,361	\$ 119,468	\$ 15,631
Due to other funds	6,292,090	--	--	--
Due to other governments	--	--	--	--
Accrued salaries payable	346,121	--	--	--
Deferred revenue	750,575	68,138	--	--
Total liabilities	7,389,981	108,499	119,468	15,631
Fund balances:				
Reserved for:				
Encumbrances	--	--	169,401	648,434
Debt service - principal	--	--	--	--
Debt service - interest	--	--	--	--
Subsequent year expenditures	552,850	153,320	1,052,890	--
Continuing projects	--	--	7,534,295	4,236,198
Unreserved:				
Undesignated	1,359,444	3,760,117	1,336,524	546,355
Total fund balances	1,912,294	3,913,437	10,093,110	5,430,987
Total liabilities and fund balances	\$ 9,302,275	\$ 4,021,936	\$ 10,212,578	\$ 5,446,618

The accompanying notes are an integral part of this statement.

Continued

EXHIBIT B - 1
(Continued)

Special Revenue			Debt Service		
Parish Street Maintenance	Capital House Economic Development District	Total	City Sales Tax Bonds	Taxable Refunding Bonds	Road and Street Improvement Sales Tax Bonds
\$ 6,548,317	\$ 83,322	\$ 34,261,192	\$ 15,451,304	\$ --	\$ 7,174,859
2,421,980	--	12,063,113	1,581,240	--	--
--	--	7,497,932	--	--	--
1,160,313	69,336	1,330,618	--	--	--
--	--	2,011,411	--	--	--
3,446	--	16,410	33,655	--	--
--	--	17,640,919	--	--	--
<u>\$ 10,134,056</u>	<u>\$ 152,658</u>	<u>\$ 74,821,595</u>	<u>\$ 17,066,199</u>	<u>\$ --</u>	<u>\$ 7,174,859</u>
\$ 1,154,222	\$ 152,658	\$ 3,640,774	\$ --	\$ --	\$ 20,020
--	--	6,527,691	--	--	--
164,637	--	164,637	--	--	--
8,602	--	999,899	--	--	--
--	--	1,860,722	--	--	--
<u>1,327,461</u>	<u>152,658</u>	<u>13,193,723</u>	<u>--</u>	<u>--</u>	<u>20,020</u>
1,097,902	--	2,977,808	--	--	--
--	--	--	14,014,583	--	4,539,624
--	--	--	3,051,616	--	2,615,215
--	--	3,372,750	--	--	--
5,861,378	--	20,083,672	--	--	--
1,847,315	--	35,193,642	--	--	--
<u>8,806,595</u>	<u>--</u>	<u>61,627,872</u>	<u>17,066,199</u>	<u>--</u>	<u>7,154,839</u>
<u>\$ 10,134,056</u>	<u>\$ 152,658</u>	<u>\$ 74,821,595</u>	<u>\$ 17,066,199</u>	<u>\$ --</u>	<u>\$ 7,174,859</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

EXHIBIT B - 1
(Continued)

	Debt Service		
	Excess Revenue and Limited Tax	Total	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ --	\$ 22,626,163	\$ 56,887,355
Investments	--	1,581,240	13,644,353
Property taxes receivable-net	--	--	7,497,932
Sales taxes receivable	--	--	1,330,618
Accounts receivable	--	--	2,011,411
Accrued interest receivable	--	33,655	50,065
Due from other governments	--	--	17,640,919
	\$ --	\$ 24,241,058	\$ 99,062,653
Total assets	\$ --	\$ 24,241,058	\$ 99,062,653
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	\$ --	\$ 20,020	\$ 3,660,794
Due to other funds	--	--	6,527,691
Due to other governments	--	--	164,637
Accrued salaries payable	--	--	999,899
Deferred revenue	--	--	1,860,722
Total liabilities	--	20,020	13,213,743
Fund balances:			
Reserved for:			
Encumbrances	--	--	2,977,808
Debt service - principal	--	18,554,207	18,554,207
Debt service - interest	--	5,666,831	5,666,831
Subsequent year expenditures	--	--	3,372,750
Continuing projects	--	--	20,083,672
Unreserved:			
Undesignated	--	--	35,193,642
Total fund balances	--	24,221,038	85,848,910
Total liabilities and fund balances	\$ --	\$ 24,241,058	\$ 99,062,653

The accompanying notes are an integral part of this statement.



**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, 2009**

	Special Revenue			
	Juror Compensation	City Constable Court Costs	Mosquito Abatement and Rodent Control	Downtown Development District
REVENUES				
Taxes:				
Property	\$ --	\$ --	\$ 4,775,418	\$ 392,280
Sales	--	--	--	--
Occupancy	--	--	--	--
Licenses and permits	--	--	--	--
Intergovernmental revenues	--	11,100	--	--
Charges for services	404,962	805,741	--	--
Fines and forfeits	--	8,493	--	--
Investment earnings	1,498	2,076	29,825	(313)
Miscellaneous revenues	--	--	2,580	10,000
Total revenues	<u>406,460</u>	<u>827,410</u>	<u>4,807,823</u>	<u>401,967</u>
EXPENDITURES				
Current:				
General government	264,590	878,369	--	--
Public safety	--	--	--	--
Transportation	--	--	--	--
Health and welfare	--	--	3,701,880	--
Conservation and development	--	--	--	518,269
Debt service:				
Principal retirement	--	--	--	--
Interest and fiscal charges	--	--	--	--
Bond issuance costs	--	--	--	--
Capital outlay	--	46,994	81,816	--
Intergovernmental	--	--	--	--
Total expenditures	<u>264,590</u>	<u>925,363</u>	<u>3,783,696</u>	<u>518,269</u>
Excess (deficiency) of revenues over (under) expenditures	<u>141,870</u>	<u>(97,953)</u>	<u>1,024,127</u>	<u>(116,302)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	--	150,000
Transfers out	--	(11,390)	--	--
Proceeds of capital asset disposition	--	--	2,175	--
Total other financing sources and uses	<u>--</u>	<u>(11,390)</u>	<u>2,175</u>	<u>150,000</u>
Net change in fund balances	141,870	(109,343)	1,026,302	33,698
Fund balances, January 1	<u>233,780</u>	<u>317,534</u>	<u>6,974,179</u>	<u>70,820</u>
Fund balances, December 31	<u>\$ 375,650</u>	<u>\$ 208,191</u>	<u>\$ 8,000,481</u>	<u>\$ 104,518</u>

The accompanying notes are an integral part of this statement.

Continued

Special Revenue

Gaming Enforcement Division	City Court Judicial Building	Animal Control and Rescue Center	Federal Forfeited Property	E.B.R. Parish Communications District	Emergency Medical Services
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 10,051,578
--	--	--	--	--	--
--	--	--	--	--	--
--	--	451,255	--	--	--
5,619	--	--	--	--	--
210,484	497,761	158,286	--	5,618,147	7,898,133
--	--	--	431,260	--	--
546	3,197	2,167	6,842	45,758	54,032
--	--	210,203	--	1,293,153	34,570
<u>216,649</u>	<u>500,958</u>	<u>821,911</u>	<u>438,102</u>	<u>6,957,058</u>	<u>18,038,313</u>
144,801	197,665	--	--	--	--
--	--	--	356,902	6,459,610	16,664,643
--	--	--	--	--	--
--	--	2,204,544	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	180,826	22,814	94,462	976,525	761,626
--	--	--	--	--	--
<u>144,801</u>	<u>378,491</u>	<u>2,227,358</u>	<u>451,364</u>	<u>7,436,135</u>	<u>17,426,269</u>
<u>71,848</u>	<u>122,467</u>	<u>(1,405,447)</u>	<u>(13,262)</u>	<u>(479,077)</u>	<u>612,044</u>
--	--	1,318,100	--	702,200	--
--	--	--	--	--	(2,141,714)
--	--	5,975	--	--	--
--	--	<u>1,324,075</u>	--	<u>702,200</u>	<u>(2,141,714)</u>
71,848	122,467	(81,372)	(13,262)	223,123	(1,529,670)
<u>65,296</u>	<u>461,026</u>	<u>267,237</u>	<u>1,229,791</u>	<u>7,399,969</u>	<u>14,566,156</u>
<u>\$ 137,144</u>	<u>\$ 583,493</u>	<u>\$ 185,865</u>	<u>\$ 1,216,529</u>	<u>\$ 7,623,092</u>	<u>\$ 13,036,486</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, 2009**

	Special Revenue			
	B.R. Fire Department Pay Enhancement	Consolidated Road Lighting District No. 1	Parish Transportation	Parish Beautification
REVENUES				
Taxes:				
Property	\$ 9,660,395	\$ 532,546	\$ --	\$ --
Sales	--	--	--	1,099,812
Occupancy	--	--	--	--
Licenses and permits	--	--	--	--
Intergovernmental revenues	--	54,426	3,204,068	--
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	(8,018)	20,334	51,180	20,119
Miscellaneous revenues	--	--	--	--
Total revenues	<u>9,652,377</u>	<u>607,306</u>	<u>3,255,248</u>	<u>1,119,931</u>
EXPENDITURES				
Current:				
General government	--	--	--	--
Public safety	10,034,411	--	--	--
Transportation	--	485,592	713,909	436,528
Health and welfare	--	--	--	--
Conservation and development	--	--	--	--
Debt service:				
Principal retirement	--	--	--	--
Interest and fiscal charges	--	--	--	--
Bond issuance costs	--	--	--	--
Capital outlay	--	--	756,849	--
Intergovernmental	--	--	1,247,200	--
Total expenditures	<u>10,034,411</u>	<u>485,592</u>	<u>2,717,958</u>	<u>436,528</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(382,034)</u>	<u>121,714</u>	<u>537,290</u>	<u>683,403</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	--	1,273,520
Transfers out	--	--	--	--
Proceeds of capital asset disposition	--	--	--	--
Total other financing sources and uses	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,273,520</u>
Net change in fund balances	(382,034)	121,714	537,290	1,956,923
Fund balances, January 1	2,294,328	3,791,723	9,555,820	3,474,064
Fund balances, December 31	<u>\$ 1,912,294</u>	<u>\$ 3,913,437</u>	<u>\$ 10,093,110</u>	<u>\$ 5,430,987</u>

The accompanying notes are an integral part of this statement.

Continued

Parish Street Maintenance	Special Revenue		Debt Service		
	Capitol House Economic Development District	Total	City Sales Tax Bonds	Taxable Refunding Bonds	Road and Street Improvement Sales Tax Bonds
\$ --	\$ --	\$ 25,412,217	\$ --	\$ --	\$ --
12,662,112	128,790	13,890,714	11,581,419	--	15,621,294
--	842,031	842,031	--	--	--
--	--	451,255	--	--	--
--	--	3,275,213	--	--	--
--	--	15,593,514	--	--	--
--	--	439,753	--	--	--
60,026	--	289,269	156,036	--	34,434
--	--	1,550,506	--	--	--
<u>12,722,138</u>	<u>970,821</u>	<u>61,744,472</u>	<u>11,737,455</u>	<u>--</u>	<u>15,655,728</u>
--	--	1,485,425	--	--	--
--	--	33,515,566	--	--	--
13,217,586	--	14,853,615	--	--	--
--	--	5,906,424	--	--	--
--	976,537	1,494,806	--	--	--
--	--	--	8,680,000	1,755,000	3,355,000
--	--	--	3,173,374	3,483,631	9,771,056
--	--	--	--	--	4,097
--	--	2,921,912	--	--	--
--	--	1,247,200	--	--	--
<u>13,217,586</u>	<u>976,537</u>	<u>61,424,948</u>	<u>11,853,374</u>	<u>5,238,631</u>	<u>13,130,153</u>
<u>(495,448)</u>	<u>(5,716)</u>	<u>319,524</u>	<u>(115,919)</u>	<u>(5,238,631)</u>	<u>2,525,575</u>
--	--	3,443,820	--	5,238,631	--
(216,233)	--	(2,369,337)	--	--	--
--	--	8,150	--	--	--
<u>(216,233)</u>	<u>--</u>	<u>1,082,633</u>	<u>--</u>	<u>5,238,631</u>	<u>--</u>
(711,681)	(5,716)	1,402,157	(115,919)	--	2,525,575
<u>9,518,276</u>	<u>5,716</u>	<u>60,225,715</u>	<u>17,182,118</u>	<u>--</u>	<u>4,629,264</u>
<u>\$ 8,806,595</u>	<u>\$ --</u>	<u>\$ 61,627,872</u>	<u>\$ 17,066,199</u>	<u>\$ --</u>	<u>\$ 7,154,839</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, 2009**

EXHIBIT B - 2
(Continued)

	Debt Service		Total Nonmajor Governmental Funds
	Excess Revenue and Limited Tax	Total	
REVENUES			
Taxes:			
Property	\$ --	\$ --	\$ 25,412,217
Sales	--	27,202,713	41,093,427
Occupancy	--	--	842,031
Licenses and permits	--	--	451,255
Intergovernmental revenues	--	--	3,275,213
Charges for services	--	--	15,593,514
Fines and forfeits	--	--	439,753
Investment earnings	--	190,470	479,739
Miscellaneous revenues	32,164	32,164	1,582,670
Total revenues	32,164	27,425,347	89,169,819
EXPENDITURES			
Current:			
General government	--	--	1,485,425
Public safety	--	--	33,515,566
Transportation	--	--	14,853,615
Health and welfare	--	--	5,906,424
Conservation and development	--	--	1,494,806
Debt service:			
Principal retirement	337,455	14,127,455	14,127,455
Interest and fiscal charges	13,781	16,441,842	16,441,842
Bond issuance costs	--	4,097	4,097
Capital outlay	--	--	2,921,912
Intergovernmental	--	--	1,247,200
Total expenditures	351,236	30,573,394	91,998,342
Excess (deficiency) of revenues over (under) expenditures	(319,072)	(3,148,047)	(2,828,523)
OTHER FINANCING SOURCES (USES)			
Transfers in	319,072	5,557,703	9,001,523
Transfers out	--	--	(2,369,337)
Proceeds of capital asset disposition	--	--	8,150
Total other financing sources and uses	319,072	5,557,703	6,640,336
Net change in fund balances	--	2,409,656	3,811,813
Fund balances, January 1	--	21,811,382	82,037,097
Fund balances, December 31	\$ --	\$ 24,221,038	\$ 85,848,910

The accompanying notes are an integral part of this statement.

**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, 2009**

EXHIBIT B - 3

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Taxes:				
General property taxes	\$ 3,835	\$ --	\$ 3,835	\$ 3,835
General sales and use taxes	204,759,481	10,040,968	214,800,449	213,001,844
Total taxes	<u>204,763,316</u>	<u>10,040,968</u>	<u>214,804,284</u>	<u>213,005,679</u>
Intergovernmental revenues:				
Federal grants:				
U. S. Federal Transit Authority	755,536	14,613	770,149	770,149
U. S. Department of HUD	144,104	79,433	223,537	223,538
State grants:				
Department of Public Safety and Corrections	151,351	--	151,351	151,351
Department of Transportation and Development	56,108,421	1,618,924	57,727,345	71,538,852
Louisiana State Capital Outlay Bill	13,032,214	571,468	13,603,682	16,039,277
Department of Treasury	1,161,000	--	1,161,000	2,561,000
Capital Area Transit System	200,000	--	200,000	200,000
E.B.R. Parish Sheriff	500,000	--	500,000	500,000
Total intergovernmental revenues	<u>72,052,626</u>	<u>2,284,438</u>	<u>74,337,064</u>	<u>91,984,167</u>
Investment earnings	44,336,376	2,705,842	47,042,218	41,786,386
Miscellaneous revenues:				
Interest earned on assessments	7,387	--	7,387	4,984
Lease of old pistol range land	325,000	--	325,000	325,000
Special assessments	35,291	--	35,291	31,332
Private developer impact fees	941,626	614,743	1,556,369	604,321
Contributions from private business	3,065,873	443,023	3,508,896	1,652,047
Contributions from government agencies	24,138	--	24,138	12,637
Donations and contingent receipts	281,560	--	281,560	280,834
Total miscellaneous revenues	<u>4,680,875</u>	<u>1,057,766</u>	<u>5,738,641</u>	<u>2,911,155</u>
Total revenues	<u>325,833,193</u>	<u>16,089,014</u>	<u>341,922,207</u>	<u>349,687,387</u>
EXPENDITURES				
Land	44,266,077	22,797,843	67,063,920	108,905,529
Buildings	62,218,273	6,087,578	68,305,851	129,429,541
Improvements other than buildings	291,954,202	59,929,875	351,884,077	566,453,569
Equipment	38,987,413	5,509,340	44,496,753	48,724,873
Other	2,894,302	2,945,586	5,839,888	6,889,362
Total expenditures	<u>440,320,267</u>	<u>97,270,222</u>	<u>537,590,489</u>	<u>860,402,874</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(114,487,074)</u>	<u>(81,181,208)</u>	<u>(195,668,282)</u>	<u>(510,715,487)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	241,131,758	30,130,579	271,262,337	271,262,339
Transfers out	(4,354,876)	--	(4,354,876)	(4,564,355)
Issuance of long term debt	125,750,000	110,000,000	235,750,000	235,750,000
Premium on long term debt	912,610	2,591,309	3,503,919	3,503,919
Increase in long term lease	4,763,584	--	4,763,584	4,763,584
Total other financing sources and uses	<u>368,203,076</u>	<u>142,721,888</u>	<u>510,924,964</u>	<u>510,715,487</u>
Net change in fund balances	<u>\$ 253,716,002</u>	<u>61,540,680</u>	<u>\$ 315,256,682</u>	<u>\$ --</u>
Fund balances, January 1		253,716,002		
Fund balances, December 31		<u>\$ 315,256,682</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)
JUROR COMPENSATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT B - 4

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services:				
Criminal juror fees	\$ 274,000	\$ 274,000	\$ 323,424	\$ 49,424
Civil juror fees	<u>125,000</u>	<u>125,000</u>	<u>81,538</u>	<u>(43,462)</u>
Total charges for services	399,000	399,000	404,962	5,962
Investment earnings	<u>--</u>	<u>--</u>	<u>1,498</u>	<u>1,498</u>
Total revenues	399,000	399,000	406,460	7,460
EXPENDITURES				
Current:				
General government:				
Juror compensation	<u>399,000</u>	<u>399,000</u>	<u>264,590</u>	<u>134,410</u>
Excess (deficiency) of revenues over (under) expenditures	--	--	141,870	141,870
Fund balances, January 1	<u>233,780</u>	<u>233,780</u>	<u>233,780</u>	<u>--</u>
Fund balances, December 31	<u>\$ 233,780</u>	<u>\$ 233,780</u>	<u>\$ 375,650</u>	<u>\$ 141,870</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, 2009**

EXHIBIT B - 5

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
On-behalf payments	\$ 11,100	\$ 11,100	\$ 11,100	\$ --
Charges for services:				
Judiciary court costs	689,000	689,000	649,000	(40,000)
School security fees	25,000	25,000	24,505	(495)
Constable bench warrant fees	15,000	15,000	20,354	5,354
Evidence testing	70,000	70,000	111,222	41,222
Service of eviction notices	500	500	660	160
Total charges for services	<u>799,500</u>	<u>799,500</u>	<u>805,741</u>	<u>6,241</u>
Fines and forfeits:				
City court forfeitures	25,000	25,000	8,493	(16,507)
Investment earnings	4,000	4,000	2,076	(1,924)
Total revenues	<u>839,600</u>	<u>839,600</u>	<u>827,410</u>	<u>(12,190)</u>
EXPENDITURES				
Current:				
General government:				
Judicial	908,400	897,010	886,973	10,037
Capital outlay	61,881	61,881	46,994	14,887
Total expenditures	<u>970,281</u>	<u>958,891</u>	<u>933,967</u>	<u>24,924</u>
Excess (deficiency) of revenues over (under) expenditures	(130,681)	(119,291)	(106,557)	12,734
OTHER FINANCING USES				
Transfers out:				
Grants Fund	--	(11,390)	(11,390)	--
Net change in fund balances	(130,681)	(130,681)	(117,947)	12,734
Fund balances, January 1	317,534	317,534	317,534	--
Fund balances, December 31	<u>\$ 186,853</u>	<u>\$ 186,853</u>	<u>\$ 199,587</u>	<u>\$ 12,734</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)
MOSQUITO ABATEMENT AND RODENT CONTROL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT B - 6

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 4,619,660	\$ 4,619,660	\$ 4,775,418	\$ 155,758
Charges for services:				
Out of parish spraying	8,000	8,000	--	(8,000)
Investment earnings	2,000	2,000	29,825	27,825
Miscellaneous revenues:				
Other income	3,000	3,000	2,580	(420)
Total revenues	<u>4,632,660</u>	<u>4,632,660</u>	<u>4,807,823</u>	<u>175,163</u>
EXPENDITURES				
Current:				
Health and welfare:				
Operations	4,225,000	4,225,000	3,735,344	489,656
Capital outlay	<u>1,371,240</u>	<u>1,371,240</u>	<u>81,816</u>	<u>1,289,424</u>
Total expenditures	<u>5,596,240</u>	<u>5,596,240</u>	<u>3,817,160</u>	<u>1,779,080</u>
Excess (deficiency) of revenues over (under) expenditures	(963,580)	(963,580)	990,663	1,954,243
OTHER FINANCING SOURCES				
Proceeds of capital asset disposition	<u>12,000</u>	<u>12,000</u>	<u>2,175</u>	<u>(9,825)</u>
Net change in fund balances	(951,580)	(951,580)	992,838	1,944,418
Fund balances, January 1	<u>6,974,179</u>	<u>6,974,179</u>	<u>6,974,179</u>	<u>--</u>
Fund balances, December 31	<u>\$ 6,022,599</u>	<u>\$ 6,022,599</u>	<u>\$ 7,967,017</u>	<u>\$ 1,944,418</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)
DOWNTOWN DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT B - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 427,000	\$ 427,000	\$ 392,280	\$ (34,720)
Investment earnings	(9,000)	(9,000)	(313)	8,687
Miscellaneous revenues:				
Donations	<u>5,000</u>	<u>5,000</u>	<u>10,000</u>	<u>5,000</u>
Total revenues	423,000	423,000	401,967	(21,033)
EXPENDITURES				
Current:				
Conservation and development:				
Operations	<u>587,462</u>	<u>587,462</u>	<u>532,415</u>	<u>55,047</u>
Excess (deficiency) of revenues over (under) expenditures	(164,462)	(164,462)	(130,448)	34,014
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>--</u>
Net change in fund balances	(14,462)	(14,462)	19,552	34,014
Fund balances, January 1	<u>70,820</u>	<u>70,820</u>	<u>70,820</u>	<u>--</u>
Fund balances, December 31	<u>\$ 56,358</u>	<u>\$ 56,358</u>	<u>\$ 90,372</u>	<u>\$ 34,014</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, 2009**

EXHIBIT B - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
On-behalf payments	\$ 5,550	\$ 5,550	\$ 5,619	\$ 69
Charges for services:				
Gaming fees	175,000	175,000	210,484	35,484
Investment earnings	2,500	2,500	546	(1,954)
Total revenues	183,050	183,050	216,649	33,599
EXPENDITURES				
Current:				
General government:				
Operations	189,851	189,851	144,801	45,050
Excess (deficiency) of revenues over (under) expenditures	(6,801)	(6,801)	71,848	78,649
Fund balances, January 1	65,296	65,296	65,296	--
Fund balances, December 31	<u>\$ 58,495</u>	<u>\$ 58,495</u>	<u>\$ 137,144</u>	<u>\$ 78,649</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 FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT B - 9

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Civil Fees	\$ 490,490	\$ 490,490	\$ 497,761	\$ 7,271
Investment earnings	--	--	3,197	3,197
Total revenues	<u>490,490</u>	<u>490,490</u>	<u>500,958</u>	<u>10,468</u>
EXPENDITURES				
Current:				
General government:				
Judicial	348,640	340,201	202,920	137,281
Capital outlay	--	<u>206,499</u>	<u>320,458</u>	<u>(113,959)</u>
Total expenditures	<u>348,640</u>	<u>546,700</u>	<u>523,378</u>	<u>23,322</u>
Excess (deficiency) of revenues over (under) expenditures	141,850	(56,210)	(22,420)	33,790
Fund balances, January 1	<u>461,026</u>	<u>461,026</u>	<u>461,026</u>	--
Fund balances, December 31	<u>\$ 602,876</u>	<u>\$ 404,816</u>	<u>\$ 438,606</u>	<u>\$ 33,790</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)
ANIMAL CONTROL AND RESCUE CENTER SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT B - 10

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits:				
Licenses	\$ 406,900	\$ 476,900	\$ 451,255	\$ (25,645)
Charges for services:				
Shelter income	90,000	90,000	109,218	19,218
Outside sales	14,000	14,000	10,313	(3,687)
Veterinary services	30,000	30,000	38,755	8,755
Total charges for services	<u>134,000</u>	<u>134,000</u>	<u>158,286</u>	<u>24,286</u>
Investment earnings	<u>3,350</u>	<u>3,350</u>	<u>2,167</u>	<u>(1,183)</u>
Miscellaneous revenues:				
Contributions from government agencies	141,210	141,210	192,408	51,198
Donations	7,000	7,000	14,965	7,965
Other income	1,500	1,500	2,830	1,330
Total miscellaneous revenues	<u>149,710</u>	<u>149,710</u>	<u>210,203</u>	<u>60,493</u>
Total revenues	<u>693,960</u>	<u>763,960</u>	<u>821,911</u>	<u>57,951</u>
EXPENDITURES				
Current:				
Health and welfare:				
Operations	2,081,016	2,233,968	2,207,595	26,373
Capital outlay	<u>7,000</u>	<u>24,048</u>	<u>22,814</u>	<u>1,234</u>
Total expenditures	<u>2,088,016</u>	<u>2,258,016</u>	<u>2,230,409</u>	<u>27,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,394,056)</u>	<u>(1,494,056)</u>	<u>(1,408,498)</u>	<u>85,558</u>
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	1,318,100	1,318,100	1,318,100	--
Proceeds of capital asset disposition	--	--	5,975	5,975
Total other financing sources	<u>1,318,100</u>	<u>1,318,100</u>	<u>1,324,075</u>	<u>5,975</u>
Net change in fund balances	(75,956)	(175,956)	(84,423)	91,533
Fund balances, January 1	<u>267,237</u>	<u>267,237</u>	<u>267,237</u>	<u>--</u>
Fund balances, December 31	<u>\$ 191,281</u>	<u>\$ 91,281</u>	<u>\$ 182,814</u>	<u>\$ 91,533</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)
FEDERAL FORFEITED PROPERTY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT B - 11

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeits:				
Forfeited property	\$ 350,000	\$ 272,600	\$ 431,260	\$ 158,660
Investment earnings	<u>5,780</u>	<u>5,780</u>	<u>6,842</u>	<u>1,062</u>
Total revenues	<u>355,780</u>	<u>278,380</u>	<u>438,102</u>	<u>159,722</u>
EXPENDITURES				
Current:				
Public safety:				
Dedicated funds	383,780	306,380	356,902	(50,522)
Capital outlay	<u>541,393</u>	<u>541,393</u>	<u>94,462</u>	<u>446,931</u>
Total expenditures	<u>925,173</u>	<u>847,773</u>	<u>451,364</u>	<u>396,409</u>
Excess (deficiency) of revenues over (under) expenditures	(569,393)	(569,393)	(13,262)	556,131
Fund balances, January 1	<u>1,229,791</u>	<u>1,229,791</u>	<u>1,229,791</u>	<u>--</u>
Fund balances, December 31	<u>\$ 660,398</u>	<u>\$ 660,398</u>	<u>\$ 1,216,529</u>	<u>\$ 556,131</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)
EAST BATON ROUGE PARISH COMMUNICATIONS DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT B - 12

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Enhanced 911	\$ 4,661,000	\$ 4,661,000	\$ 5,618,147	\$ 957,147
Investment earnings	100,000	100,000	45,758	(54,242)
Miscellaneous revenues:				
Other income	--	1,293,153	1,293,153	--
Total revenues	<u>4,761,000</u>	<u>6,054,153</u>	<u>6,957,058</u>	<u>902,905</u>
EXPENDITURES				
Current:				
Public safety:				
Communications	5,129,673	7,265,170	6,659,377	605,793
Capital outlay	<u>1,083,920</u>	<u>2,054,094</u>	<u>976,525</u>	<u>1,077,569</u>
Total expenditures	<u>6,213,593</u>	<u>9,319,264</u>	<u>7,635,902</u>	<u>1,683,362</u>
Excess (deficiency) of revenues over (under) expenditures	(1,452,593)	(3,265,111)	(678,844)	2,586,267
OTHER FINANCING SOURCES				
Transfers in:				
Emergency Medical Services Fund	<u>702,200</u>	<u>702,200</u>	<u>702,200</u>	--
Net change in fund balances	(750,393)	(2,562,911)	23,356	2,586,267
Fund balances, January 1	<u>7,399,969</u>	<u>7,399,969</u>	<u>7,399,969</u>	--
Fund balances, December 31	<u>\$ 6,649,576</u>	<u>\$ 4,837,058</u>	<u>\$ 7,423,325</u>	<u>\$ 2,586,267</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, 2009**

EXHIBIT B - 13

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 9,770,140	\$ 9,770,140	\$ 10,051,578	\$ 281,438
Charges for services:				
Emergency transport charges	7,245,000	7,245,000	7,898,133	653,133
Investment earnings	270,000	270,000	54,032	(215,968)
Miscellaneous revenues:				
Other income	31,000	31,000	34,570	3,570
Total revenues	<u>17,316,140</u>	<u>17,316,140</u>	<u>18,038,313</u>	<u>722,173</u>
EXPENDITURES				
Current:				
Public safety:				
Operations	17,103,362	16,703,362	16,912,523	(209,161)
Capital outlay	648,105	1,358,591	1,171,898	186,693
Total expenditures	<u>17,751,467</u>	<u>18,061,953</u>	<u>18,084,421</u>	<u>(22,468)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(435,327)</u>	<u>(745,813)</u>	<u>(46,108)</u>	<u>699,705</u>
OTHER FINANCING USES				
Transfers out:				
General Fund	(90,000)	(90,000)	(90,000)	--
East Baton Rouge Parish Communications District	(702,200)	(702,200)	(702,200)	--
Miscellaneous Capital Improvements	-	(1,349,514)	(1,349,514)	--
Total transfers out	<u>(792,200)</u>	<u>(2,141,714)</u>	<u>(2,141,714)</u>	<u>-</u>
Net change in fund balances	(1,227,527)	(2,887,527)	(2,187,822)	699,705
Fund balances, January 1	<u>14,566,156</u>	<u>14,566,156</u>	<u>14,566,156</u>	<u>-</u>
Fund balances, December 31	<u>\$ 13,338,629</u>	<u>\$ 11,678,629</u>	<u>\$ 12,378,334</u>	<u>\$ 699,705</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)
BATON ROUGE FIRE DEPARTMENT PAY ENHANCEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT B - 14

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
General property taxes	\$ 9,949,270	\$ 9,949,270	\$ 9,660,395	\$ (288,875)
Investment earnings	<u>(100,000)</u>	<u>(100,000)</u>	<u>(8,018)</u>	<u>91,982</u>
Total revenues	9,849,270	9,849,270	9,652,377	(196,893)
EXPENDITURES				
Current:				
Public safety:				
Operations	<u>10,250,810</u>	<u>10,250,810</u>	<u>10,034,411</u>	<u>216,399</u>
Excess (deficiency) of revenues over (under) expenditures	(401,540)	(401,540)	(382,034)	19,506
Fund balances, January 1	<u>2,294,328</u>	<u>2,294,328</u>	<u>2,294,328</u>	<u>-</u>
Fund balances, December 31	<u>\$ 1,892,788</u>	<u>\$ 1,892,788</u>	<u>\$ 1,912,294</u>	<u>\$ 19,506</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)
CONSOLIDATED ROAD LIGHTING DISTRICT NO. 1 SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT B - 15

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 494,480	\$ 494,480	\$ 532,546	\$ 38,066
Intergovernmental revenues:				
State shared revenues:				
Louisiana revenue sharing	65,050	65,050	54,426	(10,624)
Investment earnings	100,000	60,000	20,334	(39,666)
Total revenues	659,530	619,530	607,306	(12,224)
EXPENDITURES				
Current:				
Transportation:				
Operations	726,760	686,760	485,592	201,168
Excess (deficiency) of revenues over (under) expenditures	(67,230)	(67,230)	121,714	188,944
Fund balances, January 1	3,791,723	3,791,723	3,791,723	--
Fund balances, December 31	<u>\$ 3,724,493</u>	<u>\$ 3,724,493</u>	<u>\$ 3,913,437</u>	<u>\$ 188,944</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, 2009**

EXHIBIT B - 16

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
State road fund	\$ 2,800,000	\$ 2,800,000	\$ 3,204,068	\$ 404,068
Investment earnings	200,000	200,000	51,180	(148,820)
Total revenues	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,255,248</u>	<u>255,248</u>
EXPENDITURES				
Current:				
Transportation:				
Operations	2,281,020	2,281,020	713,909	1,567,111
Capital outlay	7,280,965	7,280,965	926,250	6,354,715
Intergovernmental	<u>1,247,200</u>	<u>1,247,200</u>	<u>1,247,200</u>	<u>--</u>
Total expenditures	<u>10,809,185</u>	<u>10,809,185</u>	<u>2,887,359</u>	<u>7,921,826</u>
Excess (deficiency) of revenues over (under) expenditures	(7,809,185)	(7,809,185)	367,889	8,177,074
Fund balances, January 1	<u>9,555,820</u>	<u>9,555,820</u>	<u>9,555,820</u>	<u>--</u>
Fund balances, December 31	<u>\$ 1,746,635</u>	<u>\$ 1,746,635</u>	<u>\$ 9,923,709</u>	<u>\$ 8,177,074</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, 2009**

EXHIBIT B - 17

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 1,188,080	\$ 1,145,080	\$ 1,099,812	\$ (45,268)
Investment earnings	40,000	18,000	20,119	2,119
Total revenues	1,228,080	1,163,080	1,119,931	(43,149)
EXPENDITURES				
Current:				
Transportation:				
Operations	4,155,789	5,364,309	1,084,962	4,279,347
Excess (deficiency) of revenues over (under) expenditures	(2,927,709)	(4,201,229)	34,969	4,236,198
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	--	1,273,520	1,273,520	--
Net change in fund balances	(2,927,709)	(2,927,709)	1,308,489	4,236,198
Fund balances, January 1	3,474,064	3,474,064	3,474,064	--
Fund balances, December 31	<u>\$ 546,355</u>	<u>\$ 546,355</u>	<u>\$ 4,782,553</u>	<u>\$ 4,236,198</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 STREET MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT B - 18

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 13,611,130	\$ 13,311,130	\$ 12,662,112	\$ (649,018)
Investment earnings	200,000	60,000	60,026	26
Total revenues	13,811,130	13,371,130	12,722,138	(648,992)
EXPENDITURES				
Current:				
Transportation:				
Street maintenance	20,571,775	20,355,542	14,315,488	6,040,054
Excess (deficiency) of revenues over (under) expenditures	(6,760,645)	(6,984,412)	(1,593,350)	5,391,062
OTHER FINANCING USES				
Transfers out:				
Capital Projects Fund	--	(216,233)	(216,233)	--
Net change in fund balances	(6,760,645)	(7,200,645)	(1,809,583)	5,391,062
Fund balances, January 1	9,518,276	9,518,276	9,518,276	--
Fund balances, December 31	<u>\$ 2,757,631</u>	<u>\$ 2,317,631</u>	<u>\$ 7,708,693</u>	<u>\$ 5,391,062</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)
 CAPITOL HOUSE ECONOMIC DEVELOPMENT DISTRICT
 FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT B - 19

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 127,420	\$ 127,420	\$ 128,790	\$ 1,370
Occupancy taxes	1,010,930	843,401	842,031	(1,370)
Total taxes	<u>1,138,350</u>	<u>970,821</u>	<u>970,821</u>	<u>--</u>
EXPENDITURES				
Current:				
Conservation and development:				
Operations	<u>1,138,350</u>	<u>976,537</u>	<u>976,537</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	(5,716)	(5,716)	--
Fund balances, January 1	<u>5,716</u>	<u>5,716</u>	<u>5,716</u>	<u>--</u>
Fund balances, December 31	<u><u>\$ 5,716</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)
CITY SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT B - 20

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 11,382,400	\$ 11,382,400	\$ 11,581,419	\$ 199,019
Investment earnings	365,000	366,067	156,036	(210,031)
Total revenues	<u>11,747,400</u>	<u>11,748,467</u>	<u>11,737,455</u>	<u>(11,012)</u>
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	8,680,000	8,680,000	8,680,000	--
Interest and fiscal charges:				
Bond interest	3,172,650	3,172,653	3,172,649	4
Paying agent fees	6,000	5,250	725	4,525
Total interest and fiscal charges	<u>3,178,650</u>	<u>3,177,903</u>	<u>3,173,374</u>	<u>4,529</u>
Total expenditures	<u>11,858,650</u>	<u>11,857,903</u>	<u>11,853,374</u>	<u>4,529</u>
Excess (deficiency) of revenues over (under) expenditures	(111,250)	(109,436)	(115,919)	(6,483)
Fund balances, January 1	<u>17,182,118</u>	<u>17,182,118</u>	<u>17,182,118</u>	--
Fund balances, December 31	<u>\$ 17,070,868</u>	<u>\$ 17,072,682</u>	<u>\$ 17,066,199</u>	<u>\$ (6,483)</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)
TAXABLE REFUNDING BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT B - 21

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	\$ 1,755,000	\$ 1,755,000	\$ 1,755,000	\$ --
Interest and fiscal charges:				
Bond interest	3,483,140	3,483,140	3,483,131	9
Paying agent fees	2,000	2,000	500	1,500
Total interest and fiscal charges	<u>3,485,140</u>	<u>3,485,140</u>	<u>3,483,631</u>	<u>1,509</u>
Total expenditures	5,240,140	5,240,140	5,238,631	1,509
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	<u>5,240,140</u>	<u>5,240,140</u>	<u>5,238,631</u>	<u>(1,509)</u>
Net change in fund balances	--	--	--	--
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)
ROAD AND STREET IMPROVEMENT SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT B - 22

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 15,400,197	\$ 15,629,294	\$ 15,621,294	\$ (8,000)
Investment earnings	50,000	48,000	34,434	(13,566)
Swap earnings	<u>3,804,880</u>	<u>821,290</u>	<u>821,296</u>	<u>6</u>
Total revenues	<u>19,255,077</u>	<u>16,498,584</u>	<u>16,477,024</u>	<u>(21,560)</u>
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	<u>3,355,000</u>	<u>3,355,000</u>	<u>3,355,000</u>	<u>--</u>
Interest and fiscal charges:				
Bond interest	7,916,392	6,229,962	6,229,455	507
Paying agent fees	612,150	612,150	606,884	5,266
Total interest and fiscal charges	<u>8,528,542</u>	<u>6,842,112</u>	<u>6,836,339</u>	<u>5,773</u>
Bond issuance costs	<u>--</u>	<u>4,097</u>	<u>4,097</u>	<u>--</u>
Swap expenses	<u>3,804,880</u>	<u>3,756,020</u>	<u>3,756,013</u>	<u>7</u>
Total expenditures	<u>15,688,422</u>	<u>13,957,229</u>	<u>13,951,449</u>	<u>5,780</u>
Excess (deficiency) of revenues over (under) expenditures	3,566,655	2,541,355	2,525,575	(15,780)
Fund balances, January 1	<u>4,629,264</u>	<u>4,629,264</u>	<u>4,629,264</u>	<u>--</u>
Fund balances, December 31	<u>\$ 8,195,919</u>	<u>\$ 7,170,619</u>	<u>\$ 7,154,839</u>	<u>\$ (15,780)</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)
EXCESS REVENUE AND LIMITED TAX DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT B - 23

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous revenues				
Contributions from government agencies	\$ 53,400	\$ 53,400	\$ 32,164	\$ (21,236)
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	333,960	333,960	337,455	(3,495)
Interest and fiscal charges:				
Bond interest	44,050	44,050	13,781	30,269
Total expenditures	378,010	378,010	351,236	26,774
Excess (deficiency) of revenues over (under) expenditures	(324,610)	(324,610)	(319,072)	5,538
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	324,610	324,610	319,072	(5,538)
Net change in fund balances	--	--	--	--
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.



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 ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2009

EXHIBIT C - 1

	<u>Baton Rouge River Center</u>	<u>Greater Baton Rouge Parking Authority</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,782,403	\$ 2,692,288	\$ 4,474,691
Investments	659,245	995,778	1,655,023
Accounts receivable - net	336,211	133,700	469,911
Accrued interest receivable	12	1,177	1,189
Due from other governments (Note 11)	530,224	--	530,224
Prepaid items	62,646	--	62,646
Inventory	67,140	--	67,140
Total current assets	3,437,881	3,822,943	7,260,824
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	8,996,474	--	8,996,474
Investments	3,327,463	--	3,327,463
Accrued interest receivable	4,108	--	4,108
Total restricted assets	12,328,045	--	12,328,045
Investment in joint venture (Note 19)	--	2,223,958	2,223,958
Capital assets:			
Land	1,024,914	1,629,303	2,654,217
Buildings	71,066,114	10,160,544	81,226,658
Improvements (other than buildings)	6,274,537	22,685	6,297,222
Equipment	1,034,149	11,696	1,045,845
Construction work in progress	1,166,285	--	1,166,285
Total capital assets	80,565,999	11,824,228	92,390,227
Accumulated depreciation	(38,559,637)	(10,193,892)	(48,753,529)
Net capital assets	42,006,362	1,630,336	43,636,698
Total noncurrent assets	54,334,407	3,854,294	58,188,701
Total assets	57,772,288	7,677,237	65,449,525

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2009

EXHIBIT C - 1
(Continued)

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	\$ 1,210,618	\$ 17,527	\$ 1,228,145
Accrued salaries payable	92,585	10,613	103,198
Unearned revenue	615,860	5,400	621,260
Bonds payable (Note 10)	--	174,000	174,000
Compensated absences payable	49,910	59,765	109,675
Total current liabilities	1,968,973	267,305	2,236,278
Noncurrent liabilities:			
Bonds payable (Note 10)	--	1,599,500	1,599,500
Compensated absences payable	--	9,017	9,017
Net other post employment benefit obligation	--	213,255	213,255
Total noncurrent liabilities	--	1,821,772	1,821,772
Total liabilities	1,968,973	2,089,077	4,058,050
NET ASSETS			
Invested in capital assets, net of related debt	42,006,362	1,630,336	43,636,698
Restricted for capital projects	12,328,045	--	12,328,045
Unrestricted	1,468,908	3,957,824	5,426,732
Total net assets	\$ 55,803,315	\$ 5,588,160	\$ 61,391,475

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 ASSETS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT C - 2

	<u>Baton Rouge River Center</u>	<u>Greater Baton Rouge Parking Authority</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES			
Charges for services	\$ 5,333,773	\$ 910,324	\$ 6,244,097
Miscellaneous revenues	519,064	825	519,889
Total operating revenues	<u>5,852,837</u>	<u>911,149</u>	<u>6,763,986</u>
OPERATING EXPENSES			
Personal services	2,286,057	286,490	2,572,547
Employee benefits	291,281	179,895	471,176
Supplies	1,212,854	19,980	1,232,834
Contractual services	3,151,706	112,158	3,263,864
Depreciation	3,463,449	34,968	3,498,417
Management fee	293,934	--	293,934
Total operating expenses	<u>10,699,281</u>	<u>633,491</u>	<u>11,332,772</u>
Operating income (loss)	<u>(4,846,444)</u>	<u>277,658</u>	<u>(4,568,786)</u>
NONOPERATING REVENUES (EXPENSES)			
Operating grants	222,972	--	222,972
Net income (loss) from joint venture	--	178,372	178,372
Investment earnings	69,017	21,231	90,248
Interest expense	--	(26,627)	(26,627)
Gain (loss) on disposition of capital assets	1,010	--	1,010
Total nonoperating revenues (expenses)	<u>292,999</u>	<u>172,976</u>	<u>465,975</u>
Income (loss) before contributions and transfers	<u>(4,553,445)</u>	<u>450,634</u>	<u>(4,102,811)</u>
Capital contributions	1,370,922	--	1,370,922
Transfers in	<u>1,097,960</u>	<u>252,730</u>	<u>1,350,690</u>
Change in net assets	<u>(2,084,563)</u>	<u>703,364</u>	<u>(1,381,199)</u>
Total net assets - January 1	<u>57,887,878</u>	<u>4,884,796</u>	<u>62,772,674</u>
Total net assets - December 31	<u>\$ 55,803,315</u>	<u>\$ 5,588,160</u>	<u>\$ 61,391,475</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, 2009**

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	\$ 11,902,996	\$ 925,627	\$ 12,828,623
Cash payments to suppliers for goods and services	(11,586,075)	(130,549)	(11,716,624)
Cash payments to employees for services and benefits	(2,566,529)	(380,570)	(2,947,099)
Net cash provided by (used for) operating activities	(2,249,608)	414,508	(1,835,100)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating grants received	222,972	--	222,972
Transfers in from other funds	1,097,960	252,730	1,350,690
Net cash provided by (used for) noncapital financing activities	1,320,932	252,730	1,573,662
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of capital assets	1,010	--	1,010
Acquisition and construction of capital assets	(397,099)	(820,717)	(1,217,816)
Principal paid on bonds, obligations and capital leases	--	(164,000)	(164,000)
Interest paid on bonds, obligations and capital leases	--	(26,627)	(26,627)
Capital contributed by other governments	1,881,571	--	1,881,571
Net cash provided by (used for) capital and related financing activities	1,485,482	(1,011,344)	474,138
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(3,986,708)	(995,778)	(4,982,486)
Proceeds from sales and maturities of investments	--	--	--
Cash received from joint venture activity	--	351,093	351,093
Cash paid for expenses of joint venture	--	(59,487)	(59,487)
Interest received on investments	109,052	33,971	143,023
Net cash provided by (used for) investing activities	(3,877,656)	(670,201)	(4,547,857)
Net increase (decrease) in cash and cash equivalents	(3,320,850)	(1,014,307)	(4,335,157)
Cash and cash equivalents, January 1	14,099,727	3,706,595	17,806,322
Cash and cash equivalents, December 31	\$ 10,778,877	\$ 2,692,288	\$ 13,471,165
Classified as:			
Current assets	\$ 1,782,403	\$ 2,692,288	\$ 4,474,691
Restricted assets	8,996,474	--	8,996,474
Totals	\$ 10,778,877	\$ 2,692,288	\$ 13,471,165

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, 2009**

EXHIBIT C - 3
(Continued)

	<u>Baton Rouge River Center</u>	<u>Greater Baton Rouge Parking Authority</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (4,846,444)	\$ 277,658	\$ (4,568,786)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	3,463,449	34,968	3,498,417
Increase (decrease) in compensated absences payable	4,625	15,258	19,883
Increase (decrease) in net other post employment benefit obligation	--	69,497	69,497
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	150,230	14,838	165,068
Decrease (increase) in prepaid items	53,855	--	53,855
Decrease (increase) in inventory	6,844	--	6,844
Increase (decrease) in accounts and contracts payable	(430,858)	1,229	(429,629)
Increase (decrease) in accrued salaries payable	6,184	1,060	7,244
Increase (decrease) in unearned revenue	(657,493)	--	(657,493)
Total adjustments	<u>2,596,836</u>	<u>136,850</u>	<u>2,733,686</u>
Net cash provided by (used for) operating activities	<u>\$ (2,249,608)</u>	<u>\$ 414,508</u>	<u>\$ (1,835,100)</u>
Non cash investing, capital, and financing activities:			
Gain in fair value of investments	\$ 4,120	\$ 1,177	\$ 5,297
Amortization of joint venture	--	(62,500)	(62,500)

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 ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2009**

EXHIBIT D - 1

	Fleet Rental and Replace- ment Fund	Central Garage	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,099,687	\$ 4,279,753	\$ 8,379,440
Accrued interest receivable	1,330	1,227	2,557
Inventory	--	373,856	373,856
Total current assets	4,101,017	4,654,836	8,755,853
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,213,798	2,213,798
Improvements (other than buildings)	--	7,190	7,190
Equipment	30,009,139	202,118	30,211,257
Total capital assets	30,009,139	2,470,674	32,479,813
Accumulated depreciation	(20,543,941)	(1,970,094)	(22,514,035)
Net capital assets	9,465,198	500,580	9,965,778
Total assets	13,566,215	5,155,416	18,721,631
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	675,499	801,614	1,477,113
Accrued salaries payable	--	60,872	60,872
Compensated absences payable	--	179,343	179,343
Total liabilities	675,499	1,041,829	1,717,328
NET ASSETS			
Invested in capital assets, net of related debt	9,465,198	500,580	9,965,778
Unrestricted	3,425,518	3,613,007	7,038,525
Total net assets	\$ 12,890,716	\$ 4,113,587	\$ 17,004,303

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 ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT D - 2

	Fleet Rental and Replace- ment Fund	Central Garage	Total
OPERATING REVENUES			
Charges for services:			
Billings to departments	\$ 6,499,680	\$ 12,230,408	\$ 18,730,088
OPERATING EXPENSES			
Personal services	--	1,416,378	1,416,378
Employee benefits	--	666,809	666,809
Supplies	28,935	217,143	246,078
Contractual services	2,910,040	945,069	3,855,109
Cost of materials	--	8,688,052	8,688,052
Depreciation	3,749,200	68,392	3,817,592
Total operating expenses	6,688,175	12,001,843	18,690,018
Operating income (loss)	(188,495)	228,565	40,070
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	23,002	20,747	43,749
Gain (loss) on disposition of capital assets	405,939	19,560	425,499
Total non-operating revenues (expenses)	428,941	40,307	469,248
Income (loss) before contributions and transfers	240,446	268,872	509,318
Transfers out	(6,219)	--	(6,219)
Change in net assets	234,227	268,872	503,099
Total net assets - January 1	12,656,489	3,844,715	16,501,204
Total net assets - December 31	\$ 12,890,716	\$ 4,113,587	\$ 17,004,303

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, 2009**

EXHIBIT D - 3

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash received from customers	\$ 6,499,680	\$ 12,230,408	\$ 18,730,088
Cash payments to suppliers for goods and services	(2,938,975)	(9,573,281)	(12,512,256)
Cash payments to employees for services and benefits	--	(2,062,091)	(2,062,091)
Net cash provided by (used for) operating activities	<u>3,560,705</u>	<u>595,036</u>	<u>4,155,741</u>
Cash Flows From Noncapital Financing Activities:			
Transfers out to other funds	<u>(6,219)</u>	<u>--</u>	<u>(6,219)</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds from sale of capital assets	445,380	14,472	459,852
Acquisition and construction of capital assets	<u>(3,712,540)</u>	<u>(6,751)</u>	<u>(3,719,291)</u>
Net cash provided by (used for) capital and related financing activities	<u>(3,267,160)</u>	<u>7,721</u>	<u>(3,259,439)</u>
Cash Flows From Investing Activities:			
Interest received on investments	<u>33,474</u>	<u>31,941</u>	<u>65,415</u>
Net increase (decrease) in cash and cash equivalents	320,800	634,698	955,498
Cash and cash equivalents, January 1	<u>3,778,887</u>	<u>3,645,055</u>	<u>7,423,942</u>
Cash and cash equivalents, December 31	<u>\$ 4,099,687</u>	<u>\$ 4,279,753</u>	<u>\$ 8,379,440</u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ (188,495)	\$ 228,565	\$ 40,070
Adjustments to reconcile operating income (loss) to Net cash provided by (used for) operating activities:			
Depreciation	3,749,200	68,392	3,817,592
Increase (decrease) in compensated absences payable	--	12,031	12,031
Change in assets and liabilities:			
Decrease (increase) in inventory	--	(29,695)	(29,695)
Increase (decrease) in accounts and contracts payable	--	306,678	306,678
Increase (decrease) in accrued salaries payable	--	9,065	9,065
Total adjustments	<u>3,749,200</u>	<u>366,471</u>	<u>4,115,671</u>
Net cash provided by (used for) operating activities	<u>\$ 3,560,705</u>	<u>\$ 595,036</u>	<u>\$ 4,155,741</u>
Non Cash Investing, Capital, and Financing Activities:			
Gain in fair value of investments	\$ 1,330	\$ 1,227	\$ 2,557
Gain (Loss) on disposal of capital assets	(39,441)	5,088	(34,353)

The accompanying notes are an integral part of this statement.

SELECTED NONMAJOR COMPONENT UNITS

Fire Protection Districts Included in Primary Government Audit

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.

Chaneyville Fire Protection District is located in the northern part of East Baton Rouge Parish. Services are financed by 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.

Crime Prevention Districts Included in Primary Government Audit

Concord Estates Crime Prevention District accounts for the collection of an annual crime prevention fee that will aid in crime prevention and provide additional security to the residents of this district.

**DISTRICT NO. 1 FIRE PROTECTION DISTRICT
 BROWNSFIELD FIRE PROTECTION DISTRICT
 CHANEYVILLE FIRE PROTECTION DISTRICT
 PRIDE FIRE PROTECTION DISTRICT
 ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
 BALANCE SHEET
 DECEMBER 31, 2009**

EXHIBIT E - 1

	District No. 1 Fire Protection District	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District
ASSETS					
Cash and cash equivalents	\$ 247,863	\$ --	\$ --	\$ 103,061	\$ 272,623
Property taxes receivable - net	101,812	106,489	18,360	21,047	107,728
Accrued interest receivable	77	13	5	38	102
Due from other governments	227,735	497,238	77,179	108,631	130,671
Total assets	\$ 577,487	\$ 603,740	\$ 95,544	\$ 232,777	\$ 511,124
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and contracts payable	\$ --	\$ 14,690	\$ 3,414	\$ 7,587	\$ 26,729
Accrued interest payable	--	--	--	--	--
Accrued salaries payable	--	16,563	--	--	--
Due to primary government	--	87,243	4,059	--	--
Deferred revenue	31,274	92,493	7,177	6,898	5,488
Total liabilities	31,274	210,989	14,650	14,485	32,217
Fund balances:					
Reserved for:					
Encumbrances	--	--	--	5,455	--
Continuing projects	--	--	--	51,150	3,349
Unreserved:					
Undesignated	546,213	392,751	80,894	161,687	475,558
Total fund balances	546,213	392,751	80,894	218,292	478,907
Total liabilities and fund balances	\$ 577,487	\$ 603,740	\$ 95,544	\$ 232,777	\$ 511,124

The accompanying notes are an integral part of this statement.

**DISTRICT NO. 1 FIRE PROTECTION DISTRICT
 BROWNSFIELD FIRE PROTECTION DISTRICT
 CHANEYVILLE FIRE PROTECTION DISTRICT
 PRIDE FIRE PROTECTION DISTRICT
 ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 DECEMBER 31, 2009**

EXHIBIT E - 2

	District No. 1 Fire Protection District	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District
Fund balances - total governmental funds	\$ 546,213	\$ 392,751	\$ 80,894	\$ 218,292	\$ 478,907
Amounts reported for governmental activities in the statement of net assets 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	--	443,454	293,323	497,678	753,273
Less accumulated depreciation	--	(380,302)	(293,323)	(315,284)	(643,050)
Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures.					
	31,274	141,964	7,176	6,898	5,488
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.					
Compensated absences payable	--	(16,455)	--	--	--
Other post-employment benefits	--	(165,778)	--	--	(18,437)
Net assets of governmental activities	<u>\$ 577,487</u>	<u>\$ 415,634</u>	<u>\$ 88,070</u>	<u>\$ 407,584</u>	<u>\$ 576,181</u>

**DISTRICT NO. 1 FIRE PROTECTION DISTRICT
 BROWNSFIELD FIRE PROTECTION DISTRICT
 CHANEYVILLE FIRE PROTECTION DISTRICT
 PRIDE FIRE PROTECTION DISTRICT
 ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT E - 3

	District No. 1 Fire Protection District	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District
REVENUES					
Taxes:					
General property taxes	\$ 296,297	\$ 475,794	\$ 53,053	\$ 88,260	\$ 260,977
Intergovernmental revenues:					
Louisiana Office of Homeland Security	--	--	--	--	24,049
Louisiana Department of Agriculture	--	--	2,725	6,571	--
Louisiana Department of the Treasury	--	--	--	7,700	--
Insurance company taxes	--	26,174	14,004	14,038	7,290
Louisiana revenue sharing	--	82,853	--	--	--
On-behalf payments for salaries and benefits	--	22,200	--	--	--
Parish of East Baton Rouge	--	17,100	37,750	20,000	25,800
Charges for services:					
Fire protection service charges	55,384	107,989	45,664	47,433	12,587
Investment earnings	1,102	753	99	671	1,756
Miscellaneous revenues:					
Other income	--	606	7,580	6,586	2,605
Total revenues	<u>352,783</u>	<u>733,469</u>	<u>160,875</u>	<u>191,259</u>	<u>335,064</u>
EXPENDITURES					
Current:					
Public safety:					
Operations:					
Personal services	--	387,433	63,933	23,265	138,960
Employee benefits	--	140,526	11,570	4,738	24,005
Supplies	--	22,499	15,580	11,959	12,934
Contractual services	15,074	121,606	33,543	51,921	50,646
Capital outlay	--	--	--	16,342	20,290
Total expenditures	<u>15,074</u>	<u>672,064</u>	<u>124,626</u>	<u>108,225</u>	<u>246,835</u>
Excess (deficiency) of revenues over (under) expenditures	337,709	61,405	36,249	83,034	88,229
Fund balances, January 1	<u>208,504</u>	<u>331,346</u>	<u>44,645</u>	<u>135,258</u>	<u>390,678</u>
Fund balances, December 31	<u>\$ 546,213</u>	<u>\$ 392,751</u>	<u>\$ 80,894</u>	<u>\$ 218,292</u>	<u>\$ 478,907</u>

The accompanying notes are an integral part of this statement.

DISTRICT NO. 1 FIRE PROTECTION DISTRICT
BROWNSFIELD FIRE PROTECTION DISTRICT
CHANEYVILLE FIRE PROTECTION DISTRICT
PRIDE FIRE PROTECTION DISTRICT
ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
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, 2009

EXHIBIT E - 4

	District No. 1 Fire Protection District	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District
Net change in fund balances - total governmental funds	\$ 337,709	\$ 61,405	\$ 36,249	\$ 83,034	\$ 88,229
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	--	--	--	16,342	20,290
Depreciation expense	--	(8,160)	--	(41,764)	(11,124)
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 revenues	1,948	64,331	7,177	3,316	(41,379)
Louisiana revenue sharing	--	--	--	--	--
Some expenses reported in the statement of activities, such as long-term obligations, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.					
Compensated absences	--	(4,747)	--	--	881
Other post-employment benefits	--	(55,112)	--	--	(6,127)
Change in net assets of governmental activities	<u>\$ 339,657</u>	<u>\$ 57,717</u>	<u>\$ 43,426</u>	<u>\$ 60,928</u>	<u>\$ 50,770</u>

**DISTRICT NO. 1 FIRE PROTECTION DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT E - 5

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 280,000	\$ 280,000	\$ 296,297	\$ 16,297
Charges for services:				
Fire protection service charges	45,000	45,000	55,384	10,384
Investment earnings	--	--	1,102	1,102
Total revenues	325,000	325,000	352,783	27,783
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Contractual services	325,000	325,000	15,074	309,926
Excess (deficiency) of revenues over (under) expenditures	--	--	337,709	337,709
Fund Balances, January 1	--	--	208,504	208,504
Fund Balances, December 31	\$ --	\$ --	\$ 546,213	\$ 546,213

The accompanying notes are an integral part of this statement.

BROWNSFIELD FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT E - 6

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 471,580	\$ 471,580	\$ 475,794	\$ 4,214
Intergovernmental revenues:				
Louisiana Office of Homeland Security	--	--	--	--
Louisiana Department of Agriculture	--	--	--	--
Insurance company taxes	25,290	25,290	26,174	884
Louisiana revenue sharing	82,270	82,270	82,853	583
On-behalf payments for salaries and benefits	22,200	22,200	22,200	--
Parish of East Baton Rouge	17,100	17,100	17,100	--
Total intergovernmental revenues	<u>146,860</u>	<u>146,860</u>	<u>148,327</u>	<u>1,467</u>
Charges for services:				
Fire protection service charges	110,590	110,590	107,989	(2,601)
Investment earnings	(3,070)	(3,070)	753	3,823
Miscellaneous revenues:				
Other income	--	--	606	606
Total revenues	<u>725,960</u>	<u>725,960</u>	<u>733,469</u>	<u>7,509</u>
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Personal services	381,450	381,450	387,433	(5,983)
Employee benefits	145,070	145,070	140,526	4,544
Supplies	52,220	52,220	22,499	29,721
Contractual services	129,450	129,450	121,606	7,844
Total public safety	<u>708,190</u>	<u>708,190</u>	<u>672,064</u>	<u>36,126</u>
Capital outlay	17,770	17,770	--	17,770
Total expenditures	<u>725,960</u>	<u>725,960</u>	<u>672,064</u>	<u>53,896</u>
Excess (deficiency) of revenues over (under) expenditures	--	--	61,405	61,405
Fund Balances, January 1	<u>331,346</u>	<u>331,346</u>	<u>331,346</u>	--
Fund Balances, December 31	<u>\$ 331,346</u>	<u>\$ 331,346</u>	<u>\$ 392,751</u>	<u>\$ 61,405</u>

The accompanying notes are an integral part of this statement.

**CHANEYVILLE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT E - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ --	\$ 46,600	\$ 53,053	\$ 6,453
Intergovernmental revenues:				
Insurance company taxes	13,500	13,500	14,004	504
Louisiana Department of Agriculture	2,725	2,725	2,725	--
Parish of East Baton Rouge	37,750	37,750	37,750	--
Total intergovernmental revenues	<u>53,975</u>	<u>53,975</u>	<u>54,479</u>	<u>504</u>
Charges for services:				
Fire protection service charges	39,200	39,200	45,664	6,464
Investment earnings	(500)	(1,250)	99	1,349
Miscellaneous revenues:				
Other income	--	2,100	7,580	5,480
Total revenues	<u>92,675</u>	<u>140,625</u>	<u>160,875</u>	<u>20,250</u>
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Personal services	20,000	60,850	63,933	(3,083)
Employee benefits	7,750	10,880	11,570	(690)
Supplies	23,510	27,855	12,855	15,000
Contractual services	38,690	40,560	33,543	7,017
Assistance to Firefighters Grant:				
Supplies	2,725	2,725	2,725	--
Total expenditures	<u>92,675</u>	<u>142,870</u>	<u>124,626</u>	<u>18,244</u>
Excess (deficiency) of revenues over (under) expenditures	--	(2,245)	36,249	38,494
Fund Balances, January 1	<u>44,645</u>	<u>44,645</u>	<u>44,645</u>	--
Fund Balances, December 31	<u>\$ 44,645</u>	<u>\$ 42,400</u>	<u>\$ 80,894</u>	<u>\$ 38,494</u>

The accompanying notes are an integral part of this statement.

PRIDE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT E - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 50,000	\$ 50,000	\$ 88,260	\$ 38,260
Intergovernmental revenues:				
Louisiana Department of Agriculture	--	6,571	6,571	--
Louisiana Department of Treasury-State Capital Outlay	--	175,000	3,500	(171,500)
Louisiana Department of Treasury-General	--	71,250	4,200	(67,050)
Louisiana Division of Administration	--	23,000	--	(23,000)
Insurance company taxes	13,580	13,580	14,038	458
Parish of East Baton Rouge	20,000	20,000	20,000	--
Total intergovernmental revenues	<u>33,580</u>	<u>309,401</u>	<u>48,309</u>	<u>(261,092)</u>
Charges for services:				
Fire protection service charges	47,240	47,240	47,433	193
Investment earnings	3,630	3,630	671	(2,959)
Miscellaneous revenues:				
Other income	2,000	2,000	6,586	4,586
Total revenues	<u>136,450</u>	<u>412,271</u>	<u>191,259</u>	<u>(221,012)</u>
EXPENDITURES				
Current:				
Public safety:				
Operations				
Personal services	23,560	23,560	23,265	295
Employee benefits	5,760	5,760	4,738	1,022
Supplies	16,530	13,530	9,119	4,411
Contractual services	53,420	53,420	51,921	1,499
Total operations	<u>99,270</u>	<u>96,270</u>	<u>89,043</u>	<u>7,227</u>
State Agriculture Grant	--	--	--	--
Communication supplies	--	2,840	2,840	--
Capital Outlay:				
Self Funded Capital Outlay-Annual Budget	--	9,269	7,566	1,703
State Agriculture Grant	--	3,731	3,731	--
State General Appropriations Act	--	71,250	4,200	67,050
LGAA Grant	--	23,000	23,000	--
State Cooperative Endeavor	--	217,250	6,300	210,950
Total expenditures	<u>99,270</u>	<u>423,610</u>	<u>136,680</u>	<u>286,930</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,180</u>	<u>(11,339)</u>	<u>54,579</u>	<u>65,918</u>
Fund Balances, January 1	<u>135,258</u>	<u>135,258</u>	<u>135,258</u>	<u>--</u>
Fund Balances, December 31	<u>\$ 172,438</u>	<u>\$ 123,919</u>	<u>\$ 189,837</u>	<u>\$ 65,918</u>

The accompanying notes are an integral part of this statement.

**ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT E - 9

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 230,100	\$ 218,100	\$ 260,977	\$ 42,877
Intergovernmental revenues:				
Louisiana Office of Homeland Security	--	27,398	24,049	(3,349)
Insurance company taxes	7,060	7,060	7,290	230
Parish of East Baton Rouge	25,800	25,800	25,800	--
Total intergovernmental revenues	<u>32,860</u>	<u>60,258</u>	<u>57,139</u>	<u>(3,119)</u>
Charges for services:				
Fire protection service charges	13,890	13,890	12,587	(1,303)
Investment earnings	10,000	10,000	1,756	(8,244)
Miscellaneous revenues:				
Other income	--	--	2,605	2,605
Total revenues	<u>286,850</u>	<u>302,248</u>	<u>335,064</u>	<u>32,816</u>
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Personal services	162,880	162,880	138,960	23,920
Employee benefits	31,880	31,880	24,005	7,875
Supplies	24,850	27,988	8,160	19,828
Contractual services	60,590	60,590	50,646	9,944
Total public safety operations	<u>280,200</u>	<u>283,338</u>	<u>221,771</u>	<u>61,567</u>
FEMA assistance to firefighters grant:				
Supplies	--	3,398	4,774	(1,376)
Capital outlay				
Self Funded Capital Outlay-Annual Budget	--	--	1,015	(1,015)
FEMA Assistance to Firefighters	--	24,000	19,275	4,725
Total expenditures	<u>280,200</u>	<u>310,736</u>	<u>246,835</u>	<u>63,901</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,650</u>	<u>(8,488)</u>	<u>88,229</u>	<u>96,717</u>
Fund Balances, January 1	<u>390,678</u>	<u>390,678</u>	<u>390,678</u>	<u>--</u>
Fund Balances, December 31	<u>\$ 397,328</u>	<u>\$ 382,190</u>	<u>\$ 478,907</u>	<u>\$ 96,717</u>

The accompanying notes are an integral part of this statement.

**CONCORD ESTATES CRIME PREVENTION DISTRICT
BALANCE SHEET
DECEMBER 31, 2009**

EXHIBIT E - 10

	Concord Estates Crime Prevention District <hr style="width: 100%;"/>
ASSETS	
Cash and cash equivalents	\$ 11,870
Accrued interest receivable	4
Due from other governments	<u>5,065</u>
Total assets	<u>\$ 16,939</u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts and contracts payable	\$ --
Due to primary government	--
Fund balances:	
Unreserved:	
Designated for subsequent year's expenditures	5,200
Undesignated	<u>11,739</u>
Total liabilities and fund balances	<u>\$ 16,939</u>

The accompanying notes are an integral part of this statement.

**CONCORD ESTATES CRIME PREVENTION DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT E - 11

	<u>Concord Estates Crime Prevention District</u>
REVENUES	
Charges for services:	
Crime prevention service charge	\$ 7,834
Investment earnings	<u>77</u>
Total revenues	7,911
EXPENDITURES	
Current:	
Public safety:	
Operations:	
Contractual services	<u>4,714</u>
Excess (deficiency) of revenues over (under) expenditures	3,197
 Fund balances, January 1	 <u>13,742</u>
Fund balances, December 31	<u><u>\$ 16,939</u></u>

The accompanying notes are an integral part of this statement.

**CONCORD ESTATES CRIME PREVENTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT E - 12

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services:				
Crime prevention service charge	\$ 6,900	\$ 2,520	\$ 7,834	\$ 5,314
Investment earnings	<u>400</u>	<u>80</u>	<u>77</u>	<u>(3)</u>
Total revenues	7,300	2,600	7,911	5,311
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Contractual services	<u>7,300</u>	<u>7,470</u>	<u>4,714</u>	<u>2,756</u>
Excess (deficiency) of revenues over (under) expenditures	--	(4,870)	3,197	8,067
Fund Balances, January 1	<u>13,742</u>	<u>13,742</u>	<u>13,742</u>	<u>--</u>
Fund Balances, December 31	<u>\$ 13,742</u>	<u>\$ 8,872</u>	<u>\$ 16,939</u>	<u>\$ 8,067</u>

The accompanying notes are an integral part of this statement.



**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

(Excludes Internal Service Funds)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE (1)
DECEMBER 31, 2009 AND 2008**

EXHIBIT F - 1

	2009	2008
Governmental funds capital assets:		
Land	\$ 127,025,263	\$ 104,211,036
Buildings	209,120,903	202,074,541
Improvements (other than buildings) and infrastructure	605,506,030	564,813,126
Equipment	72,387,647	64,563,091
Construction work in progress	89,154,994	65,157,737
Total governmental funds capital assets	\$ 1,103,194,837	\$ 1,000,819,531
Investments in governmental funds capital assets by source:		
Investment in property acquired prior to 1960	\$ 3,601,707	\$ 3,601,707
Investment in property acquired after 1960:		
General Obligation Bonds	55,683,037	55,683,037
Excess Revenue Certificates of Indebtedness	47,777,561	47,777,561
Revenue Bonds	145,616,216	78,002,936
Limited Tax Certificates of Indebtedness	6,150,000	6,150,000
Special Assessment Certificates of Indebtedness	17,217,911	17,217,911
Federal and State grants	105,815,881	101,601,913
Property taxes	16,342,881	16,355,007
Library Board of Control Special Revenue Fund	43,069,793	42,393,981
Dedicated sales tax	133,939,402	125,794,463
General Fund revenues	173,536,790	163,105,771
Special Revenue Funds revenues	165,307,582	158,607,275
Gifts	1,847,950	1,847,950
Donated infrastructure	144,887,348	140,397,641
Other sources	42,304,730	42,186,330
Eminent domain	96,048	96,048
Total governmental funds capital assets	\$ 1,103,194,837	\$ 1,000,819,531

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY (1)
DECEMBER 31, 2009

EXHIBIT F - 2

	Land	Buildings	Improvements (Other Than Buildings) and Infrastructure	Equipment	Totals	
					December 31, 2009	December 31, 2008
Function and Activity						
General government:						
Legislative	\$ --	\$ --	\$ --	\$ 457,480	\$ 457,480	\$ 439,725
Executive	--	167,938	2,207	171,634	341,779	351,197
Judicial	1,680	17,585,301	2,704	2,386,939	19,976,624	19,772,764
Elections	--	--	--	88,193	88,193	104,009
Finance	--	--	--	809,059	809,059	796,575
Personnel	--	739,000	--	83,033	822,033	839,434
Law	115,670	186,858	--	361,089	663,617	583,751
Administration office and boards	511,406	1,240,517	174,982	3,076,891	5,003,796	4,724,413
General government buildings	8,689,763	30,077,785	57,635	--	38,825,183	38,825,183
Total general government	<u>9,318,519</u>	<u>49,997,399</u>	<u>237,528</u>	<u>7,434,318</u>	<u>66,987,764</u>	<u>66,437,051</u>
Public safety:						
Police	809,549	8,843,681	347,167	28,005,106	38,005,503	30,201,205
Fire	1,777,758	12,453,381	356,323	12,940,905	27,528,367	24,716,552
Emergency Medical Services	75,307	2,092,712	43,144	3,915,689	6,126,852	5,459,367
Correctional institution	--	34,449,647	738,903	789,457	35,978,007	35,996,092
Other	625,149	16,192,503	998,278	10,548,972	28,364,902	25,547,108
Total public safety	<u>3,287,763</u>	<u>74,031,924</u>	<u>2,483,815</u>	<u>56,200,129</u>	<u>136,003,631</u>	<u>121,920,324</u>
Transportation	107,915,737	10,418,903	589,071,318	330,250	707,736,208	644,886,169
Sanitation	--	--	--	9,900	9,900	9,900
Health and welfare	2,400	6,256,874	53,231	1,944,396	8,256,901	7,452,800
Culture and recreation	4,267,401	55,315,784	4,570,524	4,307,534	68,461,243	68,377,072
Conservation and development	1,988,007	13,100,019	6,203,851	2,161,120	23,452,997	23,447,279
Miscellaneous	245,436	--	2,885,763	--	3,131,199	3,131,199
Total governmental funds capital assets allocated to functions	<u>\$ 127,025,263</u>	<u>\$ 209,120,903</u>	<u>\$ 605,506,030</u>	<u>\$ 72,387,647</u>	<u>\$ 1,014,039,843</u>	<u>\$ 935,661,794</u>
Construction work in progress					<u>89,154,994</u>	<u>65,157,737</u>
Total governmental funds capital assets					<u>\$ 1,103,194,837</u>	<u>\$ 1,000,819,531</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY (1)
FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT F - 3

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets January 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Governmental Funds Capital Assets December 31, 2009</u>
General government:					
Legislative	\$ 439,725	\$ 49,652	\$ 31,897	\$ --	\$ 457,480
Executive	351,197	20,244	29,662	--	341,779
Judicial	19,772,764	524,911	321,051	--	19,976,624
Elections	104,009	11,978	27,794	--	88,193
Finance	796,575	19,211	6,727	--	809,059
Personnel	839,434	--	17,401	--	822,033
Law	583,751	106,764	26,898	--	663,617
Administration office and boards	4,724,413	326,851	47,468	--	5,003,796
General government buildings	38,825,183	--	--	--	38,825,183
Total general government	<u>66,437,051</u>	<u>1,059,611</u>	<u>508,898</u>	<u>--</u>	<u>66,987,764</u>
Public safety:					
Police	30,201,205	9,447,476	2,413,870	770,692	38,005,503
Fire	24,716,552	1,901,586	233,926	1,144,155	27,528,367
Emergency Medical Services	5,459,367	755,486	88,001	--	6,126,852
Correctional institution	35,996,092	86,979	105,064	--	35,978,007
Other	25,547,108	2,895,059	77,265	--	28,364,902
Total public safety	<u>121,920,324</u>	<u>15,086,586</u>	<u>2,918,126</u>	<u>1,914,847</u>	<u>136,003,631</u>
Transportation	644,886,169	47,815,397	--	15,034,642	707,736,208
Sanitation	9,900	--	--	--	9,900
Health and welfare	7,452,800	892,661	117,174	28,614	8,256,901
Culture and recreation	68,377,072	92,287	8,116	--	68,461,243
Conservation and development	23,447,279	134,348	128,630	--	23,452,997
Miscellaneous	3,131,199	--	--	--	3,131,199
Construction work in progress	65,157,737	36,485,654	--	(12,488,397)	89,154,994
Total governmental funds capital assets	<u>\$ 1,000,819,531</u>	<u>\$ 101,566,544</u>	<u>\$ 3,680,944</u>	<u>\$ 4,489,706</u>	<u>\$ 1,103,194,837</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

SCHEDULES

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 2009**

EXHIBIT G - 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	0.15-1.09	\$ 679,100,000
Certificates of Deposit - Capital One	0.06-0.12	96,000,000
Certificates of Deposit - Hancock Bank	0.04	32,000,000
Certificates of Deposit - Whitney National Bank	0.15-0.35	24,000,000
U. S. Treasury Bills	0.15-0.64	80,673,499
U. S. Agency Bills	0.14-0.43	75,866,774
Cash in Bank - Hancock Bank		100,249,021
Total Cash and Investments - Consolidated Cash Account		1,087,889,294
<u>Other Cash Items</u>		
Petty Cash		13,747
Cash on Hand		1,848,522
Total Other Cash Items		1,862,269
<u>Baton Rouge River Center</u>		
Hancock Bank:		
Cash in Bank		1,645,012
<u>East Baton Rouge Sewerage Commission</u>		
Louisiana Asset Management Pool	0.15-1.09	6,891,957
Hancock Bank:		
Cash in Bank		19,062,836
Total East Baton Rouge Sewerage Commission		25,954,793
<u>1997 Public Improvement Sales Tax Revenue Bonds (Airport/Solid Waste)</u>		
Hancock Bank:		
Cash in Bank		4
<u>1998A Public Improvement Sales Tax Revenue Bonds</u>		
Louisiana Asset Management Pool	0.15-1.09	4,538,726
Hancock Bank:		
Cash in Bank		3,483,970
Total 1998A Public Improvement Sales Tax Revenue Bonds		8,022,696
<u>2001A Public Improvement Sales Tax Revenue Bonds</u>		
Hancock Bank:		
Cash in Bank		661,212
Repurchase Agreements	5.04	1,581,240
Total 2001A Public Improvement Sales Tax Revenue Bonds		2,242,452
<u>2005B Public Improvement Sales Tax Revenue Bonds (Taxable)</u>		
Hancock Bank		
Cash in Bank		66,268
<u>2007A Public Improvement Sales Tax Revenue Bonds</u>		
Louisiana Asset Management Pool	0.15-1.09	5,988,019
Hancock Bank		
Cash in Bank		786,285
Total 2007A Public Improvement Sales Tax Revenue Bonds		6,774,304

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 2009**

EXHIBIT G - 1
(Continued)

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>PRIMARY GOVERNMENT (Continued)</u>		
<u>2006A Road and Street Improvement Sales Tax Revenue Bonds</u>		
Hancock Bank:		
Cash in Bank		\$ 1,884,681
<u>2008A Road and Street Improvement Sales Tax Revenue Bonds</u>		
Hancock Bank:		
Cash in Bank		1,696,649
<u>2008A-1, 2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds</u>		
Louisiana Asset Management Pool	0.15-1.09	20,344,453
Hancock Bank:		
Cash in Bank		1,534,824
Total 2008A-1, 2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds		<u>21,879,277</u>
<u>2009A Road and Street Improvement Sales Tax Revenue Bonds</u>		
Hancock Bank:		
Cash in Bank		3,585,547
Grand Total Cash, Cash Equivalents and Investments - Primary Government excluding Employees' Retirement System Pension Trust Fund		
		<u>\$ 1,163,503,246</u>
 <u>Employees' Retirement System Pension Trust Fund</u>		
Cash in Bank		\$ 8,428,044
U.S. Treasury Bonds		8,159,757
U.S. Agency Notes		16,161,145
Mortgage Backed Securities		22,212,727
Corporate Bonds		21,524,112
Asset Backed Securities		4,887,992
International Equities and Fixed Income		212,747,827
Emerging Markets Equities		40,200,092
Domestic Equities and Fixed Income		502,580,818
Short-Term Investment Fund		12,731,751
Equity Real Estate Fund		30,133,669
Total Employees' Retirement System Pension Trust Fund		<u>\$ 879,767,934</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
 DECEMBER 31, 2009**

EXHIBIT G - 1
 (Continued)

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>COMPONENT UNITS</u>		
District Attorney of the Nineteenth Judicial District		\$ 3,447,732
Nineteenth Judicial District Court		60,473,099
E.B.R. Parish Family Court		386,242
E.B.R. Parish Juvenile Court		650,454
Nineteenth Judicial District Public Defender		2,129,042
E.B.R. Parish Clerk of Court		5,870,568
District No. 1 Fire Protection District		247,863
St. George Fire Protection District		1,702,765
Eastside Fire Protection District		703,887
E.B.R. Parish Fire Protection District No. 6		312,865
Pride Fire Protection District		103,061
Alsen-St. Irma Lee Fire Protection District		272,623
E.B.R. Redevelopment Authority		235,206
South Burbank Crime Prevention District		127,448
Concord Estates Crime Prevention District		11,870
Wedgewood Crime Prevention District		5,253
Capital Region Planning Commission		651,527
Capital Area Transit System		385,241
Grand Total Cash, Cash Equivalents and Investments - Component Units		\$ 77,716,746

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM
REGULAR EMPLOYEES' TRUST**

EXHIBIT G - 2

Revenue By Source

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Total Net Investment Income</u>	<u>Total</u>
2009	\$ 14,716,581	\$ 27,150,202	\$ 169,456,489	\$ 211,323,272
2008	13,841,465	26,117,571	(294,455,535)	(254,496,499)
2007	13,724,573	25,221,447	42,508,100	81,454,120
2006	12,828,206	23,833,249	133,028,303	169,689,758
2005	12,597,356	20,637,086	75,536,830	108,771,272
2004	11,148,409	17,739,809	90,816,134	119,704,352
2003	9,063,451	14,531,806	157,622,501	181,217,758
2002	9,223,966	12,053,689	(62,739,109)	(41,461,454)
2001	8,972,290	11,516,686	(15,367,043)	5,121,933
2000	9,231,205	13,587,244	17,665,089	40,483,538

Expenses By Type

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds and Withdrawals</u>	<u>Total</u>
2009	\$ 71,721,911	\$ 1,216,718	\$ 2,016,840	\$ 74,955,469
2008	65,990,013	1,095,697	2,092,148	69,177,858
2007	64,567,396	1,073,946	10,507,501	76,148,843
2006	61,255,177	1,042,144	1,858,661	64,155,982
2005	57,592,125	878,515	1,462,779	59,933,419
2004	53,426,342	836,043	1,432,612	55,694,997
2003	48,561,375	954,294	1,681,537	51,197,206
2002	45,286,042	817,319	1,670,141	47,773,502
2001	43,261,108	789,316	1,999,902	46,050,326
2000	43,966,217	732,364	1,760,171	46,458,752

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
12/31/09	\$ 29,050,693	98.3 %
12/31/08	22,931,211	118.4
12/31/07	22,431,367	119.5
12/31/06	22,129,069	113.1
12/31/05	20,785,669	105.6
12/31/04	19,623,023	94.9
12/31/03	18,479,710	76.1
12/31/02	16,110,422	73.6
12/31/01	13,708,997	79.6
12/31/00	11,240,695	116.7

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM
REGULAR EMPLOYEES' TRUST
(UNAUDITED)**

EXHIBIT G - 3

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ 1,002,378,598	\$ 1,350,074,067	\$ 347,695,469	74.2 %	\$ 136,119,407	255.4 %
12/31/08	997,853,412	1,270,104,552	272,251,140	78.6	131,041,421	207.8
12/31/07	1,020,575,797	1,206,648,213	186,072,416	84.6	123,524,590	150.6
12/31/06	979,597,562	1,163,175,147	183,577,585	84.2	120,067,013	152.9
12/31/05	924,904,837	1,111,081,729	186,176,892	83.2	115,559,703	161.1
12/31/04	883,663,240	1,057,269,629	173,606,389	83.6	109,887,349	158.0
12/31/03	847,227,425	985,671,695	138,444,270	86.0	106,240,559	130.3
12/31/02	818,150,788	947,726,617	129,575,829	86.3	101,339,785	127.9
12/31/01	813,977,773	902,821,264	88,843,491	90.2	102,793,456	86.4
12/31/00	786,941,507	855,994,379	69,052,872	91.9	99,510,155	69.4

**CPERS TRUST
SIGNIFICANT ACTUARIAL ASSUMPTIONS**

Valuation date	December 31, 2009
Valuation Method	Individual Entry Age Normal Actuarial Cost Method with unfunded Actuarial Accrued Liability (4)
Amortization method	Level percentage of payroll, 30 year open amortization method using payroll growth of 2.5% per annum.
Remaining amortization period	30 years
Asset valuation method	Market value as of January 1, 1996. Beginning January 1, 1997. adjusted Market Value with 20% unrealized gains (losses) recognized each year. Beginning January 1, 2002, Expected Value Method, with 20% of investment gains or (losses) recognized each year.
Actuarial assumptions:	
Investment rate of return	7.50%* (1)
Projected salary increases	3.50%* plus longevity/merit (2)
Aggregate payroll growth	2.50%* (3)

* compounded annually and including inflation of 3.50%

(1) revised from 2008 assumption of 7.75%

(2) revised from 2008 assumption of 3.75%

(3) revised from 2003 assumption of 5.0%

(4) revised from the Aggregate Entry Age Method

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATISTICAL SECTION
DECEMBER 31, 2009**

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>
<i><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.</i>		
Net Assets By Component, Last Nine Fiscal Years	H-1	214
Changes in Net Assets, Last Nine Fiscal Years	H-2	216
Governmental Activities Tax Revenues By Source, Last Nine Fiscal Years	H-3	220
Fund Balances of Governmental Funds, Last Ten Fiscal Years	H-4	222
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	H-5	224
Tax Revenues By Source, Governmental Funds, Last Ten Fiscal Years	H-6	226
<i><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.</i>		
Assessed and Estimated Actual Value of Taxable Property, Last Ten Years	H-7	228
Property Tax Rates and Tax Levies-Direct and Overlapping Governments, Last Ten Years ..	H-8	230
Principal Property Taxpayers, Current Year and Nine Years Ago	H-9	232
Property Tax Levies and Collections, Last Ten Years	H-10	233
Sales Tax Revenues, Last Ten Years	H-11	234
Taxable Sales by North American Industry Classification, Last Ten Years	H-12	236
<i><u>DEBT CAPACITY INFORMATION</u> - These schedules present information to help the reader assess the afford ability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>		
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	H-13	238
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	H-14	240
Direct and Overlapping Governmental Activities Debt, December 31, 2009	H-15	242
Legal Debt Margin Calculation, Last Ten Fiscal Years	H-16	244
Pledged Revenue Coverage, Last Ten Fiscal Years	H-17	246
<i><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.</i>		
Demographic and Economic Statistics, Last Ten Calendar Years	H-18	248
Principal Employers, Current Year and Nine Years Ago	H-19	249
<i><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.</i>		
Full-Time Equivalent City-Parish Government Employees by Function/Program, Last Ten Fiscal Years	H-20	250
Operating Indicators by Function/Program, Last Ten Fiscal Years	H-21	252
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	H-22	254

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	FISCAL YEAR		
	2009	2008	2007
Governmental activities			
Invested in capital assets, net of related debt	\$ 463,006	\$ 450,561	\$ 439,020
Restricted	225,949	232,424	211,570
Unrestricted	25,292	45,834	75,909
Total governmental activities net assets	<u>714,247</u>	<u>728,819</u>	<u>726,499</u>
Business-type activities			
Invested in capital assets, net of related debt	487,352	415,957	411,324
Restricted	33,605	89,985	37,116
Unrestricted	371,621	331,435	333,552
Total business-type activities net assets	<u>892,578</u>	<u>837,377</u>	<u>781,992</u>
Primary government			
Invested in capital assets, net of related debt	950,358	866,518	850,344
Restricted	259,554	322,409	248,686
Unrestricted	396,913	377,269	409,461
Total primary government net assets	<u>\$ 1,606,825</u>	<u>\$ 1,566,196</u>	<u>\$ 1,508,491</u>

Source: Audited Comprehensive Annual Financial Reports
Information available for nine years.

Notes:

- (1) During 2004 the City-Parish and CPERS determined that the CPERS Retirement System should be reported as a multiple-employer cost sharing pension employees' retirement system instead of a multiple-employer agent plan as it had previously been reported. Net assets were restated for the prior year 2003.
- (2) City-Parish adopted GASB Statement No. 46, Net Assets Restricted by Enabling Legislation, during 2004 and restated restricted and unrestricted net assets for 2003.

FISCAL YEAR					
2006	2005	2004	2003	2002	2001
\$ 402,159	\$ 388,589	\$ 365,576	\$ 334,171	\$ 261,953	\$ 241,882
187,174	137,843	145,436	148,600	151,557	139,229
78,292	50,683	13,838	20,138 (1)	3,810	(5,320)
<u>667,625</u>	<u>577,115</u>	<u>524,850</u>	<u>502,909</u>	<u>417,320</u>	<u>375,791</u>
402,395	394,066	386,187	335,010	308,261	286,324
39,753	33,418	31,856	31,933 (2)	71,664	61,869
272,361	229,399	168,876	143,228 (2)	79,897	70,362
<u>714,509</u>	<u>656,883</u>	<u>586,919</u>	<u>510,171</u>	<u>459,822</u>	<u>418,555</u>
804,554	782,655	751,763	669,181	570,214	528,206
226,927	171,261	177,292	180,533	223,221	201,098
350,653	280,082	182,714	163,366	83,707	65,042
\$ <u>1,382,134</u>	\$ <u>1,233,998</u>	<u>1,111,769</u>	\$ <u>1,013,080</u>	\$ <u>877,142</u>	\$ <u>794,346</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	FISCAL YEAR		
	2009	2008	2007
Expenses			
Governmental activities:			
General government	\$ 98,469	\$ 100,464	\$ 87,775
Public safety	211,132	247,587	189,131
Transportation	67,349	62,308	65,181
Sanitation	1,576	485	559
Health and welfare	9,495	9,261	8,091
Culture and recreation	28,513	27,928	27,504
Conservation and development	45,638	44,041	45,495
Intergovernmental	-	-	-
Interest and fiscal charges on long-term debt	14,785	11,429	10,517
Total governmental activities expenses	476,957	503,503	434,253
Business-type activities:			
Airport	19,984	23,063	20,531
Sewer	77,872	79,325	77,924
Convention center	10,699	15,843	15,743
Parking facilities	660	686	698
Solid waste collection and disposal	40,255	40,361	38,954
Total business-type activities	149,470	159,278	153,850
Total primary government expenses	626,427	662,781	588,103
Program Revenues			
Governmental activities			
Charges for services:			
General government	21,172	20,448	24,346
Public safety	26,390	19,554	19,607
Transportation	287	315	807
Sanitation	35	48	21
Health and welfare	822	741	682
Culture and recreation	380	508	446
Conservation and development	6,793	2,715	4,395
Operating grants and contributions	50,313	87,917	52,129
Capital grants and contributions	16,307	9,100	38,606
Total governmental activities program revenues	122,499	141,346	141,039
Business-type activities			
Charges for Services			
Airport	12,541	15,381	15,804
Sewer	68,306	64,720	64,069
Convention center	5,853	11,023	11,998
Parking facilities	1,089	973	963
Solid waste collection and disposal	42,396	43,461	36,688
Operating grants and contributions	615	306	548
Capital grants and contributions	28,322	23,427	23,743
Total business-type activities program revenues	159,122	159,291	153,813
Total primary government total revenues	281,621	300,637	294,852

FISCAL YEAR						
2006	2005	2004	2003	2002	2001	
\$ 72,831	\$ 56,327	\$ 56,264	\$ 50,856	\$ 64,108	\$ 54,946	
146,539	159,310	136,280	128,134	120,255	118,701	
55,272	49,689	51,039	46,892	29,078	42,965	
180	30,171	25,370	23,641	23,155	22,797	
7,742	8,190	7,049	7,088	8,068	6,843	
23,531	21,926	19,960	18,548	16,871	15,980	
36,807	34,604	35,735	36,623	35,485	29,489	
--	14,253	13,601	13,139	12,053	11,871	
9,092	6,046	6,064	6,013	6,137	6,903	
<u>351,994</u>	<u>380,516</u>	<u>351,362</u>	<u>330,934</u>	<u>315,210</u>	<u>310,495</u>	
19,269	16,418	13,561	13,578	12,236	10,982	
72,993	71,696	74,934	68,144	66,156	66,937	
15,767	7,422	3,483	3,486	3,330	3,412	
627	909	937	804	817	836	
48,683	2,328	11,203	11,456	12,596	10,660	
<u>157,339</u>	<u>98,773</u>	<u>104,118</u>	<u>97,468</u>	<u>95,135</u>	<u>92,827</u>	
<u>509,333</u>	<u>479,289</u>	<u>455,480</u>	<u>428,402</u>	<u>410,345</u>	<u>403,322</u>	
26,462	19,134	16,511	14,238	13,666	12,825	
18,816	15,814	13,786	13,414	14,201	12,591	
639	470	543	447	420	386	
36	13,288	13,087	12,995	12,884	12,749	
627	586	579	522	548	533	
436	464	463	457	440	417	
3,528	3,881	3,715	2,983	2,954	2,322	
45,595	62,059	42,304	40,280	38,169	33,405	
15,829	15,185	13,521	22,936	18,160	15,951	
<u>111,968</u>	<u>130,881</u>	<u>104,509</u>	<u>108,272</u>	<u>101,442</u>	<u>91,179</u>	
17,942	16,690	10,773	8,848	8,644	8,200	
61,085	55,865	52,811	51,821	48,138	40,455	
10,823	3,321	1,204	1,421	1,412	1,791	
888	843	675	688	617	622	
30,857	8,238	8,588	9,500	9,893	9,651	
2,189	415	79	1,134	362	400	
24,285	28,722	52,059	25,039	25,605	20,883	
<u>148,069</u>	<u>114,094</u>	<u>126,189</u>	<u>98,451</u>	<u>94,671</u>	<u>82,002</u>	
<u>260,037</u>	<u>244,975</u>	<u>230,698</u>	<u>206,723</u>	<u>196,113</u>	<u>173,181</u>	

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	FISCAL YEAR		
	2009	2008	2007
Net (expense)/revenue:			
Governmental activities	\$ (354,458)	\$ (362,157)	\$ (293,214)
Business-type activities	9,652	13	(37)
Total primary government net expense	<u>(344,806)</u>	<u>(362,144)</u>	<u>(293,251)</u>
General Revenues and Other Changes			
in Net Assets			
Governmental activities			
Taxes:			
Property	85,244	83,990	78,081
Gross receipts business	22,181	28,057	26,635
Sales	199,909	206,744	204,231
Occupancy	1,952	2,442	2,336
Occupational	10,082	9,750	9,950
Insurance premium	3,522	3,458	3,475
Gaming admissions	7,542	5,740	6,362
Interest and penalties - delinquent taxes	2,392	2,291	1,623
Unrestricted grants and contributions	4,906	5,313	4,741
Investment earnings	4,311	15,829	23,338
Gain (loss) on sale of capital assets	772	1,044	1,116
Transfers	(2,926)	(181)	(9,800)
Total governmental activities general revenues	<u>339,887</u>	<u>364,477</u>	<u>352,088</u>
Business-type activities			
Taxes:			
Sales	39,425	42,367	39,922
Miscellaneous	-	-	-
Investment earnings	3,877	12,720	17,834
Gain (loss) on sale of capital assets	(680)	104	(36)
Special item-change in engineering method	-	-	-
Transfers	2,926	181	9,800
Total business-type activities general revenues	<u>45,548</u>	<u>55,372</u>	<u>67,520</u>
Total primary government general revenues	<u>385,435</u>	<u>419,849</u>	<u>419,608</u>
Change in Net Assets			
Governmental activities	(14,571)	2,320	58,874
Business-type activities	55,200	55,385	67,483
Total primary government net expense	<u>\$ 40,629</u>	<u>\$ 57,705</u>	<u>\$ 126,357</u>

Source: Audited Comprehensive Annual Financial Reports
Information available for nine years.

FISCAL YEAR					
2006	2005	2004	2003	2002	2001
\$ (240,026)	\$ (249,635)	\$ (246,853)	\$ (222,662)	\$ (213,768)	\$ (219,316)
(9,270)	15,321	22,071	983	(464)	(10,825)
<u>(249,296)</u>	<u>(234,314)</u>	<u>(224,782)</u>	<u>(221,679)</u>	<u>(214,232)</u>	<u>(230,141)</u>
72,125	66,922	62,895	60,671	57,875	54,778
27,442	24,254	22,203	21,848	20,508	22,836
205,856	185,636	164,821	160,620	154,905	150,688
1,390	1,026	764	730	772	—
8,916	8,687	8,124	7,983	7,344	7,093
3,180	3,358	3,194	3,054	3,072	2,947
7,006	7,654	6,504	6,820	7,131	7,054
1,982	1,613	1,614	1,343	1,329	1,307
4,688	4,404	4,219	4,545	4,125	4,816
18,146	8,252	4,022	3,793	5,222	10,242
611	895	1,061	1,738	486	700
<u>(20,806)</u>	<u>(10,801)</u>	<u>(15,770)</u>	<u>(13,042)</u>	<u>(7,473)</u>	<u>(5,566)</u>
<u>330,536</u>	<u>301,900</u>	<u>263,651</u>	<u>260,103</u>	<u>255,296</u>	<u>256,895</u>
40,036	35,973	31,161	30,760	29,954	29,844
2,651	—	—	—	—	—
13,666	7,767	3,630	3,030	4,173	6,493
78	102	129	130	132	(359)
(10,341)	—	—	—	—	—
<u>20,806</u>	<u>10,801</u>	<u>15,770</u>	<u>13,041</u>	<u>7,473</u>	<u>5,566</u>
<u>66,896</u>	<u>54,643</u>	<u>50,690</u>	<u>46,961</u>	<u>41,732</u>	<u>41,544</u>
<u>397,432</u>	<u>356,543</u>	<u>314,341</u>	<u>307,064</u>	<u>297,028</u>	<u>298,439</u>
90,510	52,265	16,798	37,441	41,528	37,579
57,626	69,964	72,761	47,944	41,268	30,719
<u>\$ 148,136</u>	<u>\$ 122,229</u>	<u>\$ 89,559</u>	<u>\$ 85,385</u>	<u>\$ 82,796</u>	<u>\$ 68,298</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST NINE FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)**

EXHIBIT H - 3

	<u>General Property Taxes</u>	<u>Gross Receipts Business Taxes</u>	<u>General Sales and Use Taxes</u>	<u>Occupancy Taxes</u>	<u>Occu- pational Taxes</u>	<u>Insurance Premiums Taxes</u>	<u>Gaming Admissions Taxes</u>	<u>Interest and Penalties- Delinquent Taxes</u>	<u>Total</u>
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
2005	66,921	24,254	185,636	1,026	8,687	3,358	7,654	1,613	299,149
2004	62,895	22,203	164,821	764	8,124	3,194	6,504	1,614	270,119
2003	60,671	21,848	160,620	730	7,983	3,054	6,820	1,343	263,069
2002	57,875	20,508	154,905	772	7,344	3,072	7,131	1,329	252,936
2001	54,778	22,836	150,687	--	7,093	2,947	7,054	1,307	246,702

Prior to year 2002, occupancy taxes were deposited in a proprietary fund.

Source: Audited Comprehensive Annual Financial Reports
 Information available for nine years.



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)

EXHIBIT H - 4

	GENERAL FUND			ALL OTHER GOVERNMENTAL FUNDS			
	Reserved	Unreserved	Total	Reserved*	Unreserved Reported in Special Revenue Funds	Unreserved Reported in Capital Projects Funds	Total all other Governmental Funds
2009	\$ 38,098	\$ 65,349	\$ 103,447	\$ 373,860	\$ 89,389	\$ 1,524	\$ 464,773
2008	42,757	74,994	117,751	318,745	69,794	1,208	389,747
2007	37,103	89,328	126,431	319,967	81,132	2,223	403,322
2006	21,731	96,492	118,223	310,956	64,132	1,076	376,164
2005	15,372	74,494	89,866	155,492	49,317	--	204,809
2004	10,786	56,741	67,527	156,643	47,122	--	203,765
2003	12,834	58,760	71,594	151,111	57,734	--	208,845
2002	18,790	50,112	68,902	152,375	62,629	--	215,004
2001	17,579	55,904	73,483	135,120	57,300	2,905	195,325
2000	15,335	48,901	64,236	111,107	51,422	10,659	173,188

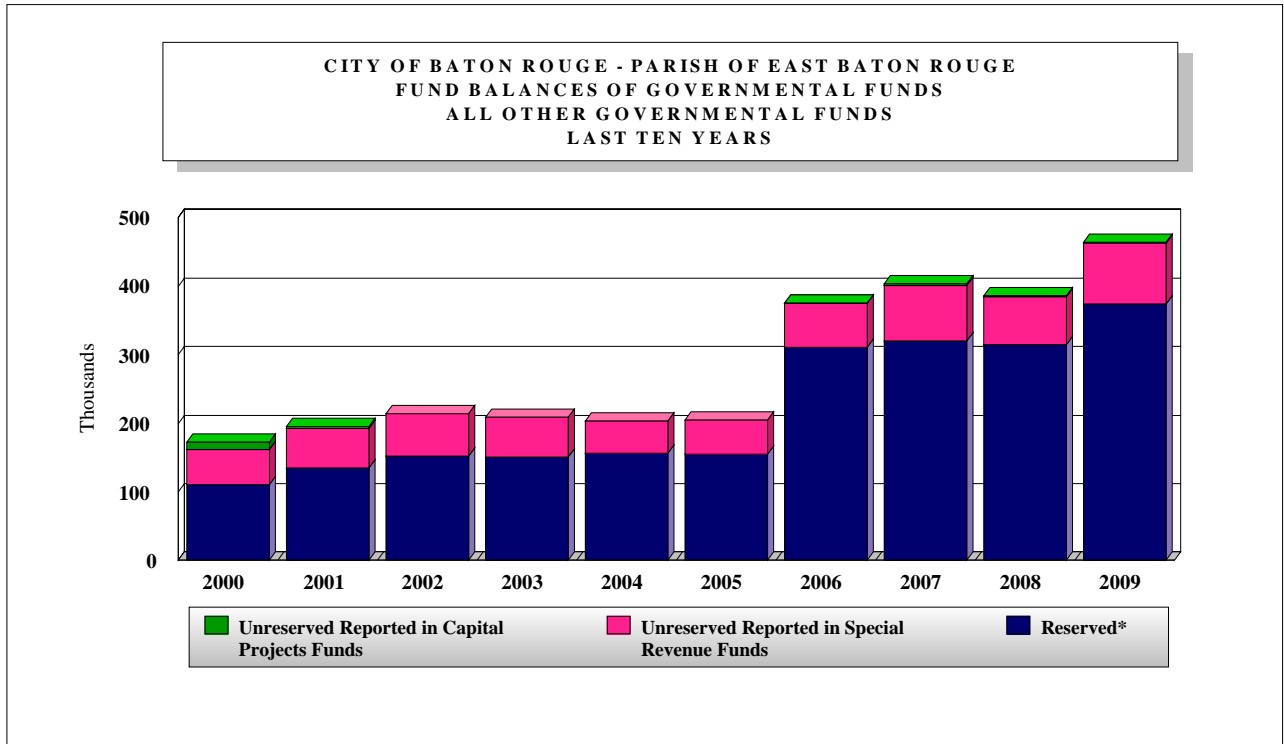
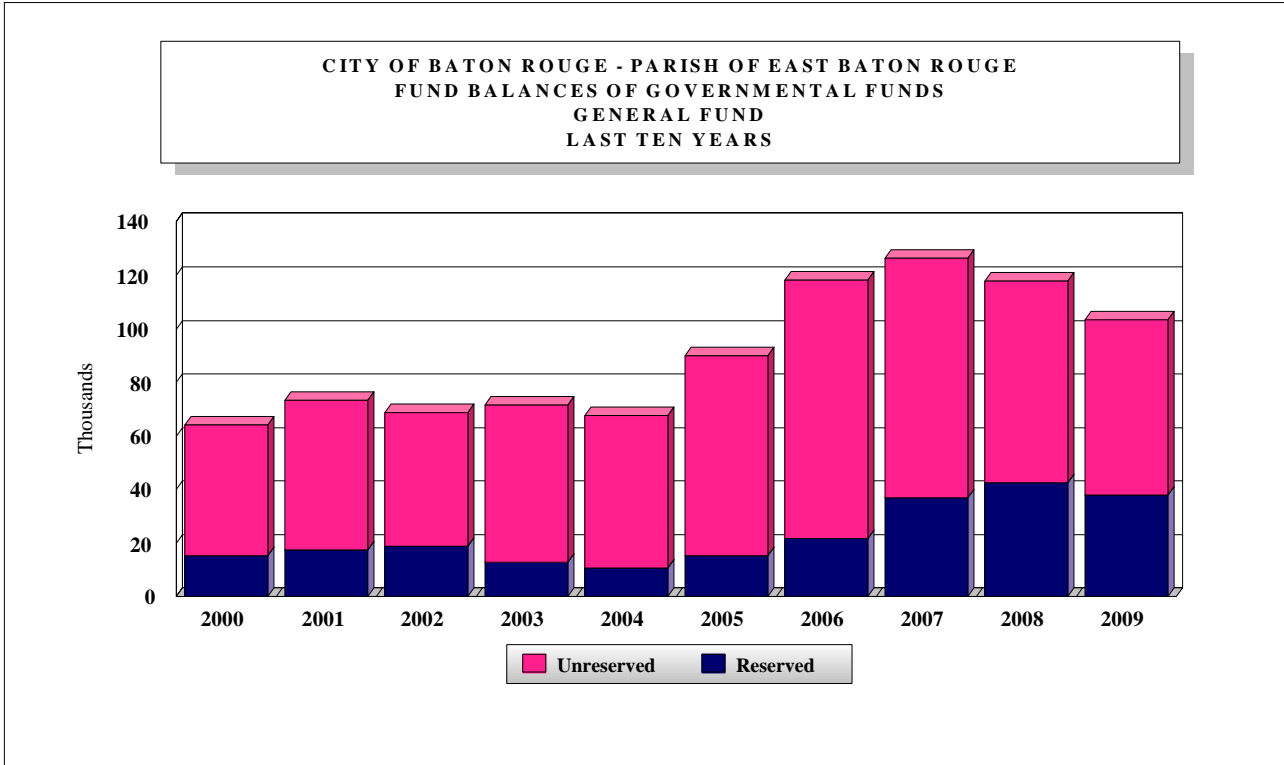
* Includes Special Revenue, Capital Projects and Debt Service Funds.
All fund balances in Debt Service Funds are reserved to pay future debt service.

Source: Audited Comprehensive Annual Financial Reports

Continued

**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)**

EXHIBIT H - 4
 (Continued)



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			
	2009	2008	2007	2006
REVENUES				
Taxes	\$ 332,052	\$ 341,413	\$ 331,355	\$ 327,673
Licenses and permits	3,265	4,255	5,210	4,908
Intergovernmental	77,611	86,180	72,604	65,869
Charges for services	36,732	31,640	35,639	36,477
Fines and forfeits	2,955	3,069	3,520	3,211
Investment earnings	4,268	15,648	22,921	17,727
Miscellaneous revenues	18,253	13,158	13,878	12,850
Total revenues	<u>475,136</u>	<u>495,363</u>	<u>485,127</u>	<u>468,715</u>
EXPENDITURES				
Current:				
General government	73,995	71,952	60,618	59,280
Public safety	180,712	211,713	160,421	141,697
Transportation	41,728	42,400	42,959	35,694
Sanitation	531	696	812	598
Health and welfare	8,870	8,533	7,420	7,484
Culture and recreation	24,590	23,492	23,099	21,507
Conservation and development	42,593	40,444	42,038	36,138
Debt service:				
Principal retirement	14,128	15,542	15,672	12,195
Interest and fiscal charges	16,442	12,378	13,007	9,992
Other charges	2,590	531	427	1,787
Capital outlay	101,567	75,054	54,369	33,388
Intergovernmental	16,751	16,244	19,854	14,838
Total expenditures	<u>524,497</u>	<u>518,979</u>	<u>440,696</u>	<u>374,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,361)</u>	<u>(23,616)</u>	<u>44,431</u>	<u>94,117</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	41,950	40,629	64,245	23,216
Transfers out	(44,869)	(40,805)	(74,044)	(44,021)
Refunding bonds issued	--	--	--	--
Long-term debt proceeds	110,000	94,190	30,395	125,000
Premium on debt issuance	2,591	--	1,478	912
Capital leases	--	--	--	--
Sale of capital assets	411	762	684	488
Payments to refunded bond escrow agent	--	(93,415)	(31,823)	--
Total other financing sources and uses	<u>110,083</u>	<u>1,361</u>	<u>(9,065)</u>	<u>105,595</u>
Net change in fund balances	<u>\$ 60,722</u>	<u>\$ (22,255)</u>	<u>\$ 35,366</u>	<u>\$ 199,712</u>
Debt service as a percentage of noncapital expenditures	7.8%	6.4%	7.5%	7.0%

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR						
2005	2004	2003	2002	2001	2000	
\$ 298,664	\$ 270,185	\$ 263,344	\$ 252,816	\$ 246,633	\$ 234,263	
3,838	3,597	3,540	3,260	3,106	3,176	
68,473	55,982	61,484	54,545	46,953	50,364	
41,627	37,696	34,618	34,759	32,500	33,420	
2,300	2,006	2,263	1,895	1,886	2,331	
7,995	3,921	3,699	5,060	9,899	11,216	
14,771	14,944	14,260	14,716	14,144	14,376	
<u>437,668</u>	<u>388,331</u>	<u>383,208</u>	<u>367,051</u>	<u>355,121</u>	<u>349,146</u>	
54,824	52,944	49,508	57,641	51,846	50,625	
150,016	127,225	117,426	108,261	106,812	100,598	
38,438	37,261	35,131	30,456	32,773	33,896	
26,600	24,721	23,911	22,542	22,495	21,840	
7,887	6,738	6,765	7,760	6,469	5,919	
19,988	18,135	16,729	15,360	14,562	12,094	
33,917	34,959	35,754	34,616	28,719	24,052	
12,827	12,258	14,130	10,956	11,230	7,439	
9,235	9,720	9,105	11,029	11,179	10,298	
--	--	355	1,927	--	--	
36,178	44,992	53,162	34,333	40,313	61,163	
14,253	13,601	13,138	12,052	11,871	13,145	
<u>404,163</u>	<u>382,554</u>	<u>375,114</u>	<u>346,933</u>	<u>338,269</u>	<u>341,069</u>	
<u>33,505</u>	<u>5,777</u>	<u>8,094</u>	<u>20,118</u>	<u>16,852</u>	<u>8,077</u>	
30,804	31,467	32,044	46,144	40,873	32,305	
(41,605)	(47,237)	(45,085)	(53,617)	(46,439)	(37,112)	
--	--	--	73,450	--	--	
--	--	--	--	23,625	--	
--	--	--	--	--	--	
--	27	132	--	--	160	
679	820	1,349	485	830	693	
--	--	--	(71,483)	--	--	
<u>(10,122)</u>	<u>(14,923)</u>	<u>(11,560)</u>	<u>(5,021)</u>	<u>18,889</u>	<u>(3,954)</u>	
\$ <u>23,383</u>	\$ <u>(9,146)</u>	\$ <u>(3,466)</u>	\$ <u>15,097</u>	\$ <u>35,741</u>	\$ <u>4,123</u>	
6.0%	6.5%	7.3%	7.6%	7.5%	6.3%	

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (in thousands)

EXHIBIT H - 6

	<u>Property Taxes</u>	<u>Gross Receipts Business Taxes</u>	<u>General Sales and Use Taxes</u>	<u>Occupancy Taxes</u>	<u>Occu-pational Taxes</u>	<u>Insurance Premiums Taxes</u>	<u>Gaming Admissions Taxes</u>	<u>Interest and Penalties-Delinquent Taxes</u>	<u>Total</u>
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
2005	66,436	24,254	185,636	1,026	8,687	3,358	7,654	1,613	298,664
2004	62,961	22,203	164,821	764	8,124	3,194	6,504	1,614	270,185
2003	60,946	21,848	160,620	730	7,983	3,054	6,820	1,343	263,344
2002	57,755	20,508	154,905	772	7,344	3,072	7,131	1,329	252,816
2001	54,710	22,836	150,687	--	7,092	2,947	7,054	1,307	246,633
2000	44,174	20,504	151,318	--	7,113	2,832	7,010	1,313	234,264

Prior to year 2002, occupancy taxes were deposited in a proprietary fund.

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 H - 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>						
2009	\$1,649,392	--	\$1,649,392	7.42	\$14,994,471	11.00 %
2008	1,607,759	--	1,607,759	7.42	14,615,988	11.00
2007	1,501,386	--	1,501,386	7.84	13,648,961	11.00
2006	1,409,803	--	1,409,803	7.84	12,816,389	11.00
2005	1,324,385	--	1,324,385	7.84	12,039,863	11.00
2004	1,284,098	--	1,284,098	7.84	11,673,617	11.00
2003	1,204,843	--	1,204,843	8.34	10,953,119	11.00
2002	1,153,810	--	1,153,810	8.34	10,489,178	11.00
2001	1,128,641	--	1,128,641	8.34	10,260,373	11.00
2000	1,107,123	--	1,107,123	8.34	10,064,758	11.00
<u>Parish of East Baton Rouge</u>						
2009	\$3,964,820	--	\$3,964,820	3.54	\$36,043,818	11.00 %
2008	3,810,976	--	3,810,976	3.54	34,645,232	11.00
2007	3,466,561	522,534	2,944,027	3.78	31,514,190	11.00
2006	3,233,132	548,660	2,684,472	3.78	29,392,107	11.00
2005	3,012,032	584,685	2,427,346	3.78	27,382,107	11.00
2004	2,885,036	616,185	2,268,851	3.78	26,227,597	11.00
2003	2,669,274	553,816	2,115,458	4.06	24,266,127	11.00
2002	2,533,605	579,816	1,953,790	4.06	23,032,776	11.00
2001	2,437,458	613,737	1,823,721	4.06	22,158,711	11.00
2000	2,324,089	626,997	1,697,092	4.06	21,128,085	11.00

*Actual Valuation (Market Value) as Compared to Assessed Valuation

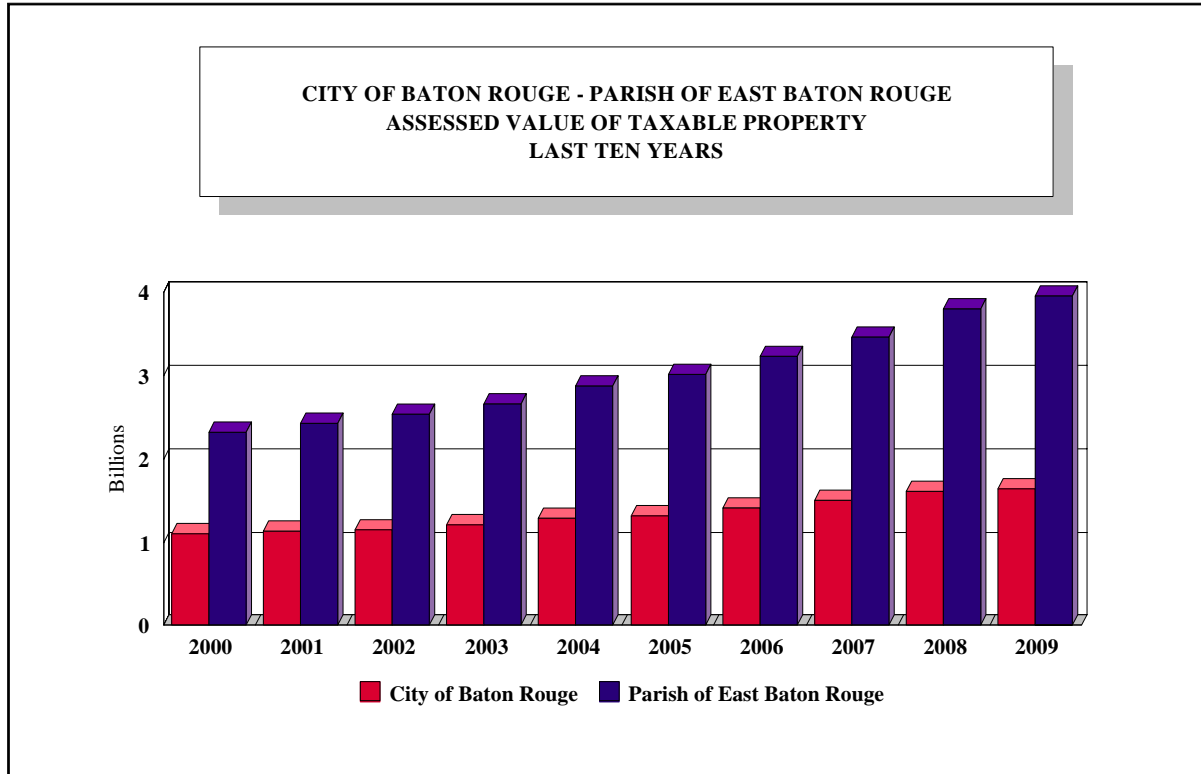
Residential properties are assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. The overall assessed value is estimated to be 11% of actual market value.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation 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 H - 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
TAX RATES (mills per dollar)						
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
2005	7.84	6.00	3.78	--	1.23	3.13
2004	7.84	6.00	3.78	--	1.23	2.70
2003	8.34	6.00	4.06	--	1.14	2.90
2002	8.34	6.00	4.06	--	1.14	2.90
2001	8.34	6.00	4.06	--	1.14	2.90
2000	8.34	--	4.06	--	1.14	2.90

TAX LEVIES

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
2005	10,383,178	7,946,310	11,385,480	--	--	3,704,799	9,427,659
2004	10,067,328	7,704,587	10,905,435	--	--	3,548,594	7,789,596
2003	10,048,391	7,229,058	10,837,252	--	--	3,042,972	7,740,895
2002	9,622,772	6,922,857	10,286,438	--	--	2,888,310	7,347,456
2001	9,412,866	6,771,846	9,896,080	--	--	2,778,702	7,068,629
2000	9,233,409	--	9,435,803	--	--	2,649,462	6,739,859

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
TAX RATES (mills per dollar)					
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
9.97	43.45	14.46	14.99	1.38	106.23
9.97	43.45	10.95	14.99	1.38	102.29
10.72	43.45	10.95	14.99	1.48	104.03
10.72	43.45	10.95	14.99	1.48	104.03
10.72	43.45	10.95	14.99	1.48	104.03
10.72	43.45	10.95	14.99	1.48	98.03

TAX LEVIES					
\$44,009,402	\$152,687,297	\$57,342,564	\$59,432,583	\$5,471,431	\$373,271,812
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
30,029,957	122,414,442	43,563,016	45,150,356	4,156,604	288,161,801
28,763,806	117,833,099	31,591,140	43,246,685	3,981,349	265,431,619
28,614,617	109,279,071	29,228,550	40,012,417	3,950,525	249,983,748
27,160,250	110,085,155	27,742,979	37,978,745	3,749,736	243,784,698
26,129,552	105,907,560	26,690,168	36,537,499	3,607,438	234,800,340
24,914,237	100,981,681	25,448,778	34,838,099	3,439,652	217,680,980

- (1) Not included are the following: Consolidated Road Lighting District No. 1, St. George Fire Protection District, District No. 1 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 and City of Zachary. 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 H - 9

Taxpayer	Type of Business	2009			2000		
		Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation	Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
ExxonMobil Corporation	Petroleum Products	\$288,278,520	1	7.27 %	\$156,524,330	1	6.73 %
Entergy, Inc.	Electric and Gas Utility	71,991,510	2	1.82	53,298,410	3	2.29
J P Morgan/Chase	Bank	56,351,650	5	1.42	33,786,000	4	1.45
Georgia-Pacific Corporation	Pulp and Paper Products	56,013,540	4	1.41	26,420,310	5	1.14
Bellsouth Communications	Telephone Utility	44,345,940	5	1.12	54,577,330	2	2.35
Wal-Mart	Retail Store	20,223,500	6	0.51	--	--	--
State Farm Insurance	Insurance	19,464,400	7	0.49	--	--	--
Formosa Plastics	Plastics Manufacturer	17,746,550	8	0.45	--	--	--
Maryland Marine	Public Utility (Watercraft)	17,541,110	9	0.44	--	--	--
Baton Rouge Water Company	Water Utility	16,400,880	10	0.41	15,513,720	7	0.67
Capital One	Bank	--	--	--	22,568,700	6	0.97
Argosy & Jazz Enterprises	Casino	--	--	--	10,226,050	8	0.44
Union Planters Bank	Bank	--	--	--	9,688,500	9	0.42
AT & T Communications	Telephone Utility	--	--	--	9,663,930	10	0.42
		<u>\$608,357,600</u>		<u>15.34 %</u>	<u>\$392,267,280</u>		<u>16.88 %</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 H - 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>						
2009	\$12,238,488					
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
2005	10,383,178	10,191,515	98.15	76,080	10,267,595	98.89
2004	10,067,328	9,882,582	98.16	60,411	9,942,993	98.76
2003	10,048,391	9,826,910	97.80	98,434	9,925,344	98.78
2002	9,622,772	9,402,985	97.72	97,600	9,500,585	98.73
2001	9,412,866	9,171,828	97.44	107,678	9,279,506	98.58
2000	9,233,409	9,056,440	98.08	105,071	9,161,511	99.22
<u>Parish of East Baton Rouge Sub Fund</u>						
2009	\$11,703,631					
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
2005	9,071,271	8,823,462	97.27	54,887	8,878,349	97.87
2004	8,626,282	8,423,541	97.65	47,887	8,471,428	98.20
2003	8,478,022	8,258,061	97.41	62,026	8,320,087	98.14
2002	7,946,684	7,680,424	96.65	40,301	7,720,725	97.16
2001	7,593,434	7,355,336	96.86	57,340	7,412,676	97.62
2000	7,172,500	6,939,318	96.75	67,904	7,007,222	97.70

"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.

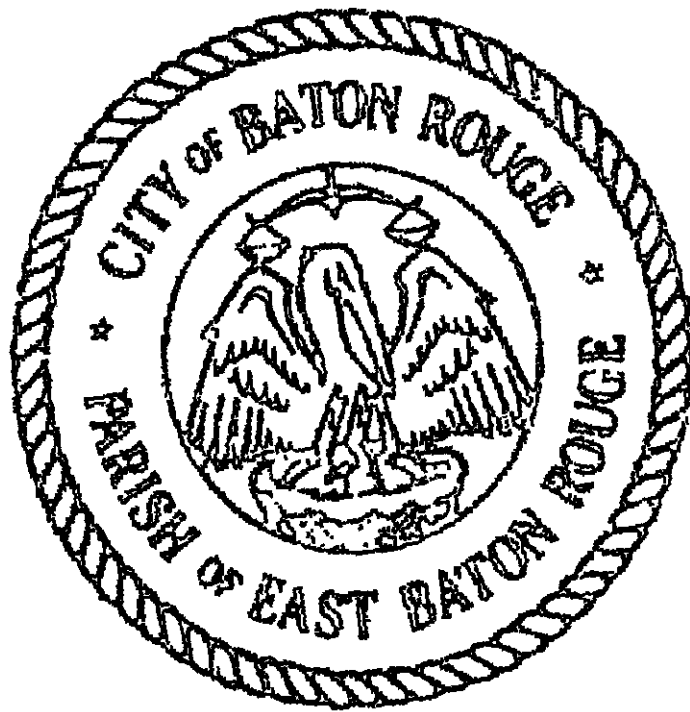
**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SALES TAX REVENUES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands, except percentages)**

EXHIBIT H - 11

	<u>2% City-Parish General</u>	<u>1/2 % Roads Improvement and Maintenance</u>	<u>1/2 % Sewerage Improvement and Maintenance</u>	<u>Total</u>
2009	\$160,712	\$39,424	\$39,425	\$239,561
2008	164,418	42,372	42,367	249,157
2007	163,368	39,920	39,922	243,210
2006	165,765	40,030	40,035	245,830
2005	149,668	35,968	35,972	221,608
2004	133,662	31,158	31,160	195,980
2003	129,864	30,756	30,759	191,379
2002	124,955	29,950	29,953	184,858
2001	121,569	29,118	29,124	179,811
2000	121,887	29,431	29,441	180,759

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, 2009.

<u>Entity/Area</u>	<u>Parish</u>	<u>School Board Operating</u>	<u>School Board Capital Improvement</u>	<u>Municipal</u>	<u>State</u>	<u>Total</u>
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			
	2009	2008	2007	2006
Agriculture, Forestry, and Fishing	\$ 2,182	\$ 2,466	\$ 5,473	\$ 8,786
Mining	818	822	653	912
Construction	133,890	151,265	136,984	142,226
Manufacturing	941,631	876,348	807,773	727,543
Transportation and Public Utilities	51,560	64,945	78,988	112,803
Wholesale Trade	348,700	411,867	196,940	408,776
Other Retail Trade	3,865,624	4,102,229	4,608,939	4,750,824
Vehicle	533,427	374,051	877,204	748,015
Food Stores	514,500	420,088	397,556	382,171
Finance, Insurance, and Real Estate	254,056	282,799	30,713	30,335
Services	1,450,666	1,534,020	1,026,769	975,610
Public Administration	—	--	408	249
Total	\$ 8,097,054	\$ 8,220,900	\$ 8,168,400	\$ 8,288,250

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					
2005	2004	2003	2002	2001	2000
\$ 8,307	\$ 7,418	\$ 7,078	\$ 7,810	\$ 7,416	\$ 7,923
1,946	1,738	1,753	1,125	1,459	1,097
138,667	123,838	124,994	113,209	115,977	129,383
601,441	537,121	661,657	607,531	573,806	660,323
114,346	102,118	76,165	78,472	91,420	89,892
387,041	345,650	313,167	321,259	336,625	379,983
4,187,261	3,739,462	3,479,707	3,304,559	3,152,830	3,283,451
698,725	624,001	645,294	631,897	624,196	274,855
443,616	396,174	403,942	399,294	413,760	446,777
37,941	33,883	42,530	41,048	43,096	43,270
863,884	771,497	736,718	741,296	717,561	777,030
225	200	195	250	304	366
<u>\$ 7,483,400</u>	<u>\$ 6,683,100</u>	<u>\$ 6,493,200</u>	<u>\$ 6,247,750</u>	<u>\$ 6,078,450</u>	<u>\$ 6,094,350</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	<u>Governmental Activities</u>			<u>Business - Type Activities</u>	
	<u>Excess Revenue Contracts Loans and Notes</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>	<u>Excess Revenue Contracts Loans and Notes</u>	<u>Revenue Bonds</u>
2009	\$62,371	\$269,847	\$ --	\$3,551	\$475,533
2008	64,463	165,931	--	3,677	325,689
2007	65,815	172,699	--	26,221	280,876
2006	67,826	181,585	1	24,685	291,470
2005	69,760	62,200	28	18,170	271,771
2004	72,520	67,114	82	11,737	277,113
2003	74,386	71,488	108	6,795	291,339
2002	78,791	75,646	141	4,896	300,426
2001	76,897	79,547	1,267	1,185	312,985
2000	84,181	63,839	890	--	292,222

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 <u>Government</u>	(2) Percentage of Personal <u>Income</u>	(2) <i>(in dollars)</i> Debt Per <u>Capita</u>
\$811,302	4.60%	\$1,867
559,760	3.26%	1,299
545,611	3.34%	1,267
565,567	3.65%	1,313
421,929	2.94%	1,024
428,566	3.28%	1,038
444,116	3.60%	1,079
459,900	3.83%	1,121
471,881	4.06%	1,143
441,132	3.94%	1,068

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 H - 14

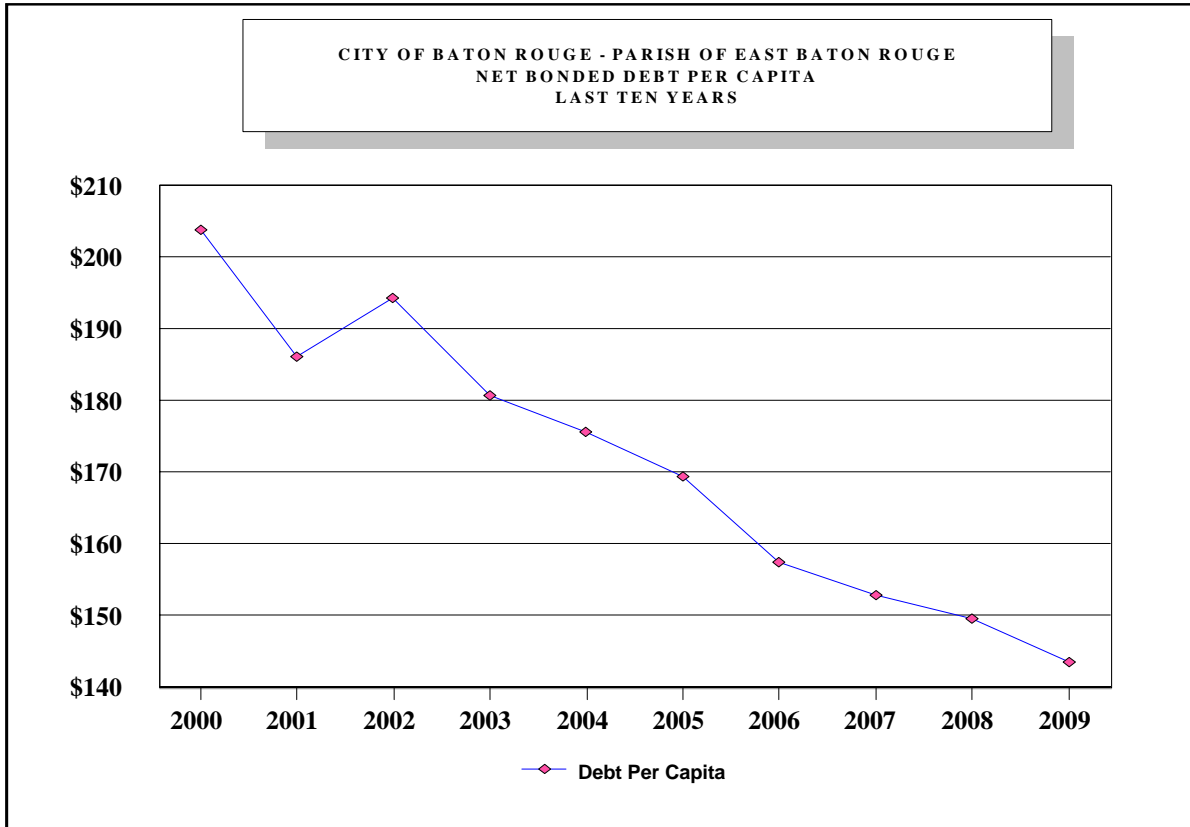
<u>Year</u>	<u>Excess Revenue Contracts Loans and Notes (1)</u>	<u>Less: Amount Available In Debt Service Fund (4)</u>	<u>Total</u>	<u>Percentage of Estimated Actual Value of Property (2)</u>	<u>(in dollars) Debt Per Capita (3)</u>
2009	\$62,371	\$ --	\$62,371	0.42%	\$144
2008	64,463	--	64,463	0.44%	150
2007	65,815	--	65,815	0.48%	153
2006	67,826	--	67,826	0.53%	157
2005	69,760	--	69,760	0.58%	169
2004	72,520	--	72,520	0.62%	176
2003	74,386	--	74,386	0.68%	181
2002	78,791	954 (5)	79,745	0.76%	194
2001	76,897	--	76,897	0.75%	186
2000	84,181	--	84,181	0.84%	204

- (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.
- (5) Reserve established for variable rate taxable bonds that were converted to a fixed rate in year 2003.

Continued

**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 H - 14
(Continued)



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2009**

	<u>Gross Debt Outstanding</u>	<u>Amounts in Debt Service Fund For Principal</u>	<u>Net Debt Outstanding</u>
<u>City of Baton Rouge:</u>			
2002A Fixed Rate Taxable Refunding	\$ 21,410,000	\$ --	\$ 21,410,000
2002B Fixed Rate Taxable Refunding	40,240,000	--	40,240,000
LA Community Development Authority	720,700	--	720,700
<u>Parish of East Baton Rouge:</u>			
LA Community Development Authority	<u>3,551,259</u>	<u>--</u>	<u>3,551,259</u>
Total direct debt	<u>65,921,959</u>	<u>--</u>	<u>65,921,959</u>
<u>Overlapping Debt:</u>			
City of Baker	2,308,460	--	2,308,460
Central Community School System	28,000,000	370,217	27,629,783
Zachary Community School Board	63,390,000	4,038,167	59,351,833
Nineteenth Judicial District Court	98,795,000	--	98,795,000
Hospital Service District No. 1 (Lane Memorial Hospital)	13,871,389	1,449,444	12,421,945
St. George Fire Protection District	1,910,823	--	1,910,823
Eastside Fire Protection District	1,513,750	--	1,513,750
East Baton Rouge Parish School System	22,496,637	--	22,496,637
Amite River Basin Drainage	<u>985,188</u>	<u>--</u>	<u>985,188</u>
Total overlapping debt	<u>233,271,247</u>	<u>5,857,828</u>	<u>227,413,419</u>
Total direct and overlapping debt	<u>\$ 299,193,206</u>	<u>\$ 5,857,828</u>	<u>\$ 293,335,378</u>
2009 Population			
Per Capita			

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.

<u>Parish</u>		<u>City</u>	
<u>Percent (1)</u>	<u>Share of Debt</u>	<u>Percent (1)</u>	<u>Share of Debt</u>
100 %	\$ 21,410,000	100 %	\$ 21,410,000
100	40,240,000	100	40,240,000
100	720,700	100	720,700
100	<u>3,551,259</u>	42	<u>1,491,529</u>
	<u>65,921,959</u>		<u>63,862,229</u>
100	2,308,460	--	--
100	27,629,783	--	--
100	59,351,833	--	--
100	98,795,000	--	--
100	12,421,945	--	--
100	1,910,823	--	--
100	1,513,750	42	635,775
100	22,496,637	100	22,496,637
64	<u>630,520</u>	--	--
	<u>227,058,751</u>		<u>23,132,412</u>
	<u>\$ 292,980,710</u>		<u>\$ 86,994,641</u>
	<u>434,633</u>		<u>233,266</u>
	<u>\$674</u>		<u>\$373</u>

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 H - 16

CITY OF BATON ROUGE

<u>Year</u>	<u>Any One Purpose</u>	<u>Sewerage Purposes</u>	<u>Aggregate All Purposes</u>	<u>Debt Outstanding</u>	<u>Legal Debt Margin</u>
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
2005	132,438,497	198,657,746	463,534,740	--	463,534,740
2004	128,409,791	192,614,686	449,434,268	--	449,434,268
2003	120,484,308	180,726,461	421,695,077	--	421,695,077
2002	115,380,955	173,071,433	403,833,343	--	403,833,343
2001	112,864,103	169,296,154	395,024,360	--	395,024,360
2000	110,712,337	166,068,505	387,493,178	--	387,493,178

PARISH OF EAST BATON ROUGE

<u>Year</u>	<u>Any One Purpose</u>	<u>Sewerage Purposes</u>	<u>Aggregate All Purposes</u>	<u>Debt Outstanding</u>	<u>Legal Debt Margin</u>
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
2005	301,203,178	451,804,767	no limit	--	451,804,767
2004	288,503,566	432,755,349	no limit	--	432,755,349
2003	266,927,400	400,391,099	no limit	--	400,391,099
2002	253,360,540	380,040,810	no limit	--	380,040,810
2001	243,745,822	365,618,733	no limit	--	365,618,733
2000	232,408,931	348,613,397	no limit	--	348,613,397

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 H - 17

SCHEDULE A- PUBLIC IMPROVEMENT SALES TAX - SEWER (1/2%)

Year	Gross Revenue (2)	Expenses (3)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2009	\$ 7,250,405	\$ 413,500	\$ 6,836,905	\$ 4,295,000	\$ 2,541,905	\$ 6,836,905	1.00
2008	7,199,247	371,848	6,806,418	4,080,000	2,747,399	6,827,399	1.00
2007	7,101,974	295,556	6,806,418	3,870,000	2,936,418	6,806,418	1.00
2006	21,322,093 (6)	332,401	20,989,692	10,565,000	10,424,692	20,989,692	1.00
2005	37,031,493	358,351	36,673,142	9,380,000	10,821,825	20,201,825	1.82
2004	32,095,064	324,153	31,770,911	8,740,000	10,902,942	19,642,942	1.62
2003	31,739,091	284,602	31,454,489	7,785,000	12,185,787	19,970,787	1.58
2002	30,745,621	284,997	30,460,624	7,210,000	13,868,884	21,078,884	1.45
2001	30,417,224	265,929	30,151,295	6,630,000	13,408,005	20,038,005	1.50
2000	31,209,926	289,000	30,920,926	6,110,000	13,924,207	20,034,207	1.54

SCHEDULE B - CITY SALES TAX (2%)

Year	Gross Revenue (4)	Expenses (5)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
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
2005	88,998,396	--	88,998,396	10,395,000	5,405,585	15,800,585	5.63
2004	77,644,392	--	77,644,392	9,850,000	5,813,785	15,663,785	4.96
2003	78,348,495	--	78,348,495	9,210,000	6,274,835	15,484,835	5.06
2002	77,319,666	--	77,319,666	8,565,000	6,560,011	15,125,011	5.11
2001	78,508,665	--	78,508,665	7,035,000	5,903,227	12,938,227	6.07
2000	78,274,925	--	78,274,925	5,620,000	6,336,631	11,956,631	6.55

SCHEDULE C - PARISH SALES TAX (2%)

Year	Gross Revenue (4)	Expenses (5)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2009	\$ 73,640,958	\$ --	\$ 73,640,958	\$ --	\$ --	\$ --	-- (12)
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
2005	61,485,795	--	61,485,795	545,000	95,522	640,522	95.99
2004	56,756,746	--	56,756,746	525,000	116,522	641,522	88.47
2003	52,238,042	--	52,238,042	505,000	144,747	649,747	80.40
2002	48,233,190	--	48,233,190	470,000	156,952	626,952	76.93
2001	45,601,245	--	45,601,245	440,000	176,072	616,072	74.02
2000	44,821,104	--	44,821,104	320,000	189,993	509,993	87.89

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY OF REVENUE BOND COVERAGE
LAST TEN YEARS**

EXHIBIT H - 17
(Continued)

SCHEDULE D - ROAD AND STREET IMPROVEMENT SALES TAX (1/2%)

<u>Year</u>	<u>Gross Revenue (7)</u>	<u>Expenses</u>	<u>Available for Debt Service</u>	<u>Principal</u>	<u>Interest (8)</u>	<u>Total</u>	<u>Coverage</u>
2009	\$ 26,517,992	\$ --	\$ 26,517,992	\$ 3,355,000	\$ 10,592,352	\$ 13,947,352	1.90
2008	30,074,547	--	30,074,547	3,195,000	7,651,689	10,846,689	2.77
2007	25,991,775	--	25,991,775	3,070,000	5,285,458	8,355,458	3.11
2006	26,240,847	--	26,240,847	--	1,363,451	1,363,451	19.25

SCHEDULE E - EAST BATON ROUGE SEWERAGE COMMISSION

<u>Year</u>	<u>Gross Revenue (9)</u>	<u>Expenses (10)</u>	<u>Available for Debt Service</u>	<u>Principal</u>	<u>Interest (11)</u>	<u>Total</u>	<u>Coverage</u>
2009	\$ 100,957,375	\$ 36,691,655	\$ 64,265,720	\$ 3,815,000	\$ 10,583,273	\$ 14,398,273	4.46
2008	102,154,884	38,223,916	63,930,968	3,670,000	8,935,190	12,605,190	5.07
2007	103,142,595	36,855,981	66,286,614	1,640,000	8,638,040	10,278,040	6.45
2006	84,485,242	34,431,919	50,053,323	--	--	--	-- (11)

- (1) Fiscal charges included
- (2) Total sales tax revenues plus interest earnings on sales tax revenues
- (3) Total sales tax collection costs
- (4) 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
- (5) Refunding bond issuance costs
- (6) In 2006, the Parish pledged Sewer Sales Tax Revenues (after payment of Debt Service and expenses on the Outstanding Sewer Sales Tax Revenue Bonds) as security for and for the payment of debt service on the revenue bonds of the East Baton Rouge Sewerage Commission. The Parish is no longer authorized to issue additional 1/2% Sewer Sales Tax parity bonds
- (7) Total general sales and use taxes in the Road and Street Improvement capital projects and debt service funds and SWAP related revenue
- (8) Includes liquidity fees, remarketing fees and transactions associated with the SWAP on the variable rate bonds
- (9) Total operating revenues plus interest earnings on these revenues plus Sewer Sales Tax Revenues pledged from the Parish
- (10) Total operating expenses less depreciation, sales tax collection costs, and change in net OPEB obligation
- (11) No debt service requirement in 2006, debt service payments begin in 2007
- (12) There are currently no outstanding Parish 2% Sales Tax Bonds.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS**

EXHIBIT H - 18

<u>Year</u>	<u>Popu- lation (1)</u>	<u>Personal Income (3)</u>	<u>Per Capita Personal Income (3)</u>	<u>Median Age (1)</u>	<u>Public School Enrollment (4)</u>	<u>EBR Parish Unemploy- ment Rate (5)</u>	<u>Labor Market Area Unemploy- ment Rate (6)</u>
2009	434,633	17,621,760,000 (7)	40,544 (7)	32.8	52,671	6.2	6.4
2008	431,024	17,151,988,000	39,794	32.8	53,849	4.3	4.3
2007	430,700	16,352,303,000	37,967	33.2	52,033	3.6	3.7
2006	430,886	15,490,822,000	35,951	33.5	55,033	3.9	3.9
2005	411,859	14,332,098,000	34,799	31.9	52,952	6.5	6.5
2004	412,772	13,056,816,000	31,632	31.5	46,675	5.3	5.8
2003	411,473	12,334,170,000	29,976	30.4	52,309	5.7	6.2
2002	410,438	11,993,196,000	29,220	31.5	52,570	5.2	5.7
2001	412,919	11,635,561,000	28,282	31.5	51,258	4.9	5.2
2000	412,852 (2)	11,193,385,000	27,108	31.5	52,213	4.3	4.7

Source: All information is parish-wide.

- (1) Estimates - Louisiana Tech University for the U.S. Bureau of Census (mid-year estimate)
- (2) Official U.S. Census
- (3) Estimates - Bureau of Economic Analysis, Regional Economic Accounts
- (4) East Baton Rouge Parish School Board, Baker School Board, Zachary School Board and Central School Board
- (5) U.S. Department of Labor, Bureau of Labor Statistics (Estimated figures 2005-2010) average annual unemployment rate, not seasonally adjusted. Figures for East Baton Rouge Parish only.
- (6) U.S. Department of Labor, Bureau of Labor Statistics (Estimated figures 2005-2010) average annual unemployment rate, not seasonally adjusted. Figures for Baton Rouge Metropolitan Statistical Area (MSA).
 Year 2004 and prior the MSA included East Baton Rouge, Livingston, Ascension, and West Baton Rouge Parishes.
 In 2005 the MSA was expanded to include East Feliciana, Iberville, Pointe Coupee, St. Helena, and West Feliciana Parishes.
 Baton Rouge serves as the focus of employment for many of the parishes that border it.
- (7) Finance Department Estimate

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

EXHIBIT H - 19

<u>2009 (2)</u>				<u>2000 (1)</u>	
<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	31,427	1	11.03 %	East Baton Rouge Parish School System	1
Turner Industries	9,670	2	3.39	City-Parish Government	2
East Baton Rouge Parish School System	6,406	3	2.25	Exxon Mobil Chemical Co.	3
Louisiana State University	5,600	4	1.97	Louisiana State University	4
City-Parish Government	4,597	5	1.61	Our Lady of the Lake Medical Center	5
Exxon Mobil Chemical Co.	4,275	6	1.50	Walmart Stores, Inc.	6
The Shaw Group	4,243	7	1.49	Shaw International, Inc	7
Our Lady of the Lake Medical Center	4,009	8	1.41	Harmony Corporation	8
Performance Contractors	3,500	9	1.23	J E Merit Construction, Inc.	9
Baton Rouge General Medical Center	3,000	10	1.05	U.S. Post Office	10
	<u>76,727</u>		<u>26.93 %</u>		

(1) Number of employees not available for 2000. Information was previously provided by Louisiana Department of Labor.

(2) Source 2009: Baton Rouge Area Chamber estimates
Louisiana Department of State Civil Service
East Baton Rouge Parish School System

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
FULL-TIME EQUIVALENT CITY-PARISH EMPLOYEES
BY FUND/DEPARTMENT
LAST TEN FISCAL YEARS**

	<u>Full-time Equivalent Employees Allotted in Annual Budget</u>			
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>GENERAL FUND:</u>				
City Constable	40.00	40.00	40.00	40.00
City Court and City Court Judicial	157.63	152.63	145.50	144.50
Community Centers	20.55	20.55	20.55	20.55
Discontinued Departments (1)	-	--	--	--
Metropolitan Council and Administration	41.00	41.00	41.00	41.00
Emergency Preparedness	5.00	5.00	5.00	5.00
EMS - Prison Medical Services	35.00	35.00	33.00	33.00
Finance	125.00	119.00	112.00	111.00
Fire - (City Fire Department Only)	610.00	610.00	588.00	582.00
Human Development & Services	8.75	8.75	8.75	9.50
Human Resources	39.00	39.00	39.00	36.00
Information Services	44.00	44.00	42.00	36.00
Juvenile Services	84.00	84.00	83.00	82.00
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	94.50	100.00	99.00	92.50
Planning Commission	27.00	27.00	26.00	22.00
Police (City Police Only)	886.00	885.00	840.00	837.00
Public Information Office	3.00	3.00	3.00	3.00
Public Works	697.40	699.10	679.10	647.00
Purchasing	13.00	13.00	13.00	13.00
TOTAL GENERAL FUND	<u>2,947.83</u>	<u>2,943.03</u>	<u>2,833.90</u>	<u>2,771.05</u>
<u>SPECIAL FUNDS:</u>				
Major Funds:				
Library Board of Control Fund	319.25	318.25	313.25	306.75
Grants Fund	375.48	428.94	417.98	416.19
Comprehensive Sewerage System Fund	328.20	329.40	331.90	336.00
G. B. R. Airport District Fund	93.00	91.00	91.00	89.00
Solid Waste Collection Fund	6.00	21.10	21.00	21.00
Solid Waste Disposal Facility	15.40	13.40	10.00	10.00
Non-Major Funds:				
Animal Control and Rescue Center	31.00	31.00	21.00	20.00
Central Garage	45.00	45.00	45.00	45.00
City Constable Court Costs Fund	5.00	5.00	4.00	4.00
Downtown Development District	4.00	4.00	4.00	4.00
Emergency Medical Services	165.00	164.00	162.00	150.00
Employees' Retirement System	12.00	12.00	12.00	12.00
E.B.R. Parish Communications District	47.00	47.00	47.00	47.00
Gaming Enforcement Division	2.00	1.00	1.00	1.00
G. B. R. Parking Authority	9.00	9.00	9.00	9.00
Mosquito Abatement and Rodent Control	31.00	31.00	31.00	31.00
Parish Street Maintenance	3.00	3.00	3.00	3.00
TOTAL SPECIAL FUNDS	<u>1,491.33</u>	<u>1,554.09</u>	<u>1,524.13</u>	<u>1,504.94</u>
TOTAL ALL FUNDS	<u>4,439.16</u>	<u>4,497.12</u>	<u>4,358.03</u>	<u>4,275.99</u>

(1) The Coroner became a separate agency in 2001, EMS Telecommunications allotments were moved to a special revenue fund in 2006, and the Anti-Drug Task Force was eliminated in 2006.

Full-time Equivalent Employees Allotted in Annual Budget

2005	2004	2003	2002	2001	2000
40.00	40.00	40.00	40.00	40.00	40.00
144.50	144.50	144.50	146.00	146.00	148.50
20.55	20.55	20.55	20.55	20.55	19.55
12.50	13.50	13.50	13.50	19.50	29.50
41.00	41.00	41.00	41.00	44.00	44.00
5.00	5.00	6.00	6.00	6.00	6.00
33.00	33.00	33.00	33.00	33.00	27.40
111.00	111.00	111.00	111.00	120.00	120.00
581.00	581.00	582.00	583.00	585.00	585.00
8.92	8.50	8.50	9.50	10.50	10.50
37.75	41.75	42.00	41.00	47.00	47.00
34.00	34.00	33.00	33.00	33.00	33.00
82.00	85.00	85.00	85.00	85.00	85.00
11.00	10.00	9.00	9.00	10.00	12.00
1.00	1.00	1.00	1.00	1.00	1.00
99.00	95.00	95.00	97.50	100.50	99.50
22.00	22.00	22.00	22.00	22.00	22.00
836.00	836.00	837.00	837.00	840.00	840.25
3.00	3.00	3.00	4.00	3.00	3.00
667.00	667.00	670.00	678.00	704.00	713.25
13.00	13.00	13.00	14.00	20.00	20.00
<u>2,803.22</u>	<u>2,805.80</u>	<u>2,810.05</u>	<u>2,825.05</u>	<u>2,890.05</u>	<u>2,906.45</u>
303.75	268.00	268.00	261.50	261.50	252.25
332.43	322.09	324.31	329.11	306.79	320.65
341.00	342.00	342.00	342.00	351.00	354.00
88.73	88.73	87.73	85.00	79.73	77.00
--	--	--	--	--	--
10.00	9.00	9.00	9.00	10.00	11.00
19.00	19.00	19.00	18.00	18.00	18.00
45.00	45.00	45.00	45.00	46.00	49.00
4.00	9.00	9.00	9.00	9.00	9.00
4.00	4.00	4.00	4.00	4.00	4.00
137.00	137.00	136.00	135.00	135.00	125.00
12.00	13.00	12.00	12.00	13.00	12.00
37.50	37.50	37.50	33.50	33.50	33.50
1.00	1.00	1.00	2.00	2.00	7.00
9.00	9.00	9.00	9.00	9.00	9.00
31.00	31.00	30.00	28.00	27.00	27.00
3.00	3.00	1.00	1.00	1.00	1.00
<u>1,378.41</u>	<u>1,338.32</u>	<u>1,334.54</u>	<u>1,323.11</u>	<u>1,306.52</u>	<u>1,309.40</u>
<u>4,181.63</u>	<u>4,144.12</u>	<u>4,144.59</u>	<u>4,148.16</u>	<u>4,196.57</u>	<u>4,215.85</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	FISCAL YEAR			
	2009	2008	2007	2006
Function:				
Public Safety:				
Police				
Physical arrests	27,158	26,158	26,782 (3)	15,034
Parking violations	19,759	22,649	25,036	24,365
Traffic violations (5)	87,509	84,882	89,131	107,089
Fire				
Number of responses	15,689	28,280	26,564	26,886
Inspections	28,723	19,199	16,818	13,932
Emergency Medical Services				
Number of emergency responses	48,490	50,453	48,419	48,264
Number of patient transports	28,081	26,431	26,432	24,393
Communications district				
Number of 911 calls (in thousands)	353,169	365,850	347,536	368,486
Transportation				
Parish street maintenance program				
Number of miles of new	2	4	11	4
Rehab streets and roads	17	24	29	24 (10)
Number of potholes repaired	2,707	2,791	3,448	1,247
Airport				
Number of enplanements	356,140	433,135	491,836	534,709
Sanitation:				
Wastewater				
Average daily sewerage treatment (millions of gallons)	23,603	21,610	22,559	21,534
Solid Waste Disposal				
Average daily tonnage accepted at Landfill (9)	1,562	1,562	1,490	1,438
Administration Office and Boards				
Construction Permits				
Total Number of Permits issued	21,649	24,835	27,312	26,910
Total Valuation	375,597,425	666,743,993	1,068,749,146	911,708,204
Culture-Recreation				
Libraries				
Total registered borrowers	393,812	386,181	366,065	341,179
Total items circulated	2,284,918	2,231,974	2,307,630	2,396,323
Total reference questions answered	811,166	731,213	695,867	645,320
New branch libraries opened	--	--	1	--

Notes:

- (1) Library card registration drive at public and private schools, malls, fairs, festivals, universities, etc.
- (2) Cardholders who had not used cards in past 3 years were purged in 2001.
- (3) Including arrest or summons, 2,734 Juveniles, 24,048 adults.
- (4) Through November 2005
- (5) Moving violations only
- (6) Increase in calls due to the serial killer investigation in 2001.
- (7) Increase in calls due to Hurricanes Katrina and Rita in 2005.
- (8) 1/2 % road improvement sales tax rededicated partially for maintenance
- (9) Tonnage without recycling. No adjustment for unscheduled closings of the landfill.
- (10) Road rehab reflects a reduction to 27% of the road sales tax money.

FISCAL YEAR					
2005	2004	2003	2002	2001	2000
12,182 (4)	11,035	7,768	8,406	9,040	9,729
19,481 (4)	14,613	13,406	9,852	16,458	11,837
65,071 (4)	38,543	41,077	41,857	43,926	59,936
26,498	22,955	21,152	21,051	20,993	21,604
12,810	20,736	15,965	16,315	17,626	15,617
49,583	43,592	40,902	40,248	39,051	38,373
26,306	23,935	23,825	24,071	22,980	23,062
353,000 (7)	311,000	310,000	343,000	348,000 (6)	310,000
10	2	6	5	6	14
40	45	46	49	51	58 (8)
165	242	202	177	218	120
523,417	375,412	362,766	380,503	379,843	435,233
22,251	26,169	22,046	23,513	22,432	19,769
1,379	1,434	1,551	1,621	1,600	1,515
26,845	3,552	3,579	3,059	3,180	2,739
592,858,669	520,072,323	473,740,644	436,218,938	403,576,108	374,419,112
316,977	289,681	288,616 (1)	128,769	130,419 (2)	253,192
2,440,000	2,573,393	2,486,503	2,357,979	2,293,539	2,255,357
615,534	574,936	599,013	629,419	616,437	589,435
3	1	--	1	2	--

Sources:

City only:

Baton Rouge Police Department

Baton Rouge Fire Department

Parish-wide:

EBR Parish Emergency Medical Services

EBR Parish Communications District

City-Parish Department of 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				
	2009	2008	2007	2006	2005
General Government					
Number of general government buildings	10	10	10	10	10
Public Safety					
Number of police stations	5	5	5	5	5
Police patrol units	573	467	455	398	789
Number of fire stations	19	19	19	19	19
Fire trucks	41	41	40	39	38
Number of EMS stations	12	12	12	12	11
Ambulances	21	21	21	21	20
Correction facilities	2	2	2	2	2
Transportation					
Miles of streets	1,774	1,771	1,766	1,757	1,753
Number of streetlights	35,060	34,725	34,725	34,725	34,725
Number of traffic signals	464	472	465	468	463
Sanitation					
Miles of sanitary sewers	1,782	1,778	1,773	1,764	1,759
Miles of storm sewers	101	98	93	82	78
Culture and Recreation					
Number of library branches	13	13	13	13	13
Number of community centers	6	6	6	6	6
Conservation and Development					
Number of Headstart centers	7	7	7	7	7
Health and Welfare					
Number of Health and Welfare buildings	7	7	7	7	7

Sources:

City only:

Baton Rouge Fire Department

Parish-wide:

EBR Parish Emergency Medical Services

EBR Parish Communications District

City-Parish Department of Public Works

EBR Parish Library

City Parish Fixed Asset Records

FISCAL YEAR				
2004	2003	2002	2001	2000
10	10	10	10	10
5	5	5	5	5
774	632	503	N/A	N/A
19	19	19	19	19
38	38	38	38	38
11	11	11	11	11
20	20	20	20	20
2	2	2	2	2
1,743	1,741	1,735	1,730	1,724
34,725	34,725	34,508	34,508	34,508
458	453	448	443	438
1,748	1,744	1,738	1,731	1,721
64	61	54	48	40
13	13	13	13	13
6	6	6	6	6
7	5	5	5	4
7	7	7	7	7



CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
REPORTS ON COMPLIANCE AND INTERNAL CONTROL
DECEMBER 31, 2009



**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 the financial statements of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) as of and for the year ended December 31, 2009, and have issued our report thereon dated June 25, 2010, which includes a reference to the report of 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered City-Parish's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City-Parish's internal control over financial reporting.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2009-1 that we consider to be a significant deficiency in internal control over financial reporting.

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*.

The City-Parish's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City-Parish's responses and, accordingly, we express no opinion on them.

We noted certain other matters regarding the internal control over financial reporting that we reported to management of City-Parish in a separate letter dated June 25, 2010.

This report is intended solely for the information and use of the Metropolitan Council, the City-Parish management, federal and state awarding agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite + Netterville

Baton Rouge, Louisiana
June 25, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Mayor-President
And Members of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge:

Compliance

We have audited the compliance of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City Parish's management. Our responsibility is to express an opinion on the City-Parish's compliance based on our audit.

The City-Parish's basic financial statements include those of the District Attorney of the Nineteenth Judicial District (the District Attorney), the Capital Area Transit System (the Transit System), and the Capital Region Planning Commission (the Commission) all presented as component units. These entities expended \$1,261,922, \$5,948,605, and \$797,751, respectively, of federal grant funding during their most recent respective fiscal years ending during 2009, that does not appear in the accompanying schedule of expenditures of federal awards for the year ended December 31, 2009. Our audit of compliance, described below, did not include the programs of the District Attorney, the Transit System, or the Commission as those entities were audited under separate engagements.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of the City-Parish's compliance with those requirements.

As described in items 2009-2 through 2009-4 in the accompanying schedule of findings and questioned costs, the City-Parish did not comply with requirements regarding monitoring of sub-recipients and program income that are applicable to its Home Investment Partnerships Program (14.239). Compliance with such requirements is necessary, in our opinion, for the City-Parish to comply with the requirements applicable to those programs.

In our opinion, because of the effects of the non-compliance described in the preceding paragraph, the City-Parish did not comply, in all material respects, with the requirements referred to above that are applicable to the Home Investment Partnership Program. Also, in our opinion, the City-Parish complied, in all material respects, with the requirements referred to above that are applicable to each of its other major federal programs for the year ended December 31, 2009. However, the results of our auditing procedures also disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and are described in the accompanying schedule of findings and questioned costs as items 2009-5 and 2009-6.

Internal Control over Compliance

The management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City-Parish's internal control over compliance with requirements that could have a direct and material effect on major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 the City-Parish's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be 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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-2, 2009-3, and 2009-4, 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 2009-5, and 2009-6 to be significant deficiencies.

The City-Parish's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City-Parish's responses and, accordingly, we express no opinion on them.

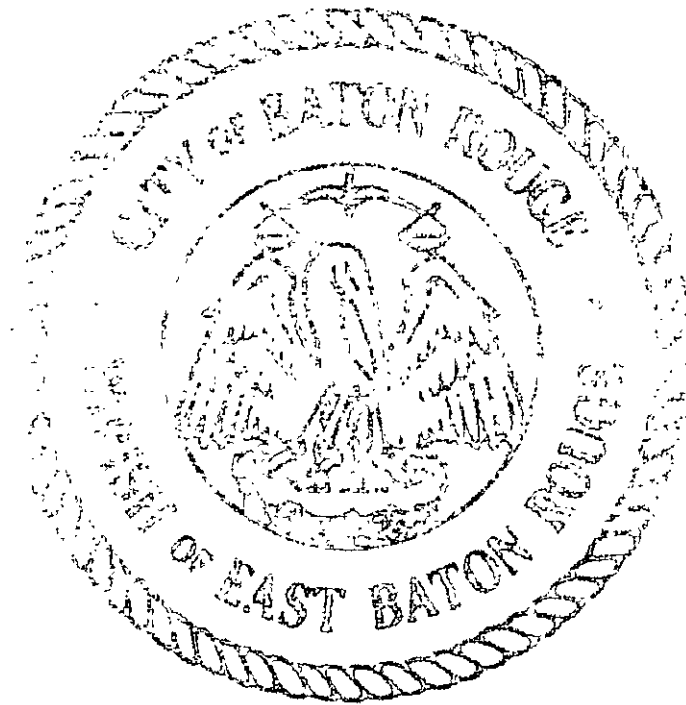
Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City-Parish as of and for the year ended December 31, 2009, and have issued our report thereon dated June 25, 2010, 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 expenditures of federal awards for the year ended December 31, 2009 as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 basic financial statements taken as a whole.

This report is intended for the information and use of the Metropolitan Council, the City-Parish management, federal and state awarding agencies and the Louisiana Legislative Auditor and is not intended to be, and should not be, used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite & Nettawille

Baton Rouge, Louisiana
June 25, 2010



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FEDERAL EXPENDITURES</u>	<u>LOCAL EXPENDITURES</u>	<u>TOTAL</u>
<u>FEDERAL AGENCY - SCHEDULE A</u>			
U.S. Department of Housing and Urban Development	\$ 11,257,904	\$ --	\$ 11,257,904
U.S. Department of Health and Human Services	15,512,887	558	15,513,445
U.S. Department of Homeland Security	3,843,348	--	3,843,348
Federal Emergency Management Agency	20,849	--	20,849
U.S. Department of Transportation	80,140	--	80,140
U.S. Department of Energy	350,061	--	350,061
U.S. Department of Agriculture	2,527,625	--	2,527,625
U.S. Department of Labor	3,573,090	--	3,573,090
U.S. Department of Justice	699,297	70,101	769,398
U.S. Department of The Treasury	8,000	--	8,000
U.S. Environmental Protection Agency	103,634	--	103,634
National Endowment for the Humanities	42,313	--	42,313
U. S. Department of Commerce	420,626	--	420,626
	<u>\$ 38,439,774</u>	<u>\$ 70,659</u>	<u>\$ 38,510,433</u>
<u>TOTAL FEDERAL AGENCY - SCHEDULE A</u>			
<u>FEDERAL AGENCY ARRA- SCHEDULE A</u>			
U.S. Department of Housing and Urban Development ARRA	\$ 62,689	\$ --	\$ 62,689
U.S. Department of Energy ARRA	40,069	--	40,069
U.S. Department of Labor ARRA	1,599,704	--	1,599,704
U.S. Department of Health and Human Services ARRA	109,643	--	109,643
U.S. Department of Justice ARRA	945,846	--	945,846
Federal Emergency Management Agency ARRA	9,898	--	9,898
	<u>\$ 2,767,849</u>	<u>\$ --</u>	<u>\$ 2,767,849</u>
<u>TOTAL FEDERAL AGENCY - ARRA-SCHEDULE A</u>			
<u>TOTAL FEDERAL AGENCY & ARRA - SCHEDULE A</u>			
	<u>\$ 41,207,622</u>	<u>\$ 70,659</u>	<u>\$ 41,278,282</u>
<u>FEDERAL AGENCY - SCHEDULE B</u>			
U.S. Department of Transportation - FAA	\$ 17,588,652	\$ --	\$ 17,588,652
U. S. Environmental Protection Agency	628,196	513,978	1,142,174
U. S. Department of Agriculture	70,763	--	70,763
U. S. Department of Housing and Urban Development	907,096	--	907,096
U. S. Department of Health and Human Services	157,672	--	157,672
U. S. Department of Homeland Security	243,855	--	243,855
U. S. Department of Transportation	3,280,073	618,324	3,898,397
	<u>\$ 22,876,307</u>	<u>\$ 1,132,302</u>	<u>\$ 24,008,609</u>
<u>TOTAL FEDERAL AGENCY - SCHEDULE B</u>			
<u>FEDERAL AGENCY ARRA- SCHEDULE B</u>			
U. S. Department of Transportation ARRA	\$ 2,417,316	\$ --	\$ 2,417,316
	<u>\$ 2,417,316</u>	<u>\$ --</u>	<u>\$ 2,417,316</u>
<u>TOTAL FEDERAL AGENCY - ARRA-SCHEDULE B</u>			
<u>TOTAL FEDERAL AGENCY & ARRA - SCHEDULE B</u>			
	<u>\$ 25,293,623</u>	<u>\$ 1,132,302</u>	<u>\$ 26,425,925</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

SCHEDULE A

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>FEDERAL GRANTS</u>						
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
<u>Direct Programs:</u>	121004					
Community Development:						
Block Grant - 2000	182..431602	14,218	B-00-MC-22-0002	\$ 915	\$ --	\$ 915
Block Grant - 2001	182..431602	14,218	B-01-MC-22-0002	589	--	589
Block Grant - 2004	182..431602	14,218	B-04-MC-22-0002	345,545	--	345,545
Block Grant - 2005	182..431602	14,218	B-05-MC-22-0002	586,554	--	586,554
Block Grant - 2006	182..431602	14,218	B-06-MC-22-0002	985,632	--	985,632
Block Grant - 2007	182..431602	14,218	B-07-MC-22-0002	693,164	--	693,164
Block Grant - 2008	182..431602	14,218	B-08-MC-22-0002	1,883,582	--	1,883,582
Block Grant - 2009	182..431602	14,218	B-09-MC-22-0002	108,850	--	108,850
SUBTOTAL CFDA NUMBER 14.218				4,604,831	--	4,604,831
Home Grant - 1992	183..431602	14,239	M-92-MC-22-0204	569,614	--	569,614
Home Grant - 1998	183..431602	14,239	M-98-MC-22-0204	84,946	--	84,946
Home Grant - 2004	183..431602	14,239	M-04-MC-22-0204	120,557	--	120,557
Home Grant - 2005	183..431602	14,239	M-05-MC-22-0204	257,783	--	257,783
Home Grant - 2006	183..431602	14,239	M-06-MC-22-0204	259,598	--	259,598
Home Grant - 2008	183..431602	14,239	M-08-MC-22-0204	101,230	--	101,230
Home Grant - 2009	183..431602	14,239	M-09-MC-22-0204	186,560	--	186,560
SUBTOTAL CFDA NUMBER 14.239				1,580,288	--	1,580,288
Continuum of Care Supportive Housing	184..431602	14,235	LA-48-B00-40	13,749	--	13,749
Continuum of Care Supportive Housing	184..431602	14,235	LA-48-B50-40	19,380	--	19,380
Continuum of Care Supportive Housing	184..431602	14,235	LA-48-B60-40	12,419	--	12,419
Continuum of Care Supportive Housing	184..431602	14,235	LA-48-B70-40	901,988	--	901,988
Continuum of Care Supportive Housing	184..431602	14,235	LA-48-B80-40	461,727	--	461,727
SUBTOTAL CFDA NUMBER 14.235				1,409,263	--	1,409,263
HOPWA Grant - 2004	185..431602	14,241	LAH04F002	839	--	839
HOPWA Grant - 2005	185..431602	14,241	LAH05F002	8,322	--	8,322
HOPWA Grant - 2006	185..431602	14,241	LAH06F002	209,471	--	209,471
HOPWA Grant - 2007	185..431602	14,241	LAH07F002	591,660	--	591,660
HOPWA Grant - 2008	185..431602	14,241	LAH08F002	613,254	--	613,254
SUBTOTAL CFDA NUMBER 14.241				1,423,546	--	1,423,546
<u>Direct Programs:</u>						
Emergency Shelter 2006-08	182..431602	14,231	S-06-MC-22-0002	4,781	--	4,781
Emergency Shelter 2007-09	182..431602	14,231	S-07-MC-22-0002	59,926	--	59,926
Emergency Shelter 2008-10	182..431602	14,231	S-08-MC-22-0002	116,915	--	116,915
<u>Passed through Louisiana</u>						
<u>Department of Social Services</u>						
Emergency Shelter	170..432602	14,231	06/08	44,430	--	44,430
Emergency Shelter	170..432602	14,231	07/09	134,753	--	134,753
SUBTOTAL CFDA NUMBER 14.231				360,805	--	360,805

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, 2009**

SCHEDULE A
(Continued)

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONTINUED):						
<u>Passed through Louisiana</u>						
<u>Department of Social Services</u>						
	121109					
Sharlo Terrace - 1994	170.431602	14.871	LA-48-0046-009	\$ 2,739	\$ --	\$ 2,739
Section 8-Existing	170.431602	14.871	LA-48-E003-001/004	1,059	--	1,059
Section 8 Vouchers Program - 2007	170.431602	14.871	LA-219-CEO-001-008	9,198	--	9,198
Section 8 Vouchers Program - 2008	170.431602	14.871	LA-219-CEO-001-008	7,445	--	7,445
Section 8 Vouchers Program - 2009	170.431602	14.871	LA-219-CEO-001-008	1,873,416	--	1,873,416
SUBTOTAL CFDA NUMBER 14.871				1,893,857	--	1,893,857
Katrina Disaster Housing Assistance	170.431602	14.DVP	LA-219-HR-001	(14,687)	--	(14,687)
Total U.S. Department of Housing and Urban Development				11,257,904	--	11,257,904
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<u>Direct Programs:</u>						
	121006					
Headstart - 2008	160.431601	93.600	06CH0065/31	195,194	--	195,194
Headstart - 2009	160.431601	93.600	06CH0065/32	10,077,264	558	10,077,822
SUBTOTAL CFDA NUMBER 93.600				10,272,458	558	10,273,016
HIV Emergency Relief Project (Ryan White)	189.431601	93.914	H89HA7937S	945,494	--	945,494
HIV Emergency Relief Project (Ryan White)	189.431601	93.914	H89HA11432A	2,416,590	--	2,416,590
HIV Emerg Relief Proj-Ryan White-Part A MAI	189.431601	93.914	H3MHA08465AO	264,001	--	264,001
SUBTOTAL CFDA NUMBER 93.914				3,626,085	--	3,626,085
<u>Passed through Louisiana Association of Community Action Partnership, Inc.</u>						
	111438					
LIHEAP Client Education Grant	160.434118	93.568	08/09	24	--	24
LIHEAP Client Education Grant	160.434118	93.568	07/08	2,231	--	2,231
LIHEAP Client Education Grant	160.434118	93.568	08/09	23,464	--	23,464
LIHEAP Client Education Grant	160.434118	93.568	09/10	10	--	10
SUBTOTAL CFDA NUMBER 93.568				25,729	--	25,729
<u>Passed through Louisiana Workforce Commission</u>						
	121118					
TANF/STEP Grant	161.432604	93.558	PY2008	82,227	--	82,227
TANF/STEP Grant	161.432604	93.558	PY2009	71,867	--	71,867
SUBTOTAL CFDA NUMBER 93.558				154,094	--	154,094
<u>Community Services Block Grant:</u>						
BRACA	160.432604	93.569	CSBG-FY-08P0019	238,543	--	238,543
BRACA	160.432604	93.569	CSBG-FY-09P0019	1,135,262	--	1,135,262
BRACA	160.432604	93.569	CSBG-FY-10P0019	36,343	--	36,343
SUBTOTAL CFDA NUMBER 93.569				1,410,148	--	1,410,148

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, 2009**

SCHEDULE A
(Continued)

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED):</u>						
<u>Passed through Governor's Office of Homeland Security and Emergency Preparedness:</u>						
LA State Uniform Construction Code Award	170.432103	93.283		\$ 24,373	\$ --	\$ 24,373
Total U.S. Department of Health and Human Services				15,512,887	558	15,513,445
<u>DEPARTMENT OF HOMELAND SECURITY</u>						
<u>Direct Programs:</u>						
Assistance to Fire Fighters - Alsen	709.431102	97.044	EMW-2007-FG-09426	24,049	--	24,049
<u>Passed through Governor's Office of Homeland Security and Emergency Preparedness:</u>						
Hazard Mitigation Planning Grant	170.432103	97.039		149,916	--	149,916
Hazard Mitigation Planning Grant-Statewide	170.432103	97.039	FEMA-1603-DR-LA-007	648,413	--	648,413
SUBTOTAL CFDA NUMBER 97.039				798,329	--	798,329
Metropolitan Medical Response System(MMRS)	170.432103	97.071	FY-2006	232,330	--	232,330
Metropolitan Medical Response System(MMRS)	170.432103	97.071	FY-2007	29,145	--	29,145
SUBTOTAL CFDA NUMBER 97.071				261,475	--	261,475
Citizen Corps Council Grant (CERT)	170.432103	97.053		23,762	--	23,762
Citizen Corps Council Grant (CERT)	170.432103	97.053		1,919	--	1,919
SUBTOTAL CFDA NUMBER 97.053				25,681	--	25,681
Urban Areas Security Initiative Grant	170.432103	97.008		203,208	--	203,208
Urban Areas Security Initiative Grant	170.432103	97.008		1,541,417	--	1,541,417
Urban Areas Security Initiative Grant	170.432103	97.008		427,238	--	427,238
SUBTOTAL CFDA NUMBER 97.008				2,171,863	--	2,171,863
<u>Passed through Louisiana Department of Military Affairs</u>						
State Homeland Security	170.432103	97.004	FY2005	379,890	--	379,890
State Homeland Security	170.432103	97.004	FY2006	185,565	--	185,565
State Homeland Security	170.432103	97.004	FY2007	1,654	--	1,654
<u>Passed through Louisiana Department of Public Safety</u>						
State Homeland Security Program	170.432104	97.004	FY2004	(54,942)	--	(54,942)
SUBTOTAL CFDA NUMBER 97.004				512,167	--	512,167

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, 2009**

SCHEDULE A
(Continued)

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>DEPARTMENT OF HOMELAND SECURITY (CONTINUED):</u>						
<u>Passed through Louisiana</u>						
<u>Commission on Law Enforcement</u> 121116						
Law Enforcement Terrorism Prevention Program	170.432103	97.067	X07-5-015	\$ 15,587	\$ --	\$ 15,587
Homeland Security Grant-City Constable	170.432102	97.067	X07-5-016	4,306	--	4,306
Police Law Enforcement Terrorism Prevention	170.432102	97.067	X08-5-013	29,891	--	29,891
SUBTOTAL CFDA NUMBER 97.067				49,784	--	49,784
Total Department of Homeland Security				3,843,348	--	3,843,348
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>						
<u>Passed through Governor's Office of Homeland Security and Emergency Preparedness</u>						
Hurricane Gustav	173.432103	121008 97.036		3,476,101	247,141	3,723,242
<u>Passed through United Way of America</u>						
Emergency Shelter (FEMA)	160.434602	111423 97.024	LRO 361400-001	20,849	--	20,849
Total Federal Emergency Management Agency				3,496,950	247,141	3,744,091
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
<u>Direct Programs:</u> 121003						
Downtown Signage/Visitor's Amenities Program	170.431202	20.507	LA-90-0079	26,042	--	26,042
<u>U.S. DEPARTMENT OF TRANSPORTATION- NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</u>						
<u>Passed through Capital Region</u>						
<u>Planning Commission</u> 121425						
Transportation Planning 2008	170.434101	20.505	PL-736-17-0348	46,879	--	46,879
Transportation Planning 2009	170.434101	20.505	PL-736-17-0352	23,261	--	23,261
CRPC Tech. Assistance Land Use 2008-2009	170.434101	20.505	PL-736-17-0344	10,000	--	10,000
SUBTOTAL CFDA NUMBER 20.505				80,140	--	80,140
Total U.S. Department of Transportation				106,182	--	106,182
<u>U.S. DEPARTMENT OF ENERGY</u>						
<u>Passed through Louisiana Community Action Partnership</u> 111438						
Weatherization Assistance Program	170.434118	81.042	2008	84,141	--	84,141
Weatherization Assistance Program	170.434118	81.042	2009	265,920	--	265,920
SUBTOTAL CFDA NUMBER 81.042				350,061	--	350,061
Total U.S. Department of Energy				350,061	--	350,061
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<u>Passed through Louisiana</u>						
<u>Department of Social Services</u> 121109						
LAJET	170.432602	10.561	07/08	(4,340)	--	(4,340)
LAJET	170.432602	10.561	08/09	313,761	--	313,761
LAJET	170.432602	10.561	09/10	149,624	--	149,624
SUBTOTAL CFDA NUMBER 10.561				459,045	--	459,045

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, 2009**

SCHEDULE A
(Continued)

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U.S. DEPARTMENT OF AGRICULTURE (CONTINUED):</u>						
<u>Passed through Louisiana</u>						
<u>Department of Education</u>						
Summer Food	121110 170.432607	10.559	08	\$ 1,032,684	\$ --	\$ 1,032,684
Head Start Food	160.432607	10.558	08/09	703,110	--	703,110
Head Start Food	161.432604	10.558	09/10	334,210	--	334,210
TANF-GED Program	161.432604	10.558	07/08	(1,424)	--	(1,424)
SUBTOTAL CFDA NUMBER 10.558				1,035,896	--	1,035,896
Total U.S. Department of Agriculture				2,527,625	--	2,527,625
<u>U.S. DEPARTMENT OF LABOR</u>						
<u>Passed through Louisiana Workforce Commissi</u>						
WIA-Trade Adjustment Assistance	121118 161.432604	17.245	FY2008	22,835	--	22,835
WIA-Adult Program	161.432604	17.258	FY2009	989,895	--	989,895
WIA-Adult Program	161.432604	17.258	FY2010	309,794	--	309,794
WIA-Adult Program	161.432604	17.258	PY2009	200,295	--	200,295
SUBTOTAL CFDA NUMBER 17.258				1,499,984	--	1,499,984
WIA-Youth Program	161.432604	17.259	PY2008	958,152	--	958,152
WIA-Youth Program	161.432604	17.259	PY2009	46,435	--	46,435
SUBTOTAL CFDA NUMBER 17.259				1,004,587	--	1,004,587
WIA-Dislocated Workers	161.432604	17.260	FY2008	298,618	--	298,618
WIA-Dislocated Workers	161.432604	17.260	FY2010	146,933	--	146,933
WIA-Dislocated Workers	161.432604	17.260	PY2008	3,002	--	3,002
WIA-Dislocated Workers	161.432604	17.260	PY2009	136,029	--	136,029
WIA-Dislocated Workers	161.432604	17.260	PY2008	461,102	--	461,102
SUBTOTAL CFDA NUMBER 17.260				1,045,684	--	1,045,684
Total U.S. Department of Labor				3,573,090	--	3,573,090
<u>U. S. DEPARTMENT OF JUSTICE</u>						
<u>Direct Programs:</u>						
Project Safe Neighborhoods- Anti Gang	121005 170.431103	16.609	2006-PG-BX-0051	28,845	--	28,845
Project Safe Neighborhoods - Anti Gang	170.431103	16.609	2007-PG-BX0012	30,147	--	30,147
Project Safe Neighborhoods - Anti Gang	170.431103	16.609	2008-PG-BX-0088	24,730	--	24,730
Project Safe Neighborhoods Comm. Outreach	170.431103	16.609	2006-GP-CX-80	3,638	--	3,638
Project Safe Neighborhoods-Gun Violence Red	170.431103	16.609	2007-GP-CX-0052	14,867	--	14,867
SUBTOTAL CFDA NUMBER 16.609				102,227	--	102,227
Police Bullet Proof Vest Program	170.431103	16.607		6,302	--	6,302
Police Bullet Proof Vest Program	170.431103	16.607		11,664	--	11,664
SUBTOTAL CFDA NUMBER 16.607				17,966	--	17,966
Cops Interoperable Communications Technolog	170.431103	16.710	2005-INNX-007	303,780	--	303,780

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, 2009**

SCHEDULE A
(Continued)

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
U. S. DEPARTMENT OF JUSTICE (CONTINUED):						
Direct Programs(Continued): 121005						
Edward-Byrne Memorial (JAG)	170.431103	16.738	2007-DJ-BX-0939	\$ 19,366	\$ --	\$ 19,366
Edward-Byrne Memorial (JAG)	170.431103	16.738	2008-F7470-LA-DJ	65,864	--	65,864
Edward-Byrne Memorial (JAG)	170.431103	16.738	2009-H1424-LA-DJ	57,179	--	57,179
SUBTOTAL CFDA NUMBER 16.738				142,409	--	142,409
Passed through Louisiana Commission on Law Enforcement 121116						
Juvenile Accountability Block Grant	170.432102	16.523	A06-8-019	4,462	21,863	26,325
Juvenile Accountability Block Grant	170.432102	16.523	A07-8-012	53,926	30,445	84,371
Juvenile Accountability Block Grant	170.432102	16.523	A06-8-035	5,246	--	5,246
SUBTOTAL CFDA NUMBER 16.523				63,634	52,308	115,942
JDAI-Data Collection/Systems Improvement	170.432102	16.540	J06-5-012	14,764	--	14,764
Targeted Violent Offender Program	170.432102	16.579	B07-5-012	49,517	17,793	67,310
Louisiana Domestic Violence Fatality Review	170.432102	16.588	D52-8-001	5,000	--	5,000
Total U. S. Department of Justice				699,297	70,101	769,398
U. S. DEPARTMENT OF THE TREASURY						
Passed through Baton Rouge Mid-City Redevelopment Alliance 111444						
Mid-City Redevelopment Alliance (085020)	170.434603	21.003		8,000	--	8,000
U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)						
Direct Programs. 121011						
EPA Petroleum Assessment Grant	170.431608	66.818	BF-96603701-0	37,955	--	37,955
EPA Petroleum Assessment Grant	170.431608	66.818	BF-96637101-0	65,679	--	65,679
Total U. S. Environmental Protection Agency				103,634	--	103,634
NATIONAL ENDOWMENT FOR THE HUMANITIES						
Passed through Arts Midwest on Behalf of the Arts 121025						
The Big Read-One Book/One Community	170.431608	45.024		20,000	--	20,000
The Big Read-One Book/One Community	170.431608	45.024		20,000	--	20,000
SUBTOTAL CFDA NUMBER 45.024				40,000	--	40,000
INSTITUTE OF MUSEUM & LIBRARY SERVICE 121026						
American Heritage Preservation	170.431609	45.303	IC-22-09-0030-09	2,313	--	2,313
Total National Endowment For the Humanities				42,313	--	42,313
U.S. DEPARTMENT OF COMMERCE						
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness 121025						
Public Safety Interoperable Communication	170.432103	11.555	2007-GS-H7-14	420,626	--	420,626
TOTAL FEDERAL GRANTS - SCHEDULE A				\$ 41,941,917	\$ 317,800	\$ 42,259,717

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

SCHEDULE A
(Continued)

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>AMERICAN RECOVERY AND REINVESTMENT ACT</u>						
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
<u>Direct Programs</u>	121004					
Homelessness Prevention & Rapid Re-Housing	151..431602	14.257	S09-MY-22-0002	\$ 62,689	\$ --	\$ 62,689
Total U. S. Department of Housing and Urban Development				62,689	--	62,689
<u>U.S. DEPARTMENT OF ENERGY</u>						
<u>Passed through Louisiana Community</u>						
<u>Action Partnership</u>	111438					
Weatherization Assistance Program (ARRA)	151..434118	81.042	2009	40,069	--	40,069
Total U. S. Department of Energy				40,069	--	40,069
<u>U.S. DEPARTMENT OF LABOR</u>						
<u>Passed through Louisiana Workforce Commission</u>						
<u>WIA-Adult Program (ARRA)</u>	111438					
WIA-Adult Program (ARRA)	151..432604	17.258	PY2008	191,000	--	191,000
WIA-Youth Program (ARRA)	151..432604	17.259	FY2008	1,250,773	--	1,250,773
WIA-Dislocated Workers (ARRA)	151..432604	17.260	PY2008	157,931	--	157,931
Total U. S. Department of Labor				1,599,704	--	1,599,704
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<u>Headstart 2009-(ARRA)</u>	121006					
Headstart 2009-(ARRA)	151..431601	93.708	06SE0065/01	109,643	--	109,643
Total U. S. Department of Health and Human Services				109,643	--	109,643
<u>U.S. DEPARTMENT OF JUSTICE</u>						
<u>Passed through East Baton Rouge Parish Sheriff's Office</u>						
<u>Co-Op</u>	121005					
Justice Assistance (JAG)-(ARRA)	151..431103	16.804	FY2009	945,846	--	945,846
Total U. S. Department of Justice				945,846	--	945,846
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>						
<u>Passed through United Way of America</u>						
<u>Emergency Shelter (FEMA)(ARRA)</u>	111423					
Emergency Shelter (FEMA)(ARRA)	151..434602	97.114	LRO 001	9,898	--	9,898
Total Federal Emergency Management Agency				9,898	--	9,898
TOTAL AMERICAN RECOVERY AND REINVESTMENT ACT(ARRA)				2,767,849	--	2,767,849
TOTAL FEDERAL AGENCY AND AMERICAN RECOVERY AND REINVESTMENT ACT(ARRA) SCHEDULE A				\$ 44,709,765	\$ 317,800	\$ 45,027,566

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

SCHEDULE B

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>FEDERAL GRANTS</u>						
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
<u>Direct Programs:</u>						
<u>Federal Aviation Administration</u>	121007					
Blount/Plank Roads; Conway Property:	482..431219	20.106	3-22-0006-72	\$ 321,257	\$ --	\$ 321,257
U.S. Air Carrier Apron						
Security Access Control, Fencing	482..431219	20.106	3-22-0006-74	104,846	--	104,846
LOI-ASW-08-07 Phase I	494..431219	20.106	3-22-0006-76	1,681,964	--	1,681,964
Sound Reduction Program-Phase III	482..431219	20.106	3-22-0006-77	1,163,664	--	1,163,664
Improve Runway 4L/22R Safety Area	482..431219	20.106	3-22-0006-78	501,135	--	501,135
R/W 4L/22R Safety Area - Plank Road	482..431219	20.106	3-22-0006-79	91,592	--	91,592
R/W 4L/22R Safety Area - Plank & Lighting	482..431219	20.106	3-22-0006-80	365,890	--	365,890
R/W 4L/22R Safety Area - Construct Blount Rd	482..431219	20.106	3-22-0006-81	3,339,150	--	3,339,150
Rehab & Expand South Air Carrier Apron	482..431219	20.106	3-22-0006-82	1,980,968	--	1,980,968
Land Acquisition Plank Road	482..431219	20.106	3-22-0006-83	812,445	--	812,445
Runway 13/31 & Taxiway B- Ph II	484..431219	20.106	3-22-0006-84	4,250,370	--	4,250,370
Improve Runway Safety Runways 4L and 22R	482..431219	20.106	3-22-0006-85	1,562,297	--	1,562,297
LOI-ASW-08-01 Phase II B	494..431211	20.106	3-22-0006-88	1,413,074	--	1,413,074
				<hr/>	<hr/>	<hr/>
Total U.S. Department of Transportation- FAA				17,588,652	--	17,588,652
				<hr/>	<hr/>	<hr/>
<u>U. S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u>						
<u>Direct Programs:</u>						
	121011					
Wastewater Systems Improvements	449..431605	66.606	XP966166-01	583,135	477,110	1,060,245
Wastewater Systems Improvements	449..431605	66.606	XP97676501-0	45,061	36,868	81,929
				<hr/>	<hr/>	<hr/>
Total U. S. Environmental Protection Agency				628,196	513,978	1,142,174
				<hr/>	<hr/>	<hr/>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<u>Passed through Louisiana Department</u>						
<u>Department of Education</u>						
	121110					
School Breakfast Program	001..432106	10.553	09	28,848	--	28,848
				<hr/>	<hr/>	<hr/>
National School Lunch Program	001..432106	10.555	09	41,915	--	41,915
				<hr/>	<hr/>	<hr/>
Total U. S. Department of Agriculture				70,763	--	70,763
				<hr/>	<hr/>	<hr/>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
<u>DIRECT PROGRAMS:</u>						
	121004					
Community Development/HUD						
Downtown Signage/Visitor Amenities Program	344..431602	14	B-03-SP-LA-0288	73,873	--	73,873
				<hr/>	<hr/>	<hr/>
Long Term Community Recovery Program	152..432495	14.228	CEA 684658	668,552	--	668,552
Louisiana Recovery Authority	152..432495	14.228	CEA 684377	164,671	--	164,671
				<hr/>	<hr/>	<hr/>
SUBTOTAL CFDA NUMBER 14.228				833,223	--	833,223
				<hr/>	<hr/>	<hr/>
Total U. S. Department of Housing and Urban Development				907,096	--	907,096
				<hr/>	<hr/>	<hr/>

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, 2009**

SCHEDULE B

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<u>Passed through LA Office of Youth Development</u>						
Juvenile Services - Title IV-E	121127 171..432104	93.658	2005	\$ 157,672	\$ --	\$ 157,672
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>						
<u>Direct Programs:</u>						
<u>Passed through the Governor's Office of Homeland Security and Emergency Preparedness</u>						
Emergency Management Performance Grant 2009	121126 001..432103	97.042		229,908	--	229,908
<u>Passed through Louisiana Commission On Law Enforcement</u>						
Law Enforcement Terrorism Prevention Program	121116 482..432102	97.067	X07-5-017	13,947		13,947
Total U. S. Department of Homeland Security				243,855	--	243,855
<u>U. S. DEPARTMENT OF TRANSPORTATION</u>						
<u>Direct Programs:</u>						
Downtown Signage/Visitor's Amenities Program	121003 344..431202	20.507	LA-03-0084	4,935	1,234	6,169
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
<u>Passed through Louisiana Department of Transportation and Development - Office of Highways</u>						
Signal System Synchronization	121101 341..432200	20.205	700-17-69	(21,056)	21,056	--
Millerville Rd - I-12 & Old Hammond Hwy	341..432200	20.205	700-19-44, 742-17-01 817-09-0027	130,466	43,489	173,955
Tiger Bend Road	341..432200	20.205	742-06-57	950	238	1,188
Groom Road	341..432200	20.205	700-30-0245, 742-07-011, 742-7-134	586	146	732
Signal Synchronization System - Phase IV & V	341..432200	20.205	700-17-0172	306,353	86,701	393,054
Aster-Chimes Drainage Improvements	341..432200	20.205	576-17-0008	253,709	25,399	279,108
Jones Creek Rd.(Tiger Bend to Coursey)	341..432200	20.205	700-26-0078, 742-17-0131	83,327	398,040	481,367
Nicholson Dr. @ Brightside Lane/West Lee Dr.	341..432200	20.205	414-01-0036 , 742-17-0130	(5,247)	16,238	10,991
Flannery Rd. to Florida Blvd. Intersection	341..432200	20.205	576-17-0008	--	95	95
S. Sherwood @ I-12 - Phase I	341..432200	20.205	742-17-134	23,168	5,792	28,960
Dalrymple Dr/University Lake/Bike Paths	341..432200	20.205	744-17-0015	363,567	19,796	383,363
Scenic Sidewalk	341..432200	20.205	744-17-0029	(99)	100	1
Central Thruway	341..432200	20.205	742-17-0144	2,139,414	--	2,139,414
SUBTOTAL CFDA NUMBER 20.205				3,275,138	617,090	3,892,228
Total U. S. Department of Transportation				3,280,073	618,324	3,898,397
TOTAL FEDERAL GRANTS - SCHEDULE B				\$ 22,876,307	\$ 1,132,302	\$ 24,008,609

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, 2009**

SCHEDULE B

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>AMERICAN RECOVERY AND REINVESTMENT ACT</u>						
<u>U. S. DEPARTMENT OF TRANSPORTATION</u>						
<u>Direct Programs:</u>						
<u>Federal Aviation Administration:</u>	121007					
Replacement Aircraft Rescue & Fire fighting Veh	482.431219	20.106	3-22-0006-86	\$ 567,700	\$ --	\$ 567,700
Expand Aircraft Rescue & Fire fighting Building		20 106	3-22-0006.87	1,849,616	--	1,849,616
SUBTOTAL CFDA NUMBER 20.106				<u>2,417,316</u>	<u>--</u>	<u>2,417,316</u>
Total U. S. Department of Transportation ARRA				<u>2,417,316</u>	<u>--</u>	<u>2,417,316</u>
TOTAL AMERICAN RECOVERY AND REINVESTMENT ACT-SCHEDULE B				<u>2,417,316</u>	<u>--</u>	<u>2,417,316</u>
TOTAL FEDERAL AGENCY & ARRA - SCHEDULE B				<u>\$ 25,293,623</u>	<u>\$ 1,132,302</u>	<u>\$ 26,425,925</u>

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, 2009

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, (the 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 government 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, 2009. Schedule A details federal awards recorded in governmental fund types wherein revenues are recognized to the extent of expenditures. Schedule B details federal awards for proprietary fund types where government subsidies or contributions are recorded.

Note C – Relationship to Financial Statements

The Schedule of Expenditures of Federal Awards (SEFA) was prepared from the same accounting records that 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 – Sub-recipients

The City-Parish provided federal awards to sub-recipients as follows:

<u>Program: Title</u>	<u>CFDA Number</u>	<u>Amounts Provided to Sub-recipients</u>
Workforce Investment Act Youth Program	17.259	\$1,004,587
Workforce Investment Act Youth Program (ARRA)	17.259	1,250,773
HIV Emergency Relief Project Grants	93.914	3,626,085
Supportive Housing Program	14.235	<u>1,409,263</u>
Total		<u>\$7,290,708</u>

Additionally, a substantial portion of the loans outstanding under the HOME and CDBG programs have been made to sub-recipients (see Note E).

Note E – Loan Assistance

The City-Parish had outstanding loans at December 31, 2009 in the following programs:

<u>Program: Title</u>	<u>CFDA Number</u>	<u>Loan Balance</u>
HOME Partnership Investment Program	14.239	\$ 11,645,527
Community Development Block Grant (CDBG)	14.218	3,593,710
Rental Rehabilitation	14.871	757,210
Blended (HOME, CDBG and Rental Rehab)		<u>641,006</u>
Total gross loans		16,637,453
Allowance for loan losses		<u>(13,309,962)</u>
Total net loans		<u>\$ 3,327,491</u>

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009**

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unqualified

- 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 control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes no

Type of auditor's report issued on compliance for major programs:

- Adverse for 14.239
- Unqualified for 14.218, 16.804, 17.258, 17.259, 17.260, 20.106, 93.600 and 93.914

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant
14.239	Home Investment Partnerships Program
16.804	Justice Assistance Grant
17.258	Workforce Investment Act – Adult Program
17.259	Workforce Investment Act – Youth Activities
17.260	Work force Investment Act – Dislocated Workers
20.106	Airport Improvement Program
93.600	Head Start
93.914	HIV Emergency Relief Project Grants (Ryan White)

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009**

A. Summary of Auditor's Results (Continued)

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$2,100,101.
- The City of Baton Rouge and Parish of East Baton Rouge did not qualify as a low-risk auditee.

B. Findings – Financial Reporting

2009-1) Accounts Receivable - Emergency Medical Services (EMS) Billings and Collections

Condition(s): The costs of providing EMS services to the citizens of the Parish are funded through both property taxes and fees for service. Fees of \$7,898,133 represented approximately 43% of total revenues of the EMS department for 2009. The following matters were noted during our audit of accounts receivable and revenue of the EMS special revenue fund:

- EMS is behind in their billings. Services provided during the months of August through December 2009 had not been billed as of December 31, 2009.
- Procedures for collection of past-due accounts consist primarily of the issuance of past due notices to customers as well as letters from the Parish Attorney. These collection procedures lack the application of enforcement measures such as legal action or referrals to collection agencies.
- The accounts receivable aging report is not reviewed on a monthly basis. Furthermore, the policy for the write off of bad debts over a year old from the date of billing has not been consistently adhered to.

Effect: These conditions present several issues to the City. First, if services are not billed timely and non-payment for those services has no consequence, the City may be receiving less than optimal revenue. Additionally, these conditions, combined with current accounting system limitations, could potentially contribute to misstatement of the fund as well as government-wide financial statements.

Recommendation: The City should take steps to ensure that the billing of its EMS services is kept current. As medical billing can be a complex and time consuming process, adequate resources should be devoted to performing this function. In addition, the City should consider the following:

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009**

2009-1) Accounts Receivable - Emergency Medical Services (EMS) Billings and Collections (Continued)

- A formal periodic review of the accounts receivable aging.
- The use of a collection agency to aid in the collection of delinquent accounts.

The positive results from these procedures may increase cash collections to the City and ensure accounts receivable are adequately valued for financial reporting.

View of Responsible Official and Planned Corrective Action:

The Department of Emergency Medical Services (EMS) billings are not current due to a lack of personnel and problems with the software which transfers patient data to the existing billing program. EMS has recently hired four student interns to assist in bringing the billings to a current status. EMS has also established meetings with the software vendor to resolve the software issues.

C. Findings – Federal Award Programs

2009-2) Program Income

Questioned Costs: None

Department of Housing and Urban Development

14.239 Home Investment Partnership Program

Grant No(s): M-92-MC-22-0204
M-98-MC-22-0204
M-04-MC-22-0204
M-05-MC-22-0204
M-06-MC-22-0204
M-08-MC-22-0204
M-09-MC-22-0204

Criteria:

Program income may be used in one of three methods: deducted from outlays, added to the project budget, or used to meet matching requirements. Unless specified in the federal award agency regulations or the terms and conditions of the award, the OMB A-102 Common Rule requires program income received to be deducted from federal outlays. If program income is retained, the federal regulations allows the establishment of a revolving fund under 24 CFR 570.500(b). The regulations require that the income be disposed from the revolving fund before additional cash withdrawals are made from the US Treasury for the same activity.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009**

2009-2) Program Incomes (Continued)

Condition: The grantee had program income cash of approximately \$2,124,270 available in a revolving fund at December 31, 2009 for the Home Program. This program income represents accumulated collections on multi-family and single family rehab and purchase program loans. Despite the fact that program income was available in a revolving fund, draw downs of federal funds occurred. *This is a repeat finding from the prior year. See Summary Schedule of Prior Year Findings No. 2008-3.*

Effect: The grantee is out of compliance with the federal regulations regarding the disposition of program income and in essence may have overdrawn the amount of funds needed in order to carry out the programs.

Recommendation: Future draw-downs of grant funds should be offset by available program income.

View of Responsible Official and Planned Corrective Action:

The Office of Community Development (OCD) has a history of funding specific projects with program income funds generated from HOME loan repayments. OCD will utilize the Housing and Urban Development consulting team's recommendations to address the program income issues. OCD will implement the following corrective action to ensure that program income is expended timely.

1. OCD will reconcile program income and entitlement balances on the Financial Accounting Information System (FAIS) to the HUD on-line reporting system (IDIS).
2. OCD will establish written procedures for documenting program income.
3. OCD will enter all program income in IDIS and describe the source of the income, confirm the recording of the income, identify the credit amount of income, and designate one staff person as responsible for all processes.
4. OCD will fund future activities with program income.

2009-3) Program Income

Questioned Costs: None

Department of Housing and Urban Development

14.239 Home Investment Partnership Program

Grant No(s): M-92-MC-22-0204
M-98-MC-22-0204
M-04-MC-22-0204
M-05-MC-22-0204
M-06-MC-22-0204
M-08-MC-22-0204
M-09-MC-22-0204

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009**

2009-3) Program Income (Continued)

Criteria: Program income should be recorded into the accounting records of the grantee on a timely basis.

Conditions: The City-Parish's Office of Community Development administers the Home program. The primary tools used by the OCD to track and collect program income include Portfolio Collection and Delinquency reports which are generated from software used by an outsourced information service provider who also services the loans. During our testing, we noticed that two of the twenty five loans which had been disbursed from the grant funds did not appear on the servicer's December 2009 portfolio report. This indicates that the tested loans had not been entered into the servicer's accounting software on a timely basis. *This is a repeat finding from the prior year. See Summary Schedule of Prior Year Findings No. 2008-4.*

Effect: The grantee may not be getting a true picture of the loans outstanding in the program and could potentially be unaware of program income due from borrowers if the servicer's monthly reports are not current, accurate and complete. Additionally, loan payments may be coming due without knowledge of the servicer and the OCD. Timely billing may not occur if the loans are not entered into the servicer's loan accounting software.

Recommendation: The grantee should develop procedures to ensure that loans disbursed are posted into the servicer's loan accounting software in a timely manner and with accuracy. Such procedures could include:

- a. Reconciliation of loans disbursed per the general ledger to the loan servicer's reports.
- b. Tickler system in loan files that would serve as a reminder to personnel to submit the information to the servicer.
- c. Review of the servicer's reports for completeness and accuracy by program and accounting personnel.

View of Responsible Official and Planned Corrective Action:

Delays occur in submitting loan documents to the servicer because of errors found in loan packages received from closing attorneys. OCD will take the following corrective action to ensure that loans are accurately posted to the servicer's software and in a timely manner.

1. Once the closing date for a loan is determined, OCD's Housing Program Officer will send the blank loan documents and promissory notes, in advance, to the title company to ensure that the necessary information can be provided timely. After the loan documents are prepared by the title company, OCD will review the documents for accuracy. OCD will return the loan package along with the check to the title company for the closing.
2. A preliminary loan package will be sent by OCD to the servicer

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009**

2009-3) Program Income (Continued)

immediately upon closing. If any errors are found that need to be corrected, OCD will prepare and send a corrected loan package to the servicer.

3. OCD will submit all loans, whether multifamily or homebuyer, to the servicer. The report will separate all "deferred forgivable" loans from other deferred loans. The report will give OCD staff a complete list of loans.
4. When OCD's Housing Program Officer sends the loan package to the servicer, she will include a summary form with the rates/terms of the loans, all of the necessary dates, and amounts. The OCD Account Associate will verify the information on this form and then submit it with the loan package. Once the information is input into the servicer's software and appears on the appropriate reports, the Housing Program Officer will verify the report for accuracy.

2009-4) Monitoring of Sub-recipients

Questioned Costs: None

Department of Housing and Urban Development

14.218 Community Development Block Grant

Grant No(s): B-04-MC-22-0002
 B-05-MC-22-0002
 B-06-MC-22-0002
 B-07-MC-22-0002
 B-08-MC-22-0002
 B-09-MC-22-0002

14.239 Home Investment Partnership Program

Grant No(s): M-92-MC-22-0204
 M-98-MC-22-0204
 M-04-MC-22-0204
 M-05-MC-22-0204
 M-06-MC-22-0204
 M-08-MC-22-0204
 M-09-MC-22-0204

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.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009**

2009-4) Monitoring of Sub-recipients (Continued)

Condition: The City-Parish's Office of Community Development (OCD) administers the CDBG and Home programs. In considering the OCD's compliance with its monitoring requirements, we noted 2 out of 17 CDBG sub-recipients and none of the 17 Home sub-recipients were monitored during 2009. Some of the sub-recipients have not been monitored for several years. The OCD lacks a process whereby sub-recipient monitoring is tracked, risk-assessed and executed in a consistent and systematic manner. *This is a repeat finding from the prior year. See Summary Schedule of Prior Year Findings No. 2008-6.*

Effect: The City is non-compliant with its monitoring responsibilities.

Recommendation: The OCD should develop a monitoring plan that sets forth a systematic approach to monitoring its sub-recipients that ensures all sub-recipients are appropriately monitored, risk assessed, and tracked.

View of Responsible Official and Planned Corrective Action:

OCD has developed the following corrective action plan to ensure that all sub-recipients are appropriately monitored.

1. OCD will develop formal written policies and procedures for developing its sub-recipient agreements and then redesign its monitoring forms to document that sub-recipients are providing the services stated in the agreements according to detailed budgets.
2. Within its monitoring section, OCD will consider combining all of its functions across programs so that multiple site visits are not necessary for one sub-recipient. OCD is also considering assigning tasks by sub-recipient rather than by grant program to allow OCD staff members to be aware of what funding each sub-recipient receives.
3. OCD will develop or update policies and procedures and obtain training for staff specific to individuals programs to ensure proper monitoring of sub-recipients.

2009-5) Monitoring of Sub-Recipients

Questioned Costs: None

Department of Health and Human Services

93.914 HIV Emergency Relief Project Grants (Ryan White)

Grant No(s): H89HA7937S
H89HA11432A
H3MHA08465A0

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009**

2009-5) Monitoring of Sub-Recipients (Continued)

Criteria: OMB Circular A-133 and the A-102 Common rule indicate that a pass-through entity is responsible for monitoring its sub-recipients.

Condition: Certain aspects of the program administration's monitoring process could benefit from enhancement. While the administration's process for reviewing sub-recipient requests for reimbursement generally allows a high level of review of allowable costs, certain other aspects of grant compliance can best be ensured through on-site monitoring visits. We noted the following deficiencies with regard to the Program's monitoring program:

- Monitoring visits are to be performed quarterly for each sub-recipient. However, only two monitoring visits were performed during the year. Also, the monitoring procedures and reports for these visits were only partially completed. Therefore, the monitoring of sub-recipients was infrequent (2 out of 32) and was not performed according to plan.
- The monitoring instrument, which focuses specifically on the determination of eligibility of participants, does not include other requirements in determining whether program regulations are followed. Such other requirements include consideration of whether other sources for medical payments have been exhausted such as Medicaid, Medicare or private insurance.

This is a repeat finding from the prior year. See Summary Schedule of Prior Year Findings No. 2008-2.

Effect: A pass-through entity must execute its monitoring responsibilities to help ensure program compliance by the sub-recipient. Failure to carry out all appropriate aspects of a monitoring program presents a risk that non-compliance could exist at the sub-recipient level without timely detection by the pass-through entity.

Recommendation: The program administration should develop and document a monitoring plan at the beginning of the program year so available resources can be matched with the needs and capacity of the sub-recipients. This plan should include the priority, frequency, date and time of site visits. The monitoring instrument should be revised to include other aspects of determining whether grant funds were expended for allowable costs for services provided to eligible individuals.

View of Responsible Official and Planned Corrective Action: The Department of Human Development and Services (DHDS) will work with Health Resources and Services Administration (HRSA) and peer agencies to develop a monitoring tool which ensures compliance

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009**

2009-5) Monitoring of Sub-Recipients (continued)

with all applicable Ryan White requirements. DHDS will develop and fully implement a monitoring schedule which includes the priority, frequency, and date and time of the site visits.

2009-6) Monitoring

Questioned Costs: None

Department of Labor

17.258 Workforce Investment Act – Adult Program

17.259 Workforce Investment Act – Youth Program

17.260 Workforce Investment Act – Dislocated Workers

Grant No(s): PY2008, PY2009, FY2009, FY2010

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.

Condition: The monitoring activities of the Program consist of 1) obtaining audit reports conducted in accordance with OMB Circular A-133 and 2) on-site monitoring visits. We found, for the most part, that those activities are being conducted. However, the monitoring reports prepared on the results of the visit were not signed by the Director or his designee, indicating a lack of review by program management.

Effect: Non-compliance could be occurring by the sub-recipient without the knowledge of those empowered to make decisions.

Recommendation: The Program Director should review and sign all monitoring reports timely.

View of Responsible Official and Planned Corrective Action:

The WIA program has a new program director that is in the process of reviewing and restructuring the procedures and processes for the monitoring unit. New procedures will include an administrative review and the formulation of corrective action to be taken by the contractors for all entities that have reported findings.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2009

Findings – Federal Award Programs

Department of Health and Human Services

93.914 HIV Emergency Relief Project Grants

2008-1) Activities Allowed/Allowable Costs/Monitoring

Questioned Costs: \$536,426

Grant No: H89HA79375

Criteria: Grant program funds are to be used for activities allowed under the terms of the grant award and costs charged to those programs must be allowable under OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*.

Condition: The program funded by the grant is to be carried out in accordance with a contract between the City-Parish and various health care provider institutions in the Metropolitan area. The contracts stipulate that amounts paid to the sub-recipient providers will be supported by an itemization of the detailed services provided. While testing compliance to determine if expenditures reimbursed to sub-recipient health care providers were for activities allowed under the terms of the contract and allowable costs, 11 of the 40 expenditures selected for testing lacked the required itemization of services.

Effect: Expenditures reimbursed to sub-recipients may have been for costs specifically not allowed under the grant provisions or specifically disallowed under OMB Circular A-87. This condition, when considered in combination with insufficient monitoring identified in finding # 2 could result in unallowable costs being charged to the program.

Recommendation: Payments to the sub-recipient health care providers should be made only upon receipt of an itemization of services prior to the disbursement of funds, in accordance with the contract.

View of Responsible
Official and Planned
Corrective Action:

As recommended, the Office of Community Development (OCD) will make payments to sub-recipients only when an adequate invoice and itemization of services has been obtained from the sub-recipient health care providers.

Updated Response:

Resolved. Disbursements to sub-recipient health care providers were made upon receipt of an itemization of services in accordance with the terms of the contracts.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2009

2008-2) Monitoring of Sub-Recipients

Questioned Costs: None

Department of Health and Human Services

93.914 HIV Emergency Relief Project Grants (Ryan White)

- Criteria:** OMB Circular A-133 and the A-102 Common rule indicate that a pass-through entity is responsible for monitoring its sub-recipients.
- Condition:** Certain aspects of the program administration's monitoring process could benefit from enhancement. While the administration's process for reviewing sub-recipient requests for reimbursement (See the itemization of detailed services in Finding 2008-1) generally allows a high level of review of allowable costs, certain other aspects of grant compliance can best be ensured through on-site monitoring visits. We noted the following deficiencies with regard to the Program's monitoring program:
- While a monitoring workbook is used by program administration to assist in the monitoring process, a monitoring plan has not been developed.
 - Monitoring visits, while some were conducted, were infrequent (5 out of 16) and were not performed according to a preset schedule.
 - The monitoring instrument, which focuses specifically on the determination of eligibility of participants, does not include other requirements in determining allowable activities specifically disallowed by federal guidelines such as the following:
 - No determination if any item or service being reimbursed has other potential coverage such as Medicaid or Medicare.
 - No determination of whether cash payments were made directly to recipients of services.
 - Sub-recipient reimbursement requests lacked supporting documentation, as noted at 2008-1.
- Effect:** A pass-through entity must execute its monitoring responsibilities to help ensure program compliance by the sub-recipient. Failure to carry out all appropriate aspects of a monitoring program presents a risk that non-compliance could exist at the sub-recipient level without timely detection by the pass-through entity.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2009

2008-2) Monitoring of Sub-Recipients (Continued)

Recommendation: The program administration should develop and document a monitoring plan at the beginning of the program year so available resources can be matched with the needs and capacity of the sub-recipients. This plan should include the priority, frequency, date and time of site visits. The monitoring instrument should be revised to include other aspects of determining whether grant funds were expended for allowable costs for services provided to eligible individuals.

View of Responsible
Official and Planned

Corrective Action: OCD will develop a monitoring plan which will include a schedule of dates and times for site visits. A Ryan White monitoring form was developed and implemented in June 2009 to document sub-recipient compliance.

Updated Response: *Partially Resolved. A monitoring form was developed and used in the monitoring visits performed during the fiscal year. However, the program administration's monitoring process needs additional enhancement. This is a repeat finding in the current year. See the Schedule of Findings and Questioned Costs No. 2009-6.*

2008-3) Program Income

Questioned Costs: None

Department of Housing and Urban Development

14.218 Community Development Block Grant

Grant No(s): B-97-MC-22-0002
 B-00-MC-22-0002
 B-02-MC-22-0002
 B-03-MC-22-0002
 B-04-MC-22-0002
 B-05-MC-22-0002
 B-06-MC-22-0002
 B-07-MC-22-0002

14.239 Home Investment Partnership Program

Grant No: M-92-MC-22-0204

Criteria: Program income may be used in one of three methods: deducted from outlays, added to the project budget, or used to meet matching requirements. Unless specified in the federal award agency regulations or the terms and conditions of the award, the OMB A-102 Common Rule requires program income received to be deducted from federal outlays.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2009

2008-3) Program Income (Continued)

If program income is retained, the federal regulations allows the establishment of a revolving fund under 24 CFR 570.500(b). The regulations require that the income be disposed from the revolving fund before additional cash withdrawals are made from the US Treasury for the same activity.

Condition: The grantee had program income cash of approximately \$2,484,000 and \$2,130,000 cash available in a revolving fund at December 31, 2008 for the CDBG and Home Programs respectively. This program income represents accumulated collections on multi-family and single family rehab and purchase program loans. Despite the fact that program income was available in a revolving fund, draw downs of federal funds occurred. *This is a repeat finding from the prior year. See Summary Schedule of Prior Year Findings No. 2007-4.*

Effect: The grantee is out of compliance with the federal regulations regarding the disposition of revolving funds and in essence may have overdrawn the amount of funds needed in order to carry out the programs.

Recommendation: Future draw-downs of grant funds should be offset by available program income.

**View of Responsible
Official and Planned**

Corrective Action: The program income balances represent a revolving loan fund which primarily consists of income from loan repayments on housing loan accounts and will be used to make additional housing loans. OCD is attempting to locate eligible projects that can be funded with available program income. OCD has formulated a plan that includes entering program income for the Home program into the U.S. Department of Housing and Urban Development's Integrated Disbursement and Information System (IDIS) by August 31, 2009.

Updated Response: *Partially Resolved. The balance in the revolving fund for the CDBG program had decreased to approximately \$500,000, indicating the use of program income balance prior to the drawdown of entitlement funds. However, the Home program revolving fund balance was approximately \$1,625,000. This is a repeat finding in the current year. See the Schedule of Findings and Questioned Costs No. 2009-1.*

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2009

2008-4) Program Income

Questioned Costs: None

14.218 Community Development Block Grant

Grant No(s): B-04-MC-22-0002
 B-05-MC-22-0002
 B-06-MC-22-0002

14.239 Home Investment Partnership Program

Grant No: M-92-MC-22-0204

Criteria: Program income should be recorded into the accounting records of the grantee on a timely basis.

Conditions: The City-Parish's Office of Community Development administers the CDBG and HOME programs. The primary tools used by the OCD to track and collect program income include portfolio, collection and delinquency reports which are generated from software used by an outsourced information service provider who also services the loans. During our testing, we noticed that certain multifamily loans which had been disbursed from the grant funds did not appear on the servicer's December 2008 portfolio report. This indicates that the tested loans had not been entered into the servicer's accounting software on a timely basis.

Effect: The grantee may not be getting a true picture of the loans outstanding in the program and could potentially be unaware of program income due from borrowers if the servicer's monthly reports are not current and complete. Additionally, loan payments may be coming due without knowledge of the servicer and the OCD. Timely billing may not occur if the loans are not entered into the servicer's loan accounting software.

Recommendation: The grantee should develop procedures to ensure that loans disbursed are posted into the servicer's loan accounting software in a timely manner. Such procedures could include:

- d. Reconciliation of loans disbursed per the general ledger to the loan servicer's reports.
- e. Tickler system in loan files that would serve as a reminder to personnel to submit the information to the servicer.
- f. Review of the servicer's reports for completeness and accuracy by program personnel.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2009

2008-4) Program Income (Continued)

View of Responsible
Official and Planned

Corrective Action: The Office of Community Development has assigned additional staff to post transactions into the servicer's loan software program so that all loans are posted timely and accurately.

Updated Response: *Not Resolved. This is a repeat finding in the current fiscal year. See the Schedule of Findings and Questioned Costs No. 2009-2.*

2008-5) Monitoring of Sub-Recipients

Questioned Costs: None

14.218 Community Development Block Grant

Grant No(s): B-07-MC-22-0002

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.

Condition: The City-parish's Office of Community Development (OCD) administers the CDBG program. SeedCo Financial, Inc, a sub-recipient that received approximately \$500,000 in 2007 for the establishment of a small business loan fund, was not monitored by the Office of Community Development for compliance with federal regulations or compliance with the terms of its contractual agreement with the City. The City-Parish's contract with SeedCo required SeedCo to submit quarterly reports to the City-Parish of its operations and loans disbursed. The quarterly reports were not obtained.

Effect: A pass-through entity must execute its monitoring responsibilities to help ensure program and grant compliance by the sub-recipient. Failure to carry out all appropriate aspects of a monitoring program presents a risk that non-compliance and fraud could exist at the sub-recipient level without timely detection by the pass-through entity.

Recommendation: The program administration must monitor this sub-recipient to ensure compliance with federal regulations and obtain all quarterly reports required under the terms of the contractual agreement with the not-for-profit organization.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2009

2008-5) Monitoring of Sub-Recipients (Continued)

View of Responsible
Official and Planned

Corrective Action: When the SeedCo contract was executed in 2007, OCD was undergoing changes in Administration and, inadvertently, the administration of the SeedCo contract was never assigned to an OCD staff member. This oversight has revealed that the quarterly reports were being sent to our Parish Attorney's office instead of OCD. SeedCo has been informed to send future reports to OCD and Finance.

Updated Response: *Resolved. The OCD Director assigned the responsibility for monitoring the SeedCo contract to a Planner III. Additionally, he has assigned overall responsibility for monitoring and performance management to the Assistant Director. The SeedCo contract monitor includes obtaining and reviewing newly designed quarterly reports. SeedCo began submitting the new reports for the third quarter on October 29, 2009.*

2008-6) Monitoring of Sub-recipients

Questioned Costs: None

14.218 Community Development Block Grant

Grant No(s): B-97-MC-22-0002
B-00-MC-22-0002
B-02-MC-22-0002
B-03-MC-22-0002
B-04-MC-22-0002
B-05-MC-22-0002
B-06-MC-22-0002
B-07-MC-22-0002

14.239 Home Investment Partnership Program

Grant No: M-92-MC-22-0204

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.

Condition: The City-Parish's Office of Community Development (OCD) administers the CDBG and HOME programs. In considering the OCD's compliance with its monitoring requirements, we noted a number of sub-recipients that were not monitored during 2008. Some of the sub-recipients have not been monitored for several years.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2009

2008-6) Monitoring of Sub-recipients (Continued)

The OCD lacks a process whereby sub-recipient monitoring is tracked, risk-assessed and executed in consistent and systematic manner.

Effect: The City is non-compliant with its monitoring responsibilities.

Recommendation: The OCD should develop a monitoring plan that sets forth a systematic approach to monitoring its sub-recipients that ensures all sub-recipients are appropriately monitored, risk assessed, and tracked.

View of Responsible Official and Planned

Corrective Action: OCD will develop a Monitoring Plan which will include a schedule of dates and times for site visits. OCD has instructed staff to prepare and submit a schedule of dates and times for site visits in accordance with the Monitoring Plan.

Updated Response: *Not Resolved. OCD has not monitored many of its sub-recipients as required by federal regulations and lacks formal plans, policies, and procedures for monitoring all of its grant programs. This is a repeat finding in the current year. See the Schedule of Findings and Questioned Costs No. 2009-3.*

2008-7) Allowable Costs – Employer Based Training Fraud

Questioned Costs: \$55,355

17.258 Workforce Investment Act – Adult Program

Grant No(s): CFMS#649405

Criteria: Grant program funds are to be used for activities allowed under the terms of the grant award and costs charged to those programs must be allowable under OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*.

Condition: As part of its monitoring responsibilities, the City-parish's WIA program monitors the entities with which it contracts to provide training to participants. During the course of routine monitoring of an Employer Based Training (On the Job Training or OJT) provider in January 2008, the monitors noted numerous issues of non-compliance with the terms of the OJT agreement. The monitor was unable to obtain the required documentation necessary to support requests reimbursement of payroll costs that were submitted by this provider. In addition, monitors were unable to corroborate the existence of the program with participants. It was also discovered that nepotism existed between the owner and several of the participants. The contract has been revoked and the matter has

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2009

2008-7) Allowable Costs – Employer Based Training Fraud (Continued)

since been reported to the Department of Labor and the District Attorney. The District Attorney has filed criminal charges against the owner of the business.

Effect: Fraudulent costs appear to have been charged to the program. The City-Parish is pursuing action to remediate the damages caused by these fraudulent acts.

Recommendation: The City-parish should cooperate with those authorized on any prosecution efforts.

**View of Responsible
Official and Planned**

Corrective Action: The Workforce Investment Board (WIB) reviewed the operation in a timely manner, discontinued payments, and reported the incident to the Administration, local authorities, the State of Louisiana, and United States Department of labor as required by the grant regulations. Once the investigation and prosecution procedures are complete, the WIB will seek restitution of disallowed costs. Further, because the WIB followed required procedures and took necessary corrective action, a request for waiver of the costs involved will be submitted after the WIB exhausts debt collection from the contractor (per 20 CFR 667.630 and 667.720). The WIB is reviewing the timesheets and invoices of all contracts more closely to prevent reoccurrence.

Updated Response: Resolved.

FORM **SF-SAC**
(8-8-2008)

U.S. DEPT. OF COMM.— Econ. and Stat. Adm.— U.S. CENSUS BUREAU
ACTING AS COLLECTING AGENT FOR
OFFICE OF MANAGEMENT AND BUDGET

**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS
for Fiscal Year Ending Dates in 2008, 2009, or 2010**

▶ Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

PART 1 GENERAL INFORMATION (To be completed by auditee, except for Items 6, 7, and 8)

1. Fiscal period ending date for this submission Month Day Year 12 / 31 / 2009	2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit	3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 3 <input type="checkbox"/> Other — <input type="text"/> Months 2 <input type="checkbox"/> Biennial
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4. Auditee Identification Numbers

a. Primary Employer Identification Number (EIN) 7 2 - 6 0 0 0 1 3 7	d. Data Universal Numbering System (DUNS) Number 0 7 - 1 9 4 - 8 3 0 1
b. Are multiple EINs covered in this report? 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	e. Are multiple DUNS covered in this report? 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No
c. If Part I, Item 4b = "Yes," complete Part I, Item 4c on the continuation sheet on Page 4.	f. If Part I, Item 4e = "Yes," complete Part I, Item 4f on the continuation sheet on Page 4.

5. AUDITEE INFORMATION

a. Auditee name EAST BATON ROUGE
b. Auditee address (Number and Street) 222 ST. LOUIS STREET City BATON ROUGE State ZIP + 4 Code LA 70821-1411
c. Auditee contact Name KATHLEEN KREKO Title ACCOUNTING MANAGER
d. Auditee contact telephone (225) 389-3316
e. Auditee contact FAX (225) 389-7831
f. Auditee contact E-mail KKREKO@BRGOV.COM

6. PRIMARY AUDITOR INFORMATION (To be completed by auditor)

a. Primary auditor name POSTLETHWAITE & NETTERVILLE APAC
b. Primary auditor address (Number and street) 8550 UNITED PLAZA BLVD., SUITE 1001 City BATON ROUGE State ZIP + 4 Code LA 70809
c. Primary auditor contact Name FREDDY SMITH Title DIRECTOR
d. Primary auditor contact telephone (225) 922-4600
e. Primary auditor contact FAX (225) 922-4611
f. Primary auditor contact E-mail FSMITH@PNCIPA.COM

g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in **Parts I, II, and III** of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

g. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in **Parts II and III** of the form, except for Part III, Items 7, 8, and 9a-9f, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and **is not a substitute** for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in **Parts II and III** of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Auditee certification	Date
ELECTRONICALLY CERTIFIED	6/25/2010

Name of certifying official
KATHLEEN KREKO

Title of certifying official
ACCOUNTING MANAGER

7a. Add Secondary auditor information? (Optional)
1 Yes 2 No

b. If "Yes," complete **Part I, Item 8** on the continuation sheet on page 5.

Auditor certification	Date
ELECTRONICALLY CERTIFIED	6/25/2010

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report

Mark either: 1 Unqualified opinion **OR**
 any combination of: 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No

3. Is a significant deficiency disclosed? 1 Yes 2 No - SKIP to Item 5

4. Is any significant deficiency reported as a material weakness? 1 Yes 2 No

5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III FEDERAL PROGRAMS (To be completed by auditor)

1. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending \$500,000 or more in Federal awards that have separate A-133 audits which are not included in this audit? (AICPA Audit Guide, Chapter 12) 1 Yes 2 No

2. What is the dollar threshold to distinguish Type A and Type B programs? (OMB Circular A-133 § .520(b)) \$ 2,100,101

3. Did the auditee qualify as a low-risk auditee? (§ .530) 1 Yes 2 No

4. Is a significant deficiency disclosed for any major program? (§ .510(a)(1)) 1 Yes 2 No - SKIP to Item 6

5. Is any significant deficiency reported for any major program as a material weakness? (§ .510(a)(1)) 1 Yes 2 No

6. Are any known questioned costs reported? (§ .510(a)(3) or (4)) 1 Yes 2 No

7. Were Prior Audit Findings related to direct funding shown in the Summary Schedule of Prior Audit Findings? (§ .315(b)) 1 Yes 2 No

8. Indicate which Federal agency(ies) have current year audit findings related to direct funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to direct funding. (Mark (X) all that apply or None)

- | | | | |
|--|--|---|--|
| 98 <input type="checkbox"/> U.S. Agency for International Development | 39 <input type="checkbox"/> General Services Administration | 43 <input type="checkbox"/> National Aeronautics and Space Administration | 96 <input type="checkbox"/> Social Security Administration |
| 10 <input type="checkbox"/> Agriculture | 93 <input checked="" type="checkbox"/> Health and Human Services | 59 <input type="checkbox"/> National Archives and Records Administration | 19 <input type="checkbox"/> U.S. Department of State |
| 23 <input type="checkbox"/> Appalachian Regional Commission | 97 <input type="checkbox"/> Homeland Security | 05 <input type="checkbox"/> National Endowment for the Arts | 20 <input type="checkbox"/> Transportation |
| 11 <input type="checkbox"/> Commerce | 14 <input checked="" type="checkbox"/> Housing and Urban Development | 06 <input type="checkbox"/> National Endowment for the Humanities | 21 <input type="checkbox"/> Treasury |
| 94 <input type="checkbox"/> Corporation for National and Community Service | 03 <input type="checkbox"/> Institute of Museum and Library Services | 47 <input type="checkbox"/> National Science Foundation | 64 <input type="checkbox"/> Veterans Affairs |
| 12 <input type="checkbox"/> Defense | 15 <input type="checkbox"/> Interior | 07 <input type="checkbox"/> Office of National Drug Control Policy | 00 <input type="checkbox"/> None |
| 84 <input type="checkbox"/> Education | 16 <input type="checkbox"/> Justice | 59 <input type="checkbox"/> Small Business Administration | <input checked="" type="checkbox"/> Other - Specify: _____ |
| 81 <input type="checkbox"/> Energy | 17 <input type="checkbox"/> Labor | | |
| 66 <input type="checkbox"/> Environmental Protection Agency | 09 <input type="checkbox"/> Legal Services Corporation | | |

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR			10. AUDIT FINDINGS						
Federal Agency Prefix ¹	CFDA Number Extension ²	Research and development (c)	Name of Federal program (c)	Amount expended (e)	Direct award (f)	Major program (g)	If yes, type of audit report ³ (h)	Type(s) of compliance requirement(s) ⁴ (e)	Audit finding reference number(s) ⁵ (b)
1 4	.218	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	COMMUNITY DEVELOPMENT BLOCK GRANTS/TITLEM	\$ 4,604,831.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	M	2009-4
1 4	.239	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HOME INVESTMENT PARTNERSHIP PROGRAM	\$ 1,580,288.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	A	JM	2009-2, 2009-3, 2009-4
1 4	.235	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SUPPORTIVE HOUSING PROGRAM	\$ 1,409,263.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 4	.241	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	\$ 1,423,546.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 4	.231	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY SHELTER GRANTS PROGRAM	\$ 181,622.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 4	.231	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY SHELTER GRANTS PROGRAM	\$ 179,189.60	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 4	.871	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SECTION 8 HOUSING CHOICE VOUCHERS	\$ 1,893,857.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 4	.DVP	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	KATRINA DISASTER HOUSING ASSISTANCE	\$ -14,687.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9 3	.600	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HEAD START	\$ 10,272,458.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
9 3	.914	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HIV EMERGENCY RELIEF PROJECT GRANTS	\$ 3,626,085.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	M	2009-5
TOTAL FEDERAL AWARDS EXPENDED				\$ 70,003,388.00					

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)
³ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under § .510(a)) reported for each Federal program.

- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis - Bacon Act
- N/A for NONE
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of Federal funds
- I. Procurement and suspension and debarment
- J. Program income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None
- P. Other

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR		10. AUDIT FINDINGS							
Federal Agency Prefix ¹	CFDA Number Extension ²	Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program (g)	Major program (if yes, type of audit report) ³ (h)	Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
9 3	.568	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	LOW-INCOME ENERGY ASSISTANCE	\$ 25,729.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A
9 3	.558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TEMPORARY ASSISTANCE TO NEEDY FAMILIES/STEP	\$ 154,094.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A
9 3	.569	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	COMMUNITY SERVICES BLOCK GRANT	\$ 1,410,748.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A
9 3	.283	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CENTERS FOR DISEASE CONTROL AND PREVENTION	\$ 24,373.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A
9 7	.044	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ASSISTANCE TO FIREFIGHTERS GRANTS	\$ 24,949.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A
9 7	.039	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HAZARD MITIGATION GRANT	\$ 798,329.80	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A
9 7	.071	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	METROPOLITAN MEDICAL RESPONSE SYSTEM	\$ 261,475.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A
9 7	.053	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CITIZEN CORPS	\$ 25,681.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A
9 7	.008	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	URBAN AREAS SECURITY INITIATIVE GRANT	\$ 2,171,863.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A
9 7	.004	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	STATE DOMESTIC PREPAREDNESS EQUIPMENT SUPPORT PROGRAM	\$ 512,167.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A
TOTAL FEDERAL AWARDS EXPENDED				\$ 70,003,388.00					

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

³ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis - Bacon Act
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of Federal funds
- I. Procurement and suspension and debarment
- J. Program income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None
- P. Other

Primary EIN: 7 2 - 6 0 0 0 1 3 7

PART III FEDERAL PROGRAMS - Continued										
9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR										
Federal Agency Prefix (a)	CFDA Number Extension 2 (b)	Research and development (c)		Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program (g)		Type(s) of compliance requirement(s) 4 (a)	Audit finding reference number(s) 5 (b)
		1 Yes	2 No				Major program	If yes, type of audit report 3 (h)		
9 7	.067	1 Yes	2 No	HOMELAND SECURITY GRANT PROGRAM	\$ 49,784.00	1 Yes 2 No	1 Yes 2 No		O	N/A
9 7	.036	1 Yes	2 No	DISASTER GRANTS - PUBLIC ASSISTANCE	\$ 3,476,101.00	1 Yes 2 No	1 Yes 2 No		O	N/A
9 7	.024	1 Yes	2 No	EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$ 20,449.00	1 Yes 2 No	1 Yes 2 No		O	N/A
2 0	.507	1 Yes	2 No	FEDERAL TRANSIT FORMULA GRANT	\$ 26,042.00	1 Yes 2 No	1 Yes 2 No		O	N/A
2 0	.505	1 Yes	2 No	FEDERAL TRANSIT-METROPOLITAN PLANNING GRANTS	\$ 80,140.00	1 Yes 2 No	1 Yes 2 No		O	N/A
8 1	.042	1 Yes	2 No	WEATHERIZATION ASSISTANCE FOR LOW-INCOME PROGRAM	\$ 350,061.60	1 Yes 2 No	1 Yes 2 No		O	N/A
1 0	.561	1 Yes	2 No	STATE ADMINISTRATIVE MATCHING GRANTS FOR FOOD STAMP PROGRAM (LAJET)	\$ 459,045.00	1 Yes 2 No	1 Yes 2 No		O	N/A
1 0	.559	1 Yes	2 No	SUMMER FOOD SERVICE PROGRAM FOR CHILDREN	\$ 1,032,684.00	1 Yes 2 No	1 Yes 2 No		O	N/A
1 0	.558	1 Yes	2 No	CHILD AND ADULT CARE FOOD PROGRAM	\$ 1,035,896.00	1 Yes 2 No	1 Yes 2 No		O	N/A
1 7	.245	1 Yes	2 No	WIA-TRADE ADJUSTMENT ASSISTANCE	\$ 22,835.00	1 Yes 2 No	1 Yes 2 No		O	N/A
TOTAL FEDERAL AWARDS EXPENDED					\$ 70,003,388.00					

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 2 Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)
 3 If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.
 4 Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.
 5 N/A for NONE

A. Activities allowed or unallowed
 B. Allowable costs/cost principles
 C. Cash management
 D. Davis - Bacon Act
 E. Eligibility
 F. Equipment and real property management
 G. Matching, level of effort, earmarking
 H. Period of availability of Federal funds
 I. Procurement and suspension and debarment
 J. Program income
 K. Real property acquisition and relocation assistance
 L. Reporting
 M. Subrecipient monitoring
 N. Special tests and provisions
 O. None
 P. Other

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR		10. AUDIT FINDINGS									
Federal Agency Prefix ¹	CFDA Number	Research and development ²	Name of Federal program	Amount expended	Direct award	Major program	Major program	Type(s) of compliance requirement(s) ⁴	Audit finding reference number(s) ⁵		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(a)	(b)		
1 7	.258	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-ADULT PROGRAM	\$ 1,499,984.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	M	2009-6		
1 7	.259	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-YOUTH ACTIVITIES	\$ 1,004,587.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	M	2009-6		
1 7	.260	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-DISLOCATED WORKERS	\$ 1,045,884.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	M	2009-6		
1 6	.609	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	COMMUNITY PROSECUTION AND PROJECT SAFE NEIGHBORHOODS	\$ 102,227.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
1 6	.607	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	BULLETPROOF PARTNERSHIP PROGRAM	\$ 17,966.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
1 6	.710	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PUBLIC SAFETY PARTNERSHIP AND COMMUNITY POLICING GRANTS	\$ 303,780.60	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
1 6	.738	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EDWARD BRYNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAMS	\$ 142,409.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
1 6	.523	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	JUVENILE ACCOUNTABILITY INCENTIVE BLOCK GRANTS	\$ 63,634.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
1 6	.540	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	JUVENILE JUSTICE AND DELINQUENCY PREVENTION-ALLOCATION TO STATES	\$ 14,764.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
1 6	.579	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EDWARD BRYNE MEMORIAL FORMULA GRANT PROGRAM	\$ 49,517.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
TOTAL FEDERAL AWARDS EXPENDED				\$ 70,003,388.00							

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⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under § .510(a)) reported for each Federal program.
⁵ N/A for NONE

A. Activities allowed or unallowed E. Eligibility
 B. Allowable costs/cost principles F. Equipment and real property management
 C. Cash management G. Matching, level of effort, earmarking
 D. Davis - Bacon Act H. Period of availability of Federal funds
 I. Procurement and suspension and debarment L. Reporting
 J. Program income M. Subrecipient monitoring
 K. Real property acquisition and relocation assistance N. Special tests and provisions
 O. None P. Other

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR		10. AUDIT FINDINGS						
Federal Agency Prefix ¹	CFDA Number	Research and development ²	Name of Federal program	Amount expended	Direct award	Major program	Type(s) of compliance requirement(s) ⁴	Audit finding reference number(s) ⁵
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(a)	(b)
1 6	.588	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	VIOLENCE AGAINST WOMEN FORMULA GRANTS	\$ 5,000.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
2 1	.003	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TAXPAYER SERVICE	\$ 8,000.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
6 6	.816	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	BROWNSFIELDS ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS	\$ 103,634.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
4 5	.024	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PROMOTION OF THE ARTS GRANT	\$ 40,000.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
4 5	.303	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CONSERVATION PROJECT SUPPORT	\$ 2,313.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 1	.555	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PUBLIC SAFETY-INTEROPERABLE COMMUNICATION	\$ 420,028.60	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 4	.257	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ARRA HOMELESSNESS PREVENTION AND RAPID RE-HOUSING	\$ 62,689.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
8 1	.042	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ARRA WEATHERIZATION ASSISTANCE PROGRAM	\$ 40,069.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 7	.258	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ARRA WIA-ADULT PROGRAM	\$ 191,000.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	M	2009-6
1 7	.259	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ARRA WIA-YOUTH ACTIVITIES	\$ 1,250,773.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	M	2009-6
TOTAL FEDERAL AWARDS EXPENDED				\$ 70,003,388.00				

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⁵ N/A for NONE

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 O. None
 P. Other

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR		10. AUDIT FINDINGS							
Federal Agency Prefix ¹	CFDA Number	Research and development	Name of Federal program	Amount expended	Direct award	Major program	Major program	Type(s) of compliance requirement(s) ⁴	Audit finding reference number(s) ⁵
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(a)	(b)
1 7	.260	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ARRA WIA-DISLOCATED WORKERS	\$ 157,931.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	M	2009-6
9 3	.708	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ARRA HEAD START	\$ 109,643.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
1 6	.804	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ARRA JUSTICE ASSISTANCE	\$ 945,846.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
9 7	.114	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ARRA EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$ 9,898.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	U	O	N/A
2 0	.106	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	AIRPORT IMPROVEMENT PROGRAM	\$ 17,588,652.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
6 6	.606	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WASTE WATER SYSTEMS IMPROVEMENTS	\$ 628,196.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	U	O	N/A
1 0	.553	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SCHOOL BREAKFAST PROGRAM	\$ 28,848.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	U	O	N/A
1 0	.555	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	NATIONAL SCHOOL LUNCH PROGRAM	\$ 41,915.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	U	O	N/A
1 4	.288	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	DOWNTOWN SIGNAGE VISITORS AMENITIES-HUD	\$ 73,873.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	U	O	N/A
1 4	.228	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	COMMUNITY DEVELOPMENT BLOCK GRANTS/STATES PROGRAM & NON-ENTITLEMENT GRANT	\$ 833,223.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	U	O	N/A
TOTAL FEDERAL AWARDS EXPENDED				\$ 70,003,388.00					

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- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis - Bacon Act
- N/A for NONE
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
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- I. Procurement and suspension and debarment
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- N. Special tests and provisions
- O. None
- P. Other

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR		10. AUDIT FINDINGS									
Federal Agency Prefix ¹	CFDA Number Extension ²	Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)		Major program (g)		Major program if yes, type of audit report ³ (h)	Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
					1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			
9 3	.658	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FOSTER CARE - TITLE V-IE	\$ 157,672.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
9 7	.042	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY MANAGEMENT PERFORMANCE	\$ 229,908.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
9 7	.067	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PROMISING SECURITY GRANT PROGRAM	\$ 13,947.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
2 0	.507	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FEDERAL TRANSIT FORMULA GRANT	\$ 4,935.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
2 0	.205	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HIGHWAY PLANNING AND CONSTRUCTION	\$ 3,275,138.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
2 0	.106	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ARRA AIRPORT IMPROVEMENT PROGRAM	\$ 2,417,316.60	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
TOTAL FEDERAL AWARDS EXPENDED				\$ 70,003,388.00							

¹ See Appendix 1 of Instructions for valid Federal Agency two-digit prefixes.
² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)
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⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under § 310(a)) reported for each Federal program.
⁵ N/A for NONE

A. Activities allowed or unallowed
 B. Allowable costs/cost principles
 C. Cash management
 D. Davis - Bacon Act
 E. Eligibility
 F. Equipment and real property management
 G. Matching, level of effort, earmarking
 H. Period of availability of Federal funds
 I. Procurement and suspension and debarment
 J. Program income
 K. Real property acquisition and relocation assistance
 L. Reporting
 M. Subrecipient monitoring
 N. Special tests and provisions
 O. None
 P. Other

PART I Item 5 Continuation Sheet

c. List the multiple Employer Identification Numbers (EINs) covered in this report.

1	N L A	21	41	21	N L A	21
2	-	22	42	22	-	22
3	-	23	43	23	-	23
4	-	24	44	24	-	24
5	-	25	45	25	-	25
6	-	26	46	26	-	26
7	-	27	47	27	-	27
8	-	28	48	28	-	28
9	-	29	49	29	-	29
10	-	30	50	30	-	30
11	-	31	51	31	-	31
12	-	32	52	32	-	32
13	-	33	53	33	-	33
14	-	34	54	34	-	34
15	-	35	55	35	-	35
16	-	36	56	36	-	36
17	-	37	57	37	-	37
18	-	38	58	38	-	38
19	-	39	59	39	-	39
20	-	40	60	40	-	40

1. List the multiple DUNS covered in the report.

1	N L A	21
2	-	22
3	-	23
4	-	24
5	-	25
6	-	26
7	-	27
8	-	28
9	-	29
10	-	30
11	-	31
12	-	32
13	-	33
14	-	34
15	-	35
16	-	36
17	-	37
18	-	38
19	-	39
20	-	40

PART I GENERAL INFORMATION - Continued

8. Part I, Item 8, Secondary Auditor's Contact Information. (List the Secondary Auditor's Contact information)

<p>1. a. Secondary Auditor name N / A</p> <p>b. Secondary Auditor address (Number and street)</p> <p>City</p> <p>State ZIP + 4 Code</p> <p>c. Secondary Auditor contact Name</p> <p>Title</p> <p>d. Secondary Auditor contact telephone</p> <p>e. Secondary Auditor contact FAX</p> <p>f. Secondary Auditor contact E-mail</p>	<p>2. a. Secondary Auditor name</p> <p>b. Secondary Auditor address (Number and street)</p> <p>City</p> <p>State ZIP + 4 Code</p> <p>c. Secondary Auditor contact Name</p> <p>Title</p> <p>d. Secondary Auditor contact telephone</p> <p>e. Secondary Auditor contact FAX</p> <p>f. Secondary Auditor contact E-mail</p>	<p>3. a. Secondary Auditor name</p> <p>b. Secondary Auditor address (Number and street)</p> <p>City</p> <p>State ZIP + 4 Code</p> <p>c. Secondary Auditor contact Name</p> <p>Title</p> <p>d. Secondary Auditor contact telephone</p> <p>e. Secondary Auditor contact FAX</p> <p>f. Secondary Auditor contact E-mail</p>
<p>4. a. Secondary Auditor name</p> <p>b. Secondary Auditor address (Number and street)</p> <p>City</p> <p>State ZIP + 4 Code</p> <p>c. Secondary Auditor contact Name</p> <p>Title</p> <p>d. Secondary Auditor contact telephone</p> <p>e. Secondary Auditor contact FAX</p> <p>f. Secondary Auditor contact E-mail</p>	<p>5. a. Secondary Auditor name</p> <p>b. Secondary Auditor address (Number and street)</p> <p>City</p> <p>State ZIP + 4 Code</p> <p>c. Secondary Auditor contact Name</p> <p>Title</p> <p>d. Secondary Auditor contact telephone</p> <p>e. Secondary Auditor contact FAX</p> <p>f. Secondary Auditor contact E-mail</p>	<p>6. a. Secondary Auditor name</p> <p>b. Secondary Auditor address (Number and street)</p> <p>City</p> <p>State ZIP + 4 Code</p> <p>c. Secondary Auditor contact Name</p> <p>Title</p> <p>d. Secondary Auditor contact telephone</p> <p>e. Secondary Auditor contact FAX</p> <p>f. Secondary Auditor contact E-mail</p>



**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:

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, 2009. Compliance with the requirements of laws and regulations applicable to the Passenger Facility Charge Program (the Program) is the responsibility of the City-Parish's management. 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. Our audit does not provide a legal determination of the City-Parish's compliance with those requirements.

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, 2009.

Internal Control Over Compliance

In planning and performing our audit of compliance we considered the City-Parish's internal control over compliance as a basis for designing our auditing procedures 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* 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* is a deficiency, or a combination of deficiencies in internal control that is less severe than a *material weakness*, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 deficiencies, 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.

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, 2009, and have issued our report thereon dated June 25, 2010, 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 is presented for purposes of additional analysis as specified in the Guide and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Metropolitan Council, the City-Parish's management, the Federal Aviation Administration and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite + Netterville

Baton Rouge, Louisiana
June 25, 2010



**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, 2009**

	<u>FY 2008</u> <u>Program Total</u>	<u>Quarter 1</u> <u>Jan - Mar</u>
Revenue		
Passenger Facility Charge Net Collections	\$ 21,046,033	\$ 297,432
Interest Earned on Investments	1,386,905	3,067
Claim settlement	1,371,035	--
Total Revenue	<u>23,803,973</u>	<u>300,499</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	13,966,417	210,054
00-05-C-00-BTR Airport access road	1,158,048	22,858
00-05-C-00-BTR Acquire A/C loading bridges	261,456	33,789
05-06-C-00-BTR Expand general aviation apron	204,425	4,772
05-06-C-00-BTR Extend runway 4L/22R	978,434	114,026
09-07-C-00-BTR Terminal atrium expansion	--	236,662
09-07-C-00-BTR Acquisition of property for development	--	32,066
09-07-C-00-BTR Taxiway fillet construction	--	16,313
09-07-C-00-BTR Ticket lobby expansion	--	21,481
Total Disbursements	<u>19,174,803</u>	<u>692,021</u>
Net PFC Revenue		(391,522)
PFC Account Balance (cash basis)	\$ 4,629,170	\$ 4,237,648

	<u>Quarter 2</u> <u>Apr - Jun</u>	<u>Quarter 3</u> <u>Jul - Sep</u>	<u>Quarter 4</u> <u>Oct - Dec</u>	<u>FY 2009</u> <u>Total</u>	<u>FY 2009</u> <u>Program Total</u>
\$	378,566	\$ 357,562	\$ 362,419	\$ 1,395,979	\$ 22,442,012
	18,216	10,360	8,187	39,830	1,426,735
	--	--	--	--	1,371,035
	<u>396,782</u>	<u>367,922</u>	<u>370,606</u>	<u>1,435,809</u>	<u>25,239,782</u>
	--	--	--	--	1,315,124
	--	--	--	--	1,290,899
	--	583,640	175,809	969,503	14,935,920
	--	61,737	--	84,595	1,242,643
	--	41,765	--	75,554	337,010
	--	8,719	--	13,491	217,916
	765,495	455,392	21,933	1,356,846	2,335,280
	--	432,414	--	669,076	669,076
	--	58,588	--	90,654	90,654
	--	29,806	--	46,119	46,119
	--	39,248	--	60,729	60,729
	<u>765,495</u>	<u>1,711,309</u>	<u>197,742</u>	<u>3,366,567</u>	<u>22,541,370</u>
	(368,713)	(1,343,387)	172,864	(1,930,758)	2,698,412
\$	3,868,935	\$ 2,525,548	\$ 2,698,412	\$ 2,698,412	2,698,412
			Accrued PFC revenues		166,797
			Accrued interest revenues		822
			Accrued interest payable		(553,005)
			Accrued project expenses		<u>(126,937)</u>
			Total Net Assets Restricted for PFC included in EXHIBIT A-10		<u>\$ 2,186,089</u>

SPECIAL ACKNOWLEDGMENTS

Finance - Accounting

Kathleen Kreko
Accounting Manager

Sharon Campbell
Elizabeth LeBlanc
Jeannie Martin
Assistant Accounting Managers

Chief Financial Analyst

Myra Dialekwa
Shalanda Nalencz
Mary Ourso
Jeanine Romero

Senior Fiscal Specialist

Rosemary Acosta
Charlene Brady
Jasylon Burns
Lamonica Carey
Linda Hickerson
Julie Johnson
Angela Lockett
Martha London
Kathy Mansur
Oma Ringe
Gregory Spears

Senior Financial Analyst

Nick Vidrine

Financial Analyst

Jonathan Alford
Kay Ellzey
Lauren Foster
Jamie Griffith
Charles James
Luke Jenkins
Tiffany Jukkola
Taren Mack
Renee Navarre

Accounting Associate I

Liyou Dinku
Mona Parker

Student Interns

Aimee Ortis
Christopher Payne
Kevin Silvio
Ted Stephens

Design and Production

Peacock
Communications

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

REPORT TO MANAGEMENT

DECEMBER 31, 2009



A Professional Accounting Corporation

www.pncpa.com

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

REPORT TO MANAGEMENT

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June 25, 2010

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, 2009 and have issued our report thereon. As part of our examination, 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 reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing his audit of the financial statements.

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.

In planning and performing our audit of the financial statements of the City-Parish, for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the City-Parish's internal control over financial reporting as 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.

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are set forth below. We previously reported on the City-Parish's internal control over financial reporting in our report dated June 25, 2010. This letter does not affect our reports dated June 25, 2010, on the financial statements of the City-Parish and the City-Parish's internal control over financial reporting.

2009-1)

Payroll Procedures and Testing

Condition:

The City-Parish's internal audit section assisted us in performing a test of controls over payroll transactions. In the performance of those tests, the section noted the following matters as opportunities for strengthening the controls over payroll disbursements:

- Lack of visual evidence of review of the "Hours to Gross" reports (test registers) in the following departments: Animal Control & Rescue, Council Administration/Treasurer's Office – Mail Services, Workforce Investment Act (WIA), EMS – EBRP Communications District, Emergency Medical Services (EMS) Division, and Library.
- Test registers were not signed by an authorized departmental representative for the City Court as indicated on the Signature Authorization Forms.

While performing those procedures it was also noted that a Human Resources employee made an unsupported adjustment to her deduction rate. The employee increased her personal deduction rate and then changed the rate back to the original rate. Although this change was made as part of a system test, there was no documentation to support the test.

Recommendation:

All authorized departmental representatives should document their review of test registers by placing a check mark next to an employee's verified hours worked and leave taken, in addition to signing the reports. Test registers should only be signed by an employee with the authority to sign and who is listed on the Signature Authorization form which is on file with Human Resources.

Documentation should be kept on file with Human Resources to support all payroll system adjustments. Anything performed as a test should be thoroughly explained and verified by other supervisory personnel. Additionally, access to one's own personnel profile by Human Resources should be prohibited by the system.

Management's Response:

Human Resources conducts city-wide payroll clerk meetings to inform the departments that reconciliation of hours to gross is a very critical tool to ensure that payroll is disbursed accurately. Human Resources also performs one-on-one training to departmental payroll clerks and periodically sends emails to remind payroll clerks to place check marks or other evidence on the hours to gross reports. Additional internal controls will be implemented in the Payroll and Benefits division to ensure that all signatures are present and valid. Any test registers found to have invalid signatures or no signature will be sent back to the appropriate department.

2009-1) Payroll Procedures and Testing (continued)

Human Resources will keep on file documentation supporting payroll system adjustments. All payroll system tests will be documented and verified by a supervisor.

2009-2) Assurance of Internal Controls over the Customer Collections and Billings of Sewer User and Solid Waste Fees

Condition: The City-Parish contracts with a third party service provider, Baton Rouge Water Works (BRWW), who is responsible for maintaining customer accounts, billings and collections of City-Parish residents for the monthly Sewer User and Solid Waste Fees. The collections and billings by BRWW represent approximately 95% of the City-Parish's accounts. The City-Parish's Service Fee Business Office is responsible for overseeing and reconciling the collections and billings of BRWW. The Service Fee Business Office relies on the data provided from BRWW. *Internal controls over the billings and collections have not been reviewed or determined effective by City-Parish's management. Without such review of the internal controls over a third party organization's processes, those controls could deteriorate. The accuracy, completeness and security of the billing information might then be at risk without management's knowledge.*

Recommendation: *Given the Service Fee Business Office has no involvement in the management or control environment of BRWW, we recommend that the City-Parish consider obtaining a "SAS 70" audit of the BRWW's internal control over billing and collection in order to gain assurance of the internal controls over the billing and collection services they provide. A SAS 70 also provides insight to auditors of financial statements of the effectiveness of controls to assist them in designing audit procedures.*

Management's Response:

The current billing contract with Baton Rouge Water Works will expire on December 31, 2010. During the upcoming contract negotiation for the contract beginning January 1, 2011, City-Parish will discuss obtaining a "SAS 70" audit of Baton Rouge Water Works' internal controls over billing and collection.

2009-3) Davis-Bacon Compliance

Condition: Recipients of federal grants used for construction purposes must monitor contractors for payment of prevailing wage rates in accordance with the Davis-Bacon Act. The Office of Community Development which administers the Community Development Block Grant and the Home program does not have a written procedure for tracking those contractors during the construction phase of a project.

Recommendation: A tracking list should be developed based on paid construction costs during the fiscal year. A reconciliation of contractors paid to the listing should be performed to ensure completeness of the "tracking list" so that monitoring of all contractors can be performed in accordance with the Davis-Bacon Act.

2009-3) Davis-Bacon Compliance

*Management's
Response:*

OCD management has implemented an OCD Construction Management and Labor Standards Procedures Policy that governs the Davis-Bacon reporting and regulations for all applicable construction projects funded by OCD. In addition, OCD hired a labor and procurement consultant under a professional services agreement for the calendar year 2010. The consultant has created and implemented a labor standards policy and is refining job duties for a permanent labor specialist to be hired through a long-term professional services agreement or as a permanent employee. The above actions implement a mechanism and policy to correct past deficiencies in tracking contractors and employment information as required by federal Davis-Bacon Labor regulations.

2009-4 Misappropriation of Assets

Condition:

Several instances of asset misappropriation were alleged during 2009 and during the first several months of 2010 including:

- Theft of fuel by an employee of the Animal Control Center in the amount of \$2,080.
- Theft of fuel by an employee of the Police Department in the amount of \$700.
- Theft of three computers by workers of the Division of Human Development and Services (DHDS) with aggregate purchases cost of \$4,746.

These matters have been reported to the Louisiana Legislative Auditor's Office and the local district attorney in accordance with La RS 24:523.

Recommendation:

We recommend that these allegations be prosecuted to the extent allowed by law and that management review the internal controls of the respective departments or divisions to ensure that adequate controls exist to mitigate the risk of such misappropriation occurring in the future.

*Management's
Response:*

In all three instances, law enforcement was contacted, and the City-Parish employees or contract workers suspected of the thefts have terminated employment or business with the City-Parish. The Internal Auditing Division reviewed fuel processes at the Animal Control Center and made recommendations for improvements in internal controls. The City-Parish reimbursed the State Department of Education \$1,400 for one of the computers.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with management, and will be pleased to discuss them in further detail at your convenience, to perform an additional study of these matters, or to assist you in implementing the recommendations.

We appreciate the cooperation received from the City-Parish's accounting, internal auditing, and federal grant program personnel during the audit process. This report is intended solely for the information and use of the audit committee, Metropolitan Council, management, accounting and federal grant program administrators and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Pastathwaite + Netherwillk

CURRENT STATUS OF PRIOR YEAR MANAGEMENT LETTER COMMENTS

2008-1) Davis-Bacon Compliance

Condition: Recipients of federal grants used for construction purposes must monitor contractors for payment of prevailing wage rates in accordance with the Davis-Bacon Act. To ensure compliance with this requirement, the Airport prepares a "tracking list" of all current contractors to be monitored. While performing a test of compliance with this requirement it was noted that several contractors selected in our sample were not included on the "tracking list."

Recommendation: A quarterly reconciliation of contractors paid to the listing should be performed to ensure completeness of the "tracking list" so that monitoring of all contractors can be performed in accordance with the Davis-Bacon Act.

**Management's
Response:**

The Airport has taken the following corrective action to ensure that the Airport is in compliance with the Davis Bacon Act:

- 1. The Administrative Specialist, who verifies the wage rates, will attend all pre-conference meetings to inform the contractors of their obligation to provide wage rate information monthly to the Airport during the construction job.*
- 2. The Administrative Specialist will obtain from the contractor the name, number, and address of a contact person in their office that will be able to answer payroll questions.*
- 3. The Airport's program management consultant, URS, will notify the Administrative Specialist when a "Notice to Proceed" has been issued to a contractor.*
- 4. Upon submittal of wage information, the Administrative Specialist will verify the information according to the Labor Standards. If there is a discrepancy on a payroll submitted, the Administrative Specialist will notify that company in writing.*

Current Status: *The Airport has improved their processes for ensuring that all contractors are included on the tracking list. In comparing a sample of contractors paid to the Davis-Bacon tracking list, none of the contractors tested were excluded from the tracking list.*

While the Airport administration has made strides in improving internal controls over Davis-Bacon compliance, the City's Office of Community Development's internal controls could improve as noted in the current year management letter comment 2009-3.

2008-2)

Payroll Procedures and Testing

Condition:

The City-Parish's internal audit section assisted us in performing a test of controls over payroll transactions. In the performance of those tests, the section noted the following matters as opportunities for strengthening the controls over payroll disbursements:

- Lack of visual evidence of review of the "Hours to Gross" reports (test registers) in the following departments: City Court, Downtown Development District, EMS, Fire, Airport, DHDS (Headstart and WIA), Juvenile Services, and Library.
- Test registers were not signed by an authorized departmental representative for DHDS (CSBG, Outreach, Headstart, and WIA), and Library as indicated on the Signature Authorization Form.
- Two employees in the Payroll and Benefit section of Human Resources are responsible for security administration of the payroll system. One of these employees has regular duties regarding input of data and both have full input capabilities and serve as backup when staff members are absent.
- Signature authorization forms are not being updated annually by departments.

Recommendation:

All authorized departmental representatives should document their review of test registers by placing a check mark next to an employee's verified hours worked and leave taken, in addition to signing the reports. Test registers should only be signed by an employee with the authority to sign and who is listed on the Signature Authorization form which is on file with Human Resources. The Human Resources Department should evaluate the security administration function and transfer these duties to someone without input responsibilities. On a regular basis someone outside the Payroll and Benefits section should monitor the activities associated with the security administrators. Human Resources should require departments to submit new Signature Authorization forms annually.

*Management's
Response:*

The Department of Human Resources has addressed the following matters:

1. *Lack of visual evidence of review of the "Hours to Gross" reports (test registers). Action: Human Resources will schedule additional payroll procedural training for all payroll clerks in each department, specifically in the verification process.*
2. *Test registers were not signed by an authorized departmental representative for DHDS (CSBG, Outreach, Head Start, and WIA), and Library as indicated on the Signature Authorization Form. Action: Human Resources will schedule additional payroll procedural training for all payroll clerks in each department. Human Resources will maintain all signature authorization forms, including signature authorization forms that are amended throughout the year.*

2008-2)

Payroll Procedures and Testing (continued)

3. *Two employees in the Payroll and Benefits section of the Department of Human Resources are responsible for security administration of the payroll system. One of these employees has regular duties regarding input of data and both have full input capabilities and serve as backup when staff members are absent. Action: Human Resources assigned this function to an employee in the Administration Division, who does not have input capabilities.*
4. *Signature authorization forms are not being updated annually by departments. Action: Effective January 2009, Human Resources required Departments to submit a new Signature Authorization form annually and updated forms for staffing changes during the year.*

Current Status: 1 & 2 -

This matter has not been completely resolved. See repeat management letter comment in 2009-1. Management plans to more stringently enforce its policy by returning all improperly signed test registers to the respective departments which could result in delays in payroll processing.

3. *Human Resources transferred the security administration function back to the Payroll & Benefits Division after the Administration Division employee transferred. The current employee does not have security to input any hours or dollars into the payroll system.*
4. *This matter has not been completely resolved. During 2009 payroll testing, it was noted that some departments had submitted updated Signature Authorization forms while other departments had not.*

2008-3)

Disclosure of Amounts Paid to Sub-recipients

Condition:

The City-Parish is the recipient of numerous federal awards and is a pass-through entity for some of these federal awards. As a pass-through entity, OMB Circular A-133 requires the disclosure of amounts paid to sub-recipients "to the extent practical" in the notes to the schedule of federal awards. The City-Parish's accounting system does not currently track payments by sub-recipient. Such a tracking mechanism would allow for more complete and accurate disclosure of amounts paid to sub-recipients.

Recommendation:

The City-Parish should establish accounts or project codes within the general ledger to identify pass-through federal funding for each department.

**Management's
Response:**

The Finance-Accounting Grant Section has devised a method to identify payments to sub-recipients using the accounting system.

Current Status:

The Finance-Accounting Grant Section has devised and implemented a process within the accounting system that more readily identifies sub-recipients of grant funds.

2008-4) Emergency Medical Services (EMS) Third Party Billings

Condition: While performing our analytical review of EMS third party billings it was noted that as of December 31, 2008, third party billings had not been prepared for approximately six weeks. Although immaterial to the EMS fund, this billing lag reduces the amount of revenue reported in the financial statements. Additionally, billing lag time can result in cash flow shortages.

Recommendation: EMS third party billings should be prepared on a weekly basis. These billings should include the services provided during the week prior to billing.

Management's Response: *EMS attributes the delay in the billing of patients to the loss of key personnel during the past year as well as delays caused by Hurricane Gustav. EMS is attempting to fill open positions in an effort to bring patient billings up to a more current level, with a goal of having patient bills processed within two weeks after transport.*

Current Status: *As of December 31, 2009, the EMS department was approximately five months behind in its billing. This matter has been reported as a significant deficiency in the 2009 audit's Schedule of Findings and Questioned Costs prepared as part of an audit conducted in accordance with Government Auditing Standards. See Finding 2009-1.*

The City-Parish Internal Auditing Division is currently performing an audit of the EMS billing process. Also, EMS has hired and is in the process of hiring additional student interns to work on the billing backlog.

2008-5) Baton Rouge River Center Ticketed Event Fraud Allegation

Condition: The Baton Rouge River Center holds numerous ticketed events throughout the year. Routine internal audits of these events are performed by the box office managers subsequent to the event being held. While performing an audit of a two-day ticket event, a box office manager noted a large number of "comp" tickets dispensed from a teller's register. The box office manager was unaware of any authorization by management or the holder of the event to dispense these tickets and believed an investigation was warranted. The tickets were valued at approximately \$1,400. This matter has been turned over to the Baton Rouge Police Department for further investigation.

Recommendation: Management should cooperate with those authorized to investigate this matter.

Management's Response: *Per the terms of the management agreement between the City-Parish and Spectacor Management Group (SMG), SMG brought this occurrence to the immediate attention of the City-Parish following an internal investigation. At that point SMG initiated the police investigation and has cooperated with the investigators requests to date. At this time the investigation is still open and active. SMG will continue to cooperate with local law enforcement agencies to*

2008-5)

Baton Rouge River Center Ticketed Event Fraud Allegation (continued)

bring this situation to a conclusion. The employee involved in the investigation has been, and remains, suspended until a conclusion is reached by law enforcement. SMG will continue to conduct periodic "spot checks" of ticket sellers during events. These "spot checks" will include reconciling seller transactions against ticket sales reports to review for any irregularities. The General Manager for SMG reported that the employee was arrested and charged with felony theft on June 18, 2009.

Current Status:

The City and SMG employees have cooperated with prosecutors assigned to the case. The perpetrator is no longer employed with SMG. The process of reconciling ticket sales reports to seller transactions continues as it is deemed to be an effective internal control.

2008-6)

Suspected Theft of Garnishment Funds -City Constable's Office

Condition:

The Constable's Office has the responsibility of collecting and disbursing garnishment payments for cases originating through Baton Rouge City Court. In garnishment cases, the defendant's employer is ordered to garnish the defendant's wages and remit that money to the Constable's Office. Once the money is received, it is deposited into an escrow account and immediately disbursed to the plaintiff or plaintiff's attorney. The Fiscal Specialist assigned to the garnishment process was responsible for opening the mail, accepting and posting payments, preparing cash receipts and deposits, preparing payment vouchers, as well as answering phone calls. This lack of segregation of duties resulted in approximately \$28,000 of garnishment funds being used for personal payments of mortgage, credit and insurance accounts. This person is no longer employed by the City-Parish and was arrested on July 1, 2008. This matter was referred to the District Attorney's Office and is currently pending litigation.

Recommendation:

Management should cooperate with those authorized to investigate this matter.

*Management's
Response:*

The supervisors at the City Constable's Office have consulted with their legal advisor, Information Services, the Clerk of Court, the City Court Civil Division and other agencies around the State of Louisiana to discuss procedural changes in their garnishment process. The Constable's Office is in the process of writing a policy and procedures manual for the division. They are also working with Information Services and Louisiana Court Connect to obtain a new garnishment computer system that will have more security features. In addition, the Constable's Office has segregated duties within the office between the two Fiscal Specialists. The supervisors are now responsible for verifying the accuracy of every deposit, reconciling reports/accounts and signing vouchers after ensuring supporting documentation is accurate and attached.

The District Attorney's office is representing the City-Parish in this matter. The court case has been continued until August 2009. The District Attorney's office is seeking restitution from the defendant.

2008-6) Suspected Theft of Garnishment Funds -City Constable's Office (continued)

Current Status: The District Attorney's Office is actively pursuing this case. The defendant's next court date is in October 2010. As of July 2010, the City-Parish has received restitution of \$2,160 from the defendant, and we expect to receive additional payments of restitution. The insurance company paid \$13,286 to the City-Parish in September 2009.

The Internal Auditing Division completed a follow-up review of the City Constable Garnishments Audit in April 2010. The Constable's Office implemented corrective action in regards to segregation of duties, supervisory review, retention of check stubs, and resolution of reconciling items. A new procedures manual was approximately 80% complete.

2008-7) Suspected Misappropriation of Adjudication and Condemnation Funds – Parish Attorney's Office

Condition: The Parish Attorney's Office has the responsibility of collecting payments on bids received on auctioned adjudicated and condemned property. An anonymous tip prompted the Auditing Division of the City-Parish to perform an internal control evaluation of the collections and reconciliation procedures of the Parish Attorney's Office with respect to these funds. The internal audit revealed a lack of segregation of duties with no mitigating controls which was a contributing factor that resulted in approximately \$18,600 of adjudication and condemnation funds being used for personal purposes of a Parish Attorney's Office employee. This person is no longer employed by the City-Parish. This matter was referred to the Baton Rouge City Police Department. This person was arrested on July 28, 2008. The matter is currently pending prosecution. We understand that the internal control conditions that led to the misappropriation have been addressed and corrected.

Recommendation: Management should cooperate with those authorized to investigate and prosecute this matter. Additionally, the City should periodically revisit the internal controls over the collection of these funds.

Management's Response: *Previously, our office was collecting money from applicants at various stages of the process and was being collected by only one employee. This employee was responsible for sending the funds to the Finance Department for deposit. A file was opened on an applicant simply due to notation by this employee that the appropriate funds had been received. There were no checks and balances to determine whether the funds had been received at all or whether they had been received and diverted. New controls have been instituted to have more oversight in this area. Only one amount is collected at the beginning of the process, making it easier to track the funds. This amount must be paid by certified check or money order directly to the cashier at the Finance Department by the applicant. The process will not begin until a receipt has been presented to this office by the applicant proving that the payment has been made.*

2008-7)

**Suspected Misappropriation of Adjudication and Condemnation Funds --
Parish Attorney's Office**

This matter is being prosecuted by the District Attorney's Office and we are seeking restitution of these funds.

Current Status:

The District Attorney's Office is pursuing this case. The defendant's next court date is July 28, 2010. We think that the collection of payments by the Finance Department's cashiering office is a significant improvement in controls.