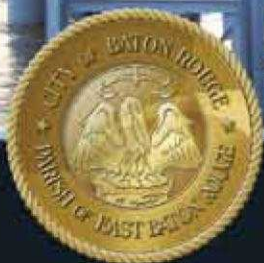


2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended
December 31, 2018



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

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For The Year Ended
December 31, 2018**

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018**

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Department of Finance

City of Baton Rouge
Parish of East Baton Rouge

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June 26, 2019

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, 2018. The Accounting Division of the City-Parish Finance Department prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City-Parish as measured by the financial activities of its various funds and the entity-wide presentation; and that disclosures necessary to enable readers to gain an understanding of City-Parish financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the local government.

The City-Parish financial statements have been audited by Postlethwaite & Netterville, APAC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, financial statements for the fiscal year ended December 31, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first document of the financial section of this report.

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

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

Profile of the Government

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



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

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

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

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

The financial statements included in this CAFR are as follows:

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

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

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the General Fund, Library Board of Control Special Revenue Fund, and Grants Special Revenue Fund, this comparison is presented in Exhibits A-7 through A-9. For other governmental funds, the annual budget comparison is presented in the Combining and Individual Fund Statements and Schedules, Exhibits B-3 through B-36.

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



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

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

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

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

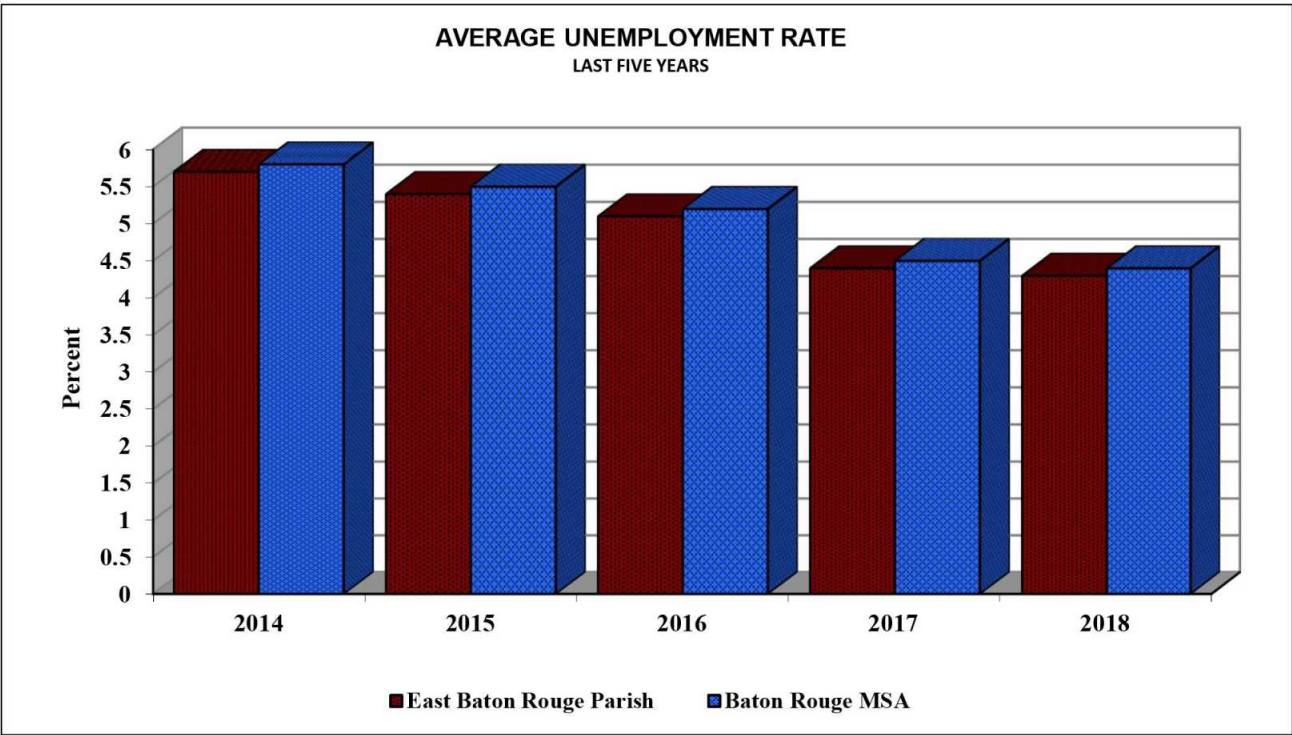


A number of significant companies engaged in oil refining, petrochemical processing, and wood products are found in the industrial corridor along the Mississippi River near Baton Rouge. These industries are major employers of Baton Rouge's labor force. Other important industries include government, construction,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

According to the United States Department of Labor, Bureau of Labor Statistics, the annual average rate of local unemployment decreased 0.1% in East Baton Rouge Parish and decreased 0.1% in the Baton Rouge MSA in 2018, as reflected in the following chart:

	East Baton Rouge Parish	Baton Rouge MSA ⁽¹⁾
2014	5.7	5.8
2015	5.4	5.5
2016	5.1	5.2
2017	4.4	4.5
2018	4.3	4.4

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



Local economists are predicting job growth in 2019 and 2020 for our region. In September 2018, Dr. Loren C. Scott, Professor Emeritus of Economics at Louisiana State University, issued *Louisiana Economic Outlook* (LEO) on Louisiana’s major metropolitan statistical areas. Following are his predictions of economic growth in East Baton Rouge Parish and the Baton Rouge MSA for 2019-2020.

“Starting in mid-2019 and continuing through 2020 a resurgence in construction is expected as some large potential projects get a final investment decision (FID) and move into the “underway” category... A revival of industrial construction in the MSA will be behind a renewed growth spurt over the next two years. We are projecting 6,000 new jobs in (+1.5%) in 2019 and 8,100 (+1.9%) in 2020 for the Baton Rouge MSA...Over half a billion in road projects, including the widening of I-10 from the bridge to the split will also infuse the construction sector.

- *Katoen Natie has finished the first \$36 million phase of its plastics and distribution center and is now embarking on the second phase which is equally as large*

- *Brown Eagle, a third party logistics and supply chain management provider, has announced an \$8.5 million expansion that will create 14 new jobs.*
- *Ready Shield Solutions which makes structural panels for houses...plans to refurbish the old Cotton Holsum Baker site near downtown Baton Rouge and hire up to 300 employees.*

Three large hospital investments are underway in the region and a fourth is poised to join the mix in late 2019. The \$230 million Our Lady of the Lake Children's Hospital should be completed and open in 2019. This 350,000 square foot, 130-bed facility will be an excellent addition to the healthcare landscape in Baton Rouge. Ochsner is building a \$100 million medical office building and a 10-bed micro hospital near the Mall of Louisiana. It will open in phases beginning in 2019. Baton Rouge General is spending \$40 million on an expansion of its Bluebonnet site.

Still to come in the healthcare space is a \$185 million proton radiation therapy center by Provident Protoncare. This new facility will employ 95 people at an average wage of \$105,000. Construction start is planned for the summer of 2019, with a 2021-II opening date.

Advances in the high-wage sector employment are on the horizon for Baton Rouge. IBM's facility in the city is in the 400-500 employment range and is to go to 800 during our forecast period. General Informatics (GI) is moving into their beautiful \$20 million building on Highland Road, dubbed @Highland Building. GI acquired a Baton Rouge high-tech company named Teknarus and now has 96 employees. At the LSU Innovation Park a software engineering firm called Twistlock has been formed that has 20 employees at an average wage of \$90,000.

Sales tax revenues continue to stabilize and return to normal collection levels as the recovery from the 2016 Flood comes to a close. General sales and use tax (2 percent) collections for General Fund operations and debt service dedications of the City and Parish combined were \$192.3 million, net of Tax Increment Financing District adjustments, a decrease of \$5.2 million under 2017 revenues, a 2.64 percent decrease. Sales tax collections for the ½ percent sewerage tax and the ½ percent road and street improvement tax both decreased by 2.65 and 2.64 percent, respectively, during fiscal year 2018.

Major Initiatives in 2018



An \$18.1 million renovation of the River Center Theatre will begin in the fall of 2019 and will include upgrades to the surrounding site and Mestrovic Court. A drop-off lane on the east side of the theatre/court area will be included as part of the renovations to increase visitor access. In addition, ADA accessible ramps will be constructed to increase accessibility from the street to the River Center Theater and City Hall. Upgrades to Mestrovic Court are also expected as part of this project. The renovation is expected to be complete in the beginning of 2021.

The East Baton Rouge Parish Library system has several ongoing projects. Abatement activities and demolition of the old River Center Branch is complete, and construction of the new building is underway. Planning continues for the South Baton Rouge Branch Library. A purchase agreement for the land was completed in December 2018. An increase in appropriations for the major renovation project at the Greenwell Springs Branch was included in the 2019 budget.

Long-Term Financial Planning

Sewer Improvement Program

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

for completing the Sewer Capital Improvements Program is December 31, 2018. The required projects were substantially complete as of the deadline.

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 and the construction of a flow equalization basin, and other improvements at the South Wastewater Treatment Plant Facility.



With a customer base of over 151,000, the Parish's sanitary sewer system serves a population of approximately 425,000. The system is extremely complex, consisting of 500 pump stations, 10.5 million feet of separate gravity and pressure sewer system pipes and two major treatment plants. Like many other cities, Baton Rouge has encountered overflow problems with this aging system which has led to the inception of the Sanitary Sewer Overflow (SSO) Improvement Program. The SSO Improvement Plan had 115 projects and all were functionally complete on December 31, 2018. The approximate value of these projects, as of the end of 2018 was \$1.6 billion.

A comprehensive financing model has been developed and is being utilized by the Departments of Finance and Environmental Services to manage the finances of the Sanitary Sewer Improvement Program. The first annual 4% sewer user fee increase was implemented on January 1, 2004. Annual 4% sewer user fee increases will continue to be levied throughout the life of this program. As of December 31, 2018, the City-Parish had appropriated over \$2.6 billion for sewer capital improvements, including funding from long-term bonds, impact fees, EPA grants, and pay-as-you-go funding. This \$2.6 billion represents all capital appropriations since the inception of the Comprehensive Sewerage System Enterprise Fund in 1985.

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 extended the tax until 2030, and allowed for 70% of the proceeds to be used for transportation improvements, 27% for recurring road rehabilitation projects, and 3% for beautification and street enhancement. The construction program, called the "Green Light Plan", authorized the long-term issuance of debt, which has allowed for an accelerated road construction schedule and helped to alleviate the effects of inflation on project costs. As of December 31, 2018, nine "Green Light" projects were in an "active" status ranging from corridor survey/design study through construction.

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

An additional ½ cent sales tax proposition was approved by the voters of East Baton Rouge Parish on December 8, 2018. The tax went into effect on April 1, 2019 and continues for 30 years until March 31, 2049. MoveBR Infrastructure Enhancement and Traffic Mitigation Plan is the most significant transportation infrastructure investment in East Baton Rouge Parish history.

In the 30 year collection period, it is estimated the tax along with the remaining pay-as-you-go portion from the "Green Light" plan will fund \$912 million in infrastructure and traffic enhancement projects for the MoveBR program. Approved projects consist of four categories: new capacity improvements, improving existing corridors, constructing community enhancement road projects, and parishwide signalization/synchronization. New capacity improvements with proposed funding of \$636.2 million, represent roadways where additional lane capacity will be constructed. \$170 million is proposed for improving existing corridors, such as resurfacing, signal synchronization and ADA compliance features. Community enhancement road projects include repairs, enclosing drainage ditches and adding lighting, curbs,

sidewalks or landscaping. These projects have proposed funding in the amount of \$65.8 million. The remaining \$40 million of the tax will provide for parishwide signalization and synchronization.

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, 2017. 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 30-year period ending December 31, 2017. 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. 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,

A handwritten signature in blue ink that reads 'Marsha J. Hanlon'.

Marsha J. Hanlon
Finance Director





Government Finance Officers Association

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

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2018**



Mayor-President
Sharon Weston Broome



District 1
Trae Welch



District 2
Chauna Banks



District 3
Chandler Loupe



District 5
Erika Green



District 6
Donna Collins-Lewis



District 7
LaMont Cole

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2018**



Mayor Pro-Tempore
District 4
Scott Wilson



District 8
Denise Amoroso



District 10
Tara Wicker



District 9
Dwight Hudson

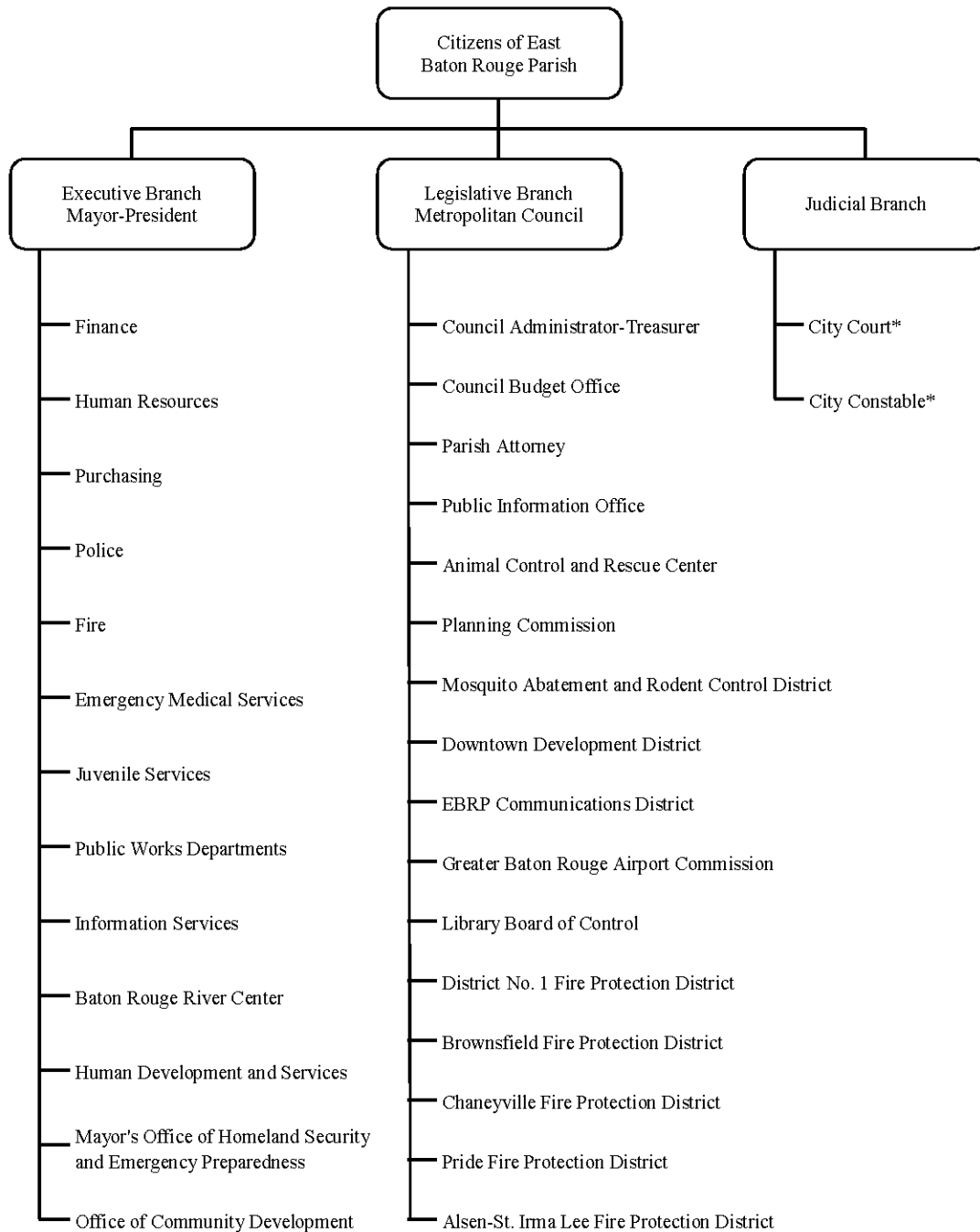


District 11
Matt Watson



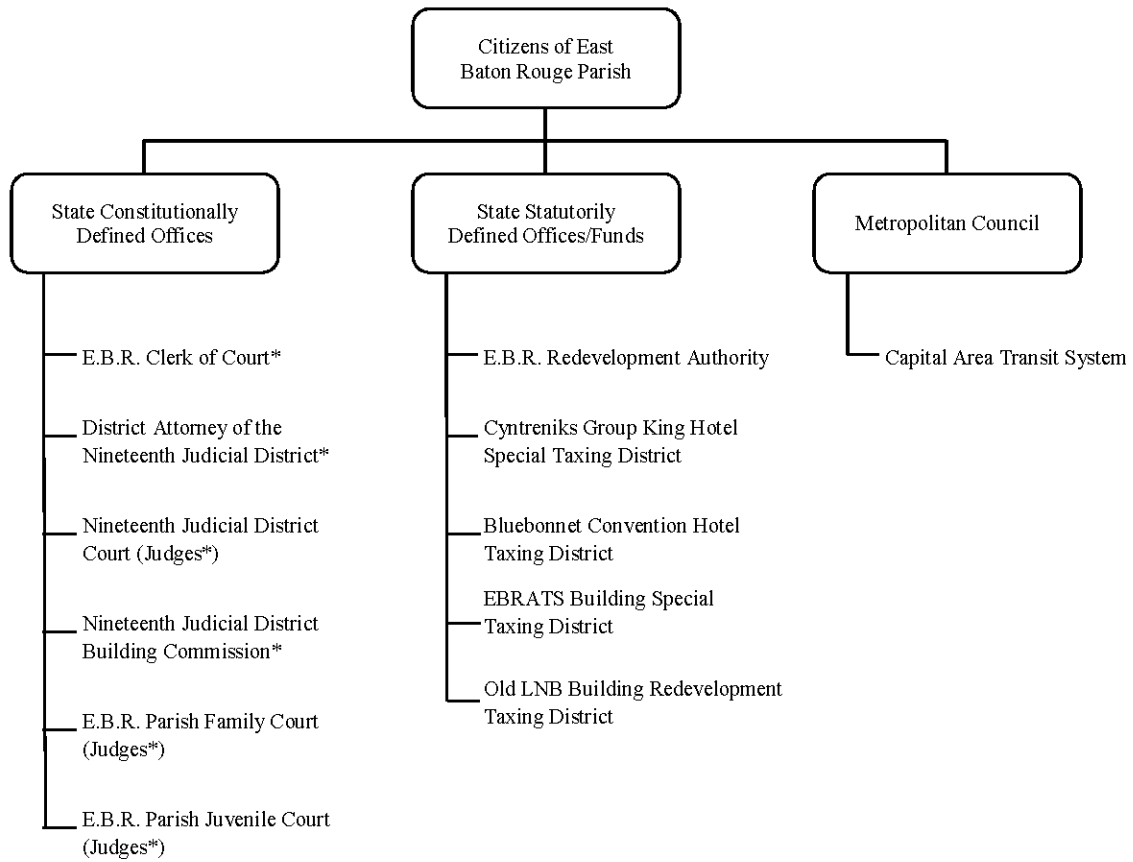
District 12
Barbara Freiberg

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



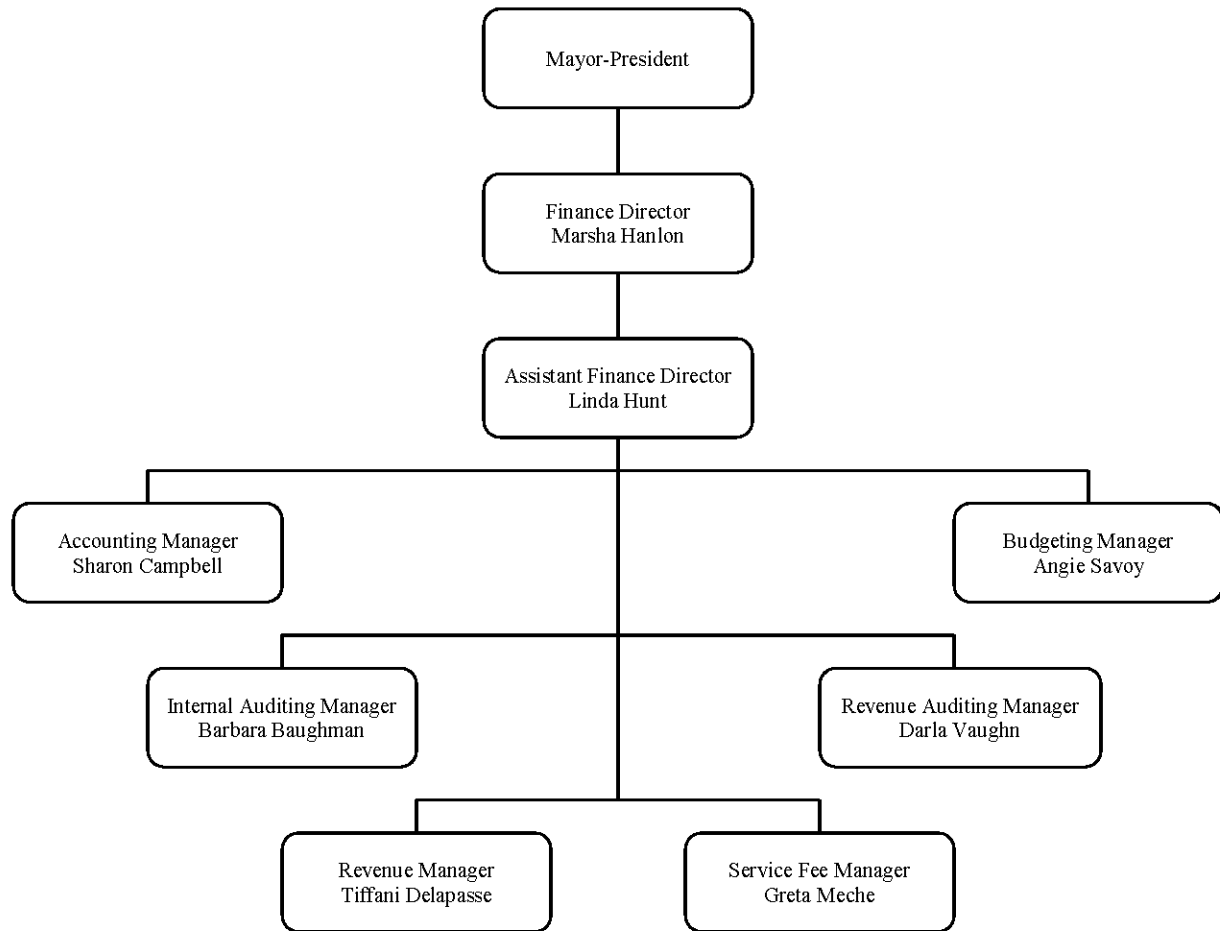
* Designates Elected Officials

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



* Designates Elected Officials

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



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison information for the general and major special revenue funds, and the aggregate remaining fund information of the City of Baton Rouge and Parish of East Baton Rouge, Louisiana (City-Parish) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City-Parish's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain component units discretely presented as described in note 1(a) to the financial statements, which represent 72%, 58% and 47%, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Auditors' Responsibility (continued)

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison information for the general and each major special revenue fund, and the aggregate remaining fund information of the City of Baton Rouge-Parish of East Baton Rouge as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Certain Matters

As described in Note 1 to the financial statements, in 2018, the City-Parish adopted Governmental Accounting Standards Board (GASB) Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended December 31, 2018. This new standard requires the City-Parish to recognize and report its total other post-employment benefit liability, measured according to actuarial methods and approaches prescribed within the standard along with certain disclosures. Our opinion is not modified with respect to this matter.

As described in Note 20 to the financial statements, a significant contingency exists regarding the formation of the City of St. George, a previously unincorporated area of the Parish, and the resulting cessation from the City-Parish consolidated government. If certain events were to occur, significant changes to operations and budgets will be necessary. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 17, the Schedule of Changes in Total OPEB Liability and Related Ratios, exhibit A-18, and the Schedules of Cost-Sharing Plan Proportionate Shares of the Net Pension Liability, Cost-Sharing Plan Contributions, Changes in Net Pension Liability and Related Ratios for the Police Guarantee Trust and Single Employer Plan Contributions for the Police Guarantee Trust, exhibits A-19 through A-22, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City-Parish's basic financial statements. The accompanying combining and individual fund financial statements, and the schedules of cash, cash equivalents and investments, and the schedule of compensation, benefits, and other payments to the Mayor-President listed in the Table of Contents as exhibits B-1 through F-2, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards presented on Schedules A and B, pages 283-291, in the Single Audit Section, is also presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The combining and individual fund financial statements, the schedules of cash, cash equivalents and investments, and the schedule of compensation, benefits, and other payments to the Mayor-President and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund financial statements, the schedules of cash, cash equivalents and investments, the schedule of compensation, benefits, and other payments to the Mayor-President listed in the Table of Contents as Exhibits B-1 through F-2 and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019 on our consideration of the City-Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City-Parish's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 26, 2019

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

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

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

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of resources of the City-Parish primary government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$398.8 million (*net position*). Unrestricted net position for governmental activities is a deficit of \$1,194.6 million, while unrestricted net position for business-type activities is a deficit of \$4.6 million. The deficit in governmental activity unrestricted net position is primarily the result of the recognition of \$895.8 million in other postemployment benefit liabilities and \$553.3 million in net pension liability for governmental activities.
- The primary government's total net position decreased by \$42.1 million (\$2.6 million and \$39.5 million for governmental and business-type activities respectively) during 2018 to \$398.8 million.
- Governmental activities' net position decreased \$2.6 million during 2018 primarily as a result of decreases in sales tax revenues offset by increases in investment earnings, increases in other post-employment benefits offset by decreases in net pension and compensated absences liabilities and increases due to contributions for capital assets from capital grants and donated infrastructure.
- Net Position of business type activities decreased \$39.5 million during 2018. In the sewerage fund, increases in collections of user fees were offset by increases in bond interest expense and depreciation expense. Additionally, the airport district had a decrease in capital contributions from capital grants.
- As of the close of the current fiscal year, the City-Parish's governmental funds reported combined ending fund balances of \$499.4 million, an increase of \$35.9 million. Approximately 1.1% of the fund balances, \$5.7 million, is *available for spending* at the City-Parish's discretion (*unassigned fund balance*). The remainder of the fund balances are not available for discretionary spending because they are either nonspendable, restricted, committed or assigned for specific purposes. However, expenditures of committed fund balance remains under the City-Parish's authority.

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 substantially influenced by the City-Parish or to which the City-Parish Metropolitan Council may be obligated to provide financial assistance and are presented as a separate column in the government-wide statements and as individual activities within the basic financial statements.

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Capital Assets

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

Notes to the Financial Statements

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

Other Information

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

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

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

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

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

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position for 2018, with comparative figures from 2017:

City of Baton Rouge, Parish of East Baton Rouge
Condensed Statement of Net Position
December 31, 2018 & 2017
(in millions)

	Governmental Activities		Business- Type Activities		Total	
	<u>2018</u>	<u>2017*</u>	<u>2018</u>	<u>2017*</u>	<u>2018</u>	<u>2017*</u>
Assets:						
Current and Other Assets	\$ 565.7	\$ 542.3	\$ 156.9	\$ 168.0	\$ 722.6	\$ 710.3
Restricted Assets	--	--	193.5	244.4	193.5	244.4
Capital Assets	<u>924.9</u>	<u>927.0</u>	<u>2,003.6</u>	<u>1,986.7</u>	<u>2,928.5</u>	<u>2,913.7</u>
Total Assets	<u>1,490.6</u>	<u>1,469.3</u>	<u>2,354.0</u>	<u>2,399.1</u>	<u>3,844.6</u>	<u>3,868.4</u>
Deferred Outflow of Resources	<u>134.9</u>	<u>179.8</u>	<u>110.5</u>	<u>128.9</u>	<u>245.4</u>	<u>308.7</u>
Liabilities:						
Current Liabilities	45.4	58.4	58.7	80.8	104.1	139.2
Non-current Liabilities	<u>1,822.4</u>	<u>1,864.7</u>	<u>1,721.0</u>	<u>1,725.9</u>	<u>3,543.4</u>	<u>3,590.6</u>
Total Liabilities	<u>1,867.8</u>	<u>1,923.1</u>	<u>1,779.7</u>	<u>1,806.7</u>	<u>3,647.5</u>	<u>3,729.8</u>
Deferred Inflow of Resources	<u>40.2</u>	<u>5.9</u>	<u>3.5</u>	<u>0.5</u>	<u>43.7</u>	<u>6.4</u>
Net Position:						
Net Investment in Capital Assets	732.7	719.3	588.4	621.3	1,321.1	1,340.6
Restricted	179.4	168.6	97.5	92.5	276.9	261.1
Unrestricted	<u>(1,194.6)</u>	<u>(1,167.8)</u>	<u>(4.6)</u>	<u>7.0</u>	<u>(1,199.2)</u>	<u>(1,160.8)</u>
Total Net Position	<u>\$ (282.5)</u>	<u>\$ (279.9)</u>	<u>\$ 681.3</u>	<u>\$ 720.8</u>	<u>\$ 398.8</u>	<u>\$ 440.9</u>

*Restated

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

As of December 31, 2018, \$1,321.1 million of the City-Parish's net position reflects the government's investment in capital assets (land, buildings, noise mitigation costs, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The City-Parish government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Restricted net position represents those assets subject to external restrictions on how those assets may be used such as a property tax approved by the electorate for a specific purpose. Restricted net position increased by \$10.8 million from the previous year for governmental activities, primarily due to dedication of funds for library capital improvements. Restricted net position increased by \$5.0 million for business-type activities, due to an increase in amounts restricted for debt service. Unrestricted net position decreased by \$26.8 million from the previous year for governmental activities. This decrease was primarily due to an increase in other post-employment benefit liability for governmental activities and a decrease in sales tax revenues. Unrestricted net position decreased by \$11.6 million for business-type activities. This decrease was primarily due to an increase to restricted net position and an overall net operating loss.

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

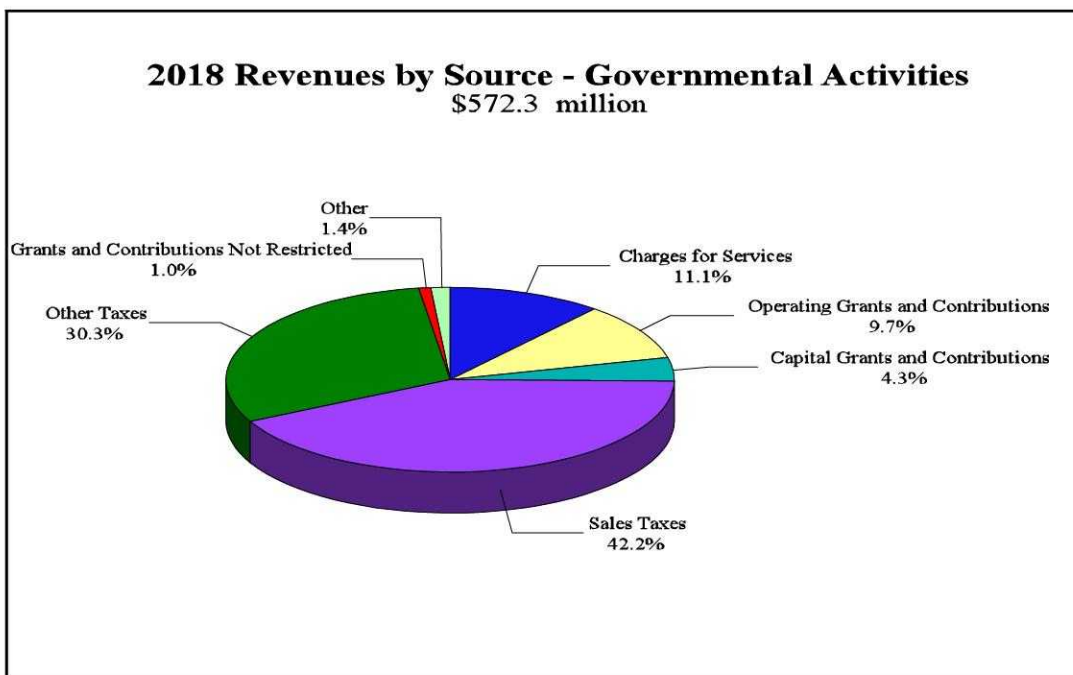
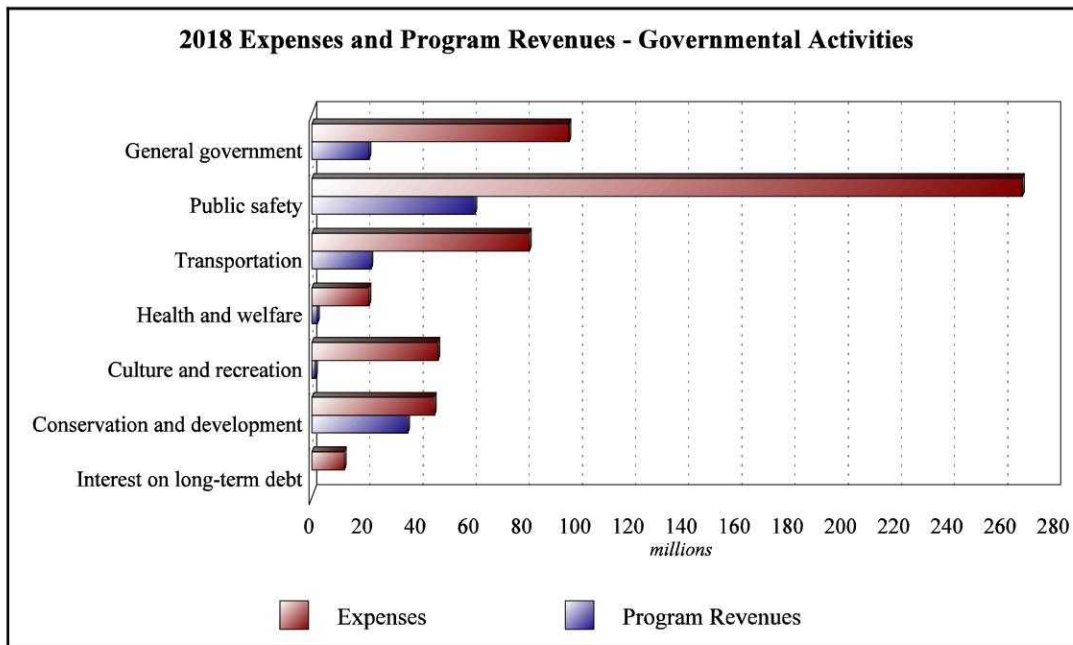
The table below provides a summary of the changes in net position for the year ended December 31, 2018, with comparative figures from 2017:

City of Baton Rouge, Parish of East Baton Rouge
Condensed Statement of Changes in Net Position
For the Years Ended December 31, 2018 & 2017
(in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 63.8	\$ 64.5	\$163.6	\$158.1	\$227.4	\$222.6
Operating Grants and Contributions	55.7	55.3	7.4	8.0	63.1	63.3
Capital Grants and Contributions	24.8	39.3	16.1	24.4	40.9	63.7
General Revenues:						
Sales Taxes	241.1	247.6	46.6	47.9	287.7	295.5
Other Taxes	173.5	172.0	0.9	0.3	174.4	172.3
Grants and Contributions Not Restricted to Specific Programs	5.3	5.9	--	--	5.3	5.9
Other	<u>8.1</u>	<u>4.2</u>	<u>9.1</u>	<u>5.3</u>	<u>17.2</u>	<u>9.5</u>
Total Revenues	<u>572.3</u>	<u>588.8</u>	<u>243.7</u>	<u>244.0</u>	<u>816.0</u>	<u>832.8</u>
Expenses:						
General Government	96.8	99.4	1.2	0.7	98.0	100.1
Public Safety	267.2	288.7	--	--	267.2	288.7
Transportation	81.8	84.4	31.8	29.6	113.6	114.0
Sanitation	--	--	238.4	226.1	238.4	226.1
Health and Welfare	21.4	11.7	--	--	21.4	11.7
Culture and Recreation	47.4	49.8	13.8	13.0	61.2	62.8
Conservation and Development	46.1	48.9	--	--	46.1	48.9
Interest on Long-Term Debt	<u>12.2</u>	<u>12.5</u>	<u>--*</u>	<u>--*</u>	<u>12.2</u>	<u>12.5</u>
Total Expenses	<u>572.9</u>	<u>595.4</u>	<u>285.2</u>	<u>269.4</u>	<u>858.1</u>	<u>864.8</u>
Decrease in Net Position Before Transfers	(0.6)	(6.6)	(41.5)	(25.4)	(42.1)	(32.0)
Transfers	<u>(2.0)</u>	<u>(1.6)</u>	<u>2.0</u>	<u>1.6</u>	<u>--</u>	<u>--</u>
Decrease In Net Position	(2.6)	(8.2)	(39.5)	(23.8)	(42.1)	(32.0)
Net Position, January 1	<u>(279.9)</u>	<u>138.4</u>	<u>720.8</u>	<u>774.6</u>	<u>440.9</u>	<u>913.0</u>
Net Position, December 31	<u><u>\$(282.5)</u></u>	<u><u>\$ 130.2</u></u>	<u><u>\$681.3</u></u>	<u><u>\$750.8</u></u>	<u><u>\$398.8</u></u>	<u><u>\$881.0</u></u>
Effects of GASB 75 implementation		<u>(410.1)</u>		<u>(30.0)</u>		<u>(440.1)</u>
Net Position, December 31, restated		<u><u>\$(279.9)</u></u>		<u><u>\$720.8</u></u>		<u><u>\$440.9</u></u>

* Interest expense for Business-Type Activities is reported within the functional categories.

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

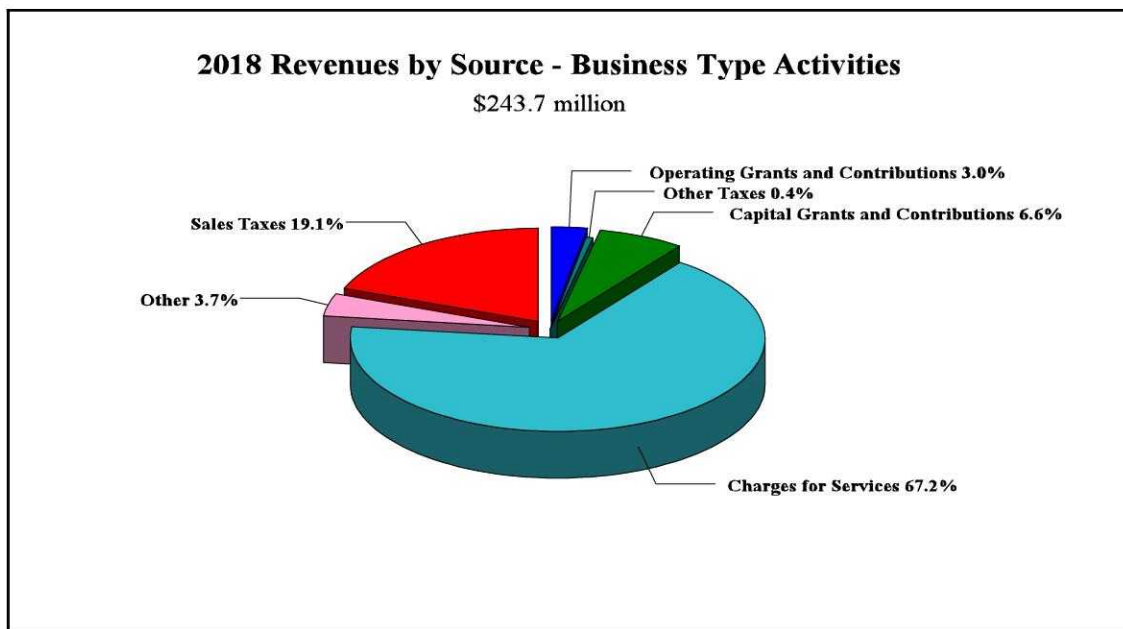
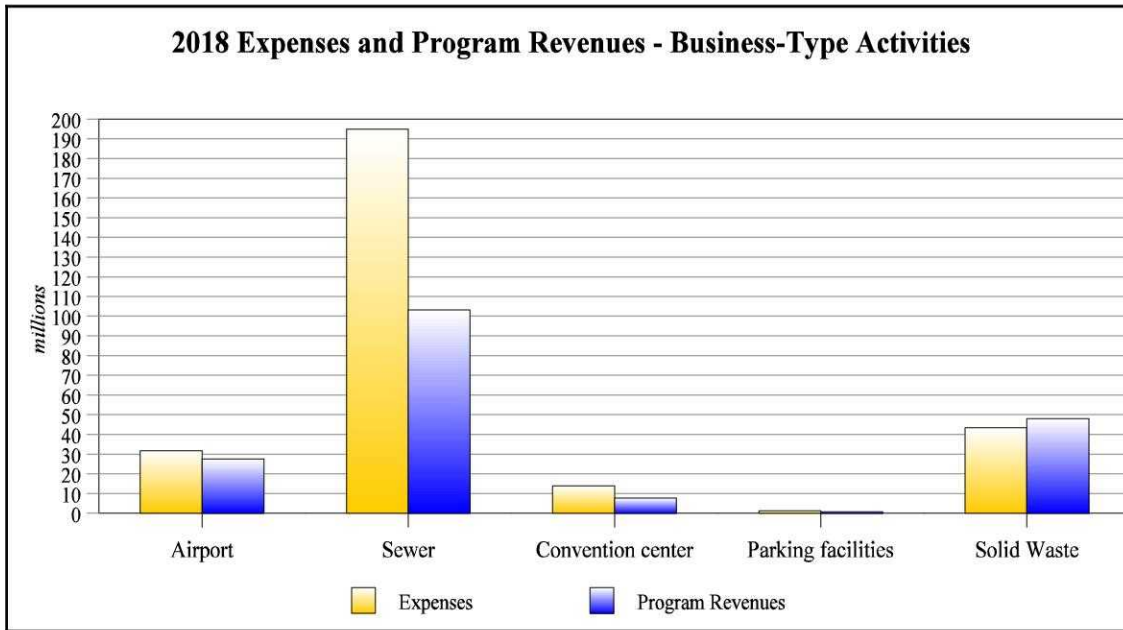


The government's net position decreased by \$42.1 million during the current fiscal year.

Governmental Activities' net position decreased \$2.6 million in 2018. The decrease in net position is a result of expenses exceeding revenues for the year. A further analysis of the decrease in net position is as follows:

- Decreases in long-term liabilities and obligations such as net pension and compensated absences offset by an increase in other post-employment benefits.
- Decrease in sales tax revenues in comparison to 2017, was primarily due to the effect of the spike in sales tax collections subsequent to the 2016 Flood.
- Capital grants and contributions capitalized during the year from external sources.

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



Business-Type Activities' net position decreased by \$39.5 million in 2018. The decrease in net position is a result of expenses exceeding revenues for the year. An analysis of major revenues and expenses is as follows:

- The Greater Baton Rouge Airport District experienced a decrease in capital contributions from capital grants.
- The Comprehensive Sewerage System Fund experienced increases in depreciation expense due to the completion of the sanitary sewer overflow project as well as increases in interest expense offset by increases in investment earnings.
- The Solid Waste Collection and Disposal Fund experienced an increase in collection of user fees due to a rate increase in 2018.

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

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$499.4 million, an increase of \$35.9 million in comparison with the prior year. Approximately 1.1% of total governmental funds fund balance (\$5.7 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Of the remaining fund balance, \$0.7 million is *nonspendable* and is not in spendable form, \$362.2 million is *restricted* and has limitations imposed on its use by external parties, \$104.1 million is *committed* for specific purposes imposed by the Metropolitan Council, and \$26.7 million has been assigned for various purposes by the Finance Director. Additional information on governmental fund balance can be found in Note 14 of the Notes to the Financial Statements including information on the specific purpose for amounts restricted, committed and assigned.

The General Fund is the chief operating fund of the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana. At the end of the current fiscal year, unassigned fund balance of the General Fund was approximately \$5.7 million, while total fund balance was \$94.0 million. After transfers, primarily to the grants, capital projects and debt service funds, the net change in fund balance for the General Fund was a deficit of \$4.4 million for the year. This decrease was primarily due to decreased sales taxes and gaming admissions taxes during 2018.

The Library Board of Control Fund collected revenues that exceeded expenditures by almost \$10.4 million in 2018. The primary source of revenue for this fund is a 11.1 mill property tax, which provides funding for all operating expenses of the library system and a pay-as-you-go capital improvement program. All revenues remaining after operational expenditures are funded are applied to the library's capital improvement program. Funding for the capital improvement program often accumulates for multiple years before beginning bid and construction on a new library, resulting in large fund balances in the library fund. During 2018, \$14.6 million was transferred to the capital project fund for library capital improvements.

Grants Fund expenditures and other financing uses exceeded revenues and other financing sources by \$0.2 million during 2018.

Fund balance in the Capital Projects Fund increased \$27.9 million in 2018. Major revenue sources in this fund during 2018, include \$7.8 million from the Louisiana Department of Transportation and Development, almost \$21.9 million transferred from the General Fund and Special Revenue Funds and \$18 million from sale of bonds. Outlays during 2018, of approximately \$31.2 million, include almost \$15.6 million for street and intersection improvements, \$7.5 million for building construction and improvements, and \$8.1 million for equipment and other capital outlay. Fund balance in the Capital Projects Fund will fluctuate year-to-year based on the status of projects and the progression of financing to fund those projects.

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

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

Unrestricted net position of the Greater Baton Rouge Airport District was a negative \$15.5 million at December 31, 2018. Most of this major fund's assets are capital assets with a net investment in capital assets of \$217.1 million. The fund reported a net loss of \$12.5 million before capital contributions and transfers for the year ended December 31, 2018.

Unrestricted net position of the Comprehensive Sewerage System Fund was negative \$0.4 million at December 31, 2018. This fund encompasses all assets associated with sewerage operations, maintenance, and capital improvements held by the City, the Parish, the Consolidated Sewerage District, and the East Baton Rouge Parish Sewerage Commission. The net investment in capital assets portion of net position totaled approximately \$321.6 million, reflecting a heavy investment in capital assets. The fund realized a net loss of approximately \$43.6 million before capital contributions and transfers for the year ended December 31, 2018.

Unrestricted net position of the Solid Waste Collection and Disposal Fund was \$8.8 million at December 31, 2018. Most of this major fund's assets are capital assets with a net investment in capital assets of \$10.6 million. The fund realized a net gain before transfers of \$5.1 million for the year ended December 31, 2018.

General Fund Budgetary Highlights

The 2018 General Fund originally budgeted expenditures of \$338.3 million (inclusive of transfers out) were increased by a net \$8.5 million during 2018 to reflect a final amended budget of approximately \$346.8 million. The additional appropriations were funded by excess funds in fund balance - assigned and unassigned. Committed fund balances were generally used as a source for the risk management appropriations, assigned fund balances for community center and certain public safety allocations, and restricted fund balances for specific General Fund operational costs.

Additional appropriations were made in the following areas:

	<u>(in millions)</u>
Public safety costs	\$4.4
Risk management from fund balance committed to self-insurance purposes	2.9
Other General Fund operational costs	0.6
Economic development initiatives	0.3
Grant programs	0.1
Other miscellaneous purposes	<u>0.2</u>
Total additional General Fund appropriations	<u><u>\$8.5</u></u>

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

- Property tax collections were \$1.0 million in excess of budget, gross receipts business tax collections were \$0.7 million less than budget, and gaming admissions taxes were \$1.3 million less than budget for 2018.

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

- The risk management budget was underspent by approximately \$4.2 million when self-insured health care claims net of premiums received from other funds were lower than projected in the operating budget.
- Intergovernmental revenues for retiree drug subsidy \$0.9 not included in the final budget.
- Approximately \$19.9 million of the appropriations for departmental budgets were not spent during 2018. 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 \$12.6 million, are included in assigned fund balance on the General Fund balance sheet. The majority of these funds are appropriated for needed police vehicles and other public safety equipment, to upgrade computers, provide for replacement of departmental office equipment, and provide funds for public works projects such as drainage, street improvements, and repairs and renovations to City-Parish buildings.

Capital Asset and Debt Administration

Capital Assets: Capital assets for the City of Baton Rouge, Parish of East Baton Rouge Consolidated Government's governmental and business-type activities as of December 31, 2018, amount to \$2,928.5 million (net of accumulated depreciation). These capital assets include land, buildings and system improvements, machinery and equipment, airport facilities, parking facilities, a convention center, a landfill, wastewater treatment facilities, roads, highways, bridges, and drainage systems. The total increase in the City-Parish's capital assets for the current fiscal year was \$14.8 million, a 0.2 percent decrease for governmental activities and a 0.9 percent increase for business-type activities.

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

- Planning, design, right-of-way acquisition, and construction on approximately nine major street or intersection improvements funded by the one-half percent sales and use tax dedicated for street and road improvements (\$1.1 million).
- Capital improvements to the sewerage system, including upgrades to treatment plants and rehabilitation of major sewer lines (\$97.7 million).
- Renovations and improvements to Airport buildings, runways, and other Airport improvements (\$8.9 million).
- Depreciation expense of \$50.6 million for governmental activities and \$93.1 million for business-type activities offset the above increases.

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

City of Baton Rouge, Parish of East Baton Rouge
Capital Assets
(Net of Depreciation)
December 31, 2018 & 2017
(in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land and right-of-way	\$179.6	\$177.5	\$ 95.4	\$ 95.7	\$ 275.0	\$ 273.2
Buildings	130.4	134.3	95.9	103.9	226.3	238.2
Noise Mitigation Costs	--	--	58.7	58.4	58.7	58.4
Improvements (Other Than Buildings) and Infrastructure	522.1	536.2	1,742.7	1,643.7	2,264.8	2,179.9
Machinery and Equipment	28.8	28.2	0.9	1.1	29.7	29.3
Construction Work-In-Progress	<u>64.0</u>	<u>50.8</u>	<u>10.0</u>	<u>83.9</u>	<u>74.0</u>	<u>134.7</u>
Total	<u>\$924.9</u>	<u>\$927.0</u>	<u>\$2,003.6</u>	<u>\$1,986.7</u>	<u>\$2,928.5</u>	<u>\$2,913.7</u>

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

Long-Term Debt: At the end of the current fiscal year, the City-Parish had total bonded debt outstanding of \$1,715.7 million. Of this amount, \$95.8 million comprises debt backed by the full faith and credit of the government. The remainder of the debt represents bonds secured solely by specified revenue sources such as sales tax and user fees. There were no general obligation bonds outstanding for the City of Baton Rouge or the Parish of East Baton Rouge at the end of the fiscal year.

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

City of Baton Rouge, Parish of East Baton Rouge
Summary of Limited Tax Obligation, Excess Revenue and Revenue Bonds
December 31, 2018 & 2017
(in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Limited Tax Obligation Bonds	\$ 0.4	\$ --	\$ --	\$ --	\$ 0.4	\$ --
Excess Revenue Contracts, Loans and Notes	95.8	102.1	428.5	429.3	524.3	531.4
Revenue Bonds	<u>192.8</u>	<u>186.4</u>	<u>998.2</u>	<u>981.2</u>	<u>1,191.0</u>	<u>1,167.6</u>
Total All Bonds, Contracts, Loans and Notes	<u>\$289.0</u>	<u>\$288.5</u>	<u>\$1,426.7</u>	<u>\$1,410.5</u>	<u>\$1,715.7</u>	<u>\$1,699.0</u>

As of December 31, 2018, City-Parish bonds were rated by three major rating services as follows:

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

Additional information on debt administration can be found in Exhibit A-17, Note 10 of this report, including information concerning the computation of legal debt margins for different types of bonds.

Economic Factors and Next Year's Budget and Rates

The City-Parish's General Fund receives over 59 percent of its revenues from the 2 percent general sales and use tax levied by the City of Baton Rouge or the Parish of East Baton Rouge; therefore, economic indicators are very important in forming the General Fund budget estimates. Dr. James A. Richardson and Dr. Loren C. Scott, expert economists, prepare an econometric model for Louisiana and its major metropolitan areas each year. Statistics on personal income growth and employment growth are generated. From these numbers, a range of potential sales and use tax growth is estimated. Based upon the advice of these experts, the 2019 operating budget assumes a conservative growth rate for sales and use tax revenues of 1% over 2018 anticipated collections. Additional sales and use tax revenues will be available due to the completion of the City-Parish's obligation for one of the Tax Increment Financing Districts.

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

The proposed budget for the year 2019 for all funds, exclusive of operating transfers between funds, totals \$926.2 million. This is an increase of approximately \$7.0 million or 0.76 percent over the 2018 budget. The General Fund budget increased by approximately \$3.5 million mainly due to the appropriation of additional funds needed for employee benefit programs and public safety radio equipment. The decrease of \$1.6 million in the Special Revenue Funds budgets and \$8.7 million in the Capital Project Funds is due to the reduction of one-time funding for libraries and other capital projects budgeted for in 2019. Debt Service Funds budgets increased \$1.2 million due to the issuance of debt in 2018. Enterprise Fund Budgets increased \$5.6 million primarily due to increases in sewerage system operations and maintenance.

Requests For Information

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



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET POSITION
DECEMBER 31, 2018

EXHIBIT A - 1

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents (Note 3)	\$ 124,579,083	\$ 41,040,189	\$ 165,619,272	\$ 16,720,792
Investments (Note 3)	263,611,356	86,448,819	350,060,175	--
Receivables - net (Note 13)	61,422,729	21,462,569	82,885,298	18,424,634
Due from other governments (Note 11)	109,058,747	7,626,669	116,685,416	5,401,615
Prepaid items	193,904	252,122	446,026	195,858
Loans receivable	4,845,220	--	4,845,220	1,270,849
Inventory	983,171	62,379	1,045,550	5,219,647
Net pension asset	--	--	--	606,171
Other assets	1,000,000	--	1,000,000	91,623
Restricted assets:				
Cash and cash equivalents (Note 3)	--	58,671,174	58,671,174	15,643,311
Investments (Note 3)	--	134,326,111	134,326,111	--
Receivables - net (Note 13)	--	538,981	538,981	--
Capital assets (Note 6):				
Non-depreciable	243,677,473	164,150,106	407,827,579	--
Depreciable, net	681,270,417	1,839,480,031	2,520,750,448	103,822,122
Total assets	<u>1,490,642,100</u>	<u>2,354,059,150</u>	<u>3,844,701,250</u>	<u>167,396,622</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	10,441,093	34,458,461	44,899,554	4,630,552
Deferred outflows on derivative instruments	7,534,566	65,610,461	73,145,027	--
Deferred outflow for OPEB	26,435,664	2,234,534	28,670,198	1,241,295
Deferred outflow for pensions	90,487,583	8,201,933	98,689,516	12,561,989
Total deferred outflows of resources	<u>134,898,906</u>	<u>110,505,389</u>	<u>245,404,295</u>	<u>18,433,836</u>
LIABILITIES				
Accounts payable and other current liabilities	27,907,899	27,422,557	55,330,456	8,160,807
Internal balances (Note 11)	(627,529)	627,529	--	--
Due to other governments	618,510	--	618,510	839
Accrued payables	8,345,154	27,923,918	36,269,072	2,139,288
Unearned revenue	613,297	2,712,664	3,325,961	--
Deposits and escrow accounts	8,594,112	--	8,594,112	--
Other liabilities	--	--	--	124,259
Non-current liabilities (Note 10):				
Due within one year	33,362,738	23,752,124	57,114,862	3,288,668
Due in more than one year	1,789,001,891	1,697,238,060	3,486,239,951	238,817,860
Total liabilities	<u>1,867,816,072</u>	<u>1,779,676,852</u>	<u>3,647,492,924</u>	<u>252,531,721</u>
DEFERRED INFLOWS OF RESOURCES				
Resources received before time requirements	232,511	--	232,511	--
Deferred inflow for pensions	40,027,167	3,549,881	43,577,048	4,584,916
Total deferred inflows of resources	<u>40,259,678</u>	<u>3,549,881</u>	<u>43,809,559</u>	<u>4,584,916</u>
NET POSITION				
Net investment in capital assets	732,715,202	588,421,523	1,321,136,725	5,906,706
Restricted for (Note 14):				
Capital projects	102,487,662	5,547,526	108,035,188	--
Debt service	6,699,293	21,520,520	28,219,813	16,260,997
Passenger facility charges	--	470,925	470,925	--
External legal constraints	70,166,354	70,000,000	140,166,354	3,187,992
Unrestricted	(1,194,603,255)	(4,622,688)	(1,199,225,943)	(96,641,874)
Total net position	<u>\$ (282,534,744)</u>	<u>\$ 681,337,806</u>	<u>\$ 398,803,062</u>	<u>\$ (71,286,179)</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, 2018

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Function/Programs				
Primary government:				
Governmental activities:				
General government	\$ 96,787,459	\$ 21,137,041	\$ 320,555	\$ --
Public safety	267,249,973	38,125,070	21,187,685	1,982,686
Transportation	81,786,682	77,658	1,662,871	20,484,719
Health and welfare	21,449,322	954,268	1,102,176	--
Culture and recreation	47,393,073	247,917	717,361	350,000
Conservation and development	46,067,115	3,277,359	30,746,207	2,019,584
Interest and fiscal charges on long-term debt	12,178,317	--	--	--
Total governmental activities	<u>572,911,941</u>	<u>63,819,313</u>	<u>55,736,855</u>	<u>24,836,989</u>
Business-type activities:				
Airport	31,768,848	18,447,074	562,002	8,428,205
Sewer	194,937,778	89,873,217	6,728,515	6,591,470
Solid waste collection and disposal	43,467,253	47,998,682	--	--
Convention center	13,836,179	6,512,191	135,387	1,064,922
Parking facilities	1,202,178	739,500	--	--
Total business-type activities	<u>285,212,236</u>	<u>163,570,664</u>	<u>7,425,904</u>	<u>16,084,597</u>
Total primary government	<u>\$ 858,124,177</u>	<u>\$ 227,389,977</u>	<u>\$ 63,162,759</u>	<u>\$ 40,921,586</u>
Component units:				
Judicial court services	\$ 54,946,263	\$ 29,156,240	\$ 19,867,659	\$ --
Economic development districts	3,586,645	309,104	1,914,324	--
Mass transit	32,011,770	2,808,645	--	3,101,429
Total component units	<u>\$ 90,544,678</u>	<u>\$ 32,273,989</u>	<u>\$ 21,781,983</u>	<u>\$ 3,101,429</u>

General revenues:

Taxes:

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

Miscellaneous

Grants and contributions not restricted to specific programs

Investment earnings

Gain on sale of capital assets

Transfers (to) from other funds

Total general revenues and transfers

Change in net position

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

Net position - end of year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (75,329,863)	\$ --	\$ (75,329,863)	\$ --
(205,954,532)	--	(205,954,532)	--
(59,561,434)	--	(59,561,434)	--
(19,392,878)	--	(19,392,878)	--
(46,077,795)	--	(46,077,795)	--
(10,023,965)	--	(10,023,965)	--
(12,178,317)	--	(12,178,317)	--
(428,518,784)	--	(428,518,784)	--
--	(4,331,567)	(4,331,567)	--
--	(91,744,576)	(91,744,576)	--
--	4,531,429	4,531,429	--
--	(6,123,679)	(6,123,679)	--
--	(462,678)	(462,678)	--
--	(98,131,071)	(98,131,071)	--
(428,518,784)	(98,131,071)	(526,649,855)	--
--	--	--	(5,922,364)
--	--	--	(1,363,217)
--	--	--	(26,101,696)
--	--	--	(33,387,277)
122,294,594	--	122,294,594	18,184,331
22,980,788	--	22,980,788	--
241,051,283	46,655,285	287,706,568	500,449
1,743	--	1,743	--
2,310,952	959,850	3,270,802	1,926,073
11,127,819	--	11,127,819	--
4,318,180	--	4,318,180	--
8,951,625	--	8,951,625	--
1,474,043	--	1,474,043	--
17,883	--	17,883	1,332,239
5,341,634	--	5,341,634	5,630,949
7,889,428	8,748,097	16,637,525	636,080
143,469	306,909	450,378	--
(1,970,566)	1,970,566	--	--
425,932,875	58,640,707	484,573,582	28,210,121
(2,585,909)	(39,490,364)	(42,076,273)	(5,177,156)
(279,948,835)	720,828,170	440,879,335	(66,109,023)
\$ (282,534,744)	\$ 681,337,806	\$ 398,803,062	\$ (71,286,179)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General Fund	Library Board of Control	Grants
ASSETS			
Cash and cash equivalents (Note 3)	\$ 16,997,806	\$ 21,170,427	\$ --
Investments (Note 3)	38,916,026	48,469,137	--
Property taxes receivable - net (Note 4)	5,691,183	9,042,514	--
Gross receipts business taxes receivable	4,219,419	--	--
Sales taxes receivable - net (Note 13)	16,962,879	--	--
Interest and penalties receivable on taxes	88,655	--	--
Accounts receivable - net (Note 13)	3,577,242	758	20,448
Accrued interest receivable	505,935	402,391	47,157
Due from other funds (Note 11)	10,617,979	--	--
Due from other governments (Note 11)	22,523,053	36,241,531	11,866,741
Other assets	1,000,000	--	--
Inventory	805,766	--	--
Total assets	<u>\$ 121,905,943</u>	<u>\$ 115,326,758</u>	<u>\$ 11,934,346</u>
LIABILITIES			
Accounts and contracts payable	\$ 15,805,631	\$ 861,980	\$ 4,086,937
Due to other funds (Note 11)	--	37,625,327	2,107,154
Due to other governments	282,834	--	--
Accrued payables	2,174,721	289,225	153,640
Unearned revenue	--	--	439,718
Deposits and escrow accounts	8,528,292	--	65,820
Total liabilities	<u>26,791,478</u>	<u>38,776,532</u>	<u>6,853,269</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	502,845	695,695	--
Unavailable revenue - revenue sharing	631,301	--	--
Resources received before time requirements	--	--	232,511
Total deferred inflows of resources	<u>1,134,146</u>	<u>695,695</u>	<u>232,511</u>
FUND BALANCES (Note 14):			
Nonspendable	805,766	--	--
Restricted	1,145,142	75,854,531	4,848,566
Committed	59,671,648	--	--
Assigned	26,694,585	--	--
Unassigned	5,663,178	--	--
Total fund balances	<u>93,980,319</u>	<u>75,854,531</u>	<u>4,848,566</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 121,905,943</u>	<u>\$ 115,326,758</u>	<u>\$ 11,934,346</u>

The accompanying notes are an integral part of this statement.

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 42,447,530	\$ 38,597,906	\$ 119,213,669
106,995,667	57,473,978	251,854,808
--	9,394,537	24,128,234
--	--	4,219,419
2,599,375	1,539,684	21,101,938
--	--	88,655
--	5,061,083	8,659,531
671,242	512,990	2,139,715
43,223,482	--	53,841,461
1,535,264	35,967,477	108,134,066
--	--	1,000,000
--	--	805,766
<u>\$ 197,472,560</u>	<u>\$ 148,547,655</u>	<u>\$ 595,187,262</u>
\$ 3,104,928	\$ 2,871,625	\$ 26,731,101
--	13,481,451	53,213,932
--	335,676	618,510
1,052	387,124	3,005,762
173,579	--	613,297
--	--	8,594,112
<u>3,279,559</u>	<u>17,075,876</u>	<u>92,776,714</u>
--	841,014	2,039,554
--	60,383	691,684
--	--	232,511
<u>--</u>	<u>901,397</u>	<u>2,963,749</u>
--	--	805,766
170,902,121	109,424,715	362,175,075
23,290,880	21,145,667	104,108,195
--	--	26,694,585
--	--	5,663,178
<u>194,193,001</u>	<u>130,570,382</u>	<u>499,446,799</u>
<u>\$ 197,472,560</u>	<u>\$ 148,547,655</u>	<u>\$ 595,187,262</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018**

EXHIBIT A - 4

Fund balances - total governmental funds		\$ 499,446,799
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	1,720,759,664	
Less accumulated depreciation	<u>(805,749,315)</u>	915,010,349
Assets used in governmental activities that are not financial resources, and, therefore, are not reported in the governmental funds.		
Prepaid items	193,904	
HUD loans receivable	<u>4,845,220</u>	5,039,124
Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures.		
Property tax revenue	2,039,554	
Louisiana revenue sharing	691,684	
Emergency Medical Services transport charges	997,205	
U.S. Health and Human Services	<u>924,681</u>	4,653,124
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	(5,309,680)	
Bonds payable	(288,961,496)	
Deferred premium and discount	(15,287,708)	
Deferred amount on refunding	10,441,093	
Obligation payable	(3,737,073)	
Compensated absences payable	(27,341,761)	
Claims and judgments payable	(25,258,583)	
Employee benefits payable	(4,929,285)	
Total other post employment benefit liability	(895,783,060)	
Net pension liability	<u>(553,282,339)</u>	(1,809,449,892)
Deferred inflows and outflows of resources for pension plans and other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
		76,896,080
Internal service funds are used by management to charge the costs of fleet management and maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		<u>25,869,672</u>
Net position of governmental activities		<u>\$ (282,534,744)</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, 2018

	General Fund	Library Board of Control	Grants
REVENUES			
Taxes:			
Property	\$ 28,208,938	\$ 47,320,274	\$ --
Gross receipts business taxes	22,980,788	--	--
Sales	188,634,045	--	--
TIF district tax	--	--	--
Occupancy	1,385,678	--	--
Occupational	11,127,819	--	--
Insurance premiums	4,318,180	--	--
Gaming admissions	8,951,625	--	--
Interest and penalties - delinquent	1,474,043	--	--
Licenses and permits	5,053,699	--	--
Intergovernmental revenues	14,845,681	--	39,936,098
Charges for services	22,744,697	50,327	--
Fines and forfeits	1,104,000	166,668	--
Investment earnings	1,543,778	1,540,798	110,249
Miscellaneous revenues	3,974,151	27,256	3,179,352
Total revenues	<u>316,347,122</u>	<u>49,105,323</u>	<u>43,225,699</u>
EXPENDITURES			
Current:			
General government	68,066,909	--	--
Public safety	181,316,376	--	3,457,636
Transportation	35,609,349	--	--
Health and welfare	3,903,927	--	1,085,112
Culture and recreation	1,635,595	38,283,622	3,330
Conservation and development	4,584,353	--	34,105,031
Debt service:			
Principal retirement	--	--	--
Interest and fiscal charges	--	--	--
Bond issuance costs	--	--	--
Capital outlay	--	461,978	4,002,270
Intergovernmental	17,410,789	--	--
Total expenditures	<u>312,527,298</u>	<u>38,745,600</u>	<u>42,653,379</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,819,824</u>	<u>10,359,723</u>	<u>572,320</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 12)	2,090,000	--	1,159,348
Transfers out (Note 12)	(10,910,296)	(14,627,640)	(2,000,000)
Issuance of long-term debt	--	--	--
Proceeds of capital asset disposition	583,963	--	38,070
Total other financing sources and uses	<u>(8,236,333)</u>	<u>(14,627,640)</u>	<u>(802,582)</u>
Net change in fund balances	(4,416,509)	(4,267,917)	(230,262)
Fund balances, January 1	<u>98,396,828</u>	<u>80,122,448</u>	<u>5,078,828</u>
Fund balances, December 31	<u>\$ 93,980,319</u>	<u>\$ 75,854,531</u>	<u>\$ 4,848,566</u>

The accompanying notes are an integral part of this statement.

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 47,167,902	\$ 122,697,114
--	--	22,980,788
6,745,385	45,671,853	241,051,283
--	1,743	1,743
--	925,274	2,310,952
--	--	11,127,819
--	--	4,318,180
--	--	8,951,625
--	--	1,474,043
--	--	5,053,699
9,246,033	8,385,123	72,412,935
--	26,299,729	49,094,753
--	546,932	1,817,600
2,496,779	1,900,771	7,592,375
896,585	565,277	8,642,621
<u>19,384,782</u>	<u>131,464,604</u>	<u>559,527,530</u>
1,042,280	1,434,835	70,544,024
--	50,152,307	234,926,319
--	12,126,207	47,735,556
--	14,081,144	19,070,183
--	--	39,922,547
--	3,774,103	42,463,487
--	18,252,629	18,252,629
--	13,186,348	13,186,348
129,682	5,010	134,692
29,992,918	1,951,075	36,408,241
--	550,000	17,960,789
<u>31,164,880</u>	<u>115,513,658</u>	<u>540,604,815</u>
<u>(11,780,098)</u>	<u>15,950,946</u>	<u>18,922,715</u>
21,854,126	6,580,712	31,684,186
(273,315)	(5,843,501)	(33,654,752)
18,050,000	320,000	18,370,000
--	5,800	627,833
<u>39,630,811</u>	<u>1,063,011</u>	<u>17,027,267</u>
27,850,713	17,013,957	35,949,982
<u>166,342,288</u>	<u>113,556,425</u>	<u>463,496,817</u>
<u>\$ 194,193,001</u>	<u>\$ 130,570,382</u>	<u>\$ 499,446,799</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, 2018**

EXHIBIT A - 6

Net change in fund balances - total governmental funds \$ 35,949,982

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	36,408,241	
Depreciation expense	<u>(47,176,384)</u>	(10,768,143)

The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donations, is to increase net position. 7,590,406

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	(402,520)	
Louisiana revenue sharing	(3,025)	
Emergency Medical Services transport charges	678,398	
U.S. Health and Human Services	<u>38,847</u>	311,700

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

Long-term debt issued	(18,370,000)	
Amortization of bond insurance costs	(54,995)	
Amortization of premium and discount	2,041,005	
Amortization of amount on refunding	(1,408,916)	
Principal payments	18,252,629	
Adjustment for debt recorded in business type activities	<u>(383,333)</u>	76,390

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.

Accrued interest payable	511,629	
Compensated absences payable	3,151,673	
Claims and judgments payable	6,608,293	
Employee benefits payable	192,407	
Total OPEB liability and deferred inflows and outflows for OPEB	(21,593,973)	
Net pension liability and deferred inflows and outflows for pensions	(25,936,486)	
HUD loans receivable	<u>832,219</u>	(36,234,238)

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.

487,994

Change in net position of governmental activities \$ (2,585,909)

**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, 2018**

EXHIBIT A - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 27,243,310	\$ 27,243,310	\$ 28,208,938	\$ 965,628
Gross receipts business taxes	23,566,000	23,720,940	22,980,788	(740,152)
General sales and use taxes	188,340,160	188,340,160	188,634,045	293,885
Occupancy taxes	1,313,310	1,313,310	1,385,678	72,368
Occupational taxes	11,213,790	11,213,790	11,127,819	(85,971)
Insurance premiums taxes	4,343,000	4,343,000	4,318,180	(24,820)
Gaming admissions taxes	10,280,040	10,280,040	8,951,625	(1,328,415)
Interest and penalties - delinquent taxes	1,527,000	1,527,000	1,474,043	(52,957)
Total taxes	267,826,610	267,981,550	267,081,116	(900,434)
Licenses and permits:				
Use of streets:				
Public conveyances	55,000	55,000	239,626	184,626
Bicycle registration fees	30,000	30,000	2,040	(27,960)
Occupational and professional:				
Air conditioning and heating	38,000	38,000	45,045	7,045
Electrical contractors	45,000	45,000	59,565	14,565
Plumbers	40,000	40,000	44,130	4,130
House moving	500	500	275	(225)
Garbage collectors	43,800	43,800	44,200	400
Classified employees	180,000	180,000	142,560	(37,440)
Retail clerks	118,000	118,000	112,000	(6,000)
Entertainers	6,000	6,000	6,060	60
Liquor and beer	590,400	590,400	610,103	19,703
Restaurant	29,900	29,900	37,048	7,148
Gaming	6,000	6,000	4,920	(1,080)
Chauffeurs	3,900	3,900	3,380	(520)
Second hand dealers	1,000	1,000	150	(850)
Construction permits:				
Air conditioning and heating	275,000	275,000	246,479	(28,521)
Electrical	425,000	425,000	381,684	(43,316)
Building	1,850,000	1,850,000	1,875,793	25,793
Plumbing and gas	402,000	402,000	383,446	(18,554)
House moving	1,500	1,500	1,100	(400)
Fence	1,000	1,000	510	(490)
Special events	42,000	42,000	39,360	(2,640)
Alarm user	40,000	40,000	39,450	(550)
Animal control and rescue center licenses	668,380	668,380	663,207	(5,173)
Other permits	40,800	40,800	71,568	30,768
Total licenses and permits	4,933,180	4,933,180	5,053,699	120,519
Intergovernmental revenues:				
State grants:				
Public safety:				
Traffic signal maintenance	661,240	661,240	623,420	(37,820)

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, 2018**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Intergovernmental revenues (continued):				
State grants (continued):				
Public safety (continued):				
Department of Military Affairs	\$ 78,000	\$ 78,000	\$ 59,800	\$ (18,200)
Juvenile meal reimbursement	55,000	55,000	49,787	(5,213)
Transportation:				
Street maintenance	510,570	510,570	507,840	(2,730)
Culture and recreation:				
Hotel/motel sales tax	--	--	613,481	613,481
State shared revenues:				
Beer taxes	410,000	410,000	346,948	(63,052)
Insurance company taxes	995,000	995,000	903,860	(91,140)
Louisiana revenue sharing	1,069,700	1,069,700	1,066,323	(3,377)
Mineral royalties	92,000	92,000	26,497	(65,503)
Severance taxes	650,000	650,000	714,610	64,610
On-behalf payments for salaries and benefits	9,188,440	9,051,566	9,047,281	(4,285)
Retiree drug subsidy	--	--	885,834	885,834
Payments in lieu of taxes - Federal government	1,500	1,500	--	(1,500)
Total intergovernmental revenues	<u>13,711,450</u>	<u>13,574,576</u>	<u>14,845,681</u>	<u>1,271,105</u>
Charges for services:				
General government:				
City court civil fees	1,145,000	1,145,000	1,409,207	264,207
Judiciary court costs	580,000	580,000	396,386	(183,614)
City court school fees	123,800	123,800	89,100	(34,700)
City court bench warrant fees	790,000	790,000	597,314	(192,686)
City court miscellaneous fees	438,500	438,500	229,153	(209,347)
City court credit card payment fees	35,000	35,000	--	(35,000)
City court expungement	30,000	30,000	18,000	(12,000)
City court home incarceration monitoring	1,450	1,450	1,450	--
City court mortgage recordation fees	13,000	13,000	11,570	(1,430)
City court pre-trial administrative fee	50,000	50,000	33,180	(16,820)
City court electronic disposition extracting fee	80,000	80,000	105,000	25,000
City court public tag agent service fee	23,900	23,900	22,289	(1,611)
City constable civil fees	900,000	900,000	969,540	69,540
City prosecutor bond posting fee	22,000	22,000	16,021	(5,979)
Central services support	8,172,060	8,172,060	8,426,165	254,105
Central services support - inventory	32,800	32,800	31,194	(1,606)
Central services support - auction facility	40,000	40,000	41,773	1,773
Sales tax collection charges	2,700,000	2,700,000	3,112,616	412,616
Occupancy tax collection charges	39,500	39,500	49,500	10,000
NSF check fees	3,000	3,000	440	(2,560)
Credit card processing fees	70,000	70,000	--	(70,000)
Online permitting technology fees	50,000	50,000	48,330	(1,670)
Bench advertising	35,000	35,000	39,722	4,722
Board of adjustment fees	6,000	6,000	6,810	810
Sale of construction codes and plans	8,240	8,240	2,958	(5,282)
Adult DWI pretrial fees	70,000	70,000	76,500	6,500
Pre-trial diversion fees	495,000	495,000	407,626	(87,374)

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, 2018**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Charges for services (continued):				
General government (continued):				
Notice of intent	\$ 50,000	\$ 50,000	\$ 64,386	\$ 14,386
Adjudicated property	60,000	60,000	28,990	(31,010)
Zoning fees	110,000	110,000	109,183	(817)
Planning assistance	101,000	101,000	125,610	24,610
Planning advertising fees	30,000	30,000	41,900	11,900
Miscellaneous	6,600	6,600	12,755	6,155
Public safety:				
Subdivision inspection, testing and plan review	31,000	31,000	43,950	12,950
Flood determination fees	22,000	22,000	18,350	(3,650)
Commercial and residential plan review	435,000	435,000	364,916	(70,084)
Sale of reports and photos	275,000	275,000	295,482	20,482
Sobriety test	40,000	40,000	22,211	(17,789)
False alarm fees	250,000	250,000	218,380	(31,620)
Reimbursements for overtime	400,000	400,000	211,372	(188,628)
Traffic safety fees	3,000,000	3,503,980	3,929,021	425,041
Code enforcement fees	30,000	30,000	43,107	13,107
Weed cutting charges	50,000	50,000	13,600	(36,400)
Prison medical charges	55,000	55,000	36,744	(18,256)
Coroners fees	615,550	767,340	739,199	(28,141)
Miscellaneous	45,500	45,500	29,202	(16,298)
Transportation:				
Parking meters	250,000	250,000	77,658	(172,342)
Health and welfare:				
Animal control center enforcement income	45,000	45,000	37,854	(7,146)
Animal control credit card payment fees	5,000	5,000	(584)	(5,584)
Culture and recreation:				
Summer programs:				
Jewel J. Newman Community Center	9,500	3,402	3,666	264
Conservation and development:				
Rent/utilities/donations:				
Leo S. Butler Community Center	16,500	16,500	12,181	(4,319)
Jewel J. Newman Community Center	28,940	38,080	59,494	21,414
Dr. Martin Luther King, Jr. Community Center	22,400	22,400	23,532	1,132
Chaneyville Community Center	--	--	400	400
Charles R. Kelly Community Center	19,740	19,740	40,294	20,554
Total charges for services	<u>21,957,980</u>	<u>22,616,792</u>	<u>22,744,697</u>	<u>127,905</u>
Fines and forfeits:				
City court criminal fines and forfeitures	250,000	250,000	84,940	(165,060)
City court forfeitures	100,000	100,000	68,996	(31,004)
City court traffic fines	1,200,000	1,200,000	815,495	(384,505)
Alcoholic Beverage Control Board fines	58,000	58,000	134,569	76,569
Total fines and forfeits	<u>1,608,000</u>	<u>1,608,000</u>	<u>1,104,000</u>	<u>(504,000)</u>
Investment earnings	<u>140,500</u>	<u>140,500</u>	<u>1,543,778</u>	<u>1,403,278</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, 2018**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Miscellaneous revenues:				
Rentals	\$ 183,170	\$ 183,170	\$ 154,310	\$ (28,860)
Oil, gas and mineral royalties	115,000	115,000	44,811	(70,189)
Airport note	437,340	437,340	437,333	(7)
Subrogation recovery and restitution	3,000	3,000	25,530	22,530
Condemnations	90,000	90,000	107,057	17,057
Juvenile detention meals	4,000	4,000	1,709	(2,291)
Confiscated funds - police	120,000	120,000	556,181	436,181
Police - miscellaneous revenues	25,000	25,000	5,440	(19,560)
LCLE-CVR reimbursement	50,000	110,000	108,278	(1,722)
Juvenile detention reimbursement	100,000	100,000	131,460	31,460
Donations and contributions	20,000	830,500	822,544	(7,956)
Animal control and rescue center contributions	237,360	237,360	253,791	16,431
Other	10,000	941,129	1,325,707	384,578
Total miscellaneous revenues	1,394,870	3,196,499	3,974,151	777,652
Total revenues	311,572,590	314,051,097	316,347,122	2,296,025
EXPENDITURES				
Current:				
General government:				
Metropolitan council	1,597,467	1,620,488	1,371,254	249,234
Council administrator	2,185,153	1,952,320	1,936,119	16,201
Council budget office	186,660	186,660	158,669	27,991
Parish attorney	7,558,014	7,391,491	6,895,889	495,602
Public information office	474,906	594,445	544,863	49,582
Planning commission	1,545,762	1,545,762	1,527,690	18,072
City court - administration	12,255,270	11,784,063	9,172,137	2,611,926
City constable	3,045,667	3,078,934	3,035,864	43,070
Justice of peace and ward constables	66,510	66,520	66,520	--
Sheriff - costs of court	158,000	158,000	123,695	34,305
Registrar of voters	844,891	838,961	768,553	70,408
Mayor - President	2,369,434	2,367,548	2,285,059	82,489
Finance	10,770,943	10,728,473	9,786,023	942,450
Collection of funds	3,488,150	3,687,351	3,747,210	(59,859)
Information services	7,458,807	7,508,807	6,664,769	844,038
Purchasing	1,083,480	1,108,600	1,057,452	51,148
Human resources	3,450,952	3,450,952	3,430,112	20,840
Risk management	5,246,110	6,475,810	2,229,722	4,246,088
Municipal fire and police civil service board	81,204	82,004	81,628	376
Public works - administration and building maintenance	34,060	34,060	--	34,060
Public works - business operations and capital program	3,072,828	3,062,258	2,549,807	512,451
Public works - department of maintenance	--	137	--	137

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, 2018**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
General government (continued):				
Public works - department of buildings and grounds	\$ 13,385,580	\$ 13,402,246	\$ 11,884,040	\$ 1,518,206
Municipal associations	134,630	134,630	133,470	1,160
Total general government	<u>80,494,478</u>	<u>81,260,520</u>	<u>69,450,545</u>	<u>11,809,975</u>
Public safety:				
Fire protection districts	142,910	142,996	142,996	--
Sheriff - correctional institution	9,246,406	10,663,406	10,489,336	174,070
E.B.R. Parish Coroner	3,027,291	3,239,082	3,183,487	55,595
Police	94,882,978	97,464,672	96,568,916	895,756
Fire	52,189,682	51,770,439	51,767,754	2,685
Emergency medical services	5,920,462	5,920,462	5,617,059	303,403
Juvenile services	5,847,134	5,786,023	5,396,219	389,804
Emergency preparedness	839,293	839,293	788,116	51,177
Public works - department of development	9,328,537	9,198,537	7,814,576	1,383,961
Capital Region Planning Commission	56,260	57,765	57,765	--
Crimestoppers	14,000	14,000	14,000	--
Total public safety	<u>181,494,953</u>	<u>185,096,675</u>	<u>181,840,224</u>	<u>3,256,451</u>
Transportation:				
Public works - department of transportation and drainage	16,965,866	16,380,095	14,060,396	2,319,699
Public works - department of maintenance	23,545,621	24,093,328	22,298,292	1,795,036
Street maintenance	212,420	212,420	212,420	--
Total transportation	<u>40,723,907</u>	<u>40,685,843</u>	<u>36,571,108</u>	<u>4,114,735</u>
Health and welfare:				
Health unit	477,976	477,976	466,314	11,662
Crisis Care Center	253,270	253,478	253,478	--
Baton Rouge Area Alcohol and Drug Center	312,000	162,280	161,425	855
Animal control and rescue center	2,734,901	2,783,150	2,749,320	33,830
O'Brien House	17,100	17,100	17,100	--
Bridge Center for Hope	260,000	260,000	260,000	--
Total health and welfare	<u>4,055,247</u>	<u>3,953,984</u>	<u>3,907,637</u>	<u>46,347</u>
Culture and recreation:				
Community Centers Summer Programs	9,500	8,617	8,572	45
Louisiana Arts and Science Museum	843,100	843,167	843,167	--
Arts Council of Greater Baton Rouge	334,250	334,278	334,278	--
Baton Rouge Symphony League	95,000	95,000	95,000	--
U.S.S. Kidd	229,570	229,578	229,578	--
United States Bowling Congress	125,000	125,000	125,000	--
Total culture and recreation	<u>1,636,420</u>	<u>1,635,640</u>	<u>1,635,595</u>	<u>45</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, 2018**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Conservation and development:				
Economic development program	\$ 734,378	\$ 1,384,020	\$ 1,094,830	\$ 289,190
Baton Rouge Film Commission	170,000	170,000	161,552	8,448
Office of Neighborhood Revitalization	258,923	241,423	198,829	42,594
Community centers	1,573,641	1,577,566	1,407,839	169,727
ASA-lease agreement	34,480	34,480	34,480	--
Human Development and Services	746,878	711,878	607,319	104,559
Baton Rouge Area Chamber	350,000	350,000	350,000	--
Truancy Assessment and Service Center	100,000	100,000	100,000	--
Score Chapter 141 - Baton Rouge	19,000	19,000	19,000	--
Earth Day	21,850	21,850	21,850	--
Visit Baton Rouge	--	21,600	21,600	--
East Baton Rouge Redevelopment Authority	500,000	500,000	500,000	--
Metromorphosis	25,000	25,000	25,000	--
My Brother's Keeper	19,890	19,890	5,333	14,557
Cooperative Extension Service	62,624	62,624	52,643	9,981
Veterans Service Office	48,900	48,900	48,900	--
Big Buddy Program	256,550	256,550	256,550	--
Greater Baton Rouge Food Bank	23,000	23,000	23,000	--
CAFC/Children's Coalition	25,000	25,000	25,000	--
Downtown Merchants Association	38,000	38,000	38,000	--
City Year Louisiana	25,000	25,000	25,000	--
Total conservation and development	<u>5,033,114</u>	<u>5,655,781</u>	<u>5,016,725</u>	<u>639,056</u>
Intergovernmental expenditures:				
Equivalent three mills on industrial area assessment	287,830	287,830	282,834	4,996
District Attorney of the Nineteenth Judicial District	6,721,615	7,119,035	7,123,113	(4,078)
Nineteenth Judicial District Court	7,203,320	7,183,320	7,129,898	53,422
E.B.R. Parish Family Court	1,091,309	1,091,309	1,085,262	6,047
E.B.R. Parish Juvenile Court	1,324,001	1,324,001	1,313,072	10,929
E.B.R. Parish Clerk of Court	487,000	553,000	550,078	2,922
Total intergovernmental expenditures	<u>17,115,075</u>	<u>17,558,495</u>	<u>17,484,257</u>	<u>74,238</u>
Total expenditures	<u>330,553,194</u>	<u>335,846,938</u>	<u>315,906,091</u>	<u>19,940,847</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,980,604)</u>	<u>(21,795,841)</u>	<u>441,031</u>	<u>22,236,872</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, 2018**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)	Original	Final		
Transfers in:				
Emergency Medical Services Fund	\$ 90,000	\$ 90,000	\$ 90,000	\$ --
Grants Fund	--	--	2,000,000	2,000,000
Total transfers in	<u>90,000</u>	<u>90,000</u>	<u>2,090,000</u>	<u>2,000,000</u>
Transfers out:				
Grants Fund	(760,540)	(1,162,229)	(1,154,098)	8,131
Capital Projects Fund	(86,000)	(2,414,235)	(2,414,235)	--
Downtown Development District	(142,500)	(142,500)	(142,500)	--
City Constable Court Costs Fund	--	(371,800)	(371,800)	--
Parish Beautification Project Fund	--	(109,000)	(109,000)	--
Brownsfield Fire Protection District	(16,250)	(16,250)	(16,250)	--
Chaneyville Fire Protection District	(35,860)	(35,860)	(35,860)	--
Pride Fire Protection District	(64,000)	(64,000)	(64,000)	--
Alsen-St. Irma Lee Fire Protection District	(24,510)	(24,510)	(24,510)	--
Taxable Refunding Bonds Fund	(4,718,620)	(4,718,620)	(4,718,618)	2
Excess Revenue and Limited Tax Fund	(24,260)	(2,180)	(2,174)	6
Solid Waste Collection and Disposal Fund	(85,050)	(85,050)	(65,251)	19,799
Baton Rouge River Center	(1,792,000)	(1,792,000)	(1,792,000)	--
Total transfers out	<u>(7,749,590)</u>	<u>(10,938,234)</u>	<u>(10,910,296)</u>	<u>27,938</u>
Proceeds of capital asset disposition	<u>405,000</u>	<u>489,130</u>	<u>583,963</u>	<u>94,833</u>
Total other financing sources and uses	<u>(7,254,590)</u>	<u>(10,359,104)</u>	<u>(8,236,333)</u>	<u>2,122,771</u>
Net change in fund balances	(26,235,194)	(32,154,945)	(7,795,302)	24,359,643
Fund balances, January 1	<u>98,396,828</u>	<u>98,396,828</u>	<u>98,396,828</u>	<u>--</u>
Fund balances, December 31	<u>\$ 72,161,634</u>	<u>\$ 66,241,883</u>	<u>\$ 90,601,526</u>	<u>\$ 24,359,643</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, 2018**

EXHIBIT A - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 45,089,540	\$ 45,089,540	\$ 47,320,274	\$ 2,230,734
Charges for services:				
Library - copy machine	85,000	85,000	50,327	(34,673)
Fines and forfeits:				
Fines	170,000	170,000	166,668	(3,332)
Investment earnings	50,000	50,000	1,540,798	1,490,798
Miscellaneous revenues:				
Donations	500	500	3	(497)
Other income	10,000	10,000	27,253	17,253
Total miscellaneous revenues	10,500	10,500	27,256	16,756
Total revenues	45,405,040	45,405,040	49,105,323	3,700,283
EXPENDITURES				
Current:				
Culture and recreation:				
Operations	45,827,451	43,485,951	39,438,179	4,047,772
Capital outlay	2,388,621	1,988,621	819,581	1,169,040
Total expenditures	48,216,072	45,474,572	40,257,760	5,216,812
Excess (deficiency) of revenues over (under) expenditures	(2,811,032)	(69,532)	8,847,563	8,917,095
OTHER FINANCING USES				
Transfers out:				
Capital Projects Fund	(11,886,140)	(14,627,640)	(14,627,640)	--
Net change in fund balances	(14,697,172)	(14,697,172)	(5,780,077)	8,917,095
Fund balances, January 1	80,122,448	80,122,448	80,122,448	--
Fund balances, December 31	\$ 65,425,276	\$ 65,425,276	\$ 74,342,371	\$ 8,917,095

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, 2018**

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	\$ 976,132	\$ 976,132	\$ 199,838	\$ (776,294)
Department of Agriculture	233,615	233,615	367,200	133,585
Department of Health and Human Services	16,284,637	19,419,299	16,002,638	(3,416,661)
Department of Housing and Urban Development	37,576,857	38,107,911	9,650,228	(28,457,683)
Environmental Protection Agency	149,405	149,405	72,590	(76,815)
Department of Education	456,352	456,352	249,715	(206,637)
State grants:				
Highway Safety Commission	786,240	733,763	569,642	(164,121)
Commission on Law Enforcement	219,737	223,317	183,921	(39,396)
Governor's Office of Homeland Security and Emergency Preparedness	26,223,807	25,683,532	4,416,379	(21,267,153)
Department of Public Safety and Corrections	85,774	85,774	175,857	90,083
Louisiana Department of Agriculture	5,364	5,307	4,737	(570)
Louisiana State Supreme Court	233,630	233,630	125,401	(108,229)
Louisiana Housing Corporation	318,642	461,095	439,028	(22,067)
Louisiana Recovery Authority	10,587,114	10,437,114	1,927,606	(8,509,508)
Louisiana Workforce Commission	10,027,574	10,007,126	4,292,261	(5,714,865)
Louisiana Department of Education	2,276,348	2,055,216	1,121,667	(933,549)
Louisiana Division of Administration Office of Community Development Disaster Recovery Unit	114,733	114,383	24,396	(89,987)
Other grants:				
Entergy	134,857	134,857	34,313	(100,544)
East Baton Rouge Parish Sheriff	131,199	130,990	24,476	(106,514)
Internet Archives	5,608	5,608	3,330	(2,278)
Baton Rouge Area Foundation	12,660	12,660	--	(12,660)
International Association of Chiefs of Police	750,000	750,000	21,126	(728,874)
Capital Area United Way	37,162	34,209	29,749	(4,460)
Total intergovernmental revenues	107,627,447	110,451,295	39,936,098	(70,515,197)
Investment earnings	(55,724)	(96,773)	110,249	207,022
Miscellaneous revenues:				
Sobriety Court fees	106,530	106,530	37,894	(68,636)
Program income (Housing and Urban Development)	1,495,669	1,593,149	796,275	(796,874)
Headstart - in kind contributions	3,020,601	2,939,789	2,345,183	(594,606)
Total miscellaneous revenues	4,622,800	4,639,468	3,179,352	(1,460,116)
Total revenues	112,194,523	114,993,990	43,225,699	(71,768,291)
EXPENDITURES				
Current:				
Public safety:				
FEMA - Hurricane Gustav	8,538,095	6,405,006	--	6,405,006
FEMA - Flood August 2016	6,723,076	6,723,076	1,358,157	5,364,919
Seniors and Teens Education Outreach	30,950	4,265	4,265	--
Reduce Underage Drinking	247,577	218,448	100,678	117,770

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, 2018**

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):				
Local Government Assistance Program:				
Brownsfield Fire Protection District	\$ 8,000	\$ 8,000	\$ 8,000	\$ --
Central Volunteer Fire Department	350	--	--	--
Chaneyville Fire Protection District	8,000	8,000	7,396	604
Community Water Enrichment Fund	13,725	81,383	--	81,383
Volunteer Fire Assistance	10,729	10,614	9,475	1,139
Domestic Violence Intervention Program	44,700	44,700	28,975	15,725
Baton Rouge City Court DWI Court	257,712	260,512	95,762	164,750
Louisiana Commission of Law Enforcement				
Victims Advocacy	14,960	14,960	13,790	1,170
Drug Abuse Resistance Education	404,674	447,527	315,713	131,814
Criminal Records Improvement	8,419	8,419	8,419	--
Byrne Criminal Justice Innovation	226,140	226,140	134,447	91,693
Targeted Violent Offender Program	6,794	6,794	6,720	74
Police Department Year-Round Overtime Grant:				
Occupant Protection and Speeding	183,760	183,760	142,679	41,081
DWI and Juvenile Underage Drinking Enforcement	393,740	393,740	349,080	44,660
Edward Byrne Memorial Justice Assistance Grant	61,374	74,169	8,817	65,352
Collective Healing	750,000	750,000	236,508	513,492
Body-worn Camera Program	749,992	749,992	149,999	599,993
Title IV-E Reimbursements	183,920	183,920	183,920	--
Families in Need of Services	176,269	181,652	121,027	60,625
Families in Need of Services - Technical Assistance	753	753	753	--
Disproportionate Minority Contact	27,500	27,500	2,242	25,258
State Homeland Security Program	571,169	590,169	225,088	365,081
Hazard Mitigation Planning Grants	823,726	825,413	12,275	813,138
Flood Mitigation Assistance Grant	970,404	715,404	--	715,404
Emergency Preparedness Entergy Grant	134,857	134,857	34,313	100,544
Weiner Creek Emergency Watershed Protection	259,572	259,572	367,200	(107,628)
Non-grant funds:				
Metropolitan Medical Response System	267,595	267,595	--	267,595
Total public safety	<u>22,098,532</u>	<u>19,806,340</u>	<u>3,925,698</u>	<u>15,880,642</u>
Transportation:				
CRPC Transportation Planning	<u>12,000</u>	<u>12,000</u>	<u>--</u>	<u>12,000</u>
Health and welfare:				
Resiliency in Communities After Stress and				
Trauma Grant	1,986,928	2,011,928	733,871	1,278,057
Low Income Housing Energy Assistance Program	325,061	462,703	441,679	21,024
Federal Emergency Management Agency				
Emergency Shelter	21,833	21,299	21,299	--
Non-grant funds:				
Temporary Assistance to Needy Families	<u>61,315</u>	<u>61,315</u>	<u>--</u>	<u>61,315</u>
Total health and welfare	<u>2,395,137</u>	<u>2,557,245</u>	<u>1,196,849</u>	<u>1,360,396</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, 2018**

EXHIBIT A - 9
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Culture and recreation:				
Community Webs	\$ 5,607	\$ 5,607	\$ 3,330	\$ 2,277
Conservation and development:				
TeenWorkPrepBR Grant	7,329	5,060	600	4,460
Baton Rouge Area Foundation Flood Relief Grant	12,660	12,660	--	12,660
Environmental Protection Agency Brownfields Pilot Program	149,405	149,405	144,341	5,064
Louisiana Recovery Act	4,567,952	4,678,834	948,872	3,729,962
Performance Partnership Pilot for Disconnected Youth	456,352	456,352	277,120	179,232
Headstart	12,072,388	11,601,950	10,658,231	943,719
Ryan White HIV/AIDS Treatment Grant	2,041,231	5,648,214	5,463,622	184,592
Headstart Food Program	2,276,348	2,055,216	1,121,889	933,327
Community Services Block Grant	1,997,157	1,997,157	1,445,559	551,598
Capital Area United Way - VITA Grant	8,000	8,000	8,000	--
Strategies to Empower People	34,722	--	--	--
Workforce Investment Act:				
Adult Program	2,294,965	2,301,405	1,035,453	1,265,952
Youth Program	3,549,991	3,557,826	1,246,935	2,310,891
Dislocated Workers Program	2,150,738	2,150,738	589,309	1,561,429
Section 8 Voucher Program	559,812	1,301,966	1,392,845	(90,879)
Emergency Solutions Grant	887,227	864,538	590,195	274,343
Community Development Block Grant	9,427,264	9,746,824	2,583,200	7,163,624
Community Development Block Grant Disaster Recovery Funds	10,991,000	10,991,000	10,477,653	513,347
HOME Investment Partnerships Program	8,771,791	8,871,706	4,933,211	3,938,495
Continuum of Care - Supportive Housing Program	222,050	39,494	(20,253)	59,747
Housing Opportunities for Persons with AIDS	7,688,822	7,688,822	4,162,024	3,526,798
Non-grant funds:				
Headstart programs	8,106	8,106	107	7,999
Rental rehabilitation local funds	54,944	104,617	54,450	50,167
Headstart - in kind services	3,020,601	2,939,789	2,345,184	594,605
Small and Emerging Business Development Program	34,702	34,702	--	34,702
Louisiana Job Employment Training	35,363	35,363	--	35,363
Office of Community Development Local Funds	295,432	695,377	644,077	51,300
Total conservation and development	73,616,352	77,945,121	50,102,624	27,842,497
Capital outlay	18,306,120	17,623,916	6,550,378	11,073,538
Total expenditures	116,433,748	117,950,229	61,778,879	56,171,350
Excess (deficiency) of revenues over (under) expenditures	(4,239,225)	(2,956,239)	(18,553,180)	(15,596,941)

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, 2018**

EXHIBIT A - 9
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES AND USES				
Transfers in:				
General Fund	\$ 361,537	\$ 1,154,098	\$ 1,154,098	\$ --
Pride Fire Protection District	5,307	5,250	5,250	--
Total transfers in	366,844	1,159,348	1,159,348	--
Transfers out:				
General Fund	(2,000,000)	(2,000,000)	(2,000,000)	--
Proceeds of capital asset disposition	(66,884)	(63,359)	38,070	101,429
Total other financing sources and uses	(1,700,040)	(904,011)	(802,582)	101,429
Net change in fund balances	(5,939,265)	(3,860,250)	(19,355,762)	(15,495,512)
Fund balances, January 1	5,078,828	5,078,828	5,078,828	--
Fund balances, December 31	<u>\$ (860,437)</u>	<u>\$ 1,218,578</u>	<u>\$ (14,276,934)</u>	<u>\$ (15,495,512)</u>

The accompanying notes are an integral part of this statement.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,370,736	\$ 23,238,003	\$ 9,979,922
Investments	7,717,210	53,202,798	22,848,768
Sales taxes receivable - net	--	4,058,141	--
Accounts receivable - net	884,262	8,563,760	4,811,373
Accrued interest receivable	91,072	2,539,349	164,658
Due from other governments (Note 11)	4,062,259	2,809,051	--
Prepaid items	--	--	--
Inventory	--	--	--
Total current assets	<u>16,125,539</u>	<u>94,411,102</u>	<u>37,804,721</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	604,928	56,531,683	--
Investments	1,384,968	129,427,800	--
Sales taxes receivable	--	--	--
Accounts receivable - net	231,763	--	--
Accrued interest receivable	870	221,937	--
Total restricted assets	<u>2,222,529</u>	<u>186,181,420</u>	<u>--</u>
Capital assets (Note 6):			
Land	32,956,014	50,785,852	9,041,482
Buildings	147,574,164	--	141,449
Noise mitigation costs	58,676,432	--	--
Improvements (other than buildings)	201,808,383	2,436,404,314	28,459,201
Equipment	4,796,785	3,839,915	42,000
Construction work in progress	4,905,962	3,650,239	--
Total capital assets	<u>450,717,740</u>	<u>2,494,680,320</u>	<u>37,684,132</u>
Accumulated depreciation	<u>(175,844,301)</u>	<u>(815,663,120)</u>	<u>(27,066,958)</u>
Net capital assets	<u>274,873,439</u>	<u>1,679,017,200</u>	<u>10,617,174</u>
Total noncurrent assets	<u>277,095,968</u>	<u>1,865,198,620</u>	<u>10,617,174</u>
Total assets	<u>293,221,507</u>	<u>1,959,609,722</u>	<u>48,421,895</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	3,266,443	31,192,018	--
Deferred outflows on derivative instruments	--	65,610,461	--
Deferred outflows for OPEB	525,609	1,520,776	152,865
Deferred outflow for pensions	2,131,037	5,587,445	411,315
Total deferred outflows of resources	<u>5,923,089</u>	<u>103,910,700</u>	<u>564,180</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	
\$ 4,451,528	\$ 41,040,189	\$ 5,365,414
2,680,043	86,448,819	11,756,548
--	4,058,141	--
329,583	14,588,978	--
20,371	2,815,450	88,032
755,359	7,626,669	--
252,122	252,122	--
62,379	62,379	177,405
<u>8,551,385</u>	<u>156,892,747</u>	<u>17,387,399</u>
1,534,563	58,671,174	--
3,513,343	134,326,111	--
81,191	81,191	--
--	231,763	--
3,220	226,027	--
<u>5,132,317</u>	<u>193,536,266</u>	<u>--</u>
2,654,217	95,437,565	47,568
102,600,056	250,315,669	2,355,428
--	58,676,432	--
19,535,870	2,686,207,768	7,190
1,295,026	9,973,726	41,788,036
1,479,908	10,036,109	--
<u>127,565,077</u>	<u>3,110,647,269</u>	<u>44,198,222</u>
<u>(88,442,753)</u>	<u>(1,107,017,132)</u>	<u>(34,260,681)</u>
<u>39,122,324</u>	<u>2,003,630,137</u>	<u>9,937,541</u>
<u>44,254,641</u>	<u>2,197,166,403</u>	<u>9,937,541</u>
<u>52,806,026</u>	<u>2,354,059,150</u>	<u>27,324,940</u>
--	34,458,461	--
--	65,610,461	--
35,284	2,234,534	--
72,136	8,201,933	--
<u>107,420</u>	<u>110,505,389</u>	<u>--</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	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	\$ 1,563,075	\$ 21,513,254	\$ 3,154,174
Due to other funds (Note 11)	627,529	--	--
Accrued salaries payable	67,368	201,275	19,249
Accrued interest payable	955,957	26,610,858	--
Unearned revenue	--	--	--
Obligations payable (Note 10)	401,250	--	--
Bonds payable (Note 10)	1,870,000	19,431,000	--
Compensated absences payable	501,145	1,422,810	30,032
Total current liabilities	<u>5,986,324</u>	<u>69,179,197</u>	<u>3,203,455</u>
Noncurrent liabilities:			
Obligations payable (Note 10)	674,167	36,901,285	--
Contingent liabilities	--	2,000,000	--
Bonds payable (net of premiums and discounts) (Note 10)	58,263,907	1,391,406,589	--
Derivative instrument liability (Note 10)	--	65,610,461	--
Compensated absences payable	31,879	16,826	--
Landfill closure and postclosure care liability (Note 17)	--	--	17,921,498
Total other postemployment benefit liability	18,133,900	49,993,319	5,532,112
Net pension liability	12,506,840	33,884,333	2,685,653
Total noncurrent liabilities	<u>89,610,693</u>	<u>1,579,812,813</u>	<u>26,139,263</u>
Total liabilities	<u>95,597,017</u>	<u>1,648,992,010</u>	<u>29,342,718</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow for pensions	<u>896,946</u>	<u>2,413,101</u>	<u>197,166</u>
NET POSITION			
Net investment in capital assets	217,052,230	321,629,795	10,617,174
Restricted for capital projects	--	--	--
Restricted for debt service	614,146	20,906,374	--
Restricted Passenger Facility Charges	470,925	--	--
Restricted for external legal constraints	--	70,000,000	--
Unrestricted	<u>(15,486,668)</u>	<u>(420,858)</u>	<u>8,829,017</u>
Total net position	<u>\$ 202,650,633</u>	<u>\$ 412,115,311</u>	<u>\$ 19,446,191</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	
\$ 1,192,054	\$ 27,422,557	\$ 1,176,798
--	627,529	--
69,211	357,103	29,712
--	27,566,815	--
2,712,664	2,712,664	--
--	401,250	--
--	21,301,000	--
95,887	2,049,874	248,758
<u>4,069,816</u>	<u>82,438,792</u>	<u>1,455,268</u>
--	37,575,452	--
--	2,000,000	--
--	1,449,670,496	--
--	65,610,461	--
6,366	55,071	--
--	17,921,498	--
1,231,093	74,890,424	--
437,832	49,514,658	--
<u>1,675,291</u>	<u>1,697,238,060</u>	<u>--</u>
<u>5,745,107</u>	<u>1,779,676,852</u>	<u>1,455,268</u>
<u>42,668</u>	<u>3,549,881</u>	<u>--</u>
39,122,324	588,421,523	9,937,541
5,547,526	5,547,526	--
--	21,520,520	--
--	470,925	--
--	70,000,000	--
2,455,821	(4,622,688)	15,932,131
<u>\$ 47,125,671</u>	<u>\$ 681,337,806</u>	<u>\$ 25,869,672</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
OPERATING REVENUES			
Charges for services	\$ 14,528,788	\$ 89,319,920	\$ 47,881,524
Miscellaneous revenues	393,369	553,297	117,158
Total operating revenues	<u>14,922,157</u>	<u>89,873,217</u>	<u>47,998,682</u>
OPERATING EXPENSES			
Personal services	3,825,044	10,948,022	934,639
Employee benefits	2,863,721	8,985,579	720,106
Supplies	800,402	4,078,940	864,197
Contractual services	8,584,980	28,543,531	39,312,165
Landfill closure and postclosure care expense	--	--	791,238
Cost of materials	--	--	--
Depreciation	13,054,515	74,605,066	844,908
Management fee	--	--	--
Total operating expenses	<u>29,128,662</u>	<u>127,161,138</u>	<u>43,467,253</u>
Operating income (loss)	<u>(14,206,505)</u>	<u>(37,287,921)</u>	<u>4,531,429</u>
NONOPERATING REVENUES (EXPENSES)			
Taxes pledged as securities for revenue bonds	--	46,655,285	--
Occupancy taxes	--	--	--
Operating grants	562,002	--	--
Passenger facility charges (Note 16)	1,622,691	--	--
Customer facility charges	1,902,226	--	--
Federal subsidy on debt	--	6,728,515	--
Investment earnings	237,996	7,774,542	566,583
Interest expense	(2,400,697)	(67,430,213)	--
Bond issuance costs	174,947	(346,427)	--
Gain (loss) on disposition of capital assets	(414,436)	295,881	--
Total nonoperating revenues (expenses)	<u>1,684,729</u>	<u>(6,322,417)</u>	<u>566,583</u>
Income (loss) before contributions and transfers	(12,521,776)	(43,610,338)	5,098,012
Capital contributions	8,428,205	6,591,470	--
Transfers in	--	--	65,251
Transfers out	<u>--</u>	<u>--</u>	<u>(160,000)</u>
Change in net position	(4,093,571)	(37,018,868)	5,003,263
Total net position - January 1, restated (Note 1)	<u>206,744,204</u>	<u>449,134,179</u>	<u>14,442,928</u>
Total net position - December 31	<u>\$ 202,650,633</u>	<u>\$ 412,115,311</u>	<u>\$ 19,446,191</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	
\$ 6,132,183	\$ 157,862,415	\$ 20,204,578
1,119,508	2,183,332	--
<u>7,251,691</u>	<u>160,045,747</u>	<u>20,204,578</u>
2,589,048	18,296,753	1,665,290
660,347	13,229,753	1,207,562
1,018,842	6,762,381	117,095
5,861,829	82,302,505	5,121,298
--	791,238	--
--	--	9,130,953
4,558,343	93,062,832	3,449,280
345,594	345,594	--
<u>15,034,003</u>	<u>214,791,056</u>	<u>20,691,478</u>
<u>(7,782,312)</u>	<u>(54,745,309)</u>	<u>(486,900)</u>
--	46,655,285	--
959,850	959,850	--
135,387	697,389	--
--	1,622,691	--
--	1,902,226	--
--	6,728,515	--
168,976	8,748,097	297,053
(4,354)	(69,835,264)	--
--	(171,480)	--
11,028	(107,527)	677,841
<u>1,270,887</u>	<u>(2,800,218)</u>	<u>974,894</u>
(6,511,425)	(57,545,527)	487,994
1,064,922	16,084,597	--
2,065,315	2,130,566	--
<u>--</u>	<u>(160,000)</u>	<u>--</u>
(3,381,188)	(39,490,364)	487,994
<u>50,506,859</u>	<u>720,828,170</u>	<u>25,381,678</u>
<u>\$ 47,125,671</u>	<u>\$ 681,337,806</u>	<u>\$ 25,869,672</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 14,390,620	\$ 88,538,774	\$ 47,855,577
Payments to suppliers for goods and services	(9,394,953)	(31,472,036)	(40,439,402)
Payments to employees for services and benefits	(5,853,014)	(17,518,618)	(1,444,314)
Other operating receipts	--	550,217	--
Net cash provided by (used for) operating activities	(857,347)	40,098,337	5,971,861
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Receipts from general property taxes	--	122	--
Receipts from general sales and use taxes	--	46,901,125	--
Operating grants received	827,840	--	--
Transfers in from other funds	--	--	65,251
Transfers out to other funds	--	--	(160,000)
Net cash provided by (used for) noncapital financing activities	827,840	46,901,247	(94,749)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Receipts from occupancy taxes	--	--	--
Proceeds from sale of debt	--	25,598,879	--
Proceeds from capital grants	10,456,141	--	--
Proceeds from sale of capital assets	129,500	295,881	--
Passenger facility charges	1,628,307	--	--
Customer facility charges	1,920,596	--	--
Acquisition and construction of capital assets	(11,884,068)	(117,503,238)	(112,027)
Principal paid on bonds, obligations and capital leases	(2,248,333)	(6,318,982)	--
Interest paid on bonds, obligations and capital leases	(2,435,019)	(69,743,229)	--
Federal subsidy on debt	--	6,713,355	--
Capital contributed by other governments	--	--	--
Capital contributed from impact fees	--	3,033,738	--
Net cash provided by (used for) capital and related financing activities	(2,432,876)	(157,923,596)	(112,027)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(9,102,178)	(182,630,598)	(22,848,768)
Proceeds from sales and maturities of investments	10,225,597	217,513,644	17,710,399
Interest received on investments	186,476	6,727,233	471,414
Net cash provided by (used for) investing activities	1,309,895	41,610,279	(4,666,955)
Net increase (decrease) in cash and cash equivalents	(1,152,488)	(29,313,733)	1,098,130
Cash and cash equivalents, January 1	5,128,152	109,083,419	8,881,792
Cash and cash equivalents, December 31	\$ 3,975,664	\$ 79,769,686	\$ 9,979,922

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	
\$ 9,246,746	\$ 160,031,717	\$ 20,204,578
(7,739,305)	(89,045,696)	(14,662,208)
(3,164,753)	(27,980,699)	(2,857,895)
--	550,217	--
<u>(1,657,312)</u>	<u>43,555,539</u>	<u>2,684,475</u>
--	122	--
--	46,901,125	--
135,387	963,227	--
1,792,000	1,857,251	--
--	(160,000)	--
<u>1,927,387</u>	<u>49,561,725</u>	<u>--</u>
878,659	878,659	--
--	25,598,879	--
--	10,456,141	--
11,028	436,409	682,403
--	1,628,307	--
--	1,920,596	--
(1,911,568)	(131,410,901)	(4,435,722)
(755,482)	(9,322,797)	--
(4,354)	(72,182,602)	--
--	6,713,355	--
905,489	905,489	--
--	3,033,738	--
<u>(876,228)</u>	<u>(161,344,727)</u>	<u>(3,753,319)</u>
(6,193,386)	(220,774,930)	(11,756,548)
7,308,561	252,758,201	11,945,009
174,740	7,559,863	255,357
<u>1,289,915</u>	<u>39,543,134</u>	<u>443,818</u>
683,762	(28,684,329)	(625,026)
<u>5,302,329</u>	<u>128,395,692</u>	<u>5,990,440</u>
<u>\$ 5,986,091</u>	<u>\$ 99,711,363</u>	<u>\$ 5,365,414</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
Classified as:			
Current assets	\$ 3,370,736	\$ 23,238,003	\$ 9,979,922
Restricted assets	604,928	56,531,683	--
Totals	<u>\$ 3,975,664</u>	<u>\$ 79,769,686</u>	<u>\$ 9,979,922</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>\$ (14,206,505)</u>	<u>\$ (37,287,921)</u>	<u>\$ 4,531,429</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	13,054,515	74,605,066	844,908
Landfill closure and postclosure care expense	--	--	791,238
Increase (decrease) in compensated absences payable	(105,680)	(113,038)	(88,638)
Increase (decrease) in total other post employment benefit liability	565,156	1,555,201	172,156
(Increase) decrease in deferred outflows for OPEB	(117,473)	(395,520)	(28,349)
Increase (decrease) in net pension liability	(1,057,257)	(3,845,459)	(316,157)
(Increase) decrease in deferred outflows for pensions	740,928	3,205,730	302,524
Increase (decrease) in deferred inflows for pensions	705,734	2,077,065	170,767
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(392,837)	238,387	(143,105)
Decrease (increase) in prepaid items	--	--	--
Decrease (increase) in inventory	--	--	--
Increase (decrease) in accounts and contracts payable	(9,571)	127,822	(263,040)
Increase (decrease) in accrued salaries payable	(34,357)	(68,996)	(1,872)
Increase (decrease) in unearned revenue	--	--	--
Total adjustments	<u>13,349,158</u>	<u>77,386,258</u>	<u>1,440,432</u>
Net cash provided by (used for) operating activities	<u>\$ (857,347)</u>	<u>\$ 40,098,337</u>	<u>\$ 5,971,861</u>
Non cash investing, capital, and financing activities:			
Gain in fair value of investments	\$ 91,942	\$ 2,761,286	\$ 164,658
Loss on disposal of capital assets	(543,936)	--	--
Contributions/accruals of capital assets	(2,027,936)	3,557,732	--
Interest expense on swap obligations	--	2,203,214	--

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	
\$ 4,451,528	\$ 41,040,189	\$ 5,365,414
1,534,563	58,671,174	--
<u>\$ 5,986,091</u>	<u>\$ 99,711,363</u>	<u>\$ 5,365,414</u>
\$ (7,782,312)	\$ (54,745,309)	\$ (486,900)
4,558,343	93,062,832	3,449,280
--	791,238	--
(18,128)	(325,484)	25,038
39,992	2,332,505	--
(7,614)	(548,956)	--
(69,575)	(5,288,448)	--
57,048	4,306,230	--
37,580	2,991,146	--
651,581	354,026	634
(180,422)	(180,422)	--
(11,155)	(11,155)	(17,147)
(321,463)	(466,252)	(276,349)
45,339	(59,886)	(10,081)
1,343,474	1,343,474	--
<u>6,125,000</u>	<u>98,300,848</u>	<u>3,171,375</u>
<u>\$ (1,657,312)</u>	<u>\$ 43,555,539</u>	<u>\$ 2,684,475</u>
\$ 23,591	\$ 3,041,477	\$ 88,032
--	(543,936)	(4,562)
159,433	1,689,229	--
--	2,203,214	--

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018

EXHIBIT A - 13

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 16,484,710	\$ 18,932,153
Receivables:		
Employee contributions	765,627	--
Employer contributions	1,913,479	--
Non-employer contributions	1,160,713	--
Interest and dividends	14,732	--
Pending trades	3,370,214	--
Other contributions	113,344	--
Other receivables	--	19,096,951
Total receivables	<u>7,338,109</u>	<u>19,096,951</u>
Investments, at fair value		
Fixed income - domestic	270,389,739	--
Fixed income - international	21,609,294	--
Equity securities - domestic	291,344,512	--
Equity securities - international	248,243,973	--
Real estate investments	74,692,716	--
Alternative investments	156,738,394	--
Total investments	<u>1,063,018,628</u>	<u>--</u>
Capital assets:		
Land	550,628	--
Buildings	706,346	--
Equipment	48,540	--
Accumulated depreciation	<u>(752,315)</u>	<u>--</u>
Total capital assets	<u>553,199</u>	<u>--</u>
Total assets	<u>1,087,394,646</u>	<u>\$ 38,029,104</u>
LIABILITIES		
Accounts payable	--	\$ 30,299,924
Accrued expenses and benefits payable	1,220,859	--
Pending trades payable	673,206	--
Deposits and escrow accounts	<u>--</u>	<u>7,729,180</u>
Total liabilities	<u>1,894,065</u>	<u>\$ 38,029,104</u>
NET POSITION		
Net position restricted for pensions	<u>\$ 1,085,500,581</u>	

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT A - 14

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employee	\$ 14,181,618
Employer	50,117,448
Non-employer	1,160,713
Severance contributions from employee	1,845,859
Total contributions	<u>67,305,638</u>
Investment income:	
<i>From investment activities</i>	
Net appreciation (depreciation) in fair value of investments	(62,774,525)
Interest	796,216
Total investment income	<u>(61,978,309)</u>
Less: investment expense	6,776,364
Net income from investing activities	<u>(68,754,673)</u>
Total additions	<u>(1,449,035)</u>
DEDUCTIONS	
Benefit payments	106,258,903
Refunds and withdrawals	3,102,453
Administrative expenses	<u>1,688,957</u>
Total deductions	<u>111,050,313</u>
Change in net position	(112,499,348)
Net position - beginning of year	<u>1,197,999,929</u>
Net position - end of year	<u><u>\$ 1,085,500,581</u></u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF NET POSITION
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 2018

	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	Nineteenth Judicial District Court Building Commission (1)	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court
ASSETS					
Cash and cash equivalents	\$ 425,447	\$ 2,241,626	\$ 1,965,974	\$ 247,867	\$ 321,193
Property taxes receivable	--	--	--	--	--
Sales taxes receivable	--	--	--	--	--
Accounts receivable	276,988	51,778	--	30,710	1,520
Accrued interest receivable	--	--	7,064	--	--
Loans receivable	--	--	--	--	--
Due from other governments	--	196,602	414,840	--	73,878
Prepaid items	--	--	--	--	3,000
Inventory	--	--	--	--	--
Net pension asset	--	--	--	--	--
Other assets	--	33,974	53,358	--	--
Restricted assets:					
Cash and cash equivalents	--	--	15,643,311	--	--
Capital assets: (Note 6)					
Buildings	--	--	107,628,256	--	--
Equipment	2,375,988	313,618	5,161,423	311,444	386,220
Accumulated depreciation	(1,802,875)	(243,058)	(32,013,256)	(240,209)	(288,030)
Total assets	<u>1,275,548</u>	<u>2,594,540</u>	<u>98,860,970</u>	<u>349,812</u>	<u>497,781</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding	--	--	4,630,552	--	--
Deferred outflow for OPEB	722,503	350,044	--	105,626	17,800
Deferred outflow for pension	5,543,636	3,168,964	--	364,157	324,417
Total deferred outflows of resources	<u>6,266,139</u>	<u>3,519,008</u>	<u>4,630,552</u>	<u>469,783</u>	<u>342,217</u>
LIABILITIES					
Accounts payable and other current					
liabilities	43,366	823,436	9,501	--	179
Due to other governments	--	--	--	--	839
Accrued payables	699,451	--	378,659	--	19,852
Other liabilities	58,342	--	--	998	--
Non-current liabilities: (Note 10)					
Due within one year	--	42,390	1,374,917	10,000	--
Due in more than one year	41,877,119	35,449,754	95,323,153	5,645,003	6,489,343
Total liabilities	<u>42,678,278</u>	<u>36,315,580</u>	<u>97,086,230</u>	<u>5,656,001</u>	<u>6,510,213</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow for pension	<u>1,573,816</u>	<u>1,218,940</u>	<u>--</u>	<u>271,695</u>	<u>256,630</u>
NET POSITION					
Net investment in capital assets	573,113	70,560	(13,768,577)	71,235	98,190
Restricted for:					
Debt service	--	--	16,260,997	--	--
External legal constraints	128,902	661,847	--	--	63,673
Unrestricted	(37,412,422)	(32,153,379)	3,912,872	(5,179,336)	(6,088,708)
Total net position	<u>\$ (36,710,407)</u>	<u>\$ (31,420,972)</u>	<u>\$ 6,405,292</u>	<u>\$ (5,108,101)</u>	<u>\$ (5,926,845)</u>

(1) As of June 30, 2018

The accompanying notes are an integral part of this statement.

E.B.R. Parish Clerk of Court (1)	East Baton Rouge Redevelop- ment Authority	Cyntreniks Group King Hotel Special Taxing District	Bluebonnet Convention Hotel Taxing District	EBRATS Building Special Taxing District	Old LNB Building Redevelopment Taxing District	Capital Area Transit System	Totals
\$ 9,815,422	\$ 806,302	\$ 10,671	\$ 57,157	\$ 4,908	\$ 31,158	\$ 793,067	\$ 16,720,792
--	--	--	--	--	--	17,300,802	17,300,802
--	--	5,035	42,687	2,161	31,689	--	81,572
85,460	--	--	--	--	--	588,740	1,035,196
--	--	--	--	--	--	--	7,064
--	1,270,849	--	--	--	--	--	1,270,849
19,186	430,895	--	--	--	--	4,266,214	5,401,615
--	87,517	--	--	--	--	105,341	195,858
--	4,813,845	--	--	--	--	405,802	5,219,647
--	--	--	--	--	--	606,171	606,171
--	4,291	--	--	--	--	--	91,623
--	--	--	--	--	--	--	15,643,311
--	--	--	--	--	--	--	107,628,256
8,519,488	113,793	--	--	--	--	36,036,065	53,218,039
(7,641,019)	(86,309)	--	--	--	--	(14,709,417)	(57,024,173)
<u>10,798,537</u>	<u>7,441,183</u>	<u>15,706</u>	<u>99,844</u>	<u>7,069</u>	<u>62,847</u>	<u>45,392,785</u>	<u>167,396,622</u>
--	--	--	--	--	--	--	4,630,552
45,322	--	--	--	--	--	--	1,241,295
2,463,719	--	--	--	--	--	697,096	12,561,989
<u>2,509,041</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>697,096</u>	<u>18,433,836</u>
659,422	68,337	15,706	99,844	7,069	62,847	6,371,100	8,160,807
--	--	--	--	--	--	--	839
1,041,326	--	--	--	--	--	--	2,139,288
--	64,919	--	--	--	--	--	124,259
--	--	--	--	--	--	1,861,361	3,288,668
48,419,970	--	--	--	--	--	5,613,518	238,817,860
<u>50,120,718</u>	<u>133,256</u>	<u>15,706</u>	<u>99,844</u>	<u>7,069</u>	<u>62,847</u>	<u>13,845,979</u>	<u>252,531,721</u>
996,500	--	--	--	--	--	267,335	4,584,916
878,469	27,484	--	--	--	--	17,956,232	5,906,706
--	--	--	--	--	--	--	16,260,997
--	1,727,399	--	--	--	--	606,171	3,187,992
(38,688,109)	5,553,044	--	--	--	--	13,414,164	(96,641,874)
<u>\$ (37,809,640)</u>	<u>\$ 7,307,927</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 31,976,567</u>	<u>\$ (71,286,179)</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, 2018

	Judicial Court Services					
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	Nineteenth Judicial District Court Building Commission (1)	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court	E.B.R. Parish Clerk of Court (1)
EXPENSES	\$ 17,908,068	\$ 9,985,405	\$ 8,459,474	\$ 1,406,528	\$ 1,784,949	\$ 15,401,839
PROGRAM REVENUES:						
Charges for services	2,303,555	2,167,887	7,163,282	202,891	34,166	17,284,459
Operating grants and contributions	11,519,245	6,960,072	--	1,085,262	95,170	207,910
Capital grants and contributions	--	--	--	--	--	--
Net program (expenses) revenue	(4,085,268)	(857,446)	(1,296,192)	(118,375)	(1,655,613)	2,090,530
GENERAL REVENUES:						
Taxes:						
Property	--	--	--	--	--	--
Sales	--	--	--	--	--	--
Occupancy	--	--	--	--	--	--
Grants and contributions not restricted to specific programs	427,369	--	--	--	1,349,785	--
Investment earnings	3,843	5,116	144,388	--	204	312,300
Miscellaneous	289,443	14,826	95,692	--	1,848	762,280
Total general revenues	720,655	19,942	240,080	--	1,351,837	1,074,580
Change in net position	(3,364,613)	(837,504)	(1,056,112)	(118,375)	(303,776)	3,165,110
Net position, beginning of year, restated (Note 1)	(33,345,794)	(30,583,468)	7,461,404	(4,989,726)	(5,623,069)	(40,974,750)
Net position, ending	<u>\$ (36,710,407)</u>	<u>\$ (31,420,972)</u>	<u>\$ 6,405,292</u>	<u>\$ (5,108,101)</u>	<u>\$ (5,926,845)</u>	<u>\$ (37,809,640)</u>

(1) As of June 30, 2018

The accompanying notes are an integral part of this statement.

Total Judicial Court Services	Economic Development					Total Economic Development
	East Baton Rouge Redevelop- ment Authority	Cyntreniks Group King Hotel Special Taxing District	Bluebonnet Convention Hotel Taxing District	EBRATS Building Special Taxing District	Old LNB Building Redevelopment Taxing District	
\$ 54,946,263	\$ 2,429,848	\$ 113,581	\$ 607,405	\$ 58,426	\$ 377,385	\$ 3,586,645
29,156,240	309,104	--	--	--	--	309,104
19,867,659	1,914,324	--	--	--	--	1,914,324
--	--	--	--	--	--	--
(5,922,364)	(206,420)	(113,581)	(607,405)	(58,426)	(377,385)	(1,363,217)
--	--	--	--	--	--	--
--	--	49,503	260,162	29,925	160,859	500,449
--	--	64,078	347,243	28,501	216,526	656,348
1,777,154	--	--	--	--	--	--
465,851	38,912	--	--	--	--	38,912
1,164,089	31,841	--	--	--	--	31,841
3,407,094	70,753	113,581	607,405	58,426	377,385	1,227,550
(2,515,270)	(135,667)	--	--	--	--	(135,667)
(108,055,403)	7,443,594	--	--	--	--	7,443,594
<u>\$ (110,570,673)</u>	<u>\$ 7,307,927</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 7,307,927</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, 2018

EXHIBIT A - 16
(Continued)

	<u>Mass Transit</u>	
	<u>Capital Area Transit System</u>	<u>Total All Component Units</u>
EXPENSES	\$ 32,011,770	\$ 90,544,678
PROGRAM REVENUES:		
Charges for services	2,808,645	32,273,989
Operating grants and contributions	--	21,781,983
Capital grants and contributions	<u>3,101,429</u>	<u>3,101,429</u>
Net program (expenses) revenue	<u>(26,101,696)</u>	<u>(33,387,277)</u>
GENERAL REVENUES:		
Taxes:		
Property	18,184,331	18,184,331
Sales	--	500,449
Occupancy	1,269,725	1,926,073
Grants and contributions not restricted to specific programs	3,853,795	5,630,949
Investment earnings	131,317	636,080
Miscellaneous	<u>136,309</u>	<u>1,332,239</u>
Total general revenues	<u>23,575,477</u>	<u>28,210,121</u>
Change in net position	(2,526,219)	(5,177,156)
Net position, beginning of year, restated (Note 1)	<u>34,502,786</u>	<u>(66,109,023)</u>
Net position, ending	<u><u>\$ 31,976,567</u></u>	<u><u>\$ (71,286,179)</u></u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17

NOTE 1 - Summary of Significant Accounting Policies

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

a. Financial Reporting Entity

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

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

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

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

Blended Component Units

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

Capitol House Economic Development District, Lafayette-Main Economic Development District, Dawnadele Economic Development District and Third-Florida Economic Development District were created pursuant to Louisiana Revised Statute 33:9038, which allowed the Metropolitan Council to establish tax incremental financing (TIF) districts. The Capitol House

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Blended Component Units (Continued)

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

Discrete Component Units

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

District Attorney of the Nineteenth Judicial District (for the period ended December 31, 2018)
Nineteenth Judicial District Court (for the period ended June 30, 2018)
Nineteenth Judicial District Court Building Commission (for the period ended June 30, 2018)
E.B.R. Parish Clerk of Court (for the period ended June 30, 2018)
E.B.R. Parish Family Court (for the period ended December 31, 2018)
E.B.R. Parish Juvenile Court (for the period ended December 31, 2018)

The East Baton Rouge Redevelopment Authority was created by the 2007 Louisiana Legislature. It is governed by a five member board. A level of control is maintained by the City-Parish through appointment of a majority of the Authority's Board and through fiscal benefit/burden and imposition of will by the Metropolitan Council. The financial statements of the Authority for December 31, 2018, are included in the discrete component unit columns of the basic financial statements.

Capital Area Transit System (CATS) - CATS was originally created by the City-Parish Metropolitan Council as a corporation to provide bus transportation services within the parish. In 2004, the Louisiana State Legislature enacted House Bill 1682 Act 581 to recognize CATS as a political subdivision which functions under the provisions of an operating agreement with the City of Baton Rouge and Parish of East Baton Rouge. Any property acquired by the system is for the use and benefit of the City-Parish. All CATS board members are appointed directly by the Metropolitan Council. Metropolitan Council approval is required for all transportation fare changes. CATS's financial statements for the period ended December 31, 2018, are discretely presented in the basic financial statements.

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

Taxing District is authorized to use *the proceeds of the two percent (municipal) general sales tax* and a two percent additional “district” tax within a small section of downtown Baton Rouge for the renovation, restoration and development of a hotel. The Old LNB Building Redevelopment District is authorized to use *the proceeds of the two percent (municipal) general sales tax* and a two to three percent additional “district” tax within a small section of downtown Baton Rouge for the renovation, restoration and development of a hotel. These districts are presented as discrete component units in the basic financial statements and do not prepare separately issued financial statements.

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

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

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

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

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

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

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

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

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

Related Organizations

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

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

Baton Rouge Recreation and Park Commission
Lester Rainey, Interim Finance Director
6201 Florida Boulevard
Baton Rouge, LA 70806

East Baton Rouge Housing Authority
J. Daniels, 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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Related Organizations (Continued)

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
Phil Hacker, Chief Financial Officer
Lane Memorial Hospital
6300 Main Street
Zachary, LA 70791

Capital Area Finance Authority
Dennis Blunt, Chairperson
601 St. Ferdinand Street
Baton Rouge, LA 70802

Industrial Development Board
(No Financial Transactions)

b. Basis of Presentation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary activities of the primary government and the total for its component units. As a general rule, the effect of interfund activity has been removed from the government-wide financial 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. Interfund services provided and used are not eliminated in the process of consolidation. The government-wide presentation focuses primarily on the sustainability of the City-Parish as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

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

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

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

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

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued):

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

FUND FINANCIAL STATEMENTS:

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

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

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

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

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

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

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

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

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

Proprietary Funds:

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (Continued):

Proprietary Funds (Continued):

Enterprise Funds (Continued):

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

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

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

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

Fiduciary Funds:

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

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

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

c. Basis of Accounting and Measurement Focus

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting and Measurement Focus (Continued)

FUND FINANCIAL STATEMENTS:

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

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

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

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

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

d. Budgetary Data

BUDGET POLICIES AND BUDGETARY ACCOUNTING:

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

d. Budgetary Data (Continued)

BUDGET POLICIES AND BUDGETARY ACCOUNTING: (Continued):

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

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

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

In accordance with The Plan of Government, appropriations, in addition to those contained in any current expenditure budget, shall be made only on the recommendation of the Mayor-President, and only if the Director of Finance certifies that sufficient funds are available to meet such appropriations. Appropriations at year-end normally lapse, except for those projects of a continuing nature which remain open until the projects are completed or abandoned and are shown on the Balance Sheet as Fund Balance-Assigned to Approved Continuing Projects in the General Fund. Such appropriations for continuing projects carried forward from 2017 to 2018 totaled \$15,012,754 for the general fund, and \$1,588,186 (shown as part of restricted fund balance) in the Grants Fund. These amounts are included in the original budget column for 2018. The level of budget control is at the fund, department or project level, and expenditures/encumbrances may not exceed appropriations. Should additional appropriations be required, interdivisional transfers may be authorized by the Mayor-President. Interdepartmental transfers may be made at the request of the Mayor-President with approval of the Council. Additional appropriations from fund balance or increases in estimated revenues must be approved by the Council. In accordance with The Plan of Government, if the Mayor-President shall at any time ascertain that there will not be for the parish, the city, or the districts, sufficient funds to meet total appropriations, it shall be his duty to revise appropriations.

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

ENCUMBRANCES:

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

CASH, CASH EQUIVALENTS, AND INVESTMENTS:

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

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

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

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

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

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

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

RESTRICTED ASSETS:

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

INVENTORIES AND PREPAID ITEMS:

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

INTERFUND RECEIVABLES AND PAYABLES:

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

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

ACCOUNTS RECEIVABLE:

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Major accounts receivable are recorded for: (1) sewer user fees in the Comprehensive Sewerage System Enterprise Fund; (2) airline landing fees, rentals, and miscellaneous charges for services in the Greater Baton Rouge Airport Authority Enterprise Fund; and (3) waste disposal fees at the landfill recorded in the Solid Waste Collection and Disposal Enterprise Fund. Uncollectible revenues are normally estimated at approximately ½ percent for the sewer user and solid waste collection fees with uncollectibles written off on a monthly basis. At December 31, 2018, an uncollectible allowance has been recorded for the Greater Baton Rouge Airport District (1.5 percent) and the Sewerage System (4.5 percent). Uncollectible amounts for solid waste disposal fees are historically immaterial and no allowance is recorded.

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

CAPITAL ASSETS:

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

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

All assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized at substantial completion of construction projects. Transfer of capital assets between governmental and business-type activities are recorded at the carrying value at the time of transfer. For capitalization purposes, projects are considered substantially complete when 80% of the project has been constructed. At this point the project costs are moved out of construction work in progress and capitalized.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

CAPITAL ASSETS (Continued):

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

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

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

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

LONG-TERM DEBT:

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

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

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

LONG-TERM DEBT (Continued):

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

COMPENSATED ABSENCES:

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

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

Vacation and sick leave may also be converted into time worked for retirement purposes. Per Metropolitan Council Ordinance 85011 effective January 1, 1988, the Employees' Retirement System assumed partial liability for separation benefits (accrued sick and vacation leave) for employees who retire or who die. At December 31, 2018, the City-Parish retains approximately 21.3% 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, 2018.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through paid time off or cash payments conditioned on the employees' termination or retirement. The City-Parish has recorded the following liabilities as of December 31, 2018, 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, 2018, is limited to 1/3 of the accumulated sick leave accrued at year-end for DROP participants. No sick leave is recorded in the financial statements for active employees since the amount applicable as defined in Section C60.105 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards* is immaterial.
3. A total of 100% of the compensatory leave for each employee valued at the employees' current rate of pay.
4. Applicable percentages of retirement contribution, social security, Medicare and other postemployment benefits have been added to the above accrued leave.

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

COMPENSATED ABSENCES (Continued):

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, 2018, in the governmental fund financial statements.

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

MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS:

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

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

FUND BALANCE POLICY FOR GOVERNMENTAL FUND TYPES:

The City-Parish reports governmental fund equity in accordance with Metropolitan Council 2018 Budget Ordinance 16717, adopted December 12, 2017 and 2019 Budget Ordinance 16955 adopted December 11, 2018, which set the following fund balance policy for all governmental fund types of the consolidated government:

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

A Budget Stabilization Account was originally authorized in the General Fund operating budget of 1999. The Metropolitan Council officially committed to maintain the budget stabilization account in an amount equal to at least five percent and not greater than ten percent of the following year's general fund appropriation in the 2018 Annual Operating Budget adopted by Ordinance 16717 dated December 12, 2017. Per ordinance, *the budget stabilization account shall be calculated annually by the Finance Department and included in the Comprehensive Annual Financial Report as committed fund balance.*

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

FUND BALANCE POLICY FOR GOVERNMENTAL FUND TYPES (Continued):

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

The Insurance Reserve Account was established as a general fund reservation (or designation) by the City-Parish in 1972. Since that date the managerial fund has been used to pay for risk management activities of the general government. Metropolitan Council Ordinance 16717 of December 12, 2017, confirmed the policy and use of the insurance reserve account as follows: *The City-Parish will maintain a managerial fund entitled "Insurance Reserve" as part of committed General Fund-Fund Balance for the purpose of minimizing the financial impact of potential costs that cannot be covered by the City-parish's risk management program annual budget. The managerial fund will be increased by any balance remaining in the General Fund Risk Management operating budget at each year-end. The City-Parish shall seek restitution from companies and individuals when negligence results in the unexpected use of funding in accordance with applicable laws.*

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

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

NET POSITION:

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

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

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES:

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued):

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

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

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

Note 8 presents detailed information concerning the amounts related to postemployment benefits, reported in the deferred inflows and deferred outflows sections of the statement of net position.

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

ACCOUNTING ESTIMATES:

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

f. Change in Accounting Principle

The City-Parish implemented Governmental Accounting Standards Board (GASB) Statement 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the preparation of this Comprehensive Annual Financial Report, which resulted in a cumulative change in accounting principle which resulted in a decrease of beginning net position of \$440,113,386.

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

<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Total net position, December 31, 2017, as previously reported	\$ 130,235,275	\$750,757,446
Implementation of GASB Statement 75	<u>(410,184,110)</u>	<u>(29,929,276)</u>
Total net position, December 31, 2017, restated	<u><u>\$(279,948,835)</u></u>	<u><u>\$720,828,170</u></u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

f. Change in Accounting Principle (Continued)

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

	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal	Non-Major Enterprise Funds
Total net position, December 31, 2017, as previously reported	\$215,459,041	\$467,512,865	\$16,844,063	\$50,941,477
Implementation of GASB Statement 75	<u>(8,714,837)</u>	<u>(18,378,686)</u>	<u>(2,401,135)</u>	<u>(434,618)</u>
Total net position, December 31, 2017, restated	<u>\$206,744,204</u>	<u>\$449,134,179</u>	<u>\$14,442,928</u>	<u>\$50,506,859</u>

g. Restatement of Prior Year Net Position - Component Units

1. The financial statements for the District Attorney of the Nineteenth Judicial District, Nineteenth Judicial District Court, EBR Parish Family Court, EBR Parish Juvenile Court and the EBR Parish Clerk of Court have been restated as a result of implementing GASB Statement 75. The combined effect of these restatements resulted in a decrease of beginning net position for a total of \$60,198,845.
2. The Capital Area Transit System statements have been restated to correct for amounts due from the federal government related to expenses incurred and eligible for reimbursement. The restatement increased due from other governments by \$891,407.

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

Component Units

Total net position, December 31, 2017, as previously reported	\$(6,801,585)
Adjust due from other governments	891,407
Implementation of GASB Statement 75	<u>(60,198,845)</u>
Total net position, December 31, 2017, restated	<u>\$(66,109,023)</u>

The net effect to the individual component units for the prior period from these restatements are as follows:

<u>Component Units</u>	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court	E.B.R. Parish Clerk of Court	Capital Area Transit System
Total net position, December 31, 2017, as previously reported	\$(18,754,049)	\$(20,173,290)	\$(3,189,136)	\$(4,056,658)	\$ (9,144,829)	\$33,611,379
Adjust due from other governments	--	--	--	--	--	891,407
Implementation of GASB Statement 75	<u>(14,591,745)</u>	<u>(10,410,178)</u>	<u>(1,800,590)</u>	<u>(1,566,411)</u>	<u>(31,829,921)</u>	<u>--</u>
Total net position, December 31, 2017, restated	<u>\$(33,345,794)</u>	<u>\$(30,583,468)</u>	<u>\$(4,989,726)</u>	<u>\$(5,623,069)</u>	<u>\$(40,974,750)</u>	<u>\$34,502,786</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 2 - Stewardship, Compliance, and Accountability

a. Budget Variances (Non-GAAP Budgetary Basis)

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

	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
General Fund:			
General government			
Collection of funds	\$3,687,351	\$3,747,210	\$(59,859)
Intergovernmental			
District Attorney of the Nineteenth Judicial District	7,119,035	7,123,113	(4,078)
Grants Fund:			
Public Safety			
Weiner Creek Emergency Watershed Protection	259,572	367,200	(107,628)
Conservation and development			
Section 8 Voucher Program	1,301,966	1,392,845	(90,879)

Traffic safety fee revenues came in higher than projected, resulting in increased collection fees paid to the contractor and causing an excess of expenditures and encumbrances over appropriations of \$59,859.

Increased employee benefit premiums for the District Attorney's office were higher than anticipated, causing their budget to be over expended by \$4,078.

The City-Parish was awarded grant assistance from the U.S. Department of Agriculture - Natural Resources Conservation Service for the Weiner Creek slope repairs needed as a result of damage during the flood of 2016. The USDOA performed the repairs on behalf of the City-Parish. The City-Parish appropriated the grant assistance at the original estimated amount of the award. Upon completion of the project in 2018, the total contract costs paid by USDOA exceeded the original estimated amount by \$107,628.

In October 2017, the City-Parish Office of Community Development contracted with the East Baton Rouge Parish Housing Authority (EBRPHA) to manage the Section 8 Voucher Program. Since the rental assistance payments are due to the landlords by the first of each month, the City-Parish advanced the funds to EBRPHA at the end of December 2018, to ensure that the payments would be submitted timely causing a negative budget variance of \$90,879.

b. Budgetary - GAAP Reporting Reconciliation

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

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

	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Grants Fund</u>	<u>Nonmajor Governmental Funds</u>
Net change in fund balances (Budget Basis)	\$(7,795,302)	\$(5,780,077)	\$(19,355,762)	\$ 6,868,602
Adjustments:				
To adjust for encumbrances	<u>3,378,793</u>	<u>1,512,160</u>	<u>19,125,500</u>	<u>10,145,355</u>
Net change in fund balances (GAAP Basis)	<u>\$(4,416,509)</u>	<u>\$(4,267,917)</u>	<u>\$ (230,262)</u>	<u>\$17,013,957</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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.

NOTE 3 - Cash, Cash Equivalents, and Investments

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

a. Deposits - Primary Government

Deposits (including demand deposit accounts and certificates of deposits) at December 31, 2018, for the City-Parish primary government are summarized as follows:

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

<u>Carrying Amount</u>	<u>Bank Balance</u>
\$254,028,411	\$261,556,710

Certificates of deposit with a maturity of 90 days or more are classified on the Statement of Net Position as "Investments" (\$175,000,000). The remaining carrying amount of \$79,028,411 is classified as "Cash and cash equivalents."

The City-Parish's bank balance of deposits at December 31, 2018, 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 \$4,200,813 which is not on deposit with a financial institution. Cash on hand includes petty cash and cash received but not yet deposited at year-end.

2. Employees' Retirement System Pension Trust Funds:

At December 31, 2018, the carrying amount of the Retirement System's deposits was \$13,817,765 and the bank balance was \$14,912,816. The Retirement System's deposits at December 31, 2018, are not exposed to any custodial credit risk.

b. Cash Equivalents and Investments - Primary Government

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

1. United States Treasury Bonds
2. United States Treasury Notes
3. United States Treasury Bills
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds.
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana.
6. Fully collateralized repurchase agreements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

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

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

7. Fully collateralized interest-bearing checking accounts.
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.
9. Any other investment allowed by state statute for local governments.
10. Louisiana Asset Management Pool (LAMP).

Proceeds from the issuance of sales tax revenue bonds for the City of Baton Rouge and Parish of East Baton Rouge are invested according to guidelines set forth in the bond resolutions. Authorized investments from the proceeds of the issuance of the City's 2007A, 2008A-2, 2008B (Taxable), 2010A (GO Zone), 2010B, 2016A-1, 2016A-2 (Taxable), 2016A-3 and 2018 Public Improvement Sales Tax Revenue Bonds are government securities, certificates of deposit collateralized by government securities, and bonds issued by any state or political subdivision, provided that the bonds are rated in one of Moody's Investors Service or Standard and Poor's Corporation's two highest rating categories. All of the qualified investments must have maturities of five years or less at the time of investment.

Proceeds from the issuance of the East Baton Rouge Sewerage Commission's 2010B (BABs), 2011A (LIBOR Index), 2014B and 2013B (Taxable), 2014A (Taxable) and the Road and Street Improvement 2008A, 2009A and 2015 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, 2018, are itemized as follows:

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

	<u>Total Value</u>
<u>Investments Measured at Amortized Cost</u>	
U.S. Government Obligations	\$250,753,438
U.S. Agency Obligations	61,311,988
 <u>Investments Measured at Net Asset Value</u>	
Louisiana Asset Management Pool (LAMP)	<u>159,993,375</u>
Total	<u>\$472,058,801</u>

Investments with a maturity of less than 90 days (\$159,993,375) are classified on the Statement of Net Position as "Cash and cash equivalents," \$309,386,286 is classified on the Statement of Net Position as "Investments." The remaining amount of \$2,679,140 is included in "Receivables - net" on the Statement of Net Position. In accordance with Section 150, paragraph 123 of the GASB *Codification of Governmental Accounting and Financial Reporting* Standards, investments in U.S. Treasury or Agency obligations that have a remaining maturity at time of purchase of one year or less, are stated at amortized cost which is not materially different from fair value. All U.S. Government and Agency Obligations held at December 31, 2018, had a remaining maturity at time of purchase of one year or less and are therefore reported at amortized cost.

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

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City-Parish has a written policy for custodial credit risk. The City-Parish's investment policy requires the application of the prudent-person rule. The policy states, *all investments made shall be with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for*

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

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

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

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

speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. However, under all circumstances, the overriding concern shall be safety of the principal amounts invested. The City-Parish's investment policy limits investments to those discussed earlier in this section. The City-Parish's investments in U.S. Agency Obligations were rated AAA by Fitch Ratings, Aaa/Negative by Moody's Investors Service and AA+/Negative by Standard & Poor's. The City-Parish's investment policy requires that investments be diversified by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City-Parish total investment portfolio will be invested in a single security type or with a single financial institution. U. S. Agency Obligations are invested in the Federal Home Loan Bank which is 10.01% of the City-Parish total investment. LAMP has a Standard & Poor's Rating of AAAM.

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

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted and shall not generally exceed 60 days, and consists of no securities with a maturity in excess of 397 days. For purposes of determining participants' shares, investments are valued at fair value. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The \$159,993,375 invested in LAMP is held by the Parish's Consolidated Cash pool (\$124,382,760), the East Baton Rouge Sewerage Commission (\$35,489,734), and the Airport Construction Funds (\$120,881).

2. Employees' Retirement System Pension Trust Funds:

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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):

Investment in derivatives, reverse repurchase agreements and other non-traditional types of investments are not specifically authorized under the Board's investment policy. However, in the case of commingled or pooled/mutual accounts, the provisions of the prospectus or Declaration of Trust takes precedence over the investment policy. At December 31, 2018, the Retirement Board had committed, but only partially funded, a 5% allocation to six Private Equity funds, which fall in the category of Private Markets.

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

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

No investments in any one organization shall represent 5% or more of the assets held in trust for pension benefits and no single company's securities shall represent more than 5% of the cost basis or 7% of the fair value of any manager's portfolio. There are no investments in loans to, or leases with, parties related to the Plan. Although the Board continued its contractual relationships with outside third party investment managers during 2018, final oversight of investments and investment performance for both the original CPERS trust and CPERS-PGT remains with the Board.

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

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

The fair value of the Retirement System's investments as of December 31, 2018 is:

	<u>Fair Value</u>
U.S. Treasury Inflation-Protected Securities	\$ 46,202,082
Other securities held in trust	5,457
International Equities	195,700,289
Short-Term Investment Fund/Cash Equivalents	2,666,945
Domestic Equities and Fixed Income	515,526,712
Emerging Markets Equity	74,152,977
Equity Real Estate Fund	74,692,716
Risk Parity	56,144,906
Hedge Fund of Funds	52,648,560
Private Equity	47,944,929
Total	<u>\$1,065,685,573</u>

The fair value of \$1,063,018,628 is classified on the Statement of Fiduciary Net Position as "Investments." \$2,666,945 is classified on the Statement of Fiduciary Net Position as "Cash and Cash Equivalents."

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 Retirement System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles and as set forth in GASB Statement No. 72, *Fair Value Measurement and Application*. The System has the following fair value measurements as of December 31, 2018:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>December 31, 2018</u>			
<u>Investments by Fair Value Level:</u>				
<u>Equity Securities:</u>				
Domestic Small Cap Growth	\$ 24,890,850	\$24,890,850	\$ --	\$ --
Master Limited Partnership	35,880,546	35,880,546	--	--
Other	<u>5,457</u>	<u>--</u>	<u>3,596</u>	<u>1,861</u>
Total Investments at Fair Value Level	<u>60,776,853</u>	<u>\$60,771,396</u>	<u>\$3,596</u>	<u>\$1,861</u>
<u>Investments Measured at NAV:</u>				
<u>Commingled Funds:</u>				
Fixed Income - Domestic	270,387,878			
Fixed Income - International	21,609,294			
Domestic Equity - Large Cap	210,146,852			
Domestic Equity - Small Cap	20,422,668			
International Equity - Large Cap	98,964,326			
International Equity - Small Cap	75,126,669			
Emerging Markets Equity	74,152,977			
Real Estate	74,692,716			
Risk Parity	56,144,906			
Hedge Fund of Funds	52,648,560			
Private Equity	<u>47,944,929</u>			
Total Investments at NAV	<u>1,002,241,775</u>			
Total Investments at Fair Value		<u>\$1,063,018,628</u>		

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

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of December 31, 2018, are presented in the following table.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

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

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

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

	<u>Fair Value</u> <u>December 31, 2018</u>	<u>Unfunded</u> <u>Commitments</u>	<u>Redemption</u> <u>Frequency</u>	<u>Redemption</u> <u>Notice Period</u>
Commingled Funds:				
Fixed Income - Domestic	\$ 270,387,878	\$ --	Daily	2 - 15 Days
Fixed Income - International	21,609,294	--	Daily	2 - 15 Days
Domestic Equity - Large Cap	210,146,852	--	Daily	2 - 4 Days
Domestic Equity - Small Cap	20,422,668	--	Daily	5 Days
International Equity - Large Cap	98,964,326	--	Monthly	2 - 10 Days
International Equity - Small Cap	75,126,669	--	Monthly	30 Days
Emerging Markets Equity	74,152,977	--	Monthly	30 Days
Real Estate	74,692,716	--	Quarterly	90 Days
Risk Parity	56,144,906	--	Monthly	30 Days
Hedge Fund of Funds	52,648,560	--	Quarterly	65 Days
Private Equity	<u>47,944,929</u>	<u>34,492,751</u>	N/A	N/A
Total Investments at NAV	<u>\$1,002,241,775</u>	<u>\$34,492,751</u>		

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

Interest rate risk is the risk applicable to debt instruments with fair values that are sensitive to changes in interest rate. One indicator of the measure of interest rate risk is the dispersion of maturity dates for debt instruments. The System does not have a formal policy relating to interest rate risk. The System's 2018 Core, Core-Plus, Absolute Return and Treasury Inflation-Protected Securities (TIPS) fixed income strategies are managed in pooled accounts. For these contractual relationships, each Declaration of Trust takes precedence over the System's investment policy, and the custodian bank does not have custody of the assets in these accounts. Assets in the Core-Plus fund had a December 31, 2018, fair value of \$85,325,213 with an average duration of 5.76 years, while the Absolute Return fund had a fair value of \$82,979,478 with an average duration of 3.30 years and Core fund had a fair value of \$77,490,399 with an average duration of 5.75 years. The fair value of the TIPS account was \$46,202,082 and carried an average duration of 7.18 years.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The standardized rating systems are a good tool with which to assess credit risk on debt obligations. The Retirement System requires that debt obligations be investment grade at time of purchase (BBB/Baa or higher as rated by Standard & Poor's and/or Moody's respectively). Securities that are later downgraded below investment grade are required to be liquidated unless the investment manager and the investment consultant deem it in the System's best interest to continue to hold the securities. At December 31, 2018, the System's fixed income securities were managed only in commingled or pooled accounts.

The System's 2018 Core, Core-Plus, Absolute Return and Treasury Inflation-Protected Securities (TIPS) fixed-income strategies are managed in pooled accounts. Assets in the Core-Plus fund had a December 31, 2018, fair value of \$85,325,213 and carried a rating of A+, while the Absolute Return fund had a fair value of \$82,979,478 and carried a rating of A- and the Core fund had a fair value of \$77,490,399 and carried a rating of AA-. The TIPS account had a fair value of \$46,202,082 and carried a rating of AA+.

The Retirement System's *Total Plan Statement of Investment Policies and Objectives* limits the concentration in any one issuer to 7% of fair value. At December 31, 2018, the System had exposure of less than 5% in any single investment issuer.

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

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

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

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

non-US or global mandates, at December 31, 2018, CPERS and CPERS-PGT had no investments allocated in foreign currencies in non-pooled accounts of either fixed income or equity managers.

The annual money-weighted rate of return on pension plan investments is the calculated internal rate of return on pension plan investments, net of pension plan investment expense, and adjusted for changing amounts actually invested. It employs the accrual basis of accounting and is the result in aggregate of the monthly internal rates of return for the year. The annual money-weighted rate of return on the CPERS Original Trust and the CPERS-PGT Trust were -5.85% and -5.25% respectively at December 31, 2018.

c. Deposits - Discretely Presented Component Units

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

	<u>Carrying Amount</u>	<u>Bank Balance</u>
District Attorney of the Nineteenth Judicial District	\$ 425,447	\$ 425,447
Nineteenth Judicial District Court	2,241,626	2,337,107
Nineteenth Judicial District Court Building Commission	17,609,285	17,609,285
E.B.R. Parish Family Court	247,867	247,867
E.B.R. Parish Juvenile Court	321,193	339,270
E.B.R. Parish Clerk of Court	9,815,422	9,815,422
E.B.R. Redevelopment Authority	806,302	806,302
Cyntreniks Group King Hotel Special Taxing District	10,671	10,671
Bluebonnet Convention Hotel Taxing District	57,157	57,157
EBRATS Building Special Taxing District	4,908	4,908
Old LNB Building Redevelopment Taxing District	31,158	31,158
Capital Area Transit System	<u>793,067</u>	<u>871,069</u>
Total Component Units	<u><u>\$32,364,103</u></u>	<u><u>\$32,555,663</u></u>

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

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

Nineteenth Judicial District Court	\$ 2,087,107
E.B.R. Parish Juvenile Court	214,955
E.B.R. Parish Clerk of Court	<u>9,561,792</u>
Total	<u><u>\$11,863,854</u></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, 2018, there were no certificates of deposit with a maturity of 90 days or more classified on the Statement of Net Position as "Investments." The carrying amount of \$32,364,103 is classified as "Cash and cash equivalents."

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

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

d. Cash, Cash Equivalents and Investments Summary

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

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

Cash and cash equivalents:

Deposits	\$79,028,411
Cash on hand	4,200,813
Louisiana Asset Management Pool	<u>159,993,375</u>
Sub-total cash and cash equivalents	<u>243,222,599</u>

Investments:

Deposits	175,000,000
Investments	<u>309,386,286</u>
Sub-total investments	<u>484,386,286</u>

Cash, cash equivalents and investments, December 31, 2018 \$727,608,885

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

Statement of Net Position - Primary Government:

Cash and cash equivalents	\$165,619,272
Restricted Assets - Cash and cash equivalents	58,671,174

Statement of Fiduciary Net Position - Agency Funds

Cash and cash equivalents	<u>18,932,153</u>
Total cash and cash equivalents	<u>243,222,599</u>

Statement of Net Position - Primary Government:

Investments	350,060,175
Restricted Assets - Investments	<u>134,326,111</u>
Total investments	<u>484,386,286</u>

Total cash and cash equivalents and investments \$727,608,885

B. Component units:

Cash and cash equivalents, December 31, 2018

Deposits	<u><u>\$32,364,103</u></u>
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Summary of "Cash and cash equivalents" and "Investments" for Component Units on the Statement of Net Position:

Cash and cash equivalents	\$16,720,792
Restricted Assets - Cash and cash equivalents	<u>15,643,311</u>

Total cash and cash equivalents \$32,364,103

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

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

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

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

Cash and cash equivalents:	
Deposits	\$ 13,817,765
Investments	2,666,945
Sub-total cash and cash equivalents	16,484,710
Investments	1,063,018,628
Cash, cash equivalents and investments, December 31, 2018	<u>\$1,079,503,338</u>

NOTE 4 - Property Taxes

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

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

The 2018 property tax calendar is as follows:

Levy date	November 21, 2017
Millage rates adopted	November 21, 2017
Tax bills mailed	November 21, 2018
Due date	December 31, 2018
Lien date	January 1, 2019

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

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 4 - Property Taxes (Continued)

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

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

	Property Taxes <u>Receivable</u>	Estimated Uncollectible Property Taxes <u> </u>	Net Property Taxes <u>Receivable</u>
General Fund	\$ 6,133,523	\$ 442,340	\$ 5,691,183
Library Board of Control Fund	9,771,441	728,927	9,042,514
Nonmajor Governmental Funds	<u>10,155,638</u>	<u>761,101</u>	<u>9,394,537</u>
Total	<u>\$26,060,602</u>	<u>\$1,932,368</u>	<u>\$24,128,234</u>

NOTE 5 - Federal and State Financial Assistance

a. Grants From Other Governments and Private Developers

Federal and State grant programs represent an important source of funding to finance housing, employment, construction, and social programs which are beneficial to the City and the Parish. These funds are recorded in the General, Special Revenue, Capital Projects, Nonmajor Governmental and Enterprise Funds. A grant appropriation is recorded when an approved contract is authorized with the funding agency through the "Grants Review Process." Receivables are established when eligible expenditures are incurred. The grants normally specify the purpose for which funds may be used and federal grants are audited annually in accordance with Office of Management and Budget Circular A-133 under the "Single Audit Concept" for grants awarded prior to December 26, 2014, and in accordance with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements, for grants awarded on or after December 26, 2014. The grant programs are also subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any material contingent liability for reimbursement which may arise as the result of these audits is recorded in accordance with generally accepted accounting principles. In 2017 the City-Parish negotiated a payment agreement with the U.S. Department of Housing and Urban Development for the repayment of funds over a three year period in the amount of \$1,291,649. Payments of \$430,550 were made in 2017 and 2018, and the balance of \$430,549 is recorded as claims and judgments payable on the entity-wide statement of net position for governmental activities. During 2018, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or contributions in the accompanying fund financial statements:

	<u>Federal and State Operating Grants and Capital Contributions</u>	<u>Private Capital Contributions</u>
Primary Government:		
Governmental activities:		
General Fund	\$ 1,240,847	\$ --
Grants Fund	39,936,098	--
Capital Projects Fund	9,246,033	896,585
Nonmajor governmental funds	8,153,565	--
Business-type activities:		
Greater Baton Rouge Airport District	8,990,207	--
Comprehensive Sewerage System Fund	--	6,591,470
Nonmajor business-type funds	<u>1,200,309</u>	<u>--</u>
Total primary government	<u>\$68,767,059</u>	<u>\$7,488,055</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 5 - Federal and State Financial Assistance (Continued)

b. On-Behalf Payments for Salaries and Benefits

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

Supplementary salary payments are made by the state directly to certain groups of employees. City-Parish is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure (expense) payments is the actual contribution made by the state. For 2018, the state paid supplemental salaries to the following groups of employees of the primary government: fire and law enforcement employees, city court judges, and employees of the Registrar of Voters' Office.

LRS 33:7392 provides for a percentage of property taxes collected in East Baton Rouge Parish to be remitted to the State Municipal Employees' Retirement System (MERS). The statute further provides for MERS to distribute a pro-rata share of these funds back to the City-Parish Employees' Retirement System. On-behalf payments recorded as revenues and expenditures (expenses) in the 2018 financial statements are as follows:

	State Supplemental Salaries	MERS Contribution	Total 2018 On-Behalf Payments
Primary Government:			
Governmental activities	\$7,917,099	\$1,160,713	\$9,077,812
Business-type activities	<u>174,018</u>	<u>--</u>	<u>174,018</u>
Total on-behalf payments	<u><u>\$8,091,117</u></u>	<u><u>\$1,160,713</u></u>	<u><u>\$9,251,830</u></u>

NOTE 6 - Capital Assets

a. Primary government capital asset activity for the year ended December 31, 2018, was as follows:

	Balance 1/1/2018	Increases	Decreases	Adjustments	Balance 12/31/2018
Governmental Activities:					
Capital assets not being depreciated:					
Land and right-of-way	\$ 177,523,979	\$ 1,471,717	\$ (915,000)	\$ 1,547,289	\$ 179,627,985
Construction work in progress	<u>50,799,654</u>	<u>18,445,790</u>	<u>--</u>	<u>(5,195,956)</u>	<u>64,049,488</u>
Total capital assets not being depreciated	<u>228,323,633</u>	<u>19,917,507</u>	<u>(915,000)</u>	<u>(3,648,667)</u>	<u>243,677,473</u>
Capital assets being depreciated:					
Buildings	311,930,889	2,226,863	(6,043,591)	1,201,053	309,315,214
Improvements (other than buildings) and infrastructure	1,043,856,578	8,508,108	--	11,200,225	1,063,564,911
Equipment and equipment under lease	<u>142,346,642</u>	<u>10,313,261</u>	<u>(4,259,615)</u>	<u>--</u>	<u>148,400,288</u>
Total capital assets being depreciated	<u>1,498,134,109</u>	<u>21,048,232</u>	<u>(10,303,206)</u>	<u>12,401,278</u>	<u>1,521,280,413</u>
Less accumulated depreciation for:					
Building	(177,599,597)	(7,151,114)	5,795,596	--	(178,955,115)
Improvements (other than buildings) and infrastructure	(507,648,584)	(33,840,712)	--	--	(541,489,296)
Equipment and equipment under lease	<u>(114,188,326)</u>	<u>(9,633,838)</u>	<u>4,256,579</u>	<u>--</u>	<u>(119,565,585)</u>
Total accumulated depreciation	<u>(799,436,507)</u>	<u>(50,625,664)</u>	<u>10,052,175</u>	<u>--</u>	<u>(840,009,996)</u>
Total capital assets being depreciated, net	<u>698,697,602</u>	<u>(29,577,432)</u>	<u>(251,031)</u>	<u>12,401,278</u>	<u>681,270,417</u>
Total governmental activities capital assets, net	<u><u>\$ 927,021,235</u></u>	<u><u>\$ (9,659,925)</u></u>	<u><u>\$ (1,166,031)</u></u>	<u><u>\$ 8,752,611</u></u>	<u><u>\$ 924,947,890</u></u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

a. Primary government capital asset activity (Continued):

	Balance 1/1/2018	Increases	Decreases	Adjustments	Balance 12/31/2018
Business-Type Activities:					
Capital assets not being depreciated:					
Land and right-of-way	\$ 95,732,207	\$ 422,897	\$ (543,936)	\$ (173,603)	\$ 95,437,565
Noise mitigation	58,392,539	--	--	283,893	58,676,432
Construction work in progress	<u>83,950,263</u>	<u>6,569,263</u>	<u>(2,000,000)</u>	<u>(78,483,417)</u>	<u>10,036,109</u>
Total capital assets not being depreciated	<u>238,075,009</u>	<u>6,992,160</u>	<u>(2,543,936)</u>	<u>(78,373,127)</u>	<u>164,150,106</u>
Capital assets being depreciated:					
Buildings	249,152,504	1,163,165	--	--	250,315,669
Improvements (other than buildings) and infrastructure	2,503,700,171	100,576,738	--	81,930,859	2,686,207,768
Equipment	<u>10,216,493</u>	<u>194,767</u>	<u>(437,534)</u>	<u>--</u>	<u>9,973,726</u>
Total capital assets being depreciated	<u>2,763,069,168</u>	<u>101,934,670</u>	<u>(437,534)</u>	<u>81,930,859</u>	<u>2,946,497,163</u>
Less accumulated depreciation for:					
Buildings	(145,287,977)	(9,129,939)	--	--	(154,417,916)
Improvements (other than buildings) and infrastructure	(860,004,643)	(83,501,030)	--	--	(943,505,673)
Equipment	<u>(9,099,214)</u>	<u>(431,863)</u>	<u>437,534</u>	<u>--</u>	<u>(9,093,543)</u>
Total accumulated depreciation	<u>(1,014,391,834)</u>	<u>(93,062,832)</u>	<u>437,534</u>	<u>--</u>	<u>(1,107,017,132)</u>
Total capital assets being depreciated, net	<u>1,748,677,334</u>	<u>8,871,838</u>	<u>--</u>	<u>81,930,859</u>	<u>1,839,480,031</u>
Total business-type activities capital assets, net	<u>\$ 1,986,752,343</u>	<u>\$ 15,863,998</u>	<u>\$(2,543,936)</u>	<u>\$ 3,557,732</u>	<u>\$ 2,003,630,137</u>

The adjustments column includes the capitalization of \$8,295,611 in governmental activities and \$3,557,733 in business-type activities of donated assets from private sources. Adjustments of \$5,195,956 in governmental activities and \$78,483,417 in business-type activities were for prior year construction work in progress that was capitalized as assets during 2018.

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

Governmental Activities:

Governmental fund-types:	
General government	\$ 1,197,123
Public safety	7,137,569
Transportation	32,083,170
Health and welfare	1,754,694
Culture and recreation	3,386,017
Conservation and development	1,617,811
Internal service fund capital assets are charged to the various functions based on their usage of the assets	<u>3,449,280</u>
Total depreciation expense - governmental activities	<u>\$50,625,664</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

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

Business-Type Activities:

Airport	\$13,054,515
Sewer	74,605,066
Solid Waste Collection and Disposal	844,908
Nonmajor business-type activities	<u>4,558,343</u>
Total depreciation expense - business-type activities	<u>\$93,062,832</u>

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

	<u>Project Authorization</u>	<u>Placed in Service to Date</u>	<u>Balance in Construction Work In Progress 12/31/2018</u>	<u>Encumbered Capital Projects</u>	<u>Estimated Required Future Financing</u>
Capital Projects Fund:					
Miscellaneous Capital Improvements	\$101,940,829	\$ 34,959,616	\$17,934,860	\$15,296,187	None
Capital Improvement					
Roads, Streets, Drainage, Other	30,525,793	11,888,911	6,378,877	793,792	None
Parish Transportation - Capital Projects	21,035,088	4,683,363	2,927,763	1,862,340	None
Road and Street Improvement					
Pay-As-You-Go Dedicated Tax	141,534,863	107,186,655	5,293,521	10,126,105	None
Bonded Dedicated Sales Tax	327,609,761	272,231,934	8,959,387	4,325,983	None
LA DOTD Grants Capital Projects	133,351,052	70,913,305	18,851,697	18,124,586	None
Downtown Signage/Visitors Amenities/					
Riverfront Improvement	5,453,881	3,733,005	595,731	425,520	None
General Capital Expenditures	6,716,361	4,258,955	1,127,260	536,136	None
Other Governmental Funds:					
Parish Beautification	5,265,432	1,056,359	401,437	442,255	None
Chaneyville Volunteer Fire District	11,090	--	11,090	--	None
City Hall Generator	1,275,985	--	35,091	979,000	None
Council on Aging Facility - Renovations	345,281	--	223,638	116,643	None
Baton Rouge Junior High Waterproofing	1,002,160	--	103,325	29,084	None
Emergency Operations Center First Responder Safe Room	430,672	--	22,395	408,277	None
State of Louisiana Recovery Act	<u>16,635,005</u>	<u>11,213,015</u>	<u>1,183,416</u>	<u>925,656</u>	None
Total	<u>\$793,133,253</u>	<u>\$522,125,118</u>	<u>\$64,049,488</u>	<u>\$54,391,564</u>	

d. Construction work in progress at December 31, 2018, for primary government enterprise funds is composed of the following:

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Placed in Service</u>	<u>Balance in Construction Work in Progress 12/31/18</u>
Greater Baton Rouge Airport District:				
Runways and apron improvements	\$17,502,753	\$ 4,845,767	\$ --	\$ 4,845,767
Miscellaneous project costs	<u>615,500</u>	<u>60,195</u>	--	<u>60,195</u>
Total	<u>18,118,253</u>	<u>4,905,962</u>	--	<u>4,905,962</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

d. Construction work in progress at December 31, 2018 for primary government enterprise funds (Continued)

	Project Authorization	Expended to Date	Placed in Service	Balance in Construction Work in Progress 12/31/18
<u>Comprehensive Sewerage System Fund:</u>				
South wastewater treatment plant	\$ 116,346	\$ 25,867	\$ --	\$ 25,867
North wastewater treatment plant	10,271,188	1,784,109	1,401,645	382,464
Rehabilitation construction	2,091,725	2,090,434	--	2,090,434
Sewer line extensions	2,172,680	843,862	--	843,862
Rehabilitation of pump stations	<u>2,914,223</u>	<u>307,612</u>	<u>--</u>	<u>307,612</u>
Total	<u>17,566,162</u>	<u>5,051,884</u>	<u>1,401,645</u>	<u>3,650,239</u>
<u>Nonmajor business-type activities:</u>				
Baton Rouge River Center Fund:				
Theater renovations	19,671,725	1,466,540	--	1,466,540
Plaza greenspace	5,024,435	4,812,867	4,812,867	--
North Boulevard Town Square	18,135	18,135	18,135	--
Elevator upgrades	<u>137,000</u>	<u>13,368</u>	<u>--</u>	<u>13,368</u>
Total	<u>24,851,295</u>	<u>6,310,910</u>	<u>4,831,002</u>	<u>1,479,908</u>
Total-all enterprise funds	<u>\$60,535,710</u>	<u>\$16,268,756</u>	<u>\$6,232,647</u>	<u>\$10,036,109</u>

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 construction program to reduce sanitary sewer overflows required by the modified Consent Decree was substantially complete at December 31, 2018.

In July 2007, EPA and DEQ formally approved the City-Parish's request to revise the original Remedial Measures Action Plan 2 (RMAP2) Sanitary Sewer Overflow Capital Improvements Program from a complex tunnel system with some rehabilitation and pump station upgrades to a program which emphasizes system wide rehabilitation, conveyance and pumping upgrades and wet weather improvements to the South Wastewater Treatment Plan. The concept and cost for this modification has been analyzed by the sewer system's program manager, CH2M HILL, Inc. Their program delivery plan (PDP) was delivered to the City-Parish in November 2007, and updated in November 2018. CH2M HILL's estimated cost for completing the revised RMAP2 is \$1.6 billion.

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>District Attorney of the Nineteenth Judicial District</u>				
Equipment	\$ 2,475,248	\$ 148,610	\$ (247,870)	\$ 2,375,988
Less: accumulated depreciation	<u>(1,793,760)</u>			<u>(1,802,875)</u>
Total District Attorney of the Nineteenth Judicial District	<u>\$ 681,488</u>			<u>\$ 573,113</u>
<u>Nineteenth Judicial District Court</u>				
Equipment	\$ 350,545	\$ 48,996	\$ (85,923)	\$ 313,618
Less: accumulated depreciation	<u>(312,075)</u>			<u>(243,058)</u>
Total Nineteenth Judicial District Court	<u>\$ 38,470</u>			<u>\$ 70,560</u>
<u>Nineteenth Judicial District Court Building Commission</u>				
Buildings	\$107,628,256	\$ --	\$ --	\$107,628,256
Equipment	<u>5,098,006</u>	<u>63,417</u>	<u>--</u>	<u>5,161,423</u>
Total	112,726,262	63,417	--	112,789,679
Less: accumulated depreciation	<u>(28,470,045)</u>			<u>(32,013,256)</u>
Total Nineteenth Judicial District Court Building Commission	<u>\$ 84,256,217</u>			<u>\$ 80,776,423</u>
<u>E.B.R. Parish Family Court</u>				
Equipment	\$ 285,803	\$ 25,641	\$ --	\$ 311,444
Less: accumulated depreciation	<u>(190,514)</u>			<u>(240,209)</u>
Total E.B.R. Parish Family Court	<u>\$ 95,289</u>			<u>\$ 71,235</u>
<u>E.B.R. Parish Juvenile Court</u>				
Equipment	\$ 357,920	\$ 28,300	\$ --	\$ 386,220
Less: accumulated depreciation	<u>(258,452)</u>			<u>(288,030)</u>
Total E.B.R. Parish Juvenile Court	<u>\$ 99,468</u>			<u>\$ 98,190</u>
<u>E.B.R. Parish Clerk of Court</u>				
Equipment	\$ 7,831,122	\$ 695,572	\$ (7,206)	\$ 8,519,488
Less: accumulated depreciation	<u>(7,592,504)</u>			<u>(7,641,019)</u>
Total E.B.R. Parish Clerk of Court	<u>\$ 238,618</u>			<u>\$ 878,469</u>
<u>EBR Parish Redevelopment Authority</u>				
Equipment	\$ 85,143	\$ 28,650	\$ --	\$ 113,793
Less: accumulated depreciation	<u>(81,569)</u>			<u>(86,309)</u>
Total EBR Redevelopment Authority	<u>\$ 3,574</u>			<u>\$ 27,484</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>Capital Area Transit System</u>				
Equipment	\$ 41,544,120	\$3,739,467	\$(9,247,522)	\$ 36,036,065
Less: accumulated depreciation	<u>(21,159,045)</u>			<u>(14,709,417)</u>
Total Capital Area Transit System	<u>\$ 20,385,075</u>			<u>\$ 21,326,648</u>
Total component units capital assets	\$165,656,163	<u>\$4,778,653</u>	<u>\$(9,588,521)</u>	\$160,846,295
Less: total accumulated depreciation	<u>(59,857,964)</u>			<u>(57,024,173)</u>
Total component units capital assets, net	<u>\$105,798,199</u>			<u>\$103,822,122</u>

NOTE 7 - Employees' Retirement Systems

a. Primary Government

1. Plan Description

CPERS and CPERS-PGT

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

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

*Not City-Parish component units

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description (Continued)

CPERS and CPERS-PGT (Continued)

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

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

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

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

As of December 31, 2017, the measurement date, the following employees were covered by the CPERS-PGT benefit terms:

Inactive plan members and beneficiaries currently receiving benefits, and deferred retirement plan participants	186
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>158</u>
	<u>347</u>

MPERS

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description (Continued)

MPERS (Continued)

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

LASERS

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

2. Benefit Terms

CPERS

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

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

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

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

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

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

2. Benefit Terms (Continued)

CPERS (Continued)

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

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

CPERS-PGT

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

MPERS

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

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

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

LASERS

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

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

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

2. Benefit Terms (Continued)

LASERS (Continued)

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

3. Contributions

CPERS

The City-Parish provides annual contributions to the Plan as required by Section 9.15 of The Plan of Government, which requires that the Retirement System be funded on an actuarially sound basis. Contribution rates are established and may be amended by the Retirement System's Board of Trustees, with approval by the Metropolitan Council. Under the current plan, both employee and employer contributions are set by the retirement system board on an annual basis to properly fund the system. In 2018, employees made a mandatory contribution of 9.5% of gross earnings, which was the maximum rate under Part IV, Subpart 2, Sec. 1:264A1(b), while the employer contributed 33.1% of active payroll. The total employer contribution to CPERS for the year ended December 31, 2018, was \$39,160,468 and was equal to the retirement board required contributions for the year. The City-Parish recognized \$957,588 in revenue from non-employer contributions in 2018.

CPERS-PGT

Employer and employee contributions to CPERS-PGT are at the rates established for CPERS. Total employer contributions to CPERS-PGT for the year ended December 31, 2018 was \$768,344.

MPERS

Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. MPERS employee members hired prior to January 1, 2013, contributed 10.0% of earned compensation for the year ended December 31, 2018. For the same members, employer contributions were 30.75% from January through June, and 32.25% for July through December 2018. All employees hired on or after January 1, 2013, become members of either the Hazardous Duty Sub-plan, or the Nonhazardous Duty Sub-plan. Employee and employer contribution rates for the Hazardous Duty Sub-plan are the same as for those hired prior to January 1, 2013. For employees belonging to the Nonhazardous Duty Sub-plan, the contribution rate was 8.0%, and the employer rate was 30.75% from January through June and 32.25% for July through December 2018. Earned compensation in the MPERS system excludes certain overtime, but includes state supplemental pay. The City-Parish's contribution to MPERS for the year ended December 31, 2018, was \$13,702,767 and was equal to the statutorily required contribution for the year. The City-Parish recognized \$2,935,445 in revenue from non-employer contributions in 2018.

LASERS

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. During 2018, Judges' Plan members hired

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)

3. Contributions (Continued)

LASERS (Continued)

prior to January 1, 2011, contributed 11.50% of earned compensation while employers contributed 40.1% from January through June and 40.1% from July through December. For Judges hired on or after January 1, 2011, the contribution rate was 13.0%, and the employer rate was 39.6% from January through June and 39.0% for July through December 2018. The City-Parish's contribution to LASERS for the year ended December 31, 2018 was \$205,027 and was equal to the statutorily required contribution for the year.

4. Net Pension Liability

Net pension liability at December 31, 2018, is comprised of the City-Parish's proportional share of the net pension liability relating to each of the cost-sharing plans in which the City-Parish is a participating employer (CPERS, MPERS and LASERS) and the entire net pension liability relating to the CPERS-PGT single-employer plan. The net pension liability for CPERS and CPERS-PGT were measured as of December 31, 2017, rolled forward from the actuarial valuation date of January 1, 2017. MPERS and LASERS were measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City-Parish's proportion of the net pension liability for each of the cost-sharing plans in which it participates was based on the City-Parish's required contributions in proportion to total required contributions for all participating employers, actuarially determined. As of the most recent measurement date for each plan, the City-Parish's proportion for each cost-sharing plan and the change in proportion from the prior measurement date were as follows:

	<u>CPERS</u>	<u>MPERS</u>	<u>LASERS</u>
Proportion (amount) of net pension liability	\$450,343,140	\$125,757,667	\$1,914,144
Proportion (%) of net pension liability	84.11%	14.87%	0.03%
Increase/(Decrease) from prior measurement	(0.51%)	0.68%	0.01%

The following table presents the CPERS-PGT changes in net pension liability measured as of the year ended December 31, 2017:

	<u>CPERS-PGT</u>
Total pension liability:	
Service cost	\$ 467,379
Interest	2,281,368
Differences between expected and actual experience	163,883
Changes in assumptions	287,842
Benefit payments	<u>(2,340,178)</u>
Net change in total pension liability	860,294
Total pension liability - beginning	<u>41,009,565</u>
Total pension liability - ending	<u><u>\$41,869,859</u></u>
Plan fiduciary net position:	
Contributions - employer	\$ 641,699
Contributions - employee	70,460
Net investment income	1,727,482
Benefit payments	(2,340,178)
Administrative expenses	<u>(275,799)</u>
Net change in fiduciary net position	(176,336)
Plan fiduciary net position - beginning	<u>17,264,149</u>
Plan fiduciary net position - ending	<u><u>\$17,087,813</u></u>
Net pension liability	<u><u>\$24,782,046</u></u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

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

Changes in the net pension liability are either reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2018 the City-Parish recognized \$85,675,054 in pension expense related to the defined benefit plans in which it participates (CPERS \$61,856,634; CPERS-PGT \$3,806,696; MPERS \$19,353,813 and LASERS \$657,911). Revenue was recognized in the amount of \$3,893,033 in ad valorem taxes and insurance premium taxes collected from non-employer contributing entities. At December 31, 2018, the City-Parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>				
	<u>CPERS</u>	<u>CPERS-PGT</u>	<u>MPERS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$21,866,233	\$1,260,098	\$ 566,916	\$ --	\$23,693,247
Changes in assumptions	9,996,430	329,088	8,218,189	19,477	18,563,184
Net difference between projected and actual earnings on pension plan investments	--	264,938	6,028,542	24,819	6,318,299
Changes in proportion and differences between actual contributions and proportionate share of contributions	39,834	--	2,766,492	242,391	3,048,717
Employer contributions to the pension plans subsequent to the measurement date of the net pension liability	<u>39,160,468</u>	<u>778,113</u>	<u>7,026,005</u>	<u>101,483</u>	<u>47,066,069</u>
Total	<u>\$71,062,965</u>	<u>\$2,632,237</u>	<u>\$24,606,144</u>	<u>\$388,170</u>	<u>\$98,689,516</u>

	<u>Deferred Inflows of Resources</u>				
	<u>CPERS</u>	<u>CPERS-PGT</u>	<u>MPERS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ --	\$ --	\$ 6,426,471	\$ 21,464	\$ 6,447,935
Changes in assumptions	--	244,820	--	--	244,820
Net difference between projected and actual earnings on pension plan investments	28,480,986	--	--	--	28,480,986
Changes in proportion and differences between actual contributions and proportionate share of contributions	<u>4,438,070</u>	<u>--</u>	<u>3,960,759</u>	<u>4,478</u>	<u>8,403,307</u>
Total	<u>\$32,919,056</u>	<u>\$244,820</u>	<u>\$10,387,230</u>	<u>\$ 25,942</u>	<u>\$43,577,048</u>

The \$47,066,069 of deferred outflows of resources resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Year</u>	<u>CPERS</u>	<u>CPERS-PGT</u>	<u>MPERS</u>	<u>LASERS</u>	<u>Total</u>
2019	\$ 20,223,271	\$1,690,702	\$ 7,440,472	\$176,852	\$ 29,531,297
2020	5,385,144	207,599	4,273,532	137,675	10,003,950
2021	(11,915,885)	(128,155)	(4,740,098)	(46,777)	(16,830,915)
2022	<u>(14,709,089)</u>	<u>(160,842)</u>	<u>219,003</u>	<u>(7,005)</u>	<u>(14,657,933)</u>
Total	<u>\$ (1,016,559)</u>	<u>\$1,609,304</u>	<u>\$ 7,192,909</u>	<u>\$260,745</u>	<u>\$ 8,046,399</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

6. Discount Rate

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

	<u>CPERS</u>	<u>CPERS-PGT</u>	<u>MPERS</u>	<u>LASERS</u>
Discount rate	7.25%	5.10%	7.20%	7.65%
Change in discount rate from prior measurement date	0.00%	(0.56%)	(0.125%)	(0.05%)
Plan cash flow assumptions*	(1)	(2)	(3)	(3)
Rates incorporated in the discount				
Long-term rate of return	7.25%	7.25%	8.03%	8.83%
Period applied*	All periods	(2)	All periods	All periods
Municipal bond rate	N/A	3.44%	N/A	N/A

Sensitivity of the net pension liability to the discount rate:

Net pension liability	\$450,343,140	\$24,782,046	\$125,757,667	\$1,914,144
Net pension liability assuming a decrease				
of 1% in the discount rate	\$581,588,447	\$25,093,153	\$176,724,333	\$2,415,697
Net pension liability assuming an increase				
of 1% in the discount rate	\$339,776,433	\$24,490,880	\$ 82,998,595	\$1,482,066

***Plan Cash Flow Assumptions:**

- (1) Plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.
- (2) Plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the contribution rate established for CPERS. Based on those assumptions, the pension plan's fiduciary net position was projected to provide future benefit payments for 11 years. Therefore, the long-term expected rate of return 7.25% was used to discount funded projected benefit payments and the municipal bond rate 3.44% was used to discount unfunded projected benefit payments to determine the total pension liability. The single effective discount rate was 5.10%.
- (3) Plan member contributions will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary.

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

6. Discount Rate (Continued)

<u>Asset Class</u>	<u>CPERS*</u>		<u>CPERS-PGT*</u>		<u>LASERS**</u>
	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>	<u>Long-term expected real rate of return</u>
Core Fixed Income	15.0%	1.75%	21.3%	1.00%	--
Core Plus Fixed Income	15.0%	2.25%	21.3%	1.50%	--
Domestic Fixed Income	--	--	--	--	1.49%
Domestic Equity	--	--	--	--	4.31%
Large Cap Domestic Equity	19.5%	4.75%	17.3%	4.00%	--
Non-Large Cap Domestic Equity	3.0%	5.50%	2.7%	4.75%	--
International Fixed Income	--	--	--	--	2.23%
International Equity	--	--	--	--	5.26%
International Large Cap Equity	15.0%	5.50%	13.3%	4.75%	--
International Small Cap Equity	2.5%	5.25%	2.2%	4.50%	--
Emerging Market Equity	5.0%	6.75%	4.4%	6.00%	--
Core Real Estate	5.0%	4.25%	--	--	--
Master Limited Partnerships	5.0%	6.75%	5.0%	6.00%	--
Private Equity	5.0%	8.50%	--	--	--
Risk Parity	5.0%	6.75%	5.0%	6.00%	4.96%
Hedge Funds	5.0%	4.30%	5.0%	3.55%	--
Alternative Investments	--	--	--	--	7.67%
Cash	--	--	2.5%	0.50%	(0.48%)
Total	<u>100.0%</u>		<u>100.0%</u>		

<u>Asset Class</u>	<u>MPERS*</u>	
	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Equity	52.0%	3.58%
Fixed Income	22.0%	0.46%
Alternative Investments	20.0%	1.07%
Other	<u>6.0%</u>	<u>0.17%</u>
Total	<u>100.0%</u>	5.28%
Inflation		<u>2.75%</u>
Expected Nominal Return		<u>8.03%</u>

*Arithmetic

***Geometric

EXHIBIT A - 17
(Continued)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

7. Actuarial Assumptions (Continued)

MPERS (Continued)

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

Ad-hoc cost-of-living increases

The present value of future retirement benefits is based on
benefits currently being paid by the system and includes
previously granted cost of living increases. The present
values do not include provisions for potential future
increases not yet authorized by the Board of Trustees.

Experience study

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

Salary increases, including inflation and merit

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

LASERS

Valuation Date

June 30, 2018

Actuarial cost method

Entry Age Normal

Inflation

2.75%

Mortality rates

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

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

Ad-hoc cost-of-living increases

The present value of future retirement benefits
is based on benefits currently being paid by the
system and includes previously granted cost of
living increases. The projected benefit
payments do not include provisions for
potential future increases not yet authorized by
the Board of Trustees as they were deemed not
to be substantively automatic.

Experience study

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

Salary increase range

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

8. Payables to the Pension Plan

At December 31, 2018, the City-Parish recorded total payables of \$1,456,323 to the CPERS (\$1,253,412) and CPERS-PGT (\$202,911) retirement plans.

b. Component Units

1. Capital Area Transit System Pension Plan

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

For the year ended December 31, 2018, the following amounts are recorded related to pensions:

Net pension asset	\$606,171
Deferred outflow for pensions	697,096
Deferred inflow for pensions	267,335
Pension expense	298,169

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

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

For the year ended December 31, 2018, the following amounts are recorded related to pensions:

	<u>DARS</u>	<u>CPERS</u>	<u>Total</u>
Net pension liability	\$1,456,852	\$14,911,275	\$16,368,127
Deferred outflow for pensions	1,130,723	4,412,913	5,543,636
Deferred inflow for pensions	337,652	1,236,164	1,573,816
Pension expense	514,500	2,588,951	3,103,451

3. Nineteenth Judicial District Court Pension Plans

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

3. Nineteenth Judicial District Court Pension Plans (Continued)

For the fiscal year ended June 30, 2018, the following amounts are recorded related to pensions:

	<u>COC</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
Net pension liability	\$3,711,191	\$90,159	\$10,553,317	\$14,354,667
Deferred outflow for pensions	753,296	11,827	2,403,861	3,168,984
Deferred inflow for pensions	(585,884)	4,233	(637,289)	(1,218,940)
Pension expense	444,200	11,044	1,196,622	1,651,866

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

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

For the year ended December 31, 2018, the following amounts are recorded related to pensions:

Net pension liability	\$2,058,448
Deferred outflow for pensions	364,157
Deferred inflow for pensions	271,695
Pension expense	49,272

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

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

For the year ended December 31, 2018, the following amounts are recorded related to pensions:

Net pension liability	\$2,164,884
Deferred outflow for pensions	324,417
Deferred inflow for pensions	256,630
Pension expense	148,577

6. East Baton Rouge Parish Clerk of Court Pension Plan

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

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

For the fiscal year ended June 30, 2018, the following amounts are recorded related to pensions:

Net pension liability	\$10,773,736
Deferred outflow for pensions	2,463,719
Deferred inflow for pensions	996,500
Pension expense	1,613,011

NOTE 8 - Other Postemployment Benefits (OPEB)

a. City -Parish OPEB Plan

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

Plan description:

The City-Parish OPEB Plan is a single-employer defined benefit plan. The OPEB plan does not issue a stand-alone financial report.

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

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

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

Current Funding policy:

The contribution requirements of the employees/retirees and the participating City-Parish employers are established in the annual operating budget and may be amended in subsequent years. During the measurement period, the dental plan was funded with employees and retirees contributing 48 percent of the dental premium and the City-Parish contributing 52 percent of the dental premium. One hundred percent of required premiums on the \$5,000 retiree life insurance policy is funded by the employer. The government's health plan is a self-insured program with a third party administrator. During the measurement period, employees and retirees contributed 11% - 40% of the annually adopted premium base, dependent on the type of coverage chosen and the number of family members covered. The government contributed the corresponding 60% - 89% of the premium base. Effective January 1, 2004, the employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB Plan. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

As of December 31, 2017, the measurement date, 3,388 active employees and 2,966 retirees along with applicable dependents were covered by the plan.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

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

a. City -Parish OPEB Plan (Continued)

Total OPEB Liability:

The City-Parish's proportional share (94.75%) of Total OPEB Liability (\$970,673,484) was measured as of December 31, 2017, rolled forward from the actuarial valuation date of January 1, 2017. The City-Parish's proportion of the Total OPEB liability was based on a percentage of active payroll in proportion to total active payroll for all participating employers. There was no change to the City-Parish's proportionate share since the prior measurement period.

Actuarial Assumptions:

Inflation	2.30%
Salary Increases	3.00% per annum average, compounded annually
Discount rate	3.44% based on the Bond Buyer's 20-year bond general obligation index
Mortality	Adjusted RHP-2014 Generational with MP-2017 Projection
Health cost trend rates	
Medical	7.0% for 2017 gradually decreasing to an ultimate rate of 4.0% for 2017 and beyond
Dental	3.92% for 2017 and beyond
Retirement Rates	CPERS participants assumed to retire as follows:
	Non-Fire - the earlier of 25.5 years of service or age 61 and 11 years of service
	Fire - The earlier of 26 years of service or age 61 and 11 years of service

Sample rates for MPERS participants are as follows:

<u>Age</u>	<u>Rate</u>
47 - 49	20.5%
50	22.5
51	20.0
52 - 53	22.0
54	23.5
55	42.5
56	22.5
57 - 58	17.0
59	19.0
60 - 65	26.0
66+	100.0

Changes to the Total OPEB Liability of the City-Parish OPEB Plan:

	<u>Primary</u> <u>Government</u>	<u>Component</u> <u>Units</u>
Balance as of December 31, 2017, restated	\$940,473,711	\$52,110,681
Changes for the year:		
Service cost	18,931,503	1,048,975
Interest	33,773,477	1,871,353
Plan Changes	(5,686,535)	(315,085)
Differences between expected and actual experience	1,282,638	71,070
Changes in assumptions	3,746,638	207,597
Benefit payments	(21,847,948)	(1,210,572)
Net change in total OPEB liability	<u>30,199,773</u>	<u>1,673,338</u>
Balance as of December 31, 2018	<u>\$970,673,484</u>	<u>\$53,784,019</u>

Changes in assumptions reflect a decrease of 0.34 percent in the discount rate from 3.78 percent to 3.44 percent

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

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

a. City -Parish OPEB Plan (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following table presents the Total OPEB Liability of the City-Parish calculated using the discount rate of 3.44%, as well as what the City-Parish's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.44%) or 1 percentage point higher (4.44%) than the current rate.

	1% Decrease <u>2.44%</u>	Discount Rate <u>3.44%</u>	1% Increase <u>4.44%</u>
Primary Government	\$1,176,691,310	\$970,673,484	\$814,303,995
Component Units	\$65,199,255	\$53,784,019	\$45,119,747

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate:

The following table presents the Total OPEB Liability of the City-Parish calculated using the current healthcare cost trend rates, as well as what the City-Parish's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current rates.

	1% Decrease <u>1%</u>	Current Trend Rate <u>3.44%</u>	1% Increase <u>4.44%</u>
Primary Government	\$764,119,636	\$970,673,484	\$1,126,999,570
Component Units	\$86,216,423	\$53,784,019	\$127,160,548

OPEB Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB:

Changes in Total OPEB Liability are either reported in OPEB expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into OPEB expense over a number of years. For the year ended December 31, 2018, the City-Parish recognized \$47,934,184 in OPEB expense. At December 31, 2018, the City-Parish reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary <u>Government</u>	Component <u>Units</u>
<u>Deferred Outflows of Resources</u>		
Differences between expected and actual experience	\$1,049,092	\$ 58,130
Changes in assumptions	3,064,444	169,797
Employer payments for OPEB as benefits come due subsequent to the measurement date of the total OPEB liability	<u>24,556,662</u>	<u>968,046</u>
Total	<u>\$28,670,198</u>	<u>\$1,195,973</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

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

a. City -Parish OPEB Plan (Continued)

Benefit payments due within one year are \$22,639,693 for Governmental Activities, and \$1,916,969 for Business-Type Activities of the Primary Government. Deferred outflows of resources resulting from benefit payments subsequent to the measurement date of \$24,556,662 for the Primary Government and \$968,046 for Component Units will be recognized as a reduction of the Total OPEB liability during the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year</u>	<u>Primary Government</u>	<u>Component Units</u>
2019	\$ 915,740	\$ 50,740
2020	915,740	50,740
2021	915,740	50,740
2022	915,740	50,740
2023	<u>450,576</u>	<u>24,967</u>
Total	<u>\$4,113,536</u>	<u>\$227,927</u>

b. Clerk of Court OPEB Plan

Additional information on the Clerk's OPEB plan can be found in the separately issued financial statements for the East Baton Rouge Parish Clerk of Court. See Note 7.b.6. for information on separately issued financial statements.

For the year ended June 30, 2018, the following amounts are recorded related to OPEB:

Total OPEB liability	\$36,670,469
Deferred outflow for OPEB	45,322
Deferred inflow for OPEB	--
OPEB expense	1,713,491

NOTE 9 - Risk Management

a. Types of Risk

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

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

b. Accounting for Risk

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 9 - Risk Management (Continued)

b. Accounting for Risk (Continued)

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

There were no major changes in outside insurance coverage for the year ended December 31, 2018.

c. Contingent Liabilities - Claims and Judgments

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

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

An amount of \$24,828,034 has been recorded as a long-term obligation on the Government-wide Statement of Net Position for estimated claims and judgments for risk management purposes. Incremental claim costs account for approximately 2% of that total. Subject to the aforementioned policy, it is the government's practice to pay claims and judgments against the City-Parish from available financial resources of the General Fund.

As stated in Note 7, the City-Parish and its police officers participate in the Municipal Police Employee's Retirement System (MPERS) as required by statute. Employer and employee contributions to the System are based upon a percentage of earnable compensation. The City-Parish is involved in a dispute with MPERS, the local police union, and individual officers involving the pension benefits regarding overtime included in the earnable compensation, the contributions attributable to the overtime and the pension benefits accrued or attributable thereto. Suits have been filed but since dismissed. Subsequent to year-end this dispute was resolved through legislation. See Note 20 for more detail.

d. Employee Benefits

The City-Parish maintains a premium plan for the group health program, providing medical and prescription drug coverage to those City-Parish employees/retirees who choose to participate. During 2018, the minimum premium plan was funded with employees and retirees contributing 11%-40% of the premium and the City-Parish contributing 60%-89% of the premium, dependent upon the number of family members covered.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 9 - Risk Management (Continued)

d. Employee Benefits (Continued)

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

The value of self-insured claims incurred but not reported or paid as of December 31, 2018, for group health are estimated by the government's third party health care provider as follows:

Self-funded medical \$4,929,285

This amount has been included in the Government-wide Statement of Net Position for December 31, 2018.

e. Changes in Liabilities for Claims

The following is a reconciliation of changes in long-term claims payable for the years ended December 31, 2018, 2017, and 2016:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Claims and judgments payable:</u>			
Beginning balance	\$31,005,777	\$30,858,763	\$35,458,853
Additions:			
Claims incurred and new estimates	1,852,234	3,712,189	1,553,462
Deductions:			
Claims paid	(3,631,004)	(2,334,548)	(5,095,454)
Claims dismissed and changes in estimates	<u>(4,398,973)</u>	<u>(1,230,627)</u>	<u>(1,058,098)</u>
Ending balance	<u>\$ 24,828,034</u>	<u>\$ 31,005,777</u>	<u>\$ 30,858,763</u>
<u>Employee benefits payable:</u>			
Beginning balance	\$ 5,121,692	\$ 5,493,789	\$ 5,151,535
Additions:			
Claims incurred	72,932,804	69,844,453	69,107,041
Deductions:			
Claims paid	<u>(73,125,211)</u>	<u>(70,216,550)</u>	<u>(68,764,787)</u>
Ending balance	<u>\$ 4,929,285</u>	<u>\$ 5,121,692</u>	<u>\$ 5,493,789</u>

f. Fund Balance Committed to Self-insurance purposes

The City-Parish Metropolitan Council maintains a practice of committing a portion of General Fund's fund balance for self-insurance purposes. The amount committed for insurance at December 31, 2018, was determined as follows:

Fund balance committed to self-insurance, January 1, 2018	\$42,639,978
Less: Appropriations from self-insurance commitment for risk management purposes	(3,909,699)
Less: Amount reserved for risk management purposes in subsequent years	(200,000)
Plus: Self-insurance commitment increased for risk management surplus	4,246,088
Plus: Federal government subsidies for employee/retiree insurance purposes	885,834
Interest earned on designated funds during 2018	<u>869,918</u>
Insurance Commitment, December 31, 2018	<u>\$44,532,119</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt

a. Primary Government

1. Summary of Changes in Long-Term Debt

Following is a summary of changes in long-term debt for the primary government for year 2018:

	Balance <u>1/1/18</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/18</u>	Due Within <u>One Year</u>
<u>Governmental Activities:</u>					
Limited tax obligation bonds	\$ --	\$ 370,000	\$ --	\$ 370,000	\$ 36,703
Excess revenue contracts, loans and notes	102,099,542	--	6,267,629	95,831,913	6,447,100
Deferred premium on bonds	17,328,713	--	2,041,005	15,287,708	--
Revenue bonds payable, gross	187,820,000	18,000,000	11,985,000	193,835,000	13,195,000
Less: Intragovernment payable	(1,458,750)	--	(383,333)	(1,075,417)	(401,250)
Obligation payable (off-market swaps)	4,261,004	--	523,931	3,737,073	--
Derivative Instrument Liability	9,839,816	--	2,305,250	7,534,566	--
Compensated absences payable	30,717,154	7,346,232	10,472,867	27,590,519	12,942,102
Claims and judgments payable (Note 5 and 9)	31,866,876	1,852,234	8,460,527	25,258,583	1,143,083
Employee benefits payable (Note 9)	5,121,692	72,932,804	73,125,211	4,929,285	--
Total other postemployment benefit liability	867,915,793	48,029,637	20,162,370	895,783,060	--
Net pension liability	<u>609,209,201</u>	<u>--</u>	<u>55,926,862</u>	<u>553,282,339</u>	<u>--</u>
 Total governmental activities	 <u>\$1,864,721,041</u>	 <u>\$148,530,907</u>	 <u>\$190,887,319</u>	 <u>\$1,822,364,629</u>	 <u>\$33,362,738</u>
<u>Business-Type Activities:</u>					
Excess revenue contracts, loans and notes	\$ 429,300,481	\$ --	\$ 755,481	\$ 428,545,000	\$ --
Revenue bonds payable	979,726,487	31,435,897	14,021,000	997,141,384	21,301,000
Deferred premiums and discounts	48,195,179	--	2,910,067	45,285,112	--
Revenue bonds payable from City issues	1,458,750	--	383,333	1,075,417	401,250
Obligation payable (off-market swaps)	39,104,499	--	2,203,214	36,901,285	--
Derivative instrument liability	77,262,987	--	11,652,526	65,610,461	--
Contingent Liability	4,000,000	--	2,000,000	2,000,000	--
Landfill closure and postclosure care liability (Note 17)	17,130,260	791,238	--	17,921,498	--
Compensated absences payable	2,430,429	791,140	1,116,624	2,104,945	2,049,874
Total other postemployment benefit liability	72,557,919	4,018,083	1,685,578	74,890,424	--
Net pension liability	<u>54,803,106</u>	<u>--</u>	<u>5,288,448</u>	<u>49,514,658</u>	<u>--</u>
 Total business-type activities	 <u>\$1,725,970,097</u>	 <u>\$ 37,036,358</u>	 <u>\$ 42,016,271</u>	 <u>\$1,720,990,184</u>	 <u>\$23,752,124</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, \$248,758 of compensated absences for internal service funds is included in the above amount. The compensated absences liability and net pension liability attributable to governmental activities has been liquidated primarily by the General Fund in prior years with any remainder liquidated in the governmental and internal service funds in which the liability occurred. Claims and judgments payable, employee benefits payable, and total other post-employment benefits liability are liquidated by the General Fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018:

	<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>Limited tax obligation bonds</u>					
Parish of East Baton Rouge:					
Pride Fire Protection District	02/01-08/01	04/20/2018	08/01/2027	\$ 50,000	\$ 50,000
Chaneyville Fire Protection District	02/01-08/01	08/21/2018	08/01/2030	320,000	320,000
Total limited tax obligation bonds				<u>370,000</u>	<u>370,000</u>
<u>Excess revenue contracts, loans and notes</u>					
City of Baton Rouge:					
2012 Taxable Refunding	01/15-7/15	04/04/2012	01/15/2029	58,075,000	41,320,000
LA Community Development 2000A Program					
Visit Baton Rouge	Monthly	09/01/2007	11/30/2029	750,000	483,800
Parish of East Baton Rouge:					
LA Community Development Authority 1999	Monthly	08/11/1999	05/31/2018	1,500,000	--
LA Community Development 2000A Program	Monthly	09/01/2007	11/30/2029	264,713	193,113
2012 LCDA Road Improvements Project	02/01-08/01	03/01/2012	08/01/2030	33,585,000	23,930,000
2015 LCDA Road Improvements Project	02/01-08/01	04/09/2015	08/01/2030	<u>34,415,000</u>	<u>29,905,000</u>
Total excess revenue contracts, loans and notes				<u>128,589,713</u>	<u>95,831,913</u>
<u>Revenue bonds</u>					
City of Baton Rouge:					
2007A Public Improvement Sales Tax	02/01-08/01	03/28/2007	08/01/2018	30,395,000	--
2010B Public Improvement Sales Tax	02/01-08/01	09/28/2010	08/01/2026	19,045,000	10,650,000
2018 Public Improvement Sales Tax	02/01-08/01	05/23/2018	08/01/2033	18,000,000	18,000,000
Less: debt recorded in business-type activities				(3,840,000)	(1,075,417)
Parish of East Baton Rouge:					
Road and Street Improvement:					
2008A Sales Tax Bonds (Variable)	02/01-08/01	04/17/2008	08/01/2030	93,440,000	79,095,000
2009A Sales Tax Bonds	02/01-08/01	02/12/2009	08/01/2030	110,000,000	15,400,000
2015 Refunding Sales Tax Bonds	02/01-08/01	04/09/2015	08/01/2030	59,430,000	59,430,000
2013A Public Improvement Sales Tax	02/01-08/01	06/13/2013	02/01/2028	11,000,000	7,910,000
2014A Public Improvement Sales Tax	02/01-08/01	06/27/2014	02/01/2026	<u>4,600,000</u>	<u>3,350,000</u>
Total revenue bonds				<u>342,070,000</u>	<u>192,759,583</u>
Total governmental activities				<u>471,029,713</u>	<u>288,961,496</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

2. Schedule of Bonds Payable (Continued)

	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Original Authorized and Issued</u>	<u>Outstanding</u>
Business-Type Activities:					
<u>Excess revenue contracts, loans and notes</u>					
Parish of East Baton Rouge:					
LCDCA loan 1999 Program	Monthly	08/11/1999	05/31/2018	\$ 7,779,481	\$ --
Sewerage Commission:					
2013A LCDCA Sewerage Commission Projects	02/01-08/01	05/09/2013	02/01/2048	126,260,000	126,260,000
2013B (LIBOR Index) LCDCA Sewerage Commission Projects	Monthly	05/10/2013	02/01/2049	92,500,000	92,500,000
2014A LCDCA Sewerage Commission Projects	02/01-08/01	04/10/2014	02/01/2044	<u>209,785,000</u>	<u>209,785,000</u>
Total excess revenue contracts, loans and notes				<u>436,324,481</u>	<u>428,545,000</u>
<u>Revenue bonds</u>					
City of Baton Rouge:					
Airport:					
2008A-2 Public Improvement Sales Tax	02/01-08/01	01/24/2008	08/01/2037	47,205,000	--
2008B Public Improvement Sales Tax (Taxable)	02/01-08/01	01/24/2008	08/01/2022	9,505,000	3,145,000
2010A Public Improvement Sales Tax (GO Zone)	02/01-08/01	01/28/2010	08/01/2039	6,000,000	5,035,000
2016A-1 Public Improvement Sales Tax	02/01-08/01	04/28/2016	08/01/2037	40,765,000	40,765,000
2016A-2 Public Improvement Sales Tax (Taxable)	02/01-08/01	04/28/2016	08/01/2029	1,315,000	1,105,000
2016A-3 Public Improvement Sales Tax	02/01-08/01	04/28/2016	08/01/2041	4,915,000	4,655,000
Revenue bonds payable from City issues				3,840,000	1,075,417
Sewerage Commission:					
2010 Revenue Bonds (DEQ)	02/01-08/01	04/29/2010	02/01/2031	8,300,000	5,895,000
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	02/01-08/01	05/27/2010	02/01/2045	357,840,000	344,375,000
2011A Revenue Bonds (LIBOR Index)	Monthly	07/28/2011	02/01/2046	202,500,000	176,155,000
2013A Taxable Revenue Bonds (DEQ)	02/01-08/01	03/06/2013	02/01/2034	42,262,411	37,945,411
2013B Taxable Revenue Refunding Bonds	02/01-08/01	05/02/2013	02/01/2024	25,390,000	18,255,000
2014A Taxable Revenue Refunding Bonds	02/01-08/01	12/17/2014	02/01/2031	127,455,000	127,455,000
2014B Tax-Exempt Revenue Refunding Bonds	02/01-08/01	12/17/2014	02/01/2039	205,435,000	205,435,000
2015A Taxable Revenue Bonds (DEQ)	02/01-08/01	10/08/2015	02/01/2036	17,694,088	17,626,088
2016A Taxable Revenue Bonds (DEQ)	02/01-08/01	05/17/2016	02/01/2038	<u>9,294,885</u>	<u>9,294,885</u>
Total revenue bonds				<u>1,109,716,384</u>	<u>998,216,801</u>
Total business-type activities				<u>1,546,040,865</u>	<u>1,426,761,801</u>
Total all bonds, contracts, loans and notes				<u>\$2,017,070,578</u>	<u>\$1,715,723,297</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable

	Outstanding January 1, 2018	Issued	Retired	Outstanding December 31, 2018
Governmental Activities:				
<u>Limited tax obligation bonds</u>				
Parish of East Baton Rouge:				
Pride Fire Protection District	\$ --	\$ 50,000	\$ --	\$ 50,000
Chaneyville Fire Protection District	--	320,000	--	320,000
Total limited tax obligation bonds	--	370,000	--	370,000
<u>Excess revenue contracts, loans and notes</u>				
City of Baton Rouge:				
2012 Taxable Refunding	44,450,000	--	3,130,000	41,320,000
LA Community Development 2000A Program				
Visit Baton Rouge	517,000	--	33,200	483,800
Parish of East Baton Rouge:				
LA Community Development Authority 1999	71,429	--	71,429	--
LA Community Development 2000A Program	206,113	--	13,000	193,113
2012 LCDA Road Improvements Project	25,370,000	--	1,440,000	23,930,000
2015 LCDA Road Improvements Project	31,485,000	--	1,580,000	29,905,000
Total excess revenue contracts, loans and notes	102,099,542	--	6,267,629	95,831,913
<u>Revenue bonds</u>				
City of Baton Rouge:				
2007A Public Improvement Sales Tax	190,000	--	190,000	--
2010B Public Improvement Sales Tax	11,975,000	--	1,325,000	10,650,000
2018 Public Improvement Sales Tax	--	18,000,000	--	18,000,000
Less: debt recorded in business- type activities	(1,458,750)	--	(383,333)	(1,075,417)
Parish of East Baton Rouge:				
Road and Street Improvement:				
2008A Sales Tax Bonds (Variable)	84,085,000	--	4,990,000	79,095,000
2009A Sales Tax Bonds	19,875,000	--	4,475,000	15,400,000
2015 Refunding Sales Tax Bonds	59,430,000	--	--	59,430,000
2013A Public Improvement Sales Tax	8,580,000	--	670,000	7,910,000
2014A Public Improvement Sales Tax	3,685,000	--	335,000	3,350,000
Total revenue bonds	186,361,250	18,000,000	11,601,667	192,759,583
Total governmental activities	288,460,792	18,370,000	17,869,296	288,961,496
Business-Type Activities:				
<u>Excess revenue contracts, loans and notes</u>				
Parish of East Baton Rouge:				
LCDA loan 1999 Program	755,481	--	755,481	--
Sewerage Commission:				
2013A LCDA Sewerage Commission Projects	126,260,000	--	--	126,260,000
2013B (LIBOR Index) LCDA Sewerage Commission Projects	92,500,000	--	--	92,500,000
2014A LCDA Sewerage Commission Projects	209,785,000	--	--	209,785,000
Total excess revenue contracts, loans and notes	429,300,481	--	755,481	428,545,000

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable (Continued)

	Outstanding January 1, 2018	<u>Issued</u>	<u>Retired</u>	Outstanding December 31, 2018
Business-Type Activities: (Continued)				
<u>Revenue bonds</u>				
City of Baton Rouge:				
2008A-2 Public Improvement Sales Tax	\$ 740,000	\$ --	\$ 740,000	\$ --
2008B Public Improvement Sales Tax (Taxable)	3,900,000	--	755,000	3,145,000
2010A Public Improvement Sales Tax (GO Zone)	5,190,000	--	155,000	5,035,000
2016A-1 Public Improvement Sales Tax	40,765,000	--	--	40,765,000
2016A-2 Public Improvement Sales Tax (Taxable)	1,190,000	--	85,000	1,105,000
2016A-3 Public Improvement Sales Tax	4,785,000	--	130,000	4,655,000
Revenue bonds payable from City issues	1,458,750	--	383,333	1,075,417
Sewerage Commission:				
2010 Revenue Bonds (DEQ)	6,319,000	--	424,000	5,895,000
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	347,645,000	--	3,270,000	344,375,000
2011A Revenue Bonds (LIBOR Index)	180,420,000	--	4,265,000	176,155,000
2013A Taxable Revenue Bonds (DEQ)	33,908,393	5,837,018	1,800,000	37,945,411
2013B Taxable Revenue Refunding Bonds	20,590,000	--	2,335,000	18,255,000
2014A Taxable Revenue Refunding Bonds	127,455,000	--	--	127,455,000
2014B Tax-Exempt Revenue Refunding Bonds	205,435,000	--	--	205,435,000
2015A Taxable Revenue Bonds (DEQ)	1,284,144	16,403,944	62,000	17,626,088
2016A Taxable Revenue Bonds (DEQ)	99,950	9,194,935	--	9,294,885
Total revenue bonds	<u>981,185,237</u>	<u>31,435,897</u>	<u>14,404,333</u>	<u>998,216,801</u>
Total business-type activities	<u>1,410,485,718</u>	<u>31,435,897</u>	<u>15,159,814</u>	<u>1,426,761,801</u>
Total all bonds, contracts, loans and notes	<u>\$1,698,946,510</u>	<u>\$49,805,897</u>	<u>\$33,029,110</u>	<u>\$1,715,723,297</u>

4. Interest Requirements to Maturity

The following is a summary of bonded debt at December 31, 2018, and interest requirements to maturity:

	Debt Payable 12/31/2018	Interest Requirements to Maturity	Total
Governmental Activities:			
<u>Limited tax obligation bonds</u>			
Parish of East Baton Rouge:			
Pride Fire Protection District	\$ 50,000	\$ 7,573	\$ 57,573
Chaneyville Fire Protection District	320,000	61,922	381,922
Total limited tax obligation bonds	<u>370,000</u>	<u>69,495</u>	<u>439,495</u>
<u>Excess revenue contracts, loans and notes</u>			
City of Baton Rouge:			
2012 Taxable Refunding	41,320,000	9,867,679	51,187,679
LA Community Development 2000A Program			
Visit Baton Rouge	483,800	98,330	582,130
Parish of East Baton Rouge:			
LA Community Development 2000A Program	193,113	39,200	232,313
2012 LCDA Road Improvements Project	23,930,000	7,564,019	31,494,019
2015 LCDA Road Improvements Project	29,905,000	10,864,750	40,769,750
Total excess revenue contracts, loans and notes	<u>95,831,913</u>	<u>28,433,978</u>	<u>124,265,891</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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>12/31/2018</u>	<u>Interest</u> <u>Requirements</u> <u>to Maturity</u>	<u>Total</u>
Governmental Activities: (Continued)			
<u>Revenue bonds</u>			
City of Baton Rouge:			
2010B Public Improvement Sales Tax (3.02%)*	\$ 10,650,000	\$ 1,580,174	\$ 12,230,174
2018 Public Improvement Sales Tax	18,000,000	5,010,970	23,010,970
Less: Debt recorded in business-type activities	(1,075,417)	(68,896)	(1,144,313)
Parish of East Baton Rouge:			
Road and Street Improvement:			
2008A Sales Tax Bonds (Variable)	79,095,000	21,311,602	100,406,602
2009A Sales Tax Bonds (4.83%)*	15,400,000	1,653,500	17,053,500
2015 Refunding Sales Tax Bonds (3.10%)*	59,430,000	24,822,750	84,252,750
2013A Public Improvement Sales Tax	7,910,000	867,140	8,777,140
2014A Public Improvement Sales Tax	3,350,000	318,110	3,668,110
Total revenue bonds	<u>192,759,583</u>	<u>55,495,350</u>	<u>248,254,933</u>
Total governmental activities	<u>288,961,496</u>	<u>83,998,823</u>	<u>372,960,319</u>
Business-Type Activities:			
<u>Excess revenue contracts, loans and notes</u>			
East Baton Rouge Sewerage Commission:			
2013A LCDA Sewerage Commission Projects	126,260,000	140,860,950	267,120,950
2013B (LIBOR Index) Sewerage Commission Projects	92,500,000	121,607,113	214,107,113
2014A LCDA Sewerage Commission Projects	<u>209,785,000</u>	<u>181,482,156</u>	<u>391,267,156</u>
Total excess revenue contracts, loans and notes	<u>428,545,000</u>	<u>443,950,219</u>	<u>872,495,219</u>
<u>Revenue bonds</u>			
City of Baton Rouge:			
2008B Public Improvement Sales Tax (Taxable) (4.59%)*	3,145,000	419,650	3,564,650
2010A Public Improvement Sales Tax (GO Zone) (4.36%)*	5,035,000	2,744,744	7,779,744
2016A-1 Public Improvement Sales Tax (2.86%)*	40,765,000	19,999,413	60,764,413
2016A-2 Public Improvement Sales Tax (Taxable) (2.92%)*	1,105,000	207,807	1,312,807
2016A-3 Public Improvement Sales Tax (2.97%)*	4,655,000	1,964,544	6,619,544
Revenue bonds payable from City issues	1,075,417	68,896	1,144,313
Sewerage Commission:			
2010 Revenue Bonds (DEQ)	5,895,000	175,956	6,070,956
2010B Revenue Bonds (Taxable Direct Pay			
Build America Bonds) (3.94%)*	344,375,000	416,092,203	760,467,203
2011A Revenue Bonds (LIBOR Index) (Variable)	176,155,000	119,729,417	295,884,417
2013A Taxable Revenue Bonds (DEQ)	37,945,411	1,400,105	39,345,516
2013B Taxable Revenue Refunding Bonds (2.54%)*	18,255,000	1,666,232	19,921,232
2014A Taxable Revenue Refunding Bonds (3.57%)*	127,455,000	33,652,813	161,107,813
2014B Tax-Exempt Revenue Refunding Bonds (3.76%)*	205,435,000	148,112,925	353,547,925
2015A Taxable Revenue Bonds (DEQ)	17,626,088	731,603	18,357,691
2016A Taxable Revenue Bonds (DEQ)	9,294,885	425,563	9,720,448
Total revenue bonds	<u>998,216,801</u>	<u>747,391,871</u>	<u>1,745,608,672</u>
Total business-type activities	<u>1,426,761,801</u>	<u>1,191,342,090</u>	<u>2,618,103,891</u>
Total all bonds, contracts, loans and notes	<u>\$1,715,723,297</u>	<u>\$1,275,340,913</u>	<u>\$2,991,064,210</u>

* True interest cost (TIC)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

5. Debt Service Requirements to Maturity

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

Governmental Activities:										
<u>Year</u>	<u>Limited Tax Obligation Bonds</u>			<u>Excess Revenue Contracts, Loans and Notes</u>			<u>Revenue Bonds</u>			<u>Total Governmental Activities</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2019	\$ 36,703	\$13,101	\$ 49,804	\$ 6,447,100	\$ 4,151,529	\$ 10,598,629	\$ 12,793,750	\$ 8,137,680	\$ 20,931,430	\$ 31,579,863
2020	37,116	12,067	49,183	6,709,600	3,904,029	10,613,629	13,504,583	7,484,895	20,989,478	31,652,290
2021	38,329	10,728	49,057	7,047,500	3,635,518	10,683,018	14,261,250	6,904,428	21,165,678	31,897,753
2022	39,642	9,344	48,986	7,405,000	3,343,560	10,748,560	14,680,000	6,314,408	20,994,408	31,791,954
2023	40,855	7,911	48,766	7,748,700	3,028,525	10,777,225	15,335,000	5,702,486	21,037,486	31,863,477
2024-2028	177,355	16,344	193,699	44,967,900	9,516,205	54,484,105	83,485,000	18,372,330	101,857,330	156,535,134
2029-2030	--	--	--	15,506,113	854,612	16,360,725	38,700,000	2,579,123	41,279,123	57,639,848
Total	<u>\$370,000</u>	<u>\$69,495</u>	<u>\$439,495</u>	<u>\$95,831,913</u>	<u>\$28,433,978</u>	<u>\$124,265,891</u>	<u>\$192,759,583</u>	<u>\$55,495,350</u>	<u>\$248,254,933</u>	<u>\$372,960,319</u>

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>	
2019	\$ --	\$ 20,240,225	\$ 20,240,225	\$ 21,702,250	\$ 45,630,538	\$ 67,332,788	\$ 87,573,013
2020	--	20,240,225	20,240,225	25,459,417	44,909,275	70,368,692	90,608,917
2021	--	20,240,225	20,240,225	29,125,750	44,023,774	73,149,524	93,389,749
2022	--	20,240,225	20,240,225	31,012,000	43,006,076	74,018,076	94,258,301
2023	--	20,240,225	20,240,225	32,155,000	41,899,578	74,054,578	94,294,803
2024-2028	27,230,000	98,563,125	125,793,125	162,693,000	191,220,669	353,913,669	479,706,794
2029-2033	47,955,000	89,142,250	137,097,250	180,250,000	155,842,938	336,092,938	473,190,188
2034-2038	74,750,000	72,920,265	147,670,265	194,889,384	113,778,527	308,667,911	456,338,176
2039-2043	96,155,000	53,324,141	149,479,141	214,325,000	60,471,430	274,796,430	424,275,571
2044-2048	157,825,000	28,242,059	186,067,059	106,605,000	6,609,066	113,214,066	299,281,125
2049	<u>24,630,000</u>	<u>557,254</u>	<u>25,187,254</u>	--	--	--	<u>25,187,254</u>
Total	<u>\$428,545,000</u>	<u>\$443,950,219</u>	<u>\$872,495,219</u>	<u>\$998,216,801</u>	<u>\$747,391,871</u>	<u>\$1,745,608,672</u>	<u>\$2,618,103,891</u>

6. Future Year Obligations

Principal and interest requirements of various bond issues for the year 2019 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
Governmental Activities:			
<u>Limited tax obligation bonds</u>			
Parish of East Baton Rouge:			
Pride Fire Protection District	\$ 5,503	\$ 1,810	\$ 7,313
Chaneyville Fire Protection District	31,200	11,291	42,491
Total limited tax obligation bonds	<u>36,703</u>	<u>13,101</u>	<u>49,804</u>
<u>Excess revenue contracts, loans and notes</u>			
City of Baton Rouge:			
2012 Taxable Refunding	3,200,000	1,515,468	4,715,468
LA Community Development 2000A Program			
Visit Baton Rouge	33,800	15,832	49,632
Parish of East Baton Rouge:			
LA Community Development 2000A Program	13,300	6,323	19,623
2012 LCDA Road Improvements Project	1,505,000	1,118,656	2,623,656
2015 LCDA Road Improvements Project	<u>1,695,000</u>	<u>1,495,250</u>	<u>3,190,250</u>
Total excess revenue contracts, loans and notes	<u>6,447,100</u>	<u>4,151,529</u>	<u>10,598,629</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

6. Future Year Obligations (Continued)

Governmental Activities (Continued):	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
<u>Revenue bonds</u>			
City of Baton Rouge:			
2010B Public Improvement Sales Tax	\$ 1,395,000	\$ 367,312	\$ 1,762,312
2018 Public Improvement Sales Tax	860,000	676,240	1,536,240
Less: Debt recorded in business-type activities	(401,250)	(38,667)	(439,917)
Parish of East Baton Rouge:			
Road and Street Improvement:			
2008A Sales Tax Bonds (Variable)	5,200,000	3,152,033	8,352,033
2009A Sales Tax Bonds	4,700,000	780,350	5,480,350
2015 Refunding Sales Tax Bonds	--	2,971,500	2,971,500
2013A Public Improvement Sales Tax	690,000	158,109	848,109
2014A Public Improvement Sales Tax	350,000	70,803	420,803
Total revenue bonds	<u>12,793,750</u>	<u>8,137,680</u>	<u>20,931,430</u>
Total governmental activities	<u>19,277,553</u>	<u>12,302,310</u>	<u>31,579,863</u>
 Business-Type Activities:			
<u>Excess revenue contracts, loans and notes</u>			
Sewerage Commission:			
2013A LCDA Sewerage Commission Projects	--	5,734,100	5,734,100
2013B (LIBOR Index) LCDA Sewerage Commission Projects	--	4,185,625	4,185,625
2014A LCDA Sewerage Commission Projects	--	<u>10,320,500</u>	<u>10,320,500</u>
Total excess revenue contracts, loans and notes	<u>--</u>	<u>20,240,225</u>	<u>20,240,225</u>
<u>Revenue bonds</u>			
City of Baton Rouge:			
2008B Public Improvement Sales Tax (Taxable)	795,000	172,975	967,975
2010A Public Improvement Sales Tax (GO Zone)	160,000	211,944	371,944
2016A-1 Public Improvement Sales Tax	690,000	1,725,988	2,415,988
2016A-2 Public Improvement Sales Tax (Taxable)	90,000	29,753	119,753
2016A-3 Public Improvement Sales Tax	135,000	153,638	288,638
Plus: Revenue bonds payable from City issues	401,250	38,667	439,917
Sewerage Commission:			
2010 Revenue Bonds (DEQ)	428,000	25,564	453,564
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	3,420,000	20,464,090	23,884,090
2011A Revenue Bonds (LIBOR Index)	4,450,000	7,864,539	12,314,539
2013A Taxable Revenue Bonds (DEQ)	2,207,000	165,542	2,372,542
2013B Taxable Revenue Refunding Bonds	2,375,000	440,770	2,815,770
2014A Taxable Revenue Refunding Bonds	5,225,000	4,255,478	9,480,478
2014B Tax-Exempt Revenue Refunding Bonds	--	9,971,750	9,971,750
2015A Taxable Revenue Bonds (DEQ)	902,000	74,834	976,834
2016A Taxable Revenue Bonds (DEQ)	424,000	35,006	459,006
Total revenue bonds	<u>21,702,250</u>	<u>45,630,538</u>	<u>67,332,788</u>
Total business-type activities	<u>21,702,250</u>	<u>65,870,763</u>	<u>87,573,013</u>
Total all bonds, contracts, loans and notes	<u>\$40,979,803</u>	<u>\$78,173,073</u>	<u>\$119,152,876</u>

Amounts related to total other post-employment benefits liability due within one year for Governmental Activities and Business-Type Activities are \$22,639,693 and \$1,916,969 respectively.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

7. Legal Debt Margin - General Obligation Bonds

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

Governing Authority: City of Baton Rouge

Ad valorem taxes:

Assessed valuation, 2018 tax rolls	<u>\$2,031,877,312</u>
Debt limit: 10% of assessed valuation (for any one purpose)	\$ 203,187,731
Debt limit: 15% of assessed valuation (for sewerage purposes)	304,781,597
Debt limit: 35% of assessed valuation (aggregate, all purposes)	711,157,059

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, 2018 tax rolls	<u>\$4,955,734,831</u>
Debt limit: 10% of assessed valuation (for any one purpose)	\$ 495,573,483
Debt limit: 15% of assessed valuation (for sewerage purposes)	743,360,225

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

Governing Authority: East Baton Rouge Sewerage Commission

Ad valorem taxes:

Assessed valuation, 2018 tax rolls	<u>\$4,955,734,831</u>
Debt limit: 15% of assessed valuation (for sewerage purposes)	\$ 743,360,225

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

Governing Authority: Pride Fire Protection District No. 8 of East Baton Rouge

On December 10, 2016, East Baton Rouge Parish voters approved a renewal of the levy and collection of a ten (10) mills ad valorem tax, commencing with the tax collection year 2018, and annually thereafter, in perpetuity, for fire purposes in the Pride Fire Protection District No. 8 of the Parish of East Baton Rouge, State of Louisiana (District). The Board of Directors of the District is authorized to issue debt payable solely from a pledge and dedication of the avails or proceeds of the ten (10) mills ad valorem tax levied and collected on all property subject to taxation within the boundaries of the District. The bonds do not constitute a pledge of full faith and credit of the City-Parish but are payable solely from the revenues of the District's ten (10) mills ad valorem tax.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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

Governing Authority: Pride Fire Protection District No. 8 of East Baton Rouge (Continued)

<u>Ad valorem taxes:</u>	
Assessed valuation, 2018 tax rolls	<u>\$24,246,990</u>
Debt limit: 10% of assessed valuation (for any one purpose)	\$ 2,424,699
Debt outstanding	<u>(50,000)</u>
Legal debt margin	<u>\$ 2,374,699</u>
Purpose: Provide funds for fire station	

Governing Authority: Chaneyville Fire Protection District No. 7 of East Baton Rouge

On November 18, 2017, East Baton Rouge Parish voters approved the levy and collection of a ten (10) mills ad valorem tax, commencing with the tax collection year 2018, and annually thereafter, to and including 2027, for fire purposes in the Chaneyville Fire Protection District No. 7 of the Parish of East Baton Rouge, State of Louisiana (District). The Board of Directors of the District is authorized to issue debt payable solely from a pledge and dedication of the avails or proceeds of the ten (10) mills ad valorem tax levied and collected on all property subject to taxation within the boundaries of the District. The bonds do not constitute a pledge of full faith and credit of the City-Parish but are payable solely from the revenues of the District's ten (10) mills ad valorem tax.

<u>Ad valorem taxes:</u>	
Assessed valuation, 2018 tax rolls	<u>\$15,529,527</u>
Debt limit: 10% of assessed valuation (for any one purpose)	\$ 1,552,953
Debt outstanding	<u>(320,000)</u>
Legal debt margin	<u>\$ 1,232,953</u>
Purpose: Provide funds for fire truck	

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

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

8. 2% Sales Tax Revenue Bonds

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

8. 2% Sales Tax Revenue Bonds (Continued)

Act No. 328 of the 1988 Regular Session of the Louisiana Legislature, House Bill No. 1599, Section 8(a) imposes a limit on the debt service obligations that can be outstanding of 40% of the gross avails of the sales and use tax for both the city and the parish 2% sales and use tax. The legal debt calculation as of December 31, 2018, is as follows:

	City	Parish
Actual 2018 Revenues	<u>\$108,472,903</u>	<u>\$ 83,894,799</u>
Debt Capacity Before Outstanding Bonds (40%)	43,389,161	33,557,920
Less: Highest Annual Debt Service on Outstanding Bonds	<u>(7,485,189)</u>	<u>(1,396,499)</u>
Debt Capacity	\$ 35,903,972	\$ 32,161,421
Interest factor for \$1 of debt, 5.0%, 25 years	0.070952457	0.070952457
Additional Bond Capacity (25 Years at 5.5%)	<u>\$506,028,593</u>	<u>\$453,281,287</u>

These bonds are paid through the City Sales Tax Revenue Bonds Debt Service Fund and the Parish Sales Tax Revenue Bonds Debt Service Fund. Sinking fund payments are made monthly with bond interest and/or principal payments due February 1 and August 1 of each year. As of December 31, 2018, the following issues are outstanding:

<u>Bond Issue</u>	<u>Outstanding 12/31/2018</u>	<u>Primary Purpose of Issue</u>
City of Baton Rouge:		
<u>Governmental type activities:</u>		
\$19,045,000; Series 2010B	\$10,650,000	Advance refunding parity bond issue
\$18,000,000; Series 2018	18,000,000	Provide funds to renovate the Baton Rouge Theater for the Performing Arts
<u>Business type activities:</u>		
\$ 9,505,000; Series 2008B	3,145,000	Provide and restructure prior District Indebtedness
\$ 6,000,000; Series 2010A (GO Zone)	5,035,000	Provide capital improvement funds for airport projects
\$40,765,000; Series 2016A-1	40,765,000	Advance refunding parity bond issue
\$ 1,315,000; Series 2016A-2	1,105,000	Current refunding parity bond issues
\$ 4,915,000; Series 2016A-3	<u>4,655,000</u>	Provide capital improvement funds for airport projects
Total	<u>\$83,355,000</u>	
Parish of East Baton Rouge:		
<u>Governmental type activities:</u>		
\$11,000,000; Series 2013A	\$ 7,910,000	Provide funds for a Public Safety Complex
\$ 4,600,000; Series 2014A	<u>3,350,000</u>	Provide funds for a Public Safety Complex renovation
	<u>\$11,260,000</u>	

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

9. ½% Road and Street Sales Tax Revenue Bonds

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

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

Anticipated revenues based on 2019 annual operating budget	<u>\$30,279,130</u>
Debt Capacity Before Outstanding Bonds (75%)	22,709,348
Less: Highest Annual Debt Service on Outstanding Bonds	<u>16,970,747</u>
Debt Capacity	\$ 5,738,601
Interest factor for \$1 of debt, 5.00%, 12 years	0.112825410
Additional Bond Capacity (12 Years at 5.00%)	<u>\$50,862,665</u>
Sales Tax Revenues (Remaining 25%)	<u>\$ 7,569,782</u>
Less: 2019 Subordinate Lien Debt	<u>5,813,906</u>
Balance Available for Capital Improvement Programs	<u><u>\$ 1,755,876</u></u>

<u>Bond Issue</u>	<u>Outstanding 12/31/2018</u>	<u>Primary Purpose of Issue</u>
Parish of East Baton Rouge:		
Road and Street Sales Tax Revenue Bonds:		
Senior Lien:		
\$ 93,440,000; Series 2008A	\$ 79,095,000	Road and Street Capital Improvements Program
\$110,000,000; Series 2009A	15,400,000	Road and Street Capital Improvements Program
\$ 59,430,000; Series 2015	<u>59,430,000</u>	Advance refunding parity bond issue
Total	<u><u>\$153,925,000</u></u>	
Subordinate Lien:		
\$ 33,585,000; Series 2012 LCDA	\$ 23,930,000	Road and Street Capital Improvements Program
\$ 34,415,000; Series 2015 LCDA	<u>29,905,000</u>	Road and Street Capital Improvements Program
Total	<u><u>\$ 53,835,000</u></u>	

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

10. East Baton Rouge Sewerage Commission Bonds

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

10. East Baton Rouge Sewerage Commission Bonds (Continued)

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

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

Anticipated sales tax revenues based on 2019 annual operating budget	\$ 46,246,370
Debt Capacity Before Outstanding Senior Lien Bonds (75%)	34,684,778
Less: Sales Tax Collection Costs (based on 2019 budget)	(460,000)
Sales Tax Revenue Pledged for E.B.R. Sewerage Commission Revenue Bonds	\$ 34,224,778
Budgeted 2019 Sewer User Fees and Other Revenues	93,612,000
Two year adjustment for 4% annual rate increase which continues in perpetuity	6,489,096
Less: Operating and Maintenance Expense	(54,850,210)
Debt Capacity Before Outstanding Bonds	79,475,664
Highest Annual Debt Service on Outstanding Senior Lien Bonds (Net of Build America Bonds Direct Subsidy Payment)	(63,292,063)
Debt Capacity	\$ 16,183,601
Interest factor for \$1 of debt, 4.5%, 35 year	0.057270448
Additional Senior Lien Bond Capacity (35 Years at 4.5%)	\$282,582,054
Additional Sales Tax Revenues available for Subordinate Lien Debt (Remaining 25%)	\$ 11,561,592
Debt Capacity available after satisfying Senior Lien Bonds	16,183,601
2019 Debt Service on Outstanding Subordinate Lien Debt (Net of Capitalized Interest)	(20,240,225)
Balance Available for Capital Improvement Programs	\$ 7,504,968

<u>Bond Issue</u>	<u>Outstanding 12/31/2018</u>	<u>Primary Purpose of Issue</u>
East Baton Rouge Sewerage Commission:		
Senior Lien:		
\$ 8,300,000; Series 2010 DEQ	\$ 5,895,000	Sewerage Capital Improvements Program
\$357,840,000; Series 2010B BABs	344,375,000	Sewerage Capital Improvements Program
\$202,500,000; Series 2011A (LIBOR Index)	176,155,000	Sewerage Capital Improvements Program
\$ 45,000,000; Series 2013A DEQ	37,945,411	Sewerage Capital Improvements Program
\$ 25,390,000; Series 2013B	18,255,000	Sewerage Capital Improvements Program
\$127,455,000; Series 2014A	127,455,000	Sewerage Capital Improvements Program
\$205,435,000; Series 2014B	205,435,000	Sewerage Capital Improvements Program
\$ 20,000,000; Series 2015A DEQ	17,626,088	Sewerage Capital Improvements Program
\$ 12,000,000; Series 2016A DEQ	9,294,885	Sewerage Capital Improvements Program
Total	<u>\$942,436,384</u>	
Subordinate Lien:		
\$126,260,000; Series 2013A LCDA	126,260,000	Sewerage Capital Improvements Program
\$ 92,500,000; Series 2013B LCDA(LIBOR Index)	92,500,000	Sewerage Capital Improvements Program
\$209,785,000; Series 2014A LCDA	<u>209,785,000</u>	Sewerage Capital Improvements Program
	<u>\$428,545,000</u>	

11. Derivative Instruments

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

As of December 31, 2018, the swap agreements can be summarized as follows:

	<u>Changes in Fair Value</u>		<u>Fair Value at December 31, 2018 *</u>		
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	<u>Notional</u>
<u>Governmental Activities:</u>					
Cash Flow Hedges:					
Pay-fixed; receive variable interest rate swaps	Deferred outflows on derivative instruments	\$ (2,305,249)	Non-current liability	\$ (11,271,639)	\$ 78,135,000
	Amortization of off-market swap	(523,931)			
<u>Business-Type Activities:</u>					
Cash Flow Hedges:					
Pay-fixed; receive variable interest rate swaps	Deferred outflows on derivative instruments	(11,652,526)	Derivative instrument liability	(65,610,461)	268,655,000
	Amortization of off-market swap	(2,203,214)	Obligation Payable	(36,901,284)	

* Fair value at December 31, 2018, was determined by an independent third party using Level 2 inputs, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Terms and Objectives of Hedging Derivative Instruments

<u>Type</u>	<u>Notional</u>	<u>Objective</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating*</u>
<u>Governmental Activities:</u>						
Cash Flow Hedges:						
Pay-fixed; receive variable interest rate swap	\$39,067,500	to lower borrowing costs on the Rd & Str Series 2006 Bonds	5/3/2006	8/1/2030	Pay 4.072%; Receive 70% of 1 month USD-LIBOR	A1 / A+ / A+
Pay-fixed; receive variable interest rate swap	39,067,500	to lower borrowing costs on the Rd & Str Series 2006 Bonds	5/3/2006	8/1/2030	Pay 4.072%; Receive 70% of 1-month USD-LIBOR	Aa3 / A+ / AA-
<u>Business-Type Activities:</u>						
Cash Flow Hedge:						
Pay-fixed; receive variable interest rate swap	92,500,000	to lower borrowing costs on the Series 2011A East Baton Rouge Sewerage Commission (LIBOR Index) Bonds	8/1/2011	2/1/2046	Pay 4.149%; Receive 70% of 1-month USD-LIBOR	Aa3 / A+ / AA-
Pay-fixed; receive variable interest rate swap	92,500,000	to protect against the potential of higher future interest rates in connection with anticipated issuance of bonds	8/1/2013	2/1/2049	Pay 4.525%; Receive 70% of 1-month USD-LIBOR	A3 / BBB+ / BBB+
Pay-fixed; receive variable interest rate swap	83,655,000	to lower borrowing costs on the Series 2011A East Baton Rouge Sewerage Commission (LIBOR Index) Bonds	8/1/2011	2/1/2032	Pay 4.945%; Receive 70% of 1-month USD-LIBOR	A3 / BBB+ / BBB+

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

a. Governmental Activities

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

As a means to lower the Parish's borrowing costs, when compared against fixed-rate bonds at the time of issuance in May 2006, the Parish entered into two separate but substantially identical interest rate swaps with Citibank, N.A., New York (\$46,120,000 notional amount) and Merrill Lynch Capital Services, Inc. (\$46,120,000 notional amount) (collectively, the "Counterparties") in connection with its \$92,240,000 Variable Rate Road and Street Improvement Sales Tax Revenue Bonds, Series 2006B. The intention of the swap agreements was to effectively change the Parish's interest rate on the 2006B Bonds to a synthetic fixed rate of 4.072%, excluding liquidity, remarketing, and other fees associated with the Bonds. Under the terms of the swap agreements effective May 3, 2006, the Parish pays a fixed rate of 4.072% and the Swap Counterparties will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA. Financial Guaranty Insurance Company (FGIC) provided a municipal bond insurance policy for the Series 2006B Bonds. FGIC was downgraded by the rating agencies and, as a result, the variable interest rate on the Series 2006B Bonds increased significantly and was at a rate that was unacceptable to the Parish. To remedy the situation, the Parish decided to replace FGIC with a letter of credit. The only way to affect the change in the municipal bond insurer was to issue refunding bonds. On April 17, 2008, the Parish of East Baton Rouge issued \$93,440,000 Variable Rate Road and Street Improvement Sales Tax Revenue Refunding Bonds, Series 2008A to current refund the Parish's Road and Street Improvement Sales Tax Revenue Bonds, Series 2006B. The Swap Agreements entered into to hedge exposure to variable interest rates on the Series 2006B Bonds, remained in place and were amended to relate to the Series 2008A Bonds. GASB 53 guidance requires that this transaction be treated and reported as a termination of the original swaps and the execution of new swaps. The new swaps are considered off-market swaps because the fixed rate of each swap is higher than the at-the-market rate for a similar swap on the date of the deemed termination. The off-market swaps consist of an imputed at-the-market swap with Citibank at a fixed rate of 3.325%, an imputed at-the-market swap with Merrill Lynch at a fixed rate of 3.253% and above-market swaps with each counterparty. The above-market swaps are treated as imputed borrowings and accrue interest over the life of the swaps. The imputed borrowing amount for each swap is equal to the fair value of the swap on the date of the deemed termination of the original swap. The remaining balance of the Series 2008A Bonds, specifically \$1,200,000 will not be hedged by the Swap Agreements. The bonds and the related swap agreements mature on August 1, 2030. Settlement payments on these swaps are made semiannually corresponding with the interest payment dates of the related bonds. As of December 31, 2018, the swaps had a combined negative fair value of \$11,271,639. This mark-to-market valuation was established by market quotations obtained by the Counterparties and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2018, the Parish determined that these swaps successfully meet the criteria for effectiveness. Accordingly, the fair value of the swaps are recorded as non-current liability and the change in fair value is recorded as deferred outflows on derivative instruments and a reduction in the off-market swap recorded as a non-current liability, both on the entity-wide Statement of Net Position.

As of December 31, 2018, the Parish was not exposed to credit risk on the swaps because the swaps had negative fair value. However, should interest rates change and the fair values of the swaps become positive, the Parish would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreements require collateral to be posted in varying amounts depending on the counterparties credit rating. No collateral has been required to date.

The Parish will receive from the counterparties 70% of one-month USD-LIBOR-BBA and will pay the bond rate to its bondholders set by the remarketing agent. The Parish is exposed to basis risk when its Series 2008A Bonds trade at a yield which exceeds 70% of one-month USD-LIBOR-BBA. At December 31, 2018, the variable rate on the bonds was 1.78% and 70% of one-month USD-LIBOR-BBA was 1.75%. When the Series 2008A Bonds trade higher than 70% of one-month USD-LIBOR-BBA, the Parish will experience an increase in debt service above the fixed rate on the swap agreements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

a. Governmental Activities (Continued)

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

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

Using interest rates as of December 31, 2018, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending December 31	Variable-Rate Bonds		Citibank Interest Rate Swap, Net**	Merrill Lynch Interest Rate Swap, Net***	Total
	Principal	Interest*			
2019	\$ 5,200,000	\$1,369,092	\$ 587,873	\$ 560,512	\$ 7,717,477
2020	5,445,000	1,278,307	545,715	520,234	7,789,256
2021	5,645,000	1,176,291	505,363	481,844	7,808,498
2022	5,865,000	1,074,168	461,622	440,139	7,840,929
2023	6,130,000	967,794	416,036	396,675	7,910,505
2024 - 2028	34,765,000	3,079,419	1,321,799	1,260,220	40,426,438
2029 - 2030	16,045,000	311,665	134,734	128,478	16,619,877
Total	<u>\$79,095,000</u>	<u>\$9,256,736</u>	<u>\$3,973,142</u>	<u>\$3,788,102</u>	<u>\$96,112,980</u>

* Computed using 12/31/18 variable rate (1.78%)

** Computed using (imputed fixed swap rate (3.325%) - 70% of 12/31/18 LIBOR (1.75%)) x (\$46,120,000 - annual reduction)

*** Computed using (imputed fixed swap rate (3.253%) - 70% of 12/31/18 LIBOR (1.75%)) x (\$46,120,000 - annual reduction)

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

Fiscal Year Ending December 31	Imputed borrowing Citibank		Imputed borrowing Merrill Lynch		Total
	Principal	Interest	Principal	Interest	
2019	\$ 251,708	\$ 40,126	\$ 249,555	\$ 70,409	\$ 611,798
2020	238,172	34,540	238,085	60,911	571,708
2021	223,409	29,264	225,158	51,869	529,700
2022	207,561	24,327	210,900	43,338	486,126
2023	190,528	19,753	195,180	35,369	440,830
2024 - 2028	647,414	44,944	677,649	81,441	1,451,448
2029 - 2030	87,468	2,148	94,286	3,974	187,876
	<u>\$1,846,260</u>	<u>\$195,102</u>	<u>\$1,890,813</u>	<u>\$347,311</u>	<u>\$4,279,486</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities

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

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

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

As of December 31, 2018, the swap had a negative fair value of \$18,080,212. This mark-to-market valuation was established by market quotations obtained by the counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2018, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. The change in fair value is recorded as deferred outflows on derivative instruments on the Statement of Net Position for the Comprehensive Sewerage System Fund. The fair value of the swap is reported as derivative instrument liability and obligation payable on the Statement of Net Position for the Comprehensive Sewerage System.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

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

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

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

As of December 31, 2018, this swap had a negative fair value of \$34,704,944. This mark to market valuation was established by market quotations obtained by the counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2018, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. Accordingly, the Comprehensive Sewerage System Fund reports the change in fair value as deferred outflows on derivative instruments on the Statement of Net Position. The fair value of the swap is reported as derivative instrument liability on the Statement of Net Position for the Comprehensive Sewerage System.

As of December 31, 2018, the Sewerage Commission was not exposed to credit risk on these swaps because the swaps each had negative fair value. However, should interest rates change and the fair value of the swaps become positive, the Sewerage Commission would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreements require collateral to be posted in varying amounts depending on the counterparties credit rating. At December 31, 2018, collateral of \$3,000,000 and \$15,000,000 was posted with Deutsche Bank and Bank of America Merrill Lynch.

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

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

Using interest rates as of December 31, 2018, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending December 31	Variable-Rate Bonds		Deutsche Interest Rate Swap, Net**	Bank of America Interest Rate Swap, Net***	Total
	Principal	Interest*			
2019	\$ 4,450,000	\$ 3,878,648	\$ 440,484	\$ 2,192,896	\$ 10,962,028
2020	4,645,000	3,784,642	411,216	2,188,390	11,029,248
2021	4,850,000	3,665,402	388,083	2,192,896	11,096,381
2022	5,060,000	3,551,755	360,157	2,192,896	11,164,808
2023	5,285,000	3,433,065	330,992	2,192,896	11,241,953
2024 - 2028	30,130,000	15,210,123	1,166,395	10,955,468	57,461,986
2029 - 2033	29,235,000	11,509,894	264,149	10,959,975	51,969,018
2034 - 2038	21,305,000	9,523,109	--	10,005,382	40,833,491
2039 - 2043	41,770,000	5,358,285	--	6,803,518	53,931,803
2044 - 2046	29,425,000	738,705	--	772,686	30,936,391
Total	<u>\$176,155,000</u>	<u>\$60,653,628</u>	<u>\$3,361,476</u>	<u>\$50,457,003</u>	<u>\$290,627,107</u>

* Computed using (70% of 12/31/18 LIBOR (1.75%) + fixed spread of 0.50%)

** Computed using (imputed fixed swap rate (2.332%) - 70% of 12/31/18 LIBOR (1.75%)) x (\$110,000,000 - annual reduction)

*** Computed using (fixed swap rate (4.149%) - 70% of 12/31/18 LIBOR (1.75%)) x (\$92,500,000 - annual reduction)

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

Fiscal Year Ending December 31	Imputed borrowing Deutsche Bank		
	Principal	Interest	Total
2019	\$ 1,793,518	\$ 334,247	\$ 2,127,765
2020	1,715,484	293,456	2,008,940
2021	1,630,390	254,497	1,884,887
2022	1,537,877	217,536	1,755,413
2023	1,437,511	182,746	1,620,257
2024 - 2028	5,374,342	481,260	5,855,602
2029 - 2032	1,513,457	55,324	1,568,781
	<u>\$15,002,579</u>	<u>\$1,819,066</u>	<u>\$16,821,645</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

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

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

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

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

As of December 31, 2018, the swap had a negative fair value of \$49,726,590. This mark-to-market valuation was established by market quotations obtained by the Counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2018, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. The change in fair value is recorded as deferred outflows on derivative instruments on the Statement of Net Position for the Comprehensive Sewerage System Fund. The fair value of the swap is reported as derivative instrument liability and obligation payable on the Statement of Net Position for the Comprehensive Sewerage System Fund.

As of December 31, 2018, the Commission was not exposed to credit risk on the swap because the swap had negative fair value. However, should interest rates change and the fair value of the swap become positive, the Commission would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreement requires collateral to be posted in varying amounts depending on the counterparties credit rating. At December 31, 2018, collateral of \$52,000,000 was posted with Deutsche Bank.

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

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

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

Using interest rates as of December 31, 2018, 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 December 31</u>	<u>Variable-Rate Bonds</u>		<u>Deutsche Interest Rate Swap, Net**</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest*</u>		
2019	\$ --	\$ 2,269,895	\$ 1,123,596	\$ 3,393,491
2020	--	2,276,114	1,119,090	3,395,204
2021	--	2,269,895	1,123,596	3,393,491
2022	--	2,269,895	1,123,596	3,393,491
2023	--	2,269,895	1,123,596	3,393,491
2024 - 2028	--	11,361,915	5,608,968	16,970,883
2029 - 2033	--	11,355,696	5,613,475	16,969,171
2034 - 2038	--	11,355,696	5,613,475	16,969,171
2039 - 2043	--	11,355,696	5,613,475	16,969,171
2044 - 2048	67,870,000	8,215,431	4,053,780	80,139,211
2049	<u>24,630,000</u>	<u>51,333</u>	<u>24,232</u>	<u>24,705,565</u>
Total	<u>\$92,500,000</u>	<u>\$65,051,461</u>	<u>\$32,140,879</u>	<u>\$189,692,340</u>

* Computed using (70% of 12/31/18 LIBOR (1.75%) + fixed spread of 0.70%)

** Computed using (imputed fixed swap rate (2.993%) - 70% of 12/31/18 LIBOR (1.75%)) x (\$92,500,000 - annual reduction)

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

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

Fiscal Year Ending December 31	Imputed borrowing Deutsche Bank		
	Principal	Interest	Total
2019	\$ 354,979	\$ 1,062,121	\$ 1,417,100
2020	372,476	1,044,624	1,417,100
2021	390,835	1,026,265	1,417,100
2022	410,099	1,007,001	1,417,100
2023	430,312	986,788	1,417,100
2024 - 2028	2,491,407	4,594,093	7,085,500
2029 - 2033	3,168,989	3,916,511	7,085,500
2034 - 2038	4,030,853	3,054,647	7,085,500
2039 - 2043	5,127,120	1,958,380	7,085,500
2044 - 2048	4,937,455	618,112	5,555,567
2049	184,181	4,484	188,665
	<u>\$21,898,706</u>	<u>\$19,273,026</u>	<u>\$41,171,732</u>

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

12. Obligations of Intragovernmental Agencies

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

Greater Baton Rouge Airport District - 2001 Passenger Facility Charge Obligation

The Greater Baton Rouge Airport District is obligated under an Amended Intergovernmental Contract dated August 1, 2001, and the restated Passenger Facility Charge (PFC) Note of \$3,840,000 to make semi-annual payments to the City General Fund through August 2021. Total principal paid on the restated note, prior to 2018 was \$2,381,250. In 2018, a principal payment of \$383,333 reduced the obligation payable to \$1,075,417. Scheduled maturities and interest are as follows:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Obligations of Intragovernmental Agencies (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 401,250	\$38,667	\$ 439,917
2020	420,417	22,617	443,034
2021	<u>253,750</u>	<u>7,612</u>	<u>261,362</u>
Total	<u>\$1,075,417</u>	<u>\$68,896</u>	<u>\$1,144,313</u>

13. Louisiana Community Development Authority Loans (LCDA)

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

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

a. 1999 Program:

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

In 2011, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Lighthouse for the Blind, in order to purchase property for a paper cup manufacturing and training facility. A total of \$1,500,000 has been loaned to the Parish and repaid at December 31, 2018. This loan is serviced by the Excess Revenue and Limited Tax Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. The Lighthouse for the Blind reimbursed the City for a portion of these debt payments.

In 2012, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Baton Rouge River Center, in order to provide funding for the construction of the River Center Expansion Project. A total of \$6,279,481 has been loaned to the Parish and repaid at December 31, 2018. This loan is serviced and recorded in the Baton Rouge River Center Nonmajor Enterprise Fund.

In 2012, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Baton Rouge River Center, in order to provide funding for the Riverfront Master Plan Project. A total of \$1,500,000 has been loaned to the Parish and repaid at December 31, 2018. This loan is serviced and recorded in the Baton Rouge River Center Nonmajor Enterprise Fund.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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

1. City and the Parish LCDA loans (Continued)

b. 2000A Program:

In 2008, the City borrowed additional funds on the 2000A LCDA program to provide funds to Visit Baton Rouge, in order to finance the costs of renovating, equipping and improving the new headquarters building. A total of \$750,000 has been loaned to the City at December 31, 2018. A total of \$266,200 has been repaid, leaving an outstanding debt balance of \$483,800. Future debt service is budgeted over an 11 year period at 3.38%. This loan is serviced by the Excess Revenue and Limited Tax Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. Visit Baton Rouge is reimbursing the City for these debt payments.

In 2012, the Parish borrowed additional funds on the 2000A LCDA program to provide funds to the Pride Fire Protection District, in order to purchase a fire truck and related equipment. A total of \$264,713 has been loaned to the Parish at December 31, 2018. A total of \$71,600 has been repaid, leaving an outstanding debt balance of \$193,113. Future debt service is budgeted over an 11 year period at 3.38%. This loan is serviced by the Pride Fire Protection District Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position.

2. In 2012, LCDA issued \$33,585,000 Revenue Bonds (Parish of East Baton Rouge Road Improvements Project). The proceeds of the bonds were loaned by LCDA to the Parish of East Baton Rouge pursuant to a Loan Agreement, to finance the construction of new public roads and streets and/or the widening of existing public roads and streets within the Parish. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of seventy percent (70%) of the net proceeds of the ½% Road and Street Sales Tax. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish. This loan is serviced by the LCDA Road and Street Improvement Project Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. As of December 31, 2018, \$9,655,000 has been repaid, leaving an outstanding debt balance of \$23,930,000.
3. In 2013, LCDA issued \$126,260,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2013A. The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage Commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund capitalized interest on the bonds and a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. This loan is serviced and recorded in the Comprehensive Sewerage System Fund. As of December 31, 2018, the outstanding debt balance is \$126,260,000.
4. In 2013, LCDA issued \$92,500,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2013B (LIBOR Index). The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage Commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. This loan is serviced and recorded in the Comprehensive Sewerage System Fund. As of December 31, 2018, the outstanding debt balance is \$92,500,000.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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

5. In 2014, LCDA issued \$209,785,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2014A. The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent ($\frac{1}{2}\%$) sewer sales and use tax. This loan is serviced and recorded in the comprehensive Sewerage System Fund. As of December 31, 2018, the outstanding debt balance is \$209,785,000.
6. In 2015, LCDA issued \$34,415,000 Revenue Bonds (Parish of East Baton Rouge Road Improvements Project), Series 2015. The proceeds of the bonds were loaned by LCDA to the Parish of East Baton Rouge pursuant to a Loan Agreement, to finance the construction of new public roads and streets and/or the widening of existing public roads and streets within the Parish. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of seventy percent (70%) of the net proceeds of the $\frac{1}{2}\%$ Road and Street Sales Tax. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish. This loan is serviced by the LCDA Road and Street Improvement Project Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. As of December 31, 2018, a total of \$4,510,000 has been repaid, leaving an outstanding debt balance of \$29,905,000.

14. Build America Bonds

On May 27, 2010, the East Baton Rouge Sewerage Commission issued Series 2010B (Taxable Direct Pay Build America) Bonds in the amount of \$357,840,000 as a combination of serial and term bonds that mature on February 1 of each year beginning 2015, through 2045, with interest from 2.973 - 6.087 percent. The Commission has elected to treat the Series 2010B Bonds as "Build America Bonds" and has further elected to receive cash subsidy payments from the United States Department of the Treasury. The Commission expects to receive cash subsidy payments directly from the U.S. Department of the Treasury in an amount equal to thirty-five percent (35%) of the interest paid on the Series 2010B Bonds. Federal Subsidy on debt of \$6,728,515 is recognized in 2018, on the Statement of Revenues, Expenses, and Changes in Fund Net Position for the Sewerage Commission.

Due to Federal Government sequestration in March 2013, the Office of Management and Budget reduced the federal subsidy on certain qualified bonds including Build America Bonds. Refund payments processed after October 1, 2017, were reduced by 6.6%, and refund payments after October 1, 2018, were reduced by 6.2%. The sequestration reduction rate is subject to change. The current sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester.

15. Governmental Funds Taxable Bonds

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

15. Governmental Funds Taxable Bonds (Continued)

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

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

Prior-Year Refunding-Governmental Activities:

On April 4, 2012, the City of Baton Rouge issued \$58,075,000 Taxable Refunding Bonds, Series 2012 for the purpose of advance refunding the Series 2002A and Series 2002B Taxable Bonds maturing January 15, 2018 through 2029 and paying the costs of issuance. The Bonds were issued as a combination of serial and term bonds that mature on July 15, 2012, and January 15 of each year beginning 2013 through 2029 with interest from 0.42 - 4.57 percent. As a result of the refunding, the City-Parish recognized a deferred loss on refunding of \$4,711,175 on the entity-wide financial statements. As of December 31, 2018, \$2,752,611 of the Deferred amount on refunding was amortized (\$357,946 in 2018 and \$2,394,665 in prior years), resulting in a deferred amount on refunding of \$1,958,564 on the entity-wide statement of net position for governmental activities as of December 31, 2018.

16. Prior Year Refundings - Advance Refundings

On May 14, 2009, the Parish of East Baton Rouge issued \$164,965,000 of Revenue Bonds (East Baton Rouge Sewerage Commission) Series 2009A to provide sufficient funds to finance a portion of the cost of upgrading, rehabilitating, extending and improving the sewer system. During 2014, the Parish defeased the maturities from February 1, 2016, through February 1, 2039, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2018, \$157,705,000 of Sewerage Commission Series 2009A Bonds Outstanding are considered defeased.

On February 12, 2009, the Parish of East Baton Rouge issued \$110,000,000 of Road and Street Improvement Sales Tax Revenue Bonds, Series 2009A to provide sufficient funds to finance the costs of widening existing public roads and streets, and/or the construction of new public roads and streets. During 2015, the Parish defeased the maturities from August 1, 2022, through August 1, 2030, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the new escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2018, \$59,695,000 of Road and Street Series 2009A Bonds Outstanding are considered defeased.

On January 24, 2008, the City of Baton Rouge issued \$47,205,000 of Public Improvement Sales Tax Revenue and Refunding Bonds, Series 2008A-2 to make improvements to the Baton Rouge Metropolitan Airport and refinance and restructure prior District indebtedness. During 2016, the City defeased the maturities from August 1, 2019, through August 1, 2037, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2018, \$42,610,000 of Public Improvement Sales Tax Revenue and Refunding Bonds, Series 2008A-2 Bonds Outstanding are considered defeased.

17. Bonds of Other Governmental Units

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

17. Bonds of Other Governmental Units (Continued)

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

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

18. Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of the Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of Treasury for City-Parish issues at December 31, 2018.

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, 2018, there were five conduit bond obligations outstanding, with an aggregate principal amount payable of approximately \$600,000,000.

20. Lease Commitments

City-Parish current operating leases are primarily rental agreements for land or office space. The City-Parish does not have any operating leases with scheduled rent increases. Operating lease payments during 2018 totaled \$648,709. As of December 31, 2018, there were no operating leases outstanding.

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>Due within one year</u>
<u>District Attorney of the Nineteenth Judicial District</u>					
Net other postemployment benefit obligation	\$ 24,715,351	\$ 793,641	\$ --	\$ 25,508,992	\$ --
Net pension liability	<u>14,610,531</u>	<u>2,809,726</u>	<u>1,052,130</u>	<u>16,368,127</u>	<u>--</u>
Total	<u>39,325,882</u>	<u>3,603,367</u>	<u>1,052,130</u>	<u>41,877,119</u>	<u>--</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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>Due within one year</u>
<u>Nineteenth Judicial District Court</u>					
Compensated absences payable	\$ 454,028	\$ 91,855	\$ --	\$ 545,883	\$ 42,390
Net other postemployment benefit obligation	19,950,945	1,224,759	584,110	20,591,594	--
Net pension liability	16,709,945	2,599,090	4,954,368	14,354,667	--
Total	<u>37,114,918</u>	<u>3,915,704</u>	<u>5,538,478</u>	<u>35,492,144</u>	<u>42,390</u>
<u>Nineteenth Judicial District Court Building Commission</u>					
Bonds and notes payable	95,790,000	--	1,245,000	94,545,000	1,310,000
Deferred premium on bonds	2,217,987	--	64,917	2,153,070	64,917
Total	<u>98,007,987</u>	<u>--</u>	<u>1,309,917</u>	<u>96,698,070</u>	<u>1,374,917</u>
<u>E.B.R. Parish Family Court</u>					
Compensated absences payable	116,986	34,368	37,955	113,399	10,000
Net other postemployment benefit obligation	3,374,787	186,768	78,399	3,483,156	--
Net pension liability	2,263,810	--	205,362	2,058,448	--
Total	<u>5,755,583</u>	<u>221,136</u>	<u>321,716</u>	<u>5,655,003</u>	<u>10,000</u>
<u>E.B.R. Parish Juvenile Court</u>					
Compensated absences payable	125,077	--	894	124,183	--
Total other postemployment benefit liability	4,069,596	249,826	119,146	4,200,276	--
Net pension liability	2,333,603	--	168,719	2,164,884	--
Total	<u>6,528,276</u>	<u>249,826</u>	<u>288,759</u>	<u>6,489,343</u>	<u>--</u>
<u>E.B.R. Parish Clerk of Court</u>					
Compensated absences payable	821,092	154,673	--	975,765	--
Total other postemployment benefit liability	35,956,695	713,774	--	36,670,469	--
Net pension liability	13,133,537	--	2,359,801	10,773,736	--
Total	<u>49,911,324</u>	<u>868,447</u>	<u>2,359,801</u>	<u>48,419,970</u>	<u>--</u>
<u>Capital Area Transit System</u>					
Compensated absences payable	408,594	15,846	--	424,440	424,440
Obligation under capital leases	3,938,590	--	568,174	3,370,416	581,433
Claims and judgements payable	2,198,406	2,729,146	1,247,529	3,680,023	855,488
Total	<u>6,545,590</u>	<u>2,744,992</u>	<u>1,815,703</u>	<u>7,474,879</u>	<u>1,861,361</u>
Total component units long-term debt	<u>\$243,189,560</u>	<u>\$11,603,472</u>	<u>\$12,686,504</u>	<u>\$242,106,528</u>	<u>\$3,288,668</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 11 - Interfund and Intergovernmental Receivables and Payables

a. Balances due to/from other funds at December 31, 2018:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>Other funds funding long-term improvements:</u>		
General Fund	\$10,617,979	\$ --
Grants Fund	--	2,107,154
Library board of control major fund	--	37,625,327
Capital Projects Fund	43,223,482	--
Nonmajor governmental funds	--	13,481,451
Greater Baton Rouge Airport District	--	627,529
Totals Balance Sheet	<u>\$53,841,461</u>	<u>\$53,841,461</u>

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

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental funds - Balance Sheet	\$53,841,461	\$53,213,932
Proprietary funds - Statement of Net Position	--	627,529
Totals	<u>\$53,841,461</u>	<u>\$53,841,461</u>

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

	<u>Federal</u>	<u>State</u>	<u>School Board</u>	<u>Sheriff</u>	<u>Other</u>	<u>Total</u>
<u>Governmental Activities:</u>						
General Fund	\$ --	\$ 645,344	\$159,269	\$21,681,864	\$36,576	\$ 22,523,053
Library Board of Control	--	--	--	36,241,531	--	36,241,531
Grants Fund	3,658,338	8,179,062	--	29,341	--	11,866,741
Capital Projects Fund	--	1,535,264	--	--	--	1,535,264
Nonmajor governmental funds	--	258,230	--	35,709,247	--	35,967,477
Adjustment to full accrual basis of accounting	924,681	--	--	--	--	924,681
<u>Business-type Activities:</u>						
Greater Baton Rouge Airport District	1,586,125	2,476,134	--	--	--	4,062,259
Comprehensive Sewerage System Fund	2,809,031	--	--	20	--	2,809,051
Nonmajor enterprise funds	--	755,359	--	--	--	755,359
Totals	<u>\$8,978,175</u>	<u>\$13,849,393</u>	<u>\$159,269</u>	<u>\$93,662,003</u>	<u>\$36,576</u>	<u>\$116,685,416</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 12 - Interfund Transfers

a. Interfund transfers for the year ended December 31, 2018 were as follows:

<u>Transfers Out</u>							
	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Grants Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Govern- mental Funds</u>	<u>Solid Waste Collection and Disposal</u>	<u>Total</u>
Transfers In:							
<u>Governmental Activities:</u>							
General Fund	\$ --	\$ --	\$2,000,000	\$ --	\$ 90,000	\$ --	\$ 2,090,000
Grants Fund	1,154,098	--	--	--	5,250	--	1,159,348
Capital Projects Fund	2,414,235	14,627,640	--	--	4,652,251	160,000	21,854,126
Nonmajor governmental funds	5,484,712	--	--	--	1,096,000	--	6,580,712
<u>Business-type Activities:</u>							
Solid Waste Collection and Disposal	65,251	--	--	--	--	--	65,251
Nonmajor enterprise funds	<u>1,792,000</u>	<u>--</u>	<u>--</u>	<u>273,315</u>	<u>--</u>	<u>--</u>	<u>2,065,315</u>
Totals	<u>\$10,910,296</u>	<u>\$14,627,640</u>	<u>\$2,000,000</u>	<u>\$273,315</u>	<u>\$5,843,501</u>	<u>\$160,000</u>	<u>\$33,814,752</u>

- The capital projects major fund was subsidized \$21,854,126 during 2018 toward non-recurring capital improvements from the General Fund, Library Board of Control, non-major governmental funds and Solid Waste Collection and Disposal Fund.
- The General Fund subsidized the normal operations of non-major governmental funds in the amount of \$763,920 in 2018.
- The General Fund subsidized the Baton Rouge River Center (non-major enterprise convention center) \$1,792,000 in 2018.
- The General Fund also transferred \$4,720,792 to non-major governmental funds in 2018 to service debt.
- During 2018, \$1,159,348 was transferred to the Grants Fund from the General Fund and non-major governmental funds for local match and operations for grant programs. An amount of \$2,000,000 was returned to the General Fund by the grants fund for local match on hurricane related grants in prior years.

b. The following exchange of funds between the Primary Government and its discretely presented component units during 2018 are classified as external transactions on the Government-wide Statement of Activities:

	<u>Operating Exchanges (To)/From Primary Government</u>	<u>Operating Exchanges (To)/From Component Units</u>
<u>Primary Government:</u>		
General Fund (operating subsidies)	\$ --	\$(17,201,423)
Nonmajor Special Revenue Fund:		
Parish Transportation Fund (to Capital Area Transit-operating subsidy)	--	(550,000)
<u>Component Units:</u>		
District Attorney of the Nineteenth Judicial District	7,123,113	--
Nineteenth Judicial District Court	7,129,898	--
E.B.R. Parish Family Court	1,085,262	--
E.B.R. Parish Juvenile Court	1,313,072	--
E.B.R. Parish Clerk of Court	550,078	--
Capital Area Transit System	<u>550,000</u>	<u>--</u>
Total	<u>\$17,751,423</u>	<u>\$(17,751,423)</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 13 - Other Receivables

Receivables as of year-end for the government's individual major funds, and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General <u>Fund</u>	Library Board of Control <u>Fund</u>	Grants <u>Fund</u>	Capital Projects <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Internal Service <u>Funds</u>	<u>Total</u>
Governmental Activities:							
<u>Receivables:</u>							
Property taxes	\$ 6,133,523	\$ 9,771,441	\$ --	\$ --	\$10,155,638	\$ --	\$26,060,602
Gross receipts business taxes	4,219,419	--	--	--	--	--	4,219,419
Sales taxes	17,812,879	--	--	2,753,375	1,605,684	--	22,171,938
Interest and penalties on taxes	88,655	--	--	--	--	--	88,655
Accounts	3,577,242	758	20,448	--	5,061,083	--	8,659,531
Accrued interest	<u>505,935</u>	<u>402,391</u>	<u>47,157</u>	<u>671,242</u>	<u>512,990</u>	<u>88,032</u>	<u>2,227,747</u>
Gross receivables	32,337,653	10,174,590	67,605	3,424,617	17,335,395	88,032	63,427,892
Less: allowance for uncollectibles	<u>(1,292,340)</u>	<u>(728,927)</u>	<u>--</u>	<u>(154,000)</u>	<u>(827,101)</u>	<u>--</u>	<u>(3,002,368)</u>
Net receivables-governmental funds	31,045,313	9,445,663	67,605	3,270,617	16,508,294	88,032	60,425,524
Adjustment to full accrual basis	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>997,205</u>	<u>--</u>	<u>997,205</u>
Net receivables-governmental funds	<u>\$31,045,313</u>	<u>\$ 9,445,663</u>	<u>\$67,605</u>	<u>\$3,270,617</u>	<u>\$17,505,499</u>	<u>\$88,032</u>	<u>\$61,422,729</u>

	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal Fund	Nonmajor Enterprise Funds	<u>Total</u>
Business-type Activities:					
<u>Receivables:</u>					
Sales taxes	\$ --	\$ 4,273,141	\$ --	\$ 81,191	\$ 4,354,332
Accounts	1,151,604	8,963,760	5,811,373	379,583	15,529,616
Accrued interest	<u>91,942</u>	<u>2,761,286</u>	<u>164,658</u>	<u>23,591</u>	<u>3,041,477</u>
Gross receivables	1,243,546	15,998,187	5,199,327	484,365	22,925,425
Less: allowance for uncollectibles	<u>(35,579)</u>	<u>(615,000)</u>	<u>(223,296)</u>	<u>(50,000)</u>	<u>(923,875)</u>
Net total receivables	<u>\$1,207,967</u>	<u>\$15,383,187</u>	<u>\$4,976,031</u>	<u>\$434,365</u>	<u>\$22,001,550</u>

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

Current assets - receivables	\$21,462,569
Restricted assets - receivables	<u>538,981</u>
Totals	<u>\$22,001,550</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 14 - Detailed Restricted Net Position and Fund Balances

a. Details of restricted Net Position as reported in the entity-wide Statement of Net Position are as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Net Position Restricted For:			
Capital projects:			
Federal and state capital grant funds	\$ 8,325,909	\$ --	\$ 8,325,909
Federal forfeited property	338,850	--	338,850
State road funds	13,423,962	--	13,423,962
Bond funds from dedicated road sales tax	3,862,378	--	3,862,378
Dedicated sales tax for street construction	37,103,791	--	37,103,791
Dedicated property taxes authorized by the electorate for specific special revenue funds	38,551,094	--	38,551,094
Dedicated hotel-motel taxes for Riverfront improvements	834,204	5,547,526	6,381,730
Volunteer fire districts service charges authorized by the electorate	47,474	--	47,474
Total Net Position restricted for capital projects	<u>102,487,662</u>	<u>5,547,526</u>	<u>108,035,188</u>
Debt service:			
2% City sales tax revenue bonds	1,266,117	--	1,266,117
½% Road sales tax revenue bonds	4,099,843	--	4,099,843
LCDA road and street improvement projects	1,333,333	--	1,333,333
Sewerage commission debt service	--	20,906,374	20,906,374
Greater Baton Rouge Airport District debt service	--	614,146	614,146
Total Net Position restricted for debt service	<u>6,699,293</u>	<u>21,520,520</u>	<u>28,219,813</u>
Passenger facility charge:			
Greater Baton Rouge Airport District (see note 16)	--	470,925	470,925
External legal constraints:			
Dedicated property taxes authorized by the electorate to specific special revenue funds and purposes	14,768,392	--	14,768,392
Dedicated sales tax for street maintenance and beautification	44,441,986	--	44,441,986
Court fees for juror compensation and judicial buildings	1,338,872	--	1,338,872
State road funds dedicated for transportation	2,360,146	--	2,360,146
Telephone surcharge dedicated to communications district	4,415,963	--	4,415,963
Public, Educational and Governmental programming fees	1,151,142	--	1,151,142
Volunteer fire districts service charges authorized by the electorate	370,161	--	370,161
Federal forfeited property	1,319,692	--	1,319,692
Collateral posted with swap agreement	--	70,000,000	70,000,000
Total Net Position restricted for external legal constraints	<u>70,166,354</u>	<u>70,000,000</u>	<u>140,166,354</u>
Total Restricted Net Position	<u>\$179,353,309</u>	<u>\$97,538,971</u>	<u>\$276,892,280</u>

b. Details of restricted, committed, and assigned fund balances at year-end are as follows:

	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Grants</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:						
Nonspendable:						
Inventory	\$ 805,766	\$ --	\$ --	\$ --	\$ --	\$ 805,766

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 14 - Detailed Restricted Net Position and Fund Balances (Continued)

b. Details of restricted, committed, and assigned fund balances at year-end (Continued):

	<u>General</u> <u>Fund</u>	<u>Library</u> <u>Board of</u> <u>Control</u>	<u>Grants</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Fund balances (Continued):						
Restricted for:						
Dedicated property taxes:						
Library services and construction	\$ --	\$75,854,531	\$ --	\$ 37,625,327	\$ --	\$113,479,858
Mosquito abatement and rodent	--	--	--	622,625	9,737,354	10,359,979
Downtown development	--	--	--	--	436,408	436,408
Council on aging	--	--	--	--	9,030,942	9,030,942
Emergency medical services	--	--	--	100,616	11,488,199	11,588,815
Fire department pay enhancement	--	--	--	--	2,936,884	2,936,884
Volunteer fire districts	--	--	--	202,526	2,400,024	2,602,550
Road lighting	--	--	--	--	3,869,549	3,869,549
Dedicated sales taxes:						
Street improvement/beautification	--	--	--	37,103,791	5,105,722	42,209,513
Street maintenance	--	--	--	--	40,166,945	40,166,945
Dedicated hotel-motel taxes for						
Riverfront	--	--	--	834,204	--	834,204
Bond funds for capital improvements	--	--	--	67,854,874	--	67,854,874
Debt Service	--	--	--	--	10,855,803	10,855,803
Court fees for juror compensation	--	--	--	--	175,857	175,857
Court fees for judicial buildings	--	--	--	--	629,410	629,410
Court fees for sobriety court	--	--	--	--	133,591	133,591
Court fees for technology	--	--	--	--	397,611	397,611
Court fees for witness fees	--	--	--	--	2,403	2,403
State Road funds for transportation	--	--	--	13,423,962	2,360,146	15,784,108
Telephone surcharges for public safety	--	--	--	4,415,963	7,798,955	12,214,918
Public, educational and governmental programs	1,145,142	--	--	6,000	--	1,151,142
Volunteer fire districts service charges	--	--	--	47,474	523,762	571,236
Federal and state grant programs	--	--	4,848,566	8,325,909	--	13,174,475
Federal forfeited property	--	--	--	338,850	1,375,150	1,714,000
Total Restricted	<u>1,145,142</u>	<u>75,854,531</u>	<u>4,848,566</u>	<u>170,902,121</u>	<u>109,424,715</u>	<u>362,175,075</u>
Committed to:						
Loans receivable	627,529	--	--	--	--	627,529
Self-insurance purposes	44,532,119	--	--	--	--	44,532,119
Budget stabilization	14,512,000	--	--	--	--	14,512,000
General capital improvements	--	--	--	23,290,880	--	23,290,880
City constable court costs	--	--	--	--	2,721	2,721
Gaming enforcement	--	--	--	--	132,230	132,230
Emergency medical services	--	--	--	--	21,010,716	21,010,716
Total Committed	<u>59,671,648</u>	<u>--</u>	<u>--</u>	<u>23,290,880</u>	<u>21,145,667</u>	<u>104,108,195</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 14 - Detailed Restricted Net Position and Fund Balances (Continued)

b. Details of restricted, committed, and assigned fund balances at year-end (Continued):

	General Fund	Library Board of Control	Grants	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Fund balances (Continued):						
Assigned to:						
Next year's adopted budget	\$ 6,342,850	\$ --	\$ --	\$ --	\$ --	\$ 6,342,850
Approved continuing projects	12,620,809	--	--	--	--	12,620,809
Police equipment	1,174,967	--	--	--	--	1,174,967
Community centers	338,661	--	--	--	--	338,661
Sales tax refunds	2,554,912	--	--	--	--	2,554,912
Animal control	286,105	--	--	--	--	286,105
Other purposes	<u>3,376,281</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,376,281</u>
Total Assigned	<u>26,694,585</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>26,694,585</u>
Unassigned	<u>5,663,178</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,663,178</u>
Total fund balances	<u>\$93,980,319</u>	<u>\$75,854,531</u>	<u>\$4,848,566</u>	<u>\$194,193,001</u>	<u>\$130,570,382</u>	<u>\$499,446,799</u>

c. Governmental Fund existing resources will be used to satisfy encumbrances therefore, the following amounts are included in restricted, committed, or assigned fund balances at December 31, 2018:

General fund	\$ 3,378,793
Library board of control	1,512,160
Grants fund	19,125,500
Nonmajor governmental funds	10,145,355
Capital projects fund	<u>51,490,649</u>
Total governmental fund encumbrances	<u>\$85,652,457</u>

NOTE 15 - Restricted Assets

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

	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Other Enterprise Total	Total
Revenue bonds construction accounts	\$ 121,614	\$ 35,705,893	\$ --	\$ 35,827,507
Collateral posted with swap agreement	--	70,000,000	--	70,000,000
Hotel-motel tax construction accounts	--	--	5,129,097	5,129,097
Passenger Facility Charges (PFC) account	459,523	--	--	459,523
Revenue bonds debt service accounts	1,408,759	80,253,590	--	81,662,349
Accounts receivable - PFC	231,763	--	--	231,763
Accrued interest receivable - PFC	486	--	--	486
Accrued interest receivable - sales tax revenue bonds	384	221,937	--	222,321
Accrued interest receivable - hotel-motel tax	<u>--</u>	<u>--</u>	<u>3,220</u>	<u>3,220</u>
Total restricted assets	<u>\$2,222,529</u>	<u>\$186,181,420</u>	<u>\$5,132,317</u>	<u>\$193,536,266</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 16 - Passenger Facility Charges - Greater Baton Rouge Airport District

On September 28, 1992, the Greater Baton Rouge Airport District (Airport) received approval from the Federal Aviation Administration (FAA) to impose a \$3.00 passenger facility charge (PFC) in accordance with Section 158.29 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158). On May 19, 2005, the FAA approved the imposition of a \$4.50 passenger facility charge by the Airport District for the financing of additional improvements.

PFC revenue received, but not yet spent, along with interest income, is classified as restricted Net Position on the Statement of Net Position. On the Statement of Revenues, Expenses, and Changes in Fund Net Position, PFC revenue is classified as non-operating revenue, while on the Statement of Cash Flows, PFC collections are classified as capital in nature.

The Airport began assessing the fee on December 1, 1992. As of December 31, 2018, 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 12/31/2018</u>	
2 Noise mitigation	\$3.00	\$ 1,315,124	\$ 1,315,124	closed
3 Terminal building and plan specifications	3.00	1,290,899	1,290,899	closed
4 Terminal development with financing	4.50	34,863,776	22,354,818	
5 Airport access road	4.50	3,089,499	1,687,823	
5 Acquire A/C loading bridges	4.50	2,324,075	944,943	
6 Runway 4L/22R extension project	4.50	11,815,660	4,512,729	
6 Professional Fees-administration of PFC	4.50	434,000	--	
6 General Aviation Apron Facility Expansion	4.50	598,529	306,598	
7 Terminal Atrium Expansion	4.50	20,298,565	4,732,950	
7 Acquisition of Property for Development	4.50	2,802,951	686,584	
7 Taxiway Fillet Construction	4.50	1,429,025	349,290	
7 Ticket Lobby Expansion	4.50	<u>1,097,133</u>	<u>794,369</u>	
Total Approved Applications		<u>\$81,359,236</u>	<u>\$38,976,127</u>	

Since the inception of the PFC, the Airport has recorded the following revenues and expenses through the 2018 fiscal year resulting in a restriction of Net Position from passenger facility charges as follows:

	<u>Accrual Basis</u>	<u>Cash Basis</u>
Cumulative PFC receipts (1992 - 2018), net of administrative fee	\$ 36,845,344	\$ 36,613,580
Interest earnings	1,451,521	1,451,035
Claim settlement	<u>1,371,035</u>	<u>1,371,035</u>
Total revenues	<u>39,667,900</u>	<u>39,435,650</u>
Cumulative disbursements for PFC projects (1992 - 2018)	(9,791,889)	(9,732,386)
Cumulative bond principal payments	(15,115,617)	(15,115,617)
Cumulative bond interest payments	<u>(14,289,469)</u>	<u>(14,128,124)</u>
Total disbursements	<u>(39,196,975)</u>	<u>(38,976,127)</u>
Net PFC cash, December 31, 2018		<u>\$ 459,523</u>
Net Position restricted for PFC, December 31, 2018	<u>\$ 470,925</u>	

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

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

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

Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs are accounted for in accordance with guidelines in Section L10 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. Section L20 of *the code* states that a portion of the estimated total current cost of MSWLF closure and postclosure care is required to be recognized as an expense and as a liability in each period that the MSWLF accepts solid waste. Recognition should begin on the date the MSWLF begins accepting solid waste, continue in each period that it accepts waste, and be completed by the time it stops accepting waste. The estimated total current cost of closure and postclosure care includes the cost of equipment expected to be installed and facilities expected to be constructed near or after the date that the Solid Waste Disposal Facility stops accepting solid waste and any equipment installed during the 30 year postclosure period. Included in the total current cost is the cost of final cover expected to be applied near or after the date the facility stops accepting solid waste, and the cost of monitoring and maintaining the expected usable landfill area during the postclosure period.

The estimated cost of the closure and postclosure care costs is \$31,949,276. Total estimated capacity is 28,420,000 cubic yards and the projected life is 45 years from the opening date of the landfill. The estimated cost will be adjusted on an annual basis as deemed necessary by the management of the Department of Public Works to reflect the effect of inflation, changes in technology or changes in applicable laws or regulations.

The Solid Waste Collection and Disposal Enterprise Fund recognizes a portion of the current estimated cost of MSWLF closure and postclosure care as an expense and as a liability in each period that it accepts solid waste. The expense and liability are based on the number of cubic yards of waste received at the landfill during the period rather than on the passage of time. The projections assume that the current solid waste generation trends will continue and that no waste will be diverted to alternative disposal facilities.

The liability for closure and postclosure care at December 31, 2018, totals \$17,921,498. The liability is based on the landfill capacity used to date of 15,941,800 cubic yards or 56.09% of the landfill capacity. The liability will be financed by the Solid Waste Collection and Disposal Enterprise Fund. The remaining estimated cost of closure and postclosure care of \$14,027,778 will be recognized as the remaining estimated capacity is filled. The estimated remaining useful life of the landfill as of December 31, 2018, is 20 years.

NOTE 18 - State Required Disclosures

a. Council Members Compensation

Each Metropolitan Council Member receives monthly compensation in accordance with The Plan of Government. Compensation is currently \$1,000 a month for council members. In addition, members of the Metropolitan Council receive \$800 per month combined travel and auto allowance. (LRS 33:1233(B)) Following is a list of Council Members with gross wages, including auto allowance, that was reported as paid in year 2018:

District 1	Trae Welch	\$21,600
District 2	Chauna Banks	21,600
District 3	Chandler Loupe	21,600
District 4	Scott Wilson	
	Council	21,600
	Mayor ProTem	18,000
District 5	Erika Green	21,600
District 6	Donna Collins-Lewis	21,600
District 7	LaMont Cole	21,600

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 18 - State Required Disclosures (Continued)

a. Council Members Compensation (Continued)

District 8	Buddy Amoroso	10,800
	Denise Amoroso	9,000
District 9	Dwight Hudson	21,600
District 10	Tara Wicker	21,600
District 11	Matt Watson	21,600
District 12	Barbara Freiberg	21,600

b. Communications District Wireless E911 Service

Act 1029 of the 1999 Louisiana Legislative Session authorizes the parish governing authority of a communication district to levy an emergency telephone service charge on wireless communications systems to pay the costs of implementing FCC ordered enhancements to the E911 system. The act further requires that governing authorities disclose in the audited financial statements information on the revenues derived from the service charge, the use of such revenues, and the status of implementation of wireless E911 service.

The East Baton Rouge Parish Communications District Board of Commissioners enacted Resolution No. 001/2000 on March 17, 2000, assessing an emergency telephone service charge of \$0.50 per month per wireless Commercial Mobile Radio Service (CMRS) user. In 2006 the fee was increased to \$0.85 per month by the Communications District Board. In 2010, Act 531 of the 2009 Louisiana Legislative Session authorized the addition of a 2% service charge to prepaid wireless telecommunication services which is distributed among the communication districts in the state by the Louisiana Department of Revenue after collection of an administrative cost.

Since the enactment of the fee, the Communications District Special Revenue Fund has collected \$52.1 million in wireless fees. Approximately \$7,360,585 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-8.

c. Summary of City-Parish Sales Tax Collections remitted to Other Taxing Authorities

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:51 (B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during calendar year 2018.

	<u>Total Collections</u>	<u>Collection Cost</u>	<u>Final Distribution</u>
City of Baker	\$ 4,146,420	\$ 45,613	\$ 4,100,807
Baker School	3,214,185	34,991	3,179,194
Baker Hotel District	40,077	413	39,664
City of Zachary	7,994,896	85,394	7,909,502
Zachary School District	10,078,602	104,588	9,974,014
Zachary Hotel	202,615	2,087	200,528
City of Central	5,523,032	55,676	5,467,356
Central School District	7,143,238	75,844	7,067,394
EBRP School District	166,003,574	1,780,370	164,223,204
Street Improvements Tax for other municipalities	3,785,024	33,137	3,751,887
Visit Baton Rouge	5,118,736	6,000	5,112,736
North Baton Rouge Economic Development District	<u>263,022</u>	<u>6,000</u>	<u>257,022</u>
Total	<u>\$213,513,421</u>	<u>\$2,230,113</u>	<u>\$211,283,308</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 19 - Tax Abatement

a. Restoration Tax Abatement Program:

The City of Baton Rouge – Parish of East Baton Rouge Metro-Council enters into ad valorem property tax abatement agreements on an individual basis as referred by the Louisiana Economic Development Restoration Tax Abatement Program. The abatements are permissible in accordance with the Louisiana Administrative Code, Title 13, Part I, Chapter 9:

General

A. Intent of Law. To encourage the expansion, restoration, improvement, and development of existing commercial structures and owner-occupied residences in downtown, historic, and economic development districts. To provide for the development and improvement of local communities, encourage the fullest use of underutilized resources, and enhancement of the tax base.

B. Program Description. The Restoration Tax Abatement Program provides to commercial property owners and homeowners who expand, restore, improve or develop an existing structure in a downtown development district, economic development district or historic district (the "project"), the right for five years after completion of the work, to pay ad valorem taxes based on the assessed valuation of the property for the year prior to the commencement of the project. The application is subject to approval by the local governing authority, the state Board of Commerce and Industry, and the governor. Assessment of the improvements, made by the project to the property, is deferred for five years by a contract entered into with the Board of Commerce and Industry. The contract may be eligible for renewal, subject to the same conditions, for an additional five years. The tax abatement is now available if property taxes have been paid on the improvements made by the project. If the property is sold, the contract may be transferred, subject to local government and board approval.

For the fiscal year ended December 31, 2018, ad valorem property taxes otherwise due to the City-Parish and it's components totaling \$493,111 were abated.

More information is available at: <https://www.opportunitylouisiana.com/business-incentives/restoration-tax-abatement>

b. Tax Increment Financing Tax Abatements:

The City of Baton Rouge – Parish of East Baton Rouge Metro-Council considers tax abatement agreements on an individual basis. These abatements are permissible in accordance with Louisiana Revised Statutes Chapter 27 of Title 33. These abatements are provided through the use of Tax Increment Financing (TIF) whereby separate legal entities (districts) are formed for the purpose of governing the use of incremental tax revenue generated within the district. Tax abatements under this program currently include Sales and/or Occupancy tax where a portion of taxes collected by the district are rebated to the district. The goal of the TIF Tax Abatement program is to develop abandoned and/or underperforming properties for long term economic development.

For the fiscal year ended December 31, 2018, there were seven active TIF programs for a total of \$2,773,347.

c. Industrial Tax Exemption Program

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers an attractive tax incentive for manufacturers within the state. With local approval, the program provides up to a 100% property tax abatement for an initial term of up to five years and the option to renew for up to three additional years at up to 80% property tax abatement on a manufacturer's qualifying capital investment related to the manufacturing process.

Businesses must be classified as a manufacturer or related to the manufacturing project in order to receive the benefits of the ITEP program. ITEP is only available for activities related to manufacturers.

This program is administered by Louisiana Economic Development. More information on this program can be found in the Louisiana Administrative Code Title 13, Part I, Chapter 5.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

EXHIBIT A - 17
(Continued)

NOTE 19 - Tax Abatement (Continued)

c. Industrial Tax Exemption Program (Continued)

For the fiscal year ended December 31, 2018, approximately \$10,570,762 in Ad Valorem Property Taxes, depreciated proportionally on an assumed 20 year basis were abated as a result of this program.

More information is available at: <https://www.opportunitylouisiana.com/business-incentives/industrial-tax-exemption>

NOTE 20 - Subsequent Events

- a. On March 2, 2018, a petition was filed with the Louisiana Secretary of State for the incorporation of the City of St. George within the Parish of East Baton Rouge, Louisiana in accordance with L.A. Revised Statutes, Title 33, Section 1, et seq. The Parish's Registrar of Voters certified in February, 2019, that proponents had gathered enough petition signatures to bring the issue to a vote. A vote on the incorporation will take place in October 2019.

In September of 2018, an independent contractor prepared an analysis of the potential financial impact on the City-Parish's General Fund that reflects the estimated reduction in revenues to be approximately \$48.3 million annually if a majority of the voters in the area were to approve the incorporation of St. George. Reductions in expenses will occur from not providing certain services to that area, however, other liabilities to consider include legacy costs from retirement and other post-employment benefits.

For planning purposes, the Mayor-President is requiring departments and agencies, funded by the General Fund, to submit a continuation budget request for the 2020 operating year as well as a budget at 80% of current funding levels. Departments and agencies will be required to outline service impacts associated with the reduced funding levels.

- b. As discussed in Note 9, the City-Parish was involved in a dispute with MPERS regarding eligibility of certain types of overtime as part of earnable compensation for the calculation of pension benefits. Legislation was signed into law on June 6, 2019, to "grandfather in" the officers merged into the MPERS system in 2000, such that any disputed overtime earnings will be included in their MPERS retirement benefit with no additional cost to the City-Parish. For officers employed between 2000 and 2017 the City-Parish will have to pay, upon the employee's retirement, any actuarial deficit resulting from inclusion of this overtime, but the City-Parish will receive a credit if the contributions exceed the actuarial cost. These officers will continue to have this overtime included as part of their earnable compensation. Officers employed after January 1, 2018, will not include this overtime in their retirement, in accordance with the Memorandum of Understanding between the City-Parish, MPERS, and the Police Union that was executed pending this legislative resolution. The liability, if any, is unable to be estimated at this time.
- c. An additional ½ cent sales tax proposition was approved by the voters of East Baton Rouge Parish on December 8, 2018. The tax went into effect on April 1, 2019, and will continue for 30 years until March 31, 2049. Information on the MoveBR Infrastructure Enhancement and Traffic Mitigation Plan, funded by the new tax, can be obtained on the following website. (www.brla.gov/moveBR)



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS

EXHIBIT A - 18

	2018	
	Primary Government	Component Units
Total OPEB liability:		
Service cost	\$ 18,931,503	\$ 1,048,975
Interest	33,773,477	1,871,353
Plan Changes	(5,686,535)	(315,085)
Differences between expected and actual experience	1,282,638	71,070
Changes in other assumptions	3,746,638	207,597
Benefit payments	(21,847,948)	(1,210,572)
Net change in total OPEB liability	30,199,773	1,673,338
Total OPEB liability - beginning, restated	940,473,711	52,110,681
Total OPEB liability - ending	\$ 970,673,484	\$ 53,784,019
 Covered-employee payroll	 \$ 164,089,236	 \$ 9,088,821
 Total OPEB liability as a percentage of covered-employee payroll	 591.55%	 591.76%

Notes to Schedule:

Amounts are determined as of the measurement date of December 31 of the previous fiscal year.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

Actuarial methods and assumptions:

Inflation	2.30%
Salary increases	3.00% per annum average, compounded annually
Discount rate	3.44% based on the Bond Buyer's 20-year bond general obligation index
Mortality	Adjusted RHP-2014 Generational with MP-2017 Projection
Health cost trend rates	
Medical	7.0% for 2017 gradually decreasing to an ultimate rate of 4.0% for 2017 and beyond
Dental	3.92% for 2017 and beyond
Retirement rates	CPERS participants assumed to retire as follows:
	Non-Fire - the earlier of 25.5 years of service or age 61 and 11 years of service
	Fire - the earlier of 26 years of service or age 61 and 11 years of service
	Sample rates for MPERS participants are as follows:

Age	Rate
47 - 49	20.5%
50	22.5
51	20.0
52 - 53	22.0
54	23.5
55	42.5
56	22.5
57 - 58	17.0
59	19.0
60 - 65	26.0
66+	100.0

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF COST SHARING PLAN PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY

EXHIBIT A - 19

	Proportion of net pension liability (asset)	Proportionate share of net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
<u>CPERS (1)</u>					
2018	84.11%	\$ 450,343,140	\$ 115,687,619	389.28%	68.80%
2017	84.62%	502,832,286	119,349,389	421.31%	64.09%
2016	85.31%	492,062,840	121,186,985	406.04%	63.95%
2015	85.27%	374,980,224	116,867,744	320.86%	70.95%
<u>MPERS (2)</u>					
2018	14.88%	\$ 125,757,667	\$ 43,935,267	286.23%	71.89%
2017	15.55%	135,798,265	46,453,714	292.33%	70.08%
2016	14.85%	139,224,992	41,640,652	334.35%	70.73%
2015	14.80%	115,962,107	39,616,014	292.72%	70.73%
<u>LASERS (2)</u>					
2018	0.03%	\$ 1,914,143	\$ 476,624	401.60%	64.30%
2017	0.02%	1,636,340	459,417	356.18%	62.54%
2016	0.02%	1,786,318	292,379	610.96%	57.73%
2015	0.01%	366,395	217,449	168.50%	62.66%

(1) Amounts determined as of the measurement date of December 31 of the previous fiscal year.

(2) Amounts determined as of the measurement date of June 30 in the current fiscal year.

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF COST SHARING PLAN CONTRIBUTIONS**

EXHIBIT A - 20

	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined Contribution</u>	<u>Contribution deficiency/ (excess)</u>	<u>Covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
<u>CPERS</u>					
2018	\$ 39,160,468	\$ 39,160,468	\$ --	\$ 116,678,973	33.56%
2017	35,505,618	35,505,618	--	115,687,619	30.69%
2016	34,906,833	34,906,833	--	119,349,389	29.25%
2015	33,082,498	33,082,498	--	121,186,985	27.21%
 <u>MPERS</u>					
2018	\$ 13,702,767	\$ 13,702,767	\$ --	\$ 43,340,928	31.62%
2017	13,609,676	13,609,676	--	43,600,843	31.21%
2016	13,503,584	13,503,584	--	43,765,133	30.85%
2015	12,439,406	12,439,406	--	42,247,313	29.44%
 <u>LASERS</u>					
2018	\$ 205,027	\$ 205,027	\$ --	\$ 519,020	39.50%
2017	116,639	116,639	--	447,572	26.06%
2016	156,293	156,293	--	405,234	38.57%
2015	88,594	88,594	--	226,219	35.63%

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

EXHIBIT A - 21

POLICE GUARANTEE TRUST

	2018	2017	2016	2015
Total pension liability:				
Service cost	\$ 467,379	\$ 477,571	\$ 454,961	\$ 437,310
Interest	2,281,368	2,423,493	2,338,200	2,565,879
Differences between expected and actual experience	163,883	2,243,050	1,721,888	--
Changes in other assumptions	287,842	555,501	(979,283)	340,742
Benefit payments, including refunds of member contributions	(2,340,178)	(2,651,397)	(1,853,004)	(1,679,506)
Net change in total pension liability	<u>860,294</u>	<u>3,048,218</u>	<u>1,682,762</u>	<u>1,664,425</u>
Total pension liability - beginning	<u>41,009,565</u>	<u>37,961,347</u>	<u>36,278,585</u>	<u>34,614,160</u>
Total pension liability - ending	<u>41,869,859</u>	<u>41,009,565</u>	<u>37,961,347</u>	<u>36,278,585</u>
Plan fiduciary net position				
Contributions - employer	641,699	581,007	951,261	763,873
Contributions - member	70,460	63,856	99,365	90,774
Net investment income	1,727,482	974,589	(403,640)	796,414
Benefit payments, including refunds of member contributions	(2,340,178)	(2,651,397)	(1,853,004)	(1,679,506)
Administrative expenses	(275,799)	(269,510)	(313,560)	(333,744)
Net change in plan fiduciary net position	<u>(176,336)</u>	<u>(1,301,455)</u>	<u>(1,519,578)</u>	<u>(362,189)</u>
Plan fiduciary net position - beginning	<u>17,264,149</u>	<u>18,565,604</u>	<u>20,085,182</u>	<u>20,447,371</u>
Plan fiduciary net position - ending	<u>17,087,813</u>	<u>17,264,149</u>	<u>18,565,604</u>	<u>20,085,182</u>
Net pension liability - ending	<u><u>\$ 24,782,046</u></u>	<u><u>\$ 23,745,416</u></u>	<u><u>\$ 19,395,743</u></u>	<u><u>\$ 16,193,403</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 40.81%	 42.10%	 48.91%	 55.36%
 Covered payroll	 \$ 12,773,613	 \$ 13,708,300	 \$ 14,928,102	 \$ 14,428,038
 Net pension liability as a percentage of covered payroll	 194.01%	 173.22%	 129.93%	 112.24%

Amounts are determined as of the measurement date of December 31 of the previous fiscal year.

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF SINGLE EMPLOYER PLAN CONTRIBUTIONS**

EXHIBIT A - 22

POLICE GUARANTEE TRUST

	Actuarially determined contribution	Contributions in relation to the actuarially determined Contribution	Contribution deficiency/ (excess)	Covered payroll	Contributions as a percentage of covered payroll
2018	\$ 2,455,093	\$ 778,113	\$ 1,676,980	\$ 10,581,519	7.35%
2017	3,795,014	641,699	3,143,546	12,773,613	5.10%
2016	2,752,642	581,007	2,171,635	13,708,300	4.24%
2015	3,029,216	951,261	2,077,955	14,928,102	6.37%

Notes to Schedule:

Valuation date: January 1, 2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Asset valuation method	Expected Value Method, with 20% of investment gains (or losses) recognized each year
Inflation	2.75%
Salary increases	1.0% - 4.0% based on members age
Investment rate of return	7.25% per year, compounded annually, net of investment expenses
Retirement age	100% at earlier of 25.5 years of service or age 61 with 11 years of service
Mortality	RP-2000 Healthy Combined Blue Collar Projected with Scale BB to 2019 RP-2000 Disabled Mortality Projected with Scale BB to 2019

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Mosquito Abatement and Rodent Control Fund accounts for the special property tax levy required to cover the cost of controlling mosquitoes and rodents.

Downtown Development District accounts for the special property tax levied within the district for education, planning, traffic, security, promotion and development of the district.

Gaming Enforcement Division Fund accounts for monies collected from the 5% bingo assessment fee collected for the purpose of funding the enforcement and administration of guidelines and regulations relative to the playing of charitable bingo by licensed organizations.

Council on Aging Fund accounts for the special property tax levy required to operate and maintain facilities, programs, services, and activities for the elderly citizens of East Baton Rouge Parish.

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.

Capitol House Economic Development District accounts for the sales tax increments from the Capitol House Economic Development District dedicated by the State, the City and the Baton Rouge Convention and Visitors Bureau for the purpose of rehabilitating the historic Capitol House Hotel.

Lafayette-Main Economic Development District accounts for the sales tax increments from the Lafayette-Main Economic Development District dedicated by the City for the purpose of rehabilitating the Hampton Inn and Suites.

Dawnadele Economic Development District accounts for a tax on retail sales to facilitate the development, design and redevelopment of infrastructure at the Costco retail warehouse facility site.

Third-Florida Economic Development District accounts for the sales tax increments from the Third-Florida Economic Development District dedicated by the City and a district tax for the construction and development of a hotel.

Civil Juror Compensation Fund accounts for District Court Cost fees collected from certain civil defendants restricted for payments to jurors.

Criminal Juror Compensation Fund accounts for District Court Cost fees collected from certain criminal defendants restricted for payments to jurors.

Continued

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

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.

Sobriety Court accounts for receipt of fees assessed in traffic matters related to specific alcohol violations. These monies will fund the operations of the Sobriety Court.

City Court Technology Fund accounts for receipt of fees assessed in civil, criminal, and traffic cases where the defendant is convicted after trial or who pleads guilty or forfeits bond. These monies will fund the new case management system.

19th JDC-Off Duty Police Witness Fees accounts for receipt of fees assessed for the purpose of paying witness fees to off duty law enforcement officers.

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.

Consolidated Road Lighting District No. 1 accounts for the special property tax levy required to provide street and road lights within the district.

Parish Transportation Fund accounts for receipts from the State Shared Revenue-Parish Transportation Fund as authorized by the Louisiana Revised Statute 48:751 to be used primarily for road improvement and mass transit.

Parish Beautification Fund accounts for the portion (3%) of the one-half of one percent sales tax levied for the sole purpose of public road and street beautification within East Baton Rouge Parish.

Parish Street Maintenance Fund accounts for the portion (27%) of the one-half of one percent sales tax levied for the sole purpose of public road and street repair within East Baton Rouge Parish.

Fire Department Pay Enhancement Fund accounts for the special property tax levied within the City of Baton Rouge to fund increases in salaries and benefits for the City of Baton Rouge Municipal Fire personnel.

District No. 1 Fire Protection District is located in the northwestern part of East Baton Rouge Parish. Services are financed by a property tax in the district and a fire service fee.

Brownsfield Fire Protection District is located in the northwestern part of East Baton Rouge Parish. Services are financed by a property tax in the district, a fire service fee, and state insurance company taxes.

Chaneyville Fire Protection District is located in the northern part of East Baton Rouge Parish. Services are financed by a property tax, a fire service fee, and state insurance company taxes.

Pride Fire Protection District is located in the northeastern part of East Baton Rouge Parish. Services are financed through a fire service fee and state insurance company taxes.

Alsen-St. Irma Lee Fire Protection District is located in the western part of East Baton Rouge Parish. Services are financed by a property tax in the district, a fire service fee, and state insurance company taxes.

Continued

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

Debt Service Funds account for and report financial resources that are restricted or committed for the payment of general long-term debt principal, interest, and paying agent fees.

City Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2007A and 2010B Public Improvement Sales Tax Bonds of the City of Baton Rouge. Also accounts for the portion of the bonds issued for the purpose of advance refunding certain outstanding obligations of the City-Parish.

Parish Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2013A and 2014A Public Improvement Sales Tax Bonds of the Parish of East Baton Rouge.

Taxable Refunding Bonds Debt Service Fund accounts for the payment of principal, interest, and related charges for the 2002A Fixed Rate Taxable Refunding Bonds the 2002B Fixed Rate Taxable Refunding Bonds and the 2012 Taxable Refunding Bonds.

Road and Street Improvement Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2006A, 2008A and 2009A Road and Street Improvement Sales Tax Bonds of the Parish of East Baton Rouge.

LCDA Road and Street Improvement Project Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2012 LCDA loan (Road and Street Improvement project) of the Parish of East Baton Rouge.

Excess Revenue and Limited Tax Fund accounts for transfers from the general fund, special revenue funds, and capital projects funds for payment of interest and principal redemption requirements of capital leases, contracts, loans, notes, and bonds that do not require a vote of the general public.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	Special Revenue			
	Mosquito Abatement and Rodent Control	Downtown Development District	Gaming Enforcement Division	Council On Aging
ASSETS				
Cash and cash equivalents	\$ 585,318	\$ --	\$ 133,672	\$ --
Investments	1,340,069	--	--	--
Property taxes receivable - net	1,727,038	133,684	--	1,839,657
Sales taxes receivable - net	--	--	--	--
Accounts receivable	--	--	--	--
Accrued interest receivable	12,265	--	762	--
Due from other governments	6,921,759	424,352	--	7,346,103
Total assets	<u>\$ 10,586,449</u>	<u>\$ 558,036</u>	<u>\$ 134,434</u>	<u>\$ 9,185,760</u>
LIABILITIES				
Accounts and contracts payable	\$ 66,844	\$ 11,247	\$ 821	\$ --
Due to other funds	622,625	82,105	--	7,083
Due to other governments	--	--	--	--
Accrued salaries payable	26,755	6,916	1,383	--
Total liabilities	<u>716,224</u>	<u>100,268</u>	<u>2,204</u>	<u>7,083</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	132,871	21,360	--	147,735
Unavailable revenue - revenue sharing	--	--	--	--
Total deferred inflows of resources	<u>132,871</u>	<u>21,360</u>	<u>--</u>	<u>147,735</u>
FUND BALANCES:				
Restricted	9,737,354	436,408	--	9,030,942
Committed	--	--	132,230	--
Total fund balances	<u>9,737,354</u>	<u>436,408</u>	<u>132,230</u>	<u>9,030,942</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,586,449</u>	<u>\$ 558,036</u>	<u>\$ 134,434</u>	<u>\$ 9,185,760</u>

Continued

Special Revenue					
Federal Forfeited Property	E.B.R. Parish Communications District	Emergency Medical Services	Capital House Economic Development District	Lafayette- Main Economic Development District	Dawnadele Economic Development District
\$ 518,714	\$ 3,626,154	\$ 5,143,902	\$ 93,761	\$ 7,128	\$ 146,423
1,187,583	8,301,983	11,776,829	--	--	--
--	--	2,549,826	--	--	--
--	--	--	77,191	4,370	--
--	832,148	4,216,998	--	--	--
8,026	39,180	99,821	--	--	--
--	--	10,219,460	--	--	--
<u>\$ 1,714,323</u>	<u>\$ 12,799,465</u>	<u>\$ 34,006,836</u>	<u>\$ 170,952</u>	<u>\$ 11,498</u>	<u>\$ 146,423</u>
\$ 323	\$ 561,051	\$ 884,678	\$ 170,952	\$ 11,498	\$ 146,423
338,850	4,415,964	220,716	--	--	--
--	--	--	--	--	--
--	23,495	206,354	--	--	--
<u>339,173</u>	<u>5,000,510</u>	<u>1,311,748</u>	<u>170,952</u>	<u>11,498</u>	<u>146,423</u>
--	--	196,173	--	--	--
--	--	--	--	--	--
--	--	<u>196,173</u>	--	--	--
1,375,150	7,798,955	11,488,199	--	--	--
--	--	21,010,716	--	--	--
<u>1,375,150</u>	<u>7,798,955</u>	<u>32,498,915</u>	--	--	--
<u>\$ 1,714,323</u>	<u>\$ 12,799,465</u>	<u>\$ 34,006,836</u>	<u>\$ 170,952</u>	<u>\$ 11,498</u>	<u>\$ 146,423</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	Special Revenue			
	Third- Florida Economic Development District	Civil Juror Compensation	Criminal Juror Compensation	City Court Judicial Building
ASSETS				
Cash and cash equivalents	\$ 6,025	\$ --	\$ 164,243	\$ 662,936
Investments	--	--	--	--
Property taxes receivable - net	--	--	--	--
Sales taxes receivable - net	5,478	--	--	--
Accounts receivable	--	2,885	8,782	--
Accrued interest receivable	--	7	852	3,447
Due from other governments	--	--	--	--
Total assets	<u>\$ 11,503</u>	<u>\$ 2,892</u>	<u>\$ 173,877</u>	<u>\$ 666,383</u>
LIABILITIES				
Accounts and contracts payable	\$ 11,503	\$ --	\$ --	\$ 36,973
Due to other funds	--	912	--	--
Due to other governments	--	--	--	--
Accrued salaries payable	--	--	--	--
Total liabilities	<u>11,503</u>	<u>912</u>	<u>--</u>	<u>36,973</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	--	--	--	--
Unavailable revenue - revenue sharing	--	--	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES:				
Restricted	--	1,980	173,877	629,410
Committed	--	--	--	--
Total fund balances	<u>--</u>	<u>1,980</u>	<u>173,877</u>	<u>629,410</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,503</u>	<u>\$ 2,892</u>	<u>\$ 173,877</u>	<u>\$ 666,383</u>

Continued

Special Revenue					
Sobriety Court	City Court Technology	19th JDC- Off Duty Police Witness Fees	City Constable Court Costs	Consolidated Road Lighting District No. 1	Parish Transportation
\$ 132,905	\$ 395,599	\$ 2,369	\$ 14,867	\$ 1,085,617	\$ 624,691
--	--	--	--	2,485,491	1,430,212
--	--	--	--	80,079	--
--	--	--	--	--	--
--	--	--	--	--	--
686	2,012	15	--	19,154	93,890
--	--	1,269	--	219,183	258,230
<u>\$ 133,591</u>	<u>\$ 397,611</u>	<u>\$ 3,653</u>	<u>\$ 14,867</u>	<u>\$ 3,889,524</u>	<u>\$ 2,407,023</u>
\$ --	\$ --	\$ 1,250	\$ 8,981	\$ --	\$ 46,877
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	3,165	--	--
<u>--</u>	<u>--</u>	<u>1,250</u>	<u>12,146</u>	<u>--</u>	<u>46,877</u>
--	--	--	--	5,170	--
--	--	--	--	14,805	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>19,975</u>	<u>--</u>
133,591	397,611	2,403	--	3,869,549	2,360,146
--	--	--	2,721	--	--
<u>133,591</u>	<u>397,611</u>	<u>2,403</u>	<u>2,721</u>	<u>3,869,549</u>	<u>2,360,146</u>
<u>\$ 133,591</u>	<u>\$ 397,611</u>	<u>\$ 3,653</u>	<u>\$ 14,867</u>	<u>\$ 3,889,524</u>	<u>\$ 2,407,023</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	Special Revenue			
	Parish Beautification	Parish Street Maintenance	B. R. Fire Department Pay Enhancement	District No. 1 Fire Protection District
ASSETS				
Cash and cash equivalents	\$ 1,526,655	\$ 11,992,528	\$ --	\$ --
Investments	3,495,235	27,456,576	--	--
Property taxes receivable - net	--	--	2,559,157	135,469
Sales taxes receivable - net	111,402	1,341,243	--	--
Accounts receivable	--	--	--	--
Accrued interest receivable	25,871	201,194	--	--
Due from other governments	--	--	8,580,381	371,930
Total assets	<u>\$ 5,159,163</u>	<u>\$ 40,991,541</u>	<u>\$ 11,139,538</u>	<u>\$ 507,399</u>
LIABILITIES				
Accounts and contracts payable	\$ 53,441	\$ 486,381	\$ 231,915	\$ 2,218
Due to other funds	--	--	7,596,681	25,390
Due to other governments	--	335,676	--	--
Accrued salaries payable	--	2,539	116,517	--
Total liabilities	<u>53,441</u>	<u>824,596</u>	<u>7,945,113</u>	<u>27,608</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	--	--	257,541	18,810
Unavailable revenue - revenue sharing	--	--	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>257,541</u>	<u>18,810</u>
FUND BALANCES:				
Restricted	5,105,722	40,166,945	2,936,884	460,981
Committed	--	--	--	--
Total fund balances	<u>5,105,722</u>	<u>40,166,945</u>	<u>2,936,884</u>	<u>460,981</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,159,163</u>	<u>\$ 40,991,541</u>	<u>\$ 11,139,538</u>	<u>\$ 507,399</u>

Continued

Special Revenue				
Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District	Total
\$ --	\$ 228,288	\$ 61,206	\$ 496,335	\$ 27,649,336
--	--	--	--	57,473,978
161,362	49,509	72,236	86,520	9,394,537
--	--	--	--	1,539,684
--	--	--	270	5,061,083
--	1,371	1,581	2,856	512,990
800,732	248,409	334,143	241,526	35,967,477
<u>\$ 962,094</u>	<u>\$ 527,577</u>	<u>\$ 469,166</u>	<u>\$ 827,507</u>	<u>\$ 137,599,085</u>
\$ 23,200	\$ 9,932	\$ 2,089	\$ 10,261	\$ 2,778,858
171,125	--	--	--	13,481,451
--	--	--	--	335,676
--	--	--	--	387,124
<u>194,325</u>	<u>9,932</u>	<u>2,089</u>	<u>10,261</u>	<u>16,983,109</u>
36,467	4,043	1,096	19,748	841,014
45,578	--	--	--	60,383
<u>82,045</u>	<u>4,043</u>	<u>1,096</u>	<u>19,748</u>	<u>901,397</u>
685,724	513,602	465,981	797,498	98,568,912
--	--	--	--	21,145,667
<u>685,724</u>	<u>513,602</u>	<u>465,981</u>	<u>797,498</u>	<u>119,714,579</u>
<u>\$ 962,094</u>	<u>\$ 527,577</u>	<u>\$ 469,166</u>	<u>\$ 827,507</u>	<u>\$ 137,599,085</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	Debt Service			
	City Sales Tax Bonds	Parish Sales Tax Bonds	Taxable Refunding Bonds	Road and Street Improvement
ASSETS				
Cash and cash equivalents	\$ 1,419,164	\$ --	\$ --	\$ 7,106,945
Investments	--	--	--	--
Property taxes receivable - net	--	--	--	--
Sales taxes receivable - net	--	--	--	--
Accounts receivable	--	--	--	--
Accrued interest receivable	--	--	--	--
Due from other governments	--	--	--	--
Total assets	<u>\$ 1,419,164</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 7,106,945</u>
LIABILITIES				
Accounts and contracts payable	\$ --	\$ --	\$ --	\$ 92,767
Due to other funds	--	--	--	--
Due to other governments	--	--	--	--
Accrued salaries payable	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>92,767</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	--	--	--	--
Unavailable revenue - revenue sharing	--	--	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES:				
Restricted	1,419,164	--	--	7,014,178
Committed	--	--	--	--
Total fund balances	<u>1,419,164</u>	<u>--</u>	<u>--</u>	<u>7,014,178</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,419,164</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 7,106,945</u>

Debt Service			
LCDA Road and Street Improvement Project	Excess Revenue and Limited Tax	Total	Total Nonmajor Governmental Funds
\$ 2,422,461	\$ --	\$ 10,948,570	\$ 38,597,906
--	--	--	57,473,978
--	--	--	9,394,537
--	--	--	1,539,684
--	--	--	5,061,083
--	--	--	512,990
--	--	--	35,967,477
<u>\$ 2,422,461</u>	<u>\$ --</u>	<u>\$ 10,948,570</u>	<u>\$ 148,547,655</u>
\$ --	\$ --	\$ 92,767	\$ 2,871,625
--	--	--	13,481,451
--	--	--	335,676
--	--	--	387,124
<u>--</u>	<u>--</u>	<u>92,767</u>	<u>17,075,876</u>
--	--	--	841,014
<u>--</u>	<u>--</u>	<u>--</u>	<u>60,383</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>901,397</u>
2,422,461	--	10,855,803	109,424,715
--	--	--	21,145,667
<u>2,422,461</u>	<u>--</u>	<u>10,855,803</u>	<u>130,570,382</u>
<u>\$ 2,422,461</u>	<u>\$ --</u>	<u>\$ 10,948,570</u>	<u>\$ 148,547,655</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Special Revenue			
	Mosquito Abatement and Rodent Control	Downtown Development District	Gaming Enforcement Division	Council On Aging
REVENUES				
Taxes:				
Property	\$ 9,033,195	\$ 614,845	\$ --	\$ 9,576,843
Sales	--	--	--	--
TIF district tax	--	--	--	--
Occupancy	--	--	--	--
Intergovernmental revenues	--	--	6,531	--
Charges for services	--	--	118,956	--
Fines and forfeits	--	--	--	--
Investment earnings	65,541	1,604	2,608	--
Miscellaneous revenues	--	--	--	--
Total revenues	<u>9,098,736</u>	<u>616,449</u>	<u>128,095</u>	<u>9,576,843</u>
EXPENDITURES				
Current:				
General government	--	--	166,086	--
Public safety	--	--	--	--
Transportation	--	--	--	--
Health and welfare	4,758,278	--	--	9,322,866
Conservation and development	--	759,262	--	--
Debt service:				
Principal retirement	--	--	--	--
Interest and fiscal charges	--	--	--	--
Bond issuance costs	--	--	--	--
Capital outlay	106,824	--	--	--
Intergovernmental	--	--	--	--
Total expenditures	<u>4,865,102</u>	<u>759,262</u>	<u>166,086</u>	<u>9,322,866</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,233,634</u>	<u>(142,813)</u>	<u>(37,991)</u>	<u>253,977</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	142,500	--	--
Transfers out	(850,000)	--	--	--
Issuance of long-term debt	--	--	--	--
Proceeds of capital asset disposition	--	--	--	--
Total other financing sources and uses	<u>(850,000)</u>	<u>142,500</u>	<u>--</u>	<u>--</u>
Net change in fund balances	3,383,634	(313)	(37,991)	253,977
Fund balances, January 1	<u>6,353,720</u>	<u>436,721</u>	<u>170,221</u>	<u>8,776,965</u>
Fund balances, December 31	<u>\$ 9,737,354</u>	<u>\$ 436,408</u>	<u>\$ 132,230</u>	<u>\$ 9,030,942</u>

Continued

Special Revenue					
Federal Forfeited Property	E.B.R. Parish Communications District	Emergency Medical Services	Capital House Economic Development District	Lafayette- Main Economic Development District	Dawnadele Economic Development District
\$ --	\$ --	\$ 13,343,983	\$ --	\$ --	\$ --
--	--	--	99,459	90,376	1,879,968
--	--	--	--	--	--
--	--	--	925,274	--	--
--	--	5,125,094	--	--	--
--	6,404,514	18,507,918	--	--	--
512,434	--	--	--	--	--
27,103	137,025	408,544	--	--	--
--	12,617	363,195	--	--	--
<u>539,537</u>	<u>6,554,156</u>	<u>37,748,734</u>	<u>1,024,733</u>	<u>90,376</u>	<u>1,879,968</u>
--	--	--	--	--	--
100,969	6,570,487	28,832,345	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	1,024,733	90,376	1,879,968
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
151,382	18,498	510,334	--	--	--
--	--	--	--	--	--
<u>252,351</u>	<u>6,588,985</u>	<u>29,342,679</u>	<u>1,024,733</u>	<u>90,376</u>	<u>1,879,968</u>
287,186	(34,829)	8,406,055	--	--	--
--	1,096,000	--	--	--	--
--	(190,000)	(1,204,246)	--	--	--
--	--	--	--	--	--
--	--	5,800	--	--	--
<u>--</u>	<u>906,000</u>	<u>(1,198,446)</u>	<u>--</u>	<u>--</u>	<u>--</u>
287,186	871,171	7,207,609	--	--	--
<u>1,087,964</u>	<u>6,927,784</u>	<u>25,291,306</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 1,375,150</u>	<u>\$ 7,798,955</u>	<u>\$ 32,498,915</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Special Revenue			
	Third- Florida Economic Development District	Civil Juror Compensation	Criminal Juror Compensation	City Court Judicial Building
REVENUES				
Taxes:				
Property	\$ --	\$ --	\$ --	\$ --
Sales	18,021	--	--	--
TIF district tax	1,743	--	--	--
Occupancy	--	--	--	--
Intergovernmental revenues	--	--	--	--
Charges for services	--	40,124	149,620	258,535
Fines and forfeits	--	--	--	--
Investment earnings	--	(24)	2,814	11,936
Miscellaneous revenues	--	--	--	--
Total revenues	<u>19,764</u>	<u>40,100</u>	<u>152,434</u>	<u>270,471</u>
EXPENDITURES				
Current:				
General government	--	75,595	206,513	195,541
Public safety	--	--	--	--
Transportation	--	--	--	--
Health and welfare	--	--	--	--
Conservation and development	19,764	--	--	--
Debt service:				
Principal retirement	--	--	--	--
Interest and fiscal charges	--	--	--	--
Bond issuance costs	--	--	--	--
Capital outlay	--	--	--	--
Intergovernmental	--	--	--	--
Total expenditures	<u>19,764</u>	<u>75,595</u>	<u>206,513</u>	<u>195,541</u>
Excess (deficiency) of revenues over (under) expenditures	<u>--</u>	<u>(35,495)</u>	<u>(54,079)</u>	<u>74,930</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Issuance of long-term debt	--	--	--	--
Proceeds of capital asset disposition	--	--	--	--
Total other financing sources and uses	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(35,495)	(54,079)	74,930
Fund balances, January 1	<u>--</u>	<u>37,475</u>	<u>227,956</u>	<u>554,480</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ 1,980</u>	<u>\$ 173,877</u>	<u>\$ 629,410</u>

Continued

Special Revenue					
<u>Sobriety Court</u>	<u>City Court Technology</u>	<u>19th JDC- Off Duty Police Witness Fees</u>	<u>City Constable Court Costs</u>	<u>Consolidated Road Lighting District No. 1</u>	<u>Parish Transpor- tation</u>
\$ --	\$ --	\$ --	\$ --	\$ 298,809	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	25,220	3,028,471
39,463	129,352	17,957	346,966	--	--
--	--	--	34,498	--	--
2,404	6,967	44	(3,782)	67,702	303,449
--	--	--	--	--	--
<u>41,867</u>	<u>136,319</u>	<u>18,001</u>	<u>377,682</u>	<u>391,731</u>	<u>3,331,920</u>
10,180	--	15,895	765,025	--	--
--	--	--	--	--	--
--	--	--	--	513,622	1,087,943
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	550,000
<u>10,180</u>	<u>--</u>	<u>15,895</u>	<u>765,025</u>	<u>513,622</u>	<u>1,637,943</u>
31,687	136,319	2,106	(387,343)	(121,891)	1,693,977
--	--	--	371,800	--	--
--	--	--	--	--	(1,620,000)
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>371,800</u>	<u>--</u>	<u>(1,620,000)</u>
31,687	136,319	2,106	(15,543)	(121,891)	73,977
101,904	261,292	297	18,264	3,991,440	2,286,169
<u>\$ 133,591</u>	<u>\$ 397,611</u>	<u>\$ 2,403</u>	<u>\$ 2,721</u>	<u>\$ 3,869,549</u>	<u>\$ 2,360,146</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, 2018**

	Special Revenue			
	Parish Beautification	Parish Street Maintenance	B. R. Fire Department Pay Enhancement	District No. 1 Fire Protection District
REVENUES				
Taxes:				
Property	\$ --	\$ --	\$ 11,948,836	\$ 473,461
Sales	1,285,934	15,367,203	--	--
TIF district tax	--	--	--	--
Occupancy	--	--	--	--
Intergovernmental revenues	--	--	--	27,542
Charges for services	--	--	--	68,632
Fines and forfeits	--	--	--	--
Investment earnings	89,767	727,008	(71,165)	83
Miscellaneous revenues	--	--	--	--
Total revenues	<u>1,375,701</u>	<u>16,094,211</u>	<u>11,877,671</u>	<u>569,718</u>
EXPENDITURES				
Current:				
General government	--	--	--	--
Public safety	--	--	11,943,856	842,932
Transportation	97,291	10,427,351	--	--
Health and welfare	--	--	--	--
Conservation and development	--	--	--	--
Debt service:				
Principal retirement	--	--	--	--
Interest and fiscal charges	--	--	--	--
Bond issuance costs	--	--	--	--
Capital outlay	920,412	--	--	--
Intergovernmental	--	--	--	--
Total expenditures	<u>1,017,703</u>	<u>10,427,351</u>	<u>11,943,856</u>	<u>842,932</u>
Excess (deficiency) of revenues over (under) expenditures	<u>357,998</u>	<u>5,666,860</u>	<u>(66,185)</u>	<u>(273,214)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	109,000	--	--	--
Transfers out	(75,000)	(1,649,005)	--	--
Issuance of long-term debt	--	--	--	--
Proceeds of capital asset disposition	--	--	--	--
Total other financing sources and uses	<u>34,000</u>	<u>(1,649,005)</u>	<u>--</u>	<u>--</u>
Net change in fund balances	391,998	4,017,855	(66,185)	(273,214)
Fund balances, January 1	<u>4,713,724</u>	<u>36,149,090</u>	<u>3,003,069</u>	<u>734,195</u>
Fund balances, December 31	<u>\$ 5,105,722</u>	<u>\$ 40,166,945</u>	<u>\$ 2,936,884</u>	<u>\$ 460,981</u>

Continued

Special Revenue				
Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District	Total
\$ 892,171	\$ 278,591	\$ 385,219	\$ 321,949	\$ 47,167,902
--	--	--	--	18,740,961
--	--	--	--	1,743
--	--	--	--	925,274
135,199	15,853	16,396	4,817	8,385,123
102,084	49,088	53,678	12,842	26,299,729
--	--	--	--	546,932
541	4,397	7,997	11,310	1,803,873
19,708	13,964	12,228	9,725	431,437
<u>1,149,703</u>	<u>361,893</u>	<u>475,518</u>	<u>360,643</u>	<u>104,302,974</u>
--	--	--	--	1,434,835
970,863	328,791	247,330	314,734	50,152,307
--	--	--	--	12,126,207
--	--	--	--	14,081,144
--	--	--	--	3,774,103
--	--	13,000	--	13,000
--	--	5,325	--	5,325
--	5,010	--	--	5,010
--	--	243,625	--	1,951,075
--	--	--	--	550,000
<u>970,863</u>	<u>333,801</u>	<u>509,280</u>	<u>314,734</u>	<u>84,093,006</u>
178,840	28,092	(33,762)	45,909	20,209,968
16,250	35,860	64,000	24,510	1,859,920
--	--	(255,250)	--	(5,843,501)
--	320,000	--	--	320,000
--	--	--	--	5,800
<u>16,250</u>	<u>355,860</u>	<u>(191,250)</u>	<u>24,510</u>	<u>(3,657,781)</u>
195,090	383,952	(225,012)	70,419	16,552,187
490,634	129,650	690,993	727,079	103,162,392
<u>\$ 685,724</u>	<u>\$ 513,602</u>	<u>\$ 465,981</u>	<u>\$ 797,498</u>	<u>\$ 119,714,579</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, 2018**

	Debt Service			
	City Sales Tax Bonds	Parish Sales Tax Bonds	Taxable Refunding Bonds	Road and Street Improvement
REVENUES				
Taxes:				
Property	\$ --	\$ --	\$ --	\$ --
Sales	2,427,082	1,244,078	--	17,481,601
TIF district tax	--	--	--	--
Occupancy	--	--	--	--
Intergovernmental revenues	--	--	--	--
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	10,004	--	--	64,852
Miscellaneous revenues	--	17,883	--	--
Total revenues	<u>2,437,086</u>	<u>1,261,961</u>	<u>--</u>	<u>17,546,453</u>
EXPENDITURES				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Transportation	--	--	--	--
Health and welfare	--	--	--	--
Conservation and development	--	--	--	--
Debt service:				
Principal retirement	1,515,000	1,005,000	3,130,000	9,465,000
Interest and fiscal charges	428,026	256,961	1,588,618	8,127,660
Bond issuance costs	--	--	--	--
Capital outlay	--	--	--	--
Intergovernmental	--	--	--	--
Total expenditures	<u>1,943,026</u>	<u>1,261,961</u>	<u>4,718,618</u>	<u>17,592,660</u>
Excess (deficiency) of revenues over (under) expenditures	<u>494,060</u>	<u>--</u>	<u>(4,718,618)</u>	<u>(46,207)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	4,718,618	--
Transfers out	--	--	--	--
Issuance of long-term debt	--	--	--	--
Proceeds of capital asset disposition	--	--	--	--
Total other financing sources and uses	<u>--</u>	<u>--</u>	<u>4,718,618</u>	<u>--</u>
Net change in fund balances	494,060	--	--	(46,207)
Fund balances, January 1	<u>925,104</u>	<u>--</u>	<u>--</u>	<u>7,060,385</u>
Fund balances, December 31	<u>\$ 1,419,164</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 7,014,178</u>

Debt Service			
LCDA Road and Street Improvement Project	Excess Revenue and Limited Tax	Total	Total Nonmajor Governmental Funds
\$ --	\$ --	\$ --	\$ 47,167,902
5,778,131	--	26,930,892	45,671,853
--	--	--	1,743
--	--	--	925,274
--	--	--	8,385,123
--	--	--	26,299,729
--	--	--	546,932
22,042	--	96,898	1,900,771
--	115,957	133,840	565,277
<u>5,800,173</u>	<u>115,957</u>	<u>27,161,630</u>	<u>131,464,604</u>
--	--	--	1,434,835
--	--	--	50,152,307
--	--	--	12,126,207
--	--	--	14,081,144
--	--	--	3,774,103
3,020,000	104,629	18,239,629	18,252,629
2,766,256	13,502	13,181,023	13,186,348
--	--	--	5,010
--	--	--	1,951,075
--	--	--	550,000
<u>5,786,256</u>	<u>118,131</u>	<u>31,420,652</u>	<u>115,513,658</u>
<u>13,917</u>	<u>(2,174)</u>	<u>(4,259,022)</u>	<u>15,950,946</u>
--	2,174	4,720,792	6,580,712
--	--	--	(5,843,501)
--	--	--	320,000
--	--	--	5,800
<u>--</u>	<u>2,174</u>	<u>4,720,792</u>	<u>1,063,011</u>
13,917	--	461,770	17,013,957
<u>2,408,544</u>	<u>--</u>	<u>10,394,033</u>	<u>113,556,425</u>
<u>\$ 2,422,461</u>	<u>\$ --</u>	<u>\$ 10,855,803</u>	<u>\$ 130,570,382</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOSQUITO ABATEMENT AND RODENT CONTROL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 3

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 8,483,310	\$ 8,483,310	\$ 9,033,195	\$ 549,885
Investment earnings	10,000	10,000	65,541	55,541
Total revenues	8,493,310	8,493,310	9,098,736	605,426
EXPENDITURES				
Current:				
Health and welfare:				
Operations	6,605,421	6,605,421	4,874,398	1,731,023
Capital outlay	359,500	359,500	106,824	252,676
Total expenditures	6,964,921	6,964,921	4,981,222	1,983,699
Excess (deficiency) of revenues over (under) expenditures	1,528,389	1,528,389	4,117,514	2,589,125
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Capital Projects Fund	--	(850,000)	(850,000)	--
Proceeds of capital asset disposition	4,000	4,000	--	(4,000)
Total other financing sources and uses	4,000	(846,000)	(850,000)	(4,000)
Net change in fund balances	1,532,389	682,389	3,267,514	2,585,125
Fund balances, January 1	6,353,720	6,353,720	6,353,720	--
Fund balances, December 31	\$ 7,886,109	\$ 7,036,109	\$ 9,621,234	\$ 2,585,125

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, 2018

EXHIBIT B - 4

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 617,760	\$ 617,760	\$ 614,845	\$ (2,915)
Investment earnings	--	--	1,604	1,604
Total revenues	617,760	617,760	616,449	(1,311)
EXPENDITURES				
Current:				
Conservation and development Operations	846,857	846,857	775,147	71,710
Excess (deficiency) of revenues over (under) expenditures	(229,097)	(229,097)	(158,698)	70,399
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	142,500	142,500	142,500	--
Net change in fund balances	(86,597)	(86,597)	(16,198)	70,399
Fund balances, January 1	436,721	436,721	436,721	--
Fund balances, December 31	<u>\$ 350,124</u>	<u>\$ 350,124</u>	<u>\$ 420,523</u>	<u>\$ 70,399</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GAMING ENFORCEMENT DIVISION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

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	\$ 6,600	\$ 6,600	\$ 6,531	\$ (69)
Charges for services:				
Gaming fees	140,000	119,400	118,956	(444)
Investment earnings	300	300	2,608	2,308
Total revenues	146,900	126,300	128,095	1,795
EXPENDITURES				
Current:				
General government:				
Operations	167,379	167,379	167,039	340
Excess (deficiency) of revenues over (under) expenditures	(20,479)	(41,079)	(38,944)	2,135
Fund balances, January 1	170,221	170,221	170,221	--
Fund balances, December 31	<u>\$ 149,742</u>	<u>\$ 129,142</u>	<u>\$ 131,277</u>	<u>\$ 2,135</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EAST BATON ROUGE PARISH COUNCIL ON AGING SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

EXHIBIT B - 6

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 7,800,000	\$ 9,425,000	\$ 9,576,843	\$ 151,843
EXPENDITURES				
Current:				
Health and welfare:				
Operations	7,800,000	9,425,000	9,322,866	102,134
Excess (deficiency) of revenues over (under) expenditures	--	--	253,977	253,977
Fund balances, January 1	8,776,965	8,776,965	8,776,965	--
Fund balances, December 31	<u>\$ 8,776,965</u>	<u>\$ 8,776,965</u>	<u>\$ 9,030,942</u>	<u>\$ 253,977</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL FORFEITED PROPERTY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

EXHIBIT B - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeits:				
Forfeited property	\$ 350,000	\$ 37,860	\$ 512,434	\$ 474,574
Investment earnings	--	--	27,103	27,103
Total revenues	350,000	37,860	539,537	501,677
EXPENDITURES				
Current:				
Public safety:				
Dedicated funds	1,078,135	928,135	100,969	827,166
Capital outlay	220,108	57,968	151,382	(93,414)
Total expenditures	1,298,243	986,103	252,351	733,752
Excess (deficiency) of revenues over (under) expenditures	(948,243)	(948,243)	287,186	1,235,429
Fund balances, January 1	1,087,964	1,087,964	1,087,964	--
Fund balances, December 31	\$ 139,721	\$ 139,721	\$ 1,375,150	\$ 1,235,429

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, 2018

EXHIBIT B - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Enhanced 911	\$ 6,160,000	\$ 6,160,000	\$ 6,404,514	\$ 244,514
Investment earnings	10,000	10,000	137,025	127,025
Miscellaneous revenues:				
Other income	--	--	12,617	12,617
Total revenues	<u>6,170,000</u>	<u>6,170,000</u>	<u>6,554,156</u>	<u>384,156</u>
EXPENDITURES				
Current:				
Public safety:				
Communications	7,510,213	6,639,402	6,614,117	25,285
Capital outlay	<u>410,000</u>	<u>25,000</u>	<u>18,498</u>	<u>6,502</u>
Total expenditures	<u>7,920,213</u>	<u>6,664,402</u>	<u>6,632,615</u>	<u>31,787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,750,213)</u>	<u>(494,402)</u>	<u>(78,459)</u>	<u>415,943</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Emergency Medical Services Fund	1,096,000	1,096,000	1,096,000	--
Transfers out:				
Capital Projects Fund	<u>--</u>	<u>(1,255,811)</u>	<u>(190,000)</u>	<u>1,065,811</u>
Total other financing sources and uses	<u>1,096,000</u>	<u>(159,811)</u>	<u>906,000</u>	<u>1,065,811</u>
Net change in fund balances	(654,213)	(654,213)	827,541	1,481,754
Fund balances, January 1	<u>6,927,784</u>	<u>6,927,784</u>	<u>6,927,784</u>	<u>--</u>
Fund balances, December 31	<u>\$ 6,273,571</u>	<u>\$ 6,273,571</u>	<u>\$ 7,755,325</u>	<u>\$ 1,481,754</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 9

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 12,714,240	\$ 12,714,240	\$ 13,343,983	\$ 629,743
Intergovernmental revenues:				
Medicaid supplemental payment program	--	--	5,125,094	5,125,094
Charges for services:				
Emergency transport charges	10,500,000	10,500,000	12,987,366	2,487,366
Medicaid supplemental payments for ambulances	832,430	1,042,430	5,414,925	4,372,495
EMS training fees	25,000	25,000	58,697	33,697
CPR card and medical record fees	28,000	28,000	46,930	18,930
Total charges for services	11,385,430	11,595,430	18,507,918	6,912,488
Investment earnings	15,000	15,000	408,544	393,544
Miscellaneous revenues:				
Other income	1,500	1,500	363,195	361,695
Total revenues	24,116,170	24,326,170	37,748,734	13,422,564
EXPENDITURES				
Current:				
Public safety:				
Operations	23,230,663	29,200,418	29,188,261	12,157
Capital outlay	1,533,362	1,455,362	747,417	707,945
Total expenditures	24,764,025	30,655,780	29,935,678	720,102
Excess (deficiency) of revenues over (under) expenditures	(647,855)	(6,329,610)	7,813,056	14,142,666
OTHER FINANCING SOURCES (USES)				
Transfers out:				
General Fund	(90,000)	(90,000)	(90,000)	--
Capital Projects Fund	--	(18,246)	(18,246)	--
East Baton Rouge Parish Communications District	(1,096,000)	(1,096,000)	(1,096,000)	--
Total transfers out	(1,186,000)	(1,204,246)	(1,204,246)	--
Proceeds of capital asset disposition	--	--	5,800	5,800
Total other financing sources and uses	(1,186,000)	(1,204,246)	(1,198,446)	5,800
Net change in fund balances	(1,833,855)	(7,533,856)	6,614,610	14,148,466
Fund balances, January 1	25,291,306	25,291,306	25,291,306	--
Fund balances, December 31	\$ 23,457,451	\$ 17,757,450	\$ 31,905,916	\$ 14,148,466

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITOL HOUSE ECONOMIC DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

EXHIBIT B - 10

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 74,880	\$ 99,459	\$ 99,459	\$ --
Occupancy taxes	1,019,310	925,274	925,274	--
Total taxes	1,094,190	1,024,733	1,024,733	--
EXPENDITURES				
Current:				
Conservation and development:				
Operations	1,094,190	1,024,733	1,024,733	--
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAFAYETTE-MAIN ECONOMIC DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 11

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 102,150	\$ 90,376	\$ 90,376	\$ --
EXPENDITURES				
Current:				
Conservation and development:				
Operations	102,150	90,376	90,376	--
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DAWNADELE ECONOMIC DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 12

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 1,762,200	\$ 1,879,986	\$ 1,879,968	\$ (18)
EXPENDITURES				
Current:				
Conservation and development:				
Operations	1,762,200	1,879,986	1,879,968	18
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
THIRD-FLORIDA ECONOMIC DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 13

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ --	\$ 18,021	\$ 18,021	\$ --
TIF district tax	--	1,743	1,743	--
Total taxes	--	19,764	19,764	--
EXPENDITURES				
Current:				
Conservation and development:				
Operations	--	19,764	19,764	--
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CIVIL JUROR COMPENSATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

EXHIBIT B - 14

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Civil juror fees	\$ 80,000	\$ 37,239	\$ 40,124	\$ 2,885
Investment earnings	--	--	(24)	(24)
Total revenues	80,000	37,239	40,100	2,861
EXPENDITURES				
Current:				
General government:				
Juror compensation	80,000	82,750	75,595	7,155
Excess (deficiency) of revenues over (under) expenditures	--	(45,511)	(35,495)	10,016
Fund balances, January 1	37,475	37,475	37,475	--
Fund balances, December 31	<u>\$ 37,475</u>	<u>\$ (8,036)</u>	<u>\$ 1,980</u>	<u>\$ 10,016</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CRIMINAL JUROR COMPENSATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 15

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Criminal juror fees	\$ 230,000	\$ 151,290	\$ 149,620	\$ (1,670)
Investment earnings	--	--	2,814	2,814
Total revenues	230,000	151,290	152,434	1,144
EXPENDITURES				
Current:				
General government:				
Juror compensation	230,000	230,000	206,513	23,487
Excess (deficiency) of revenues over (under) expenditures	--	(78,710)	(54,079)	24,631
Fund balances, January 1	227,956	227,956	227,956	--
Fund balances, December 31	<u>\$ 227,956</u>	<u>\$ 149,246</u>	<u>\$ 173,877</u>	<u>\$ 24,631</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY COURT JUDICIAL BUILDING SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

EXHIBIT B - 16

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Civil and traffic fees	\$ 272,000	\$ 243,600	\$ 258,535	\$ 14,935
Investment earnings	--	--	11,936	11,936
Total revenues	272,000	243,600	270,471	26,871
EXPENDITURES				
Current:				
General government:				
Judicial	554,614	554,614	213,785	340,829
Excess (deficiency) of revenues over (under) expenditures	(282,614)	(311,014)	56,686	367,700
Fund balances, January 1	554,480	554,480	554,480	--
Fund balances, December 31	<u>\$ 271,866</u>	<u>\$ 243,466</u>	<u>\$ 611,166</u>	<u>\$ 367,700</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SOBRIETY COURT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 17

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Sobriety court costs	\$ 65,000	\$ 40,500	\$ 39,463	\$ (1,037)
Investment earnings	--	--	2,404	2,404
Total revenues	65,000	40,500	41,867	1,367
EXPENDITURES				
Current:				
General government:				
Sobriety court	72,430	72,430	17,380	55,050
Excess (deficiency) of revenues over (under) expenditures	(7,430)	(31,930)	24,487	56,417
Fund balances, January 1	101,904	101,904	101,904	--
Fund balances, December 31	\$ 94,474	\$ 69,974	\$ 126,391	\$ 56,417

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY COURT TECHNOLOGY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 18

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Civil technology fee	\$ 64,000	\$ 64,000	\$ 61,065	\$ (2,935)
Traffic technology fee	66,000	56,000	65,660	9,660
Criminal technology fee	4,500	4,500	2,627	(1,873)
Total charges for services	<u>134,500</u>	<u>124,500</u>	<u>129,352</u>	<u>4,852</u>
Investment earnings	<u>--</u>	<u>--</u>	<u>6,967</u>	<u>6,967</u>
Total revenues	<u>134,500</u>	<u>124,500</u>	<u>136,319</u>	<u>11,819</u>
EXPENDITURES				
Current:				
General government:				
City court case fees	76,600	76,600	--	76,600
Capital outlay	<u>9,000</u>	<u>9,000</u>	<u>--</u>	<u>9,000</u>
Total expenditures	<u>85,600</u>	<u>85,600</u>	<u>--</u>	<u>85,600</u>
Excess (deficiency) of revenues over (under) expenditures	48,900	38,900	136,319	97,419
Fund balances, January 1	<u>261,292</u>	<u>261,292</u>	<u>261,292</u>	<u>--</u>
Fund balances, December 31	<u><u>\$ 310,192</u></u>	<u><u>\$ 300,192</u></u>	<u><u>\$ 397,611</u></u>	<u><u>\$ 97,419</u></u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
19TH JUDICIAL DISTRICT COURT OFF DUTY POLICE WITNESS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 19

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Witness fees	\$ --	\$ 18,000	\$ 17,957	\$ (43)
Investment earnings	--	--	44	44
Total revenues	--	18,000	18,001	1
EXPENDITURES				
Current:				
General government:				
Court attendance fees	--	18,000	15,895	2,105
Excess (deficiency) of revenues over (under) expenditures	--	--	2,106	2,106
Fund balances, January 1		297	297	--
Fund balances, December 31	\$ --	\$ 297	\$ 2,403	\$ 2,106

**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, 2018**

EXHIBIT B - 20

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Judiciary court costs	\$ 509,190	\$ 229,190	\$ 226,496	\$ (2,694)
Criminal bond posting fees	97,000	60,000	64,615	4,615
School security fees	13,000	8,000	7,810	(190)
Constable bench warrant fees	18,000	8,500	10,027	1,527
Evidence testing	70,000	28,000	27,280	(720)
Reimbursements for overtime	--	--	10,738	10,738
Total charges for services	707,190	333,690	346,966	13,276
Fines and forfeits:				
City court forfeitures	45,000	45,000	34,498	(10,502)
Investment earnings	--	--	(3,782)	(3,782)
Total revenues	752,190	378,690	377,682	(1,008)
EXPENDITURES				
Current:				
General government:				
Judicial	758,659	768,659	767,705	954
Excess (deficiency) of revenues over (under) expenditures	(6,469)	(389,969)	(390,023)	(54)
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	--	371,800	371,800	--
Net change in fund balances	(6,469)	(18,169)	(18,223)	(54)
Fund balances, January 1	18,264	18,264	18,264	--
Fund balances, December 31	<u>\$ 11,795</u>	<u>\$ 95</u>	<u>\$ 41</u>	<u>\$ (54)</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONSOLIDATED ROAD LIGHTING DISTRICT NO. 1 SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 21

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 263,200	\$ 263,200	\$ 298,809	\$ 35,609
Intergovernmental revenues:				
State shared revenues				
Louisiana revenue sharing	24,100	24,100	25,220	1,120
Investment earnings	10,000	10,000	67,702	57,702
Total revenues	297,300	297,300	391,731	94,431
EXPENDITURES				
Current:				
Transportation:				
Operations	554,850	554,850	513,622	41,228
Excess (deficiency) of revenues over (under) expenditures	(257,550)	(257,550)	(121,891)	135,659
Fund balances, January 1	3,991,440	3,991,440	3,991,440	--
Fund balances, December 31	<u>\$ 3,733,890</u>	<u>\$ 3,733,890</u>	<u>\$ 3,869,549</u>	<u>\$ 135,659</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 22

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues				
State road fund	\$ 2,650,000	\$ 2,650,000	\$ 3,028,471	\$ 378,471
Investment earnings	15,000	15,000	303,449	288,449
Total revenues	2,665,000	2,665,000	3,331,920	666,920
EXPENDITURES				
Current:				
Transportation:				
Operations	1,300,740	1,300,740	1,217,241	83,499
Intergovernmental	550,000	550,000	550,000	--
Total expenditures	1,850,740	1,850,740	1,767,241	83,499
Excess (deficiency) of revenues over (under) expenditures	814,260	814,260	1,564,679	750,419
OTHER FINANCING USES				
Transfers out:				
Capital Projects Fund	(1,400,000)	(1,620,000)	(1,620,000)	--
Net change in fund balances	(585,740)	(805,740)	(55,321)	750,419
Fund balances, January 1 restated (Note 1)	2,286,169	2,286,169	2,286,169	--
Fund balances, December 31	\$ 1,700,429	\$ 1,480,429	\$ 2,230,848	\$ 750,419

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, 2018

EXHIBIT B - 23

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 1,277,260	\$ 1,277,260	\$ 1,285,934	\$ 8,674
Investment earnings	7,500	7,500	89,767	82,267
Total revenues	1,284,760	1,284,760	1,375,701	90,941
EXPENDITURES				
Current:				
Transportation:				
Operations	1,887,455	1,080,341	131,308	949,033
Capital outlay	3,886,935	4,728,048	1,362,667	3,365,381
Total expenditures	5,774,390	5,808,389	1,493,975	4,314,414
Excess (deficiency) of revenues over (under) expenditures	(4,489,630)	(4,523,629)	(118,274)	4,405,355
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	--	109,000	109,000	--
Transfers out:				
Capital Projects Fund	--	(75,000)	(75,000)	--
Total other financing sources and uses	--	34,000	34,000	--
Net change in fund balances	(4,489,630)	(4,489,629)	(84,274)	4,405,355
Fund balances, January 1	4,713,724	4,713,724	4,713,724	--
Fund balances, December 31	\$ 224,094	\$ 224,095	\$ 4,629,450	\$ 4,405,355

**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, 2018**

EXHIBIT B - 24

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 14,876,380	\$ 15,149,274	\$ 15,367,203	\$ 217,929
Investment earnings	15,000	15,000	727,008	712,008
Miscellaneous revenues:				
Entergy	--	--	--	--
Total revenues	14,891,380	15,164,274	16,094,211	929,937
EXPENDITURES				
Current:				
Transportation:				
Street maintenance	47,388,489	46,065,229	18,929,970	27,135,259
Excess (deficiency) of revenues over (under) expenditures	(32,497,109)	(30,900,955)	(2,835,759)	28,065,196
OTHER FINANCING USES				
Transfers out:				
Capital Projects Fund	--	(1,649,005)	(1,649,005)	--
Net change in fund balances	(32,497,109)	(32,549,960)	(4,484,764)	28,065,196
Fund balances, January 1	36,149,090	36,149,090	36,149,090	--
Fund balances, December 31	<u>\$ 3,651,981</u>	<u>\$ 3,599,130</u>	<u>\$ 31,664,326</u>	<u>\$ 28,065,196</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BATON ROUGE FIRE DEPARTMENT PAY ENHANCEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 25

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 11,583,460	\$ 11,583,460	\$ 11,948,836	\$ 365,376
Investment earnings	--	--	(71,165)	(71,165)
Total revenues	11,583,460	11,583,460	11,877,671	294,211
EXPENDITURES				
Current:				
Public safety:				
Operations	12,141,100	12,141,100	11,943,856	197,244
Excess (deficiency) of revenues over (under) expenditures	(557,640)	(557,640)	(66,185)	491,455
Fund balances, January 1	3,003,069	3,003,069	3,003,069	--
Fund balances, December 31	<u>\$ 2,445,429</u>	<u>\$ 2,445,429</u>	<u>\$ 2,936,884</u>	<u>\$ 491,455</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT NO. 1 FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 26

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 335,860	\$ 335,860	\$ 473,461	\$ 137,601
Intergovernmental revenues:				
Insurance company taxes	30,190	30,190	27,542	(2,648)
Charges for services:				
Fire protection service charges	68,150	68,480	68,632	152
Investment earnings	660	330	83	(247)
Total revenues	434,860	434,860	569,718	134,858
EXPENDITURES				
Current:				
Public safety:				
Operations	745,300	852,509	842,932	9,577
Excess (deficiency) of revenues over (under) expenditures	(310,440)	(417,649)	(273,214)	144,435
Fund balances, January 1	734,195	734,195	734,195	--
Fund balances, December 31	<u>\$ 423,755</u>	<u>\$ 316,546</u>	<u>\$ 460,981</u>	<u>\$ 144,435</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BROWNSFIELD FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 27

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 674,460	\$ 724,460	\$ 892,171	\$ 167,711
Intergovernmental revenues:				
Insurance company taxes	34,110	34,110	33,574	(536)
Louisiana revenue sharing	73,850	73,850	77,625	3,775
On-behalf payments for salaries and benefits	24,000	24,000	24,000	--
Total intergovernmental revenues	131,960	131,960	135,199	3,239
Charges for services:				
Fire protection service charges	105,530	106,370	102,084	(4,286)
Investment earnings	910	70	541	471
Miscellaneous revenues:				
Other income	22,670	22,670	19,708	(2,962)
Total revenues	935,530	985,530	1,149,703	164,173
EXPENDITURES				
Current:				
Public safety:				
Operations	919,510	969,510	970,863	(1,353)
Excess (deficiency) of revenues over (under) expenditures	16,020	16,020	178,840	162,820
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	16,250	16,250	16,250	--
Net change in fund balances	32,270	32,270	195,090	162,820
Fund balances, January 1	490,634	490,634	490,634	--
Fund balances, December 31	\$ 522,904	\$ 522,904	\$ 685,724	\$ 162,820

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CHANEYVILLE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 28

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 152,230	\$ 222,230	\$ 278,591	\$ 56,361
Intergovernmental revenues:				
Insurance company taxes	17,350	17,350	15,853	(1,497)
Charges for services:				
Fire protection service charges	40,530	40,810	49,088	8,278
Investment earnings	370	90	4,397	4,307
Miscellaneous revenues:				
Other income	10,290	10,290	13,964	3,674
Total revenues	<u>220,770</u>	<u>290,770</u>	<u>361,893</u>	<u>71,123</u>
EXPENDITURES				
Current:				
Public safety:				
Operations	256,630	333,362	328,791	4,571
Debt service:				
Bond issuance costs	--	9,500	5,010	4,490
Capital outlay	--	303,768	239,296	64,472
Total expenditures	<u>256,630</u>	<u>646,630</u>	<u>573,097</u>	<u>73,533</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,860)</u>	<u>(355,860)</u>	<u>(211,204)</u>	<u>144,656</u>
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	35,860	35,860	35,860	--
Issuance of long-term debt	--	320,000	320,000	--
Total other financing sources	<u>35,860</u>	<u>355,860</u>	<u>355,860</u>	<u>--</u>
Net change in fund balances	--	--	144,656	144,656
Fund balances, January 1	<u>129,650</u>	<u>129,650</u>	<u>129,650</u>	<u>--</u>
Fund balances, December 31	<u>\$ 129,650</u>	<u>\$ 129,650</u>	<u>\$ 274,306</u>	<u>\$ 144,656</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PRIDE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 29

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 130,790	\$ 131,583	\$ 385,219	\$ 253,636
Intergovernmental revenues:				
Insurance company taxes	16,650	16,650	16,396	(254)
Charges for services:				
Fire protection service charges	51,950	52,190	53,678	1,488
Investment earnings	740	500	7,997	7,497
Miscellaneous revenues:				
Donations	--	--	250	250
Other income	3,990	10,921	11,978	1,057
Total miscellaneous revenues	3,990	10,921	12,228	1,307
Total revenues	204,120	211,844	475,518	263,674
EXPENDITURES				
Current:				
Public safety:				
Operations	251,210	252,002	247,489	4,513
Debt service:				
Principal retirement	12,900	12,900	13,000	(100)
Interest and fiscal charges	4,010	4,010	5,325	(1,315)
Total debt service	16,910	16,910	18,325	(1,415)
Capital outlay	242,000	243,625	243,625	--
Total expenditures	510,120	512,537	509,439	3,098
Excess (deficiency) of revenues over (under) expenditures	(306,000)	(300,693)	(33,921)	266,772
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	64,000	64,000	64,000	--
Transfers out:				
Grants Fund	--	(5,307)	(5,250)	57
Capital Projects Fund	--	(250,000)	(250,000)	--
Total transfers out	--	(255,307)	(255,250)	57
Total other financing sources and uses	64,000	(191,307)	(191,250)	57
Net change in fund balances	(242,000)	(492,000)	(225,171)	266,829
Fund balances, January 1	690,993	690,993	690,993	--
Fund balances, December 31	\$ 448,993	\$ 198,993	\$ 465,822	\$ 266,829

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 30

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 280,600	\$ 280,600	\$ 321,949	\$ 41,349
Intergovernmental revenues:				
Insurance company taxes	5,430	5,430	4,817	(613)
Charges for services:				
Fire protection service charges	12,480	12,690	12,842	152
Investment earnings	790	580	11,310	10,730
Miscellaneous revenues:				
Other income	9,050	9,050	9,725	675
Total revenues	<u>308,350</u>	<u>308,350</u>	<u>360,643</u>	<u>52,293</u>
EXPENDITURES				
Current:				
Public safety:				
Operations	<u>332,860</u>	<u>332,860</u>	<u>314,734</u>	<u>18,126</u>
Excess (deficiency) of revenues over (under) expenditures	(24,510)	(24,510)	45,909	70,419
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	<u>24,510</u>	<u>24,510</u>	<u>24,510</u>	<u>--</u>
Net change in fund balances	--	--	70,419	70,419
Fund balances, January 1	<u>727,079</u>	<u>727,079</u>	<u>727,079</u>	<u>--</u>
Fund balances, December 31	<u>\$ 727,079</u>	<u>\$ 727,079</u>	<u>\$ 797,498</u>	<u>\$ 70,419</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 31

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 1,749,400	\$ 2,428,580	\$ 2,427,082	\$ (1,498)
Investment earnings	3,230	8,520	10,004	1,484
Total revenues	1,752,630	2,437,100	2,437,086	(14)
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	1,515,000	1,515,000	1,515,000	--
Interest and fiscal charges:				
Bond interest	427,920	427,920	427,913	7
Paying agent fees	230	120	113	7
Total interest and fiscal charges	428,150	428,040	428,026	14
Total expenditures	1,943,150	1,943,040	1,943,026	14
Excess (deficiency) of revenues over (under) expenditures	(190,520)	494,060	494,060	--
Fund balances, January 1	925,104	925,104	925,104	--
Fund balances, December 31	\$ 734,584	\$ 1,419,164	\$ 1,419,164	\$ --

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 32

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 1,242,940	\$ 1,244,100	\$ 1,244,078	\$ (22)
Miscellaneous revenues:				
Other income	19,040	17,880	17,883	3
Total revenues	1,261,980	1,261,980	1,261,961	(19)
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	1,005,000	1,005,000	1,005,000	--
Interest and fiscal charges:				
Bond interest	250,780	250,780	250,761	19
Paying agent fees	6,200	6,200	6,200	--
Total interest and fiscal charges	256,980	256,980	256,961	19
Total expenditures	1,261,980	1,261,980	1,261,961	19
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAXABLE REFUNDING BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 33

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	\$ 3,130,000	\$ 3,130,000	\$ 3,130,000	\$ --
Interest and fiscal charges:				
Bond interest	1,588,520	1,588,520	1,588,518	2
Paying agent fees	100	100	100	--
Total interest and fiscal charges	1,588,620	1,588,620	1,588,618	2
Total expenditures	4,718,620	4,718,620	4,718,618	2
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	4,718,620	4,718,620	4,718,618	(2)
Net change in fund balances	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROAD AND STREET IMPROVEMENT DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 34

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 17,679,560	\$ 17,540,700	\$ 17,481,601	\$ (59,099)
Investment earnings	16,500	57,500	64,852	7,352
Swap earnings	831,810	948,500	948,504	4
Total revenues	18,527,870	18,546,700	18,494,957	(51,743)
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	9,465,000	9,465,000	9,465,000	--
Interest and fiscal charges:				
Bond interest	5,025,460	4,956,420	4,956,423	(3)
Paying agent fees	797,690	738,160	738,149	11
Total interest and fiscal charges	5,823,150	5,694,580	5,694,572	8
Swap expenses	3,243,530	3,381,590	3,381,592	(2)
Total expenditures	18,531,680	18,541,170	18,541,164	6
Excess (deficiency) of revenues over (under) expenditures	(3,810)	5,530	(46,207)	(51,737)
Fund balances, January 1	7,060,385	7,060,385	7,060,385	--
Fund balances, December 31	\$ 7,056,575	\$ 7,065,915	\$ 7,014,178	\$ (51,737)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LCDA ROAD AND STREET IMPROVEMENT PROJECT DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT B - 35

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 5,795,670	\$ 5,780,680	\$ 5,778,131	\$ (2,549)
Investment earnings	4,500	19,490	22,042	2,552
Total revenues	5,800,170	5,800,170	5,800,173	3
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	3,020,000	3,020,000	3,020,000	--
Interest and fiscal charges:				
Bond interest	2,760,510	2,760,510	2,760,506	4
Paying agent fees	5,750	5,750	5,750	--
Total interest and fiscal charges	2,766,260	2,766,260	2,766,256	4
Total expenditures	5,786,260	5,786,260	5,786,256	4
Excess (deficiency) of revenues over (under) expenditures	13,910	13,910	13,917	7
Fund balances, January 1	2,408,544	2,408,544	2,408,544	--
Fund balances, December 31	\$ 2,422,454	\$ 2,422,454	\$ 2,422,461	\$ 7

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, 2018

EXHIBIT B - 36

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous revenues:				
Contributions from government agencies	\$ 95,880	\$ 115,990	\$ 115,957	\$ (33)
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	104,630	104,630	104,629	1
Interest and fiscal charges:				
Bond interest	15,510	13,540	13,502	38
Total expenditures	120,140	118,170	118,131	39
Excess (deficiency) of revenues over (under) expenditures	(24,260)	(2,180)	(2,174)	6
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	24,260	2,180	2,174	(6)
Net change in fund balances	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --



NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for operations: (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Baton Rouge River Center accounts for the operation of a cultural and entertainment center composed of an arena, exhibition hall and theater of performing arts. Principal revenues of the fund are rents, commissions and governmental subsidies.

Greater Baton Rouge Parking Authority accounts for the operation of an off-street parking facility. Principal revenues of the fund are governmental subsidies and automobile parking fees.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2018

EXHIBIT C - 1

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,280,934	\$ 1,170,594	\$ 4,451,528
Investments	--	2,680,043	2,680,043
Accounts receivable - net	329,583	--	329,583
Accrued interest receivable	20,364	7	20,371
Due from other governments	755,359	--	755,359
Prepaid items	252,122	--	252,122
Inventory	62,379	--	62,379
Total current assets	<u>4,700,741</u>	<u>3,850,644</u>	<u>8,551,385</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	1,534,563	--	1,534,563
Investments	3,513,343	--	3,513,343
Sales taxes receivable	81,191	--	81,191
Accrued interest receivable	3,220	--	3,220
Total restricted assets	<u>5,132,317</u>	<u>--</u>	<u>5,132,317</u>
Capital assets:			
Land	1,024,914	1,629,303	2,654,217
Buildings	92,064,861	10,535,195	102,600,056
Improvements (other than buildings)	19,513,185	22,685	19,535,870
Equipment	1,283,330	11,696	1,295,026
Construction work in progress	1,479,908	--	1,479,908
Total capital assets	<u>115,366,198</u>	<u>12,198,879</u>	<u>127,565,077</u>
Accumulated depreciation	<u>(78,195,803)</u>	<u>(10,246,950)</u>	<u>(88,442,753)</u>
Net capital assets	<u>37,170,395</u>	<u>1,951,929</u>	<u>39,122,324</u>
Total noncurrent assets	<u>42,302,712</u>	<u>1,951,929</u>	<u>44,254,641</u>
Total assets	<u>47,003,453</u>	<u>5,802,573</u>	<u>52,806,026</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for OPEB	--	35,284	35,284
Deferred outflows for pensions	--	72,136	72,136
Total deferred outflows of resources	<u>--</u>	<u>107,420</u>	<u>107,420</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2018

EXHIBIT C - 1
(Continued)

	<u>Baton Rouge River Center</u>	<u>Greater Baton Rouge Parking Authority</u>	<u>Total Nonmajor Enterprise Funds</u>
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	\$ 1,150,458	\$ 41,596	\$ 1,192,054
Accrued salaries payable	65,563	3,648	69,211
Unearned revenue	2,712,664	--	2,712,664
Compensated absences payable	60,943	34,944	95,887
Total current liabilities	<u>3,989,628</u>	<u>80,188</u>	<u>4,069,816</u>
Noncurrent liabilities:			
Compensated absences payable	--	6,366	6,366
Total other post employment benefit liability	--	1,231,093	1,231,093
Net pension liability	--	437,832	437,832
Total noncurrent liabilities	<u>--</u>	<u>1,675,291</u>	<u>1,675,291</u>
Total liabilities	<u>3,989,628</u>	<u>1,755,479</u>	<u>5,745,107</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow for pensions	<u>--</u>	<u>42,668</u>	<u>42,668</u>
NET POSITION			
Net investment in capital assets	37,170,395	1,951,929	39,122,324
Restricted for capital projects	5,547,526	--	5,547,526
Unrestricted	<u>295,904</u>	<u>2,159,917</u>	<u>2,455,821</u>
Total net position	<u>\$ 43,013,825</u>	<u>\$ 4,111,846</u>	<u>\$ 47,125,671</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT C - 2

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 5,394,541	\$ 737,642	\$ 6,132,183
Miscellaneous revenues	1,117,650	1,858	1,119,508
Total operating revenues	<u>6,512,191</u>	<u>739,500</u>	<u>7,251,691</u>
OPERATING EXPENSES			
Personal services	2,336,346	252,702	2,589,048
Employee benefits	488,001	172,346	660,347
Supplies	1,012,878	5,964	1,018,842
Contractual services	5,115,640	746,189	5,861,829
Depreciation	4,533,366	24,977	4,558,343
Management fee	345,594	--	345,594
Total operating expenses	<u>13,831,825</u>	<u>1,202,178</u>	<u>15,034,003</u>
Operating income (loss)	<u>(7,319,634)</u>	<u>(462,678)</u>	<u>(7,782,312)</u>
NONOPERATING REVENUES (EXPENSES)			
Occupancy taxes	959,850	--	959,850
Operating grants	135,387	--	135,387
Investment earnings	118,084	50,892	168,976
Interest expense	(4,354)	--	(4,354)
Gain (loss) on disposition of capital assets	11,028	--	11,028
Total non-operating revenues (expenses)	<u>1,219,995</u>	<u>50,892</u>	<u>1,270,887</u>
Income (loss) before contributions and transfers	(6,099,639)	(411,786)	(6,511,425)
Capital contributions	1,064,922	--	1,064,922
Transfers in	<u>2,065,315</u>	<u>--</u>	<u>2,065,315</u>
Change in net position	(2,969,402)	(411,786)	(3,381,188)
Total net position - January 1, restated (Note 1)	<u>45,983,227</u>	<u>4,523,632</u>	<u>50,506,859</u>
Total net position - December 31	<u><u>\$ 43,013,825</u></u>	<u><u>\$ 4,111,846</u></u>	<u><u>\$ 47,125,671</u></u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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	\$ 8,504,693	\$ 742,053	\$ 9,246,746
Cash payments to suppliers for goods and services	(7,012,051)	(727,254)	(7,739,305)
Cash payments to employees for services and benefits	(2,775,125)	(389,628)	(3,164,753)
Net cash provided by (used for) operating activities	<u>(1,282,483)</u>	<u>(374,829)</u>	<u>(1,657,312)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating grants received	135,387	--	135,387
Transfers in from other funds	1,792,000	--	1,792,000
Net cash provided by (used for) noncapital financing activities	<u>1,927,387</u>	<u>--</u>	<u>1,927,387</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Receipts from occupancy taxes	878,659	--	878,659
Proceeds from sale of capital assets	11,028	--	11,028
Acquisition and construction of capital assets	(1,911,568)	--	(1,911,568)
Principal paid on bonds, obligations and capital leases	(755,482)	--	(755,482)
Interest paid on bonds, obligations and capital leases	(4,354)	--	(4,354)
Capital contributed by other governments	905,489	--	905,489
Net cash provided by (used for) capital and related financing activities	<u>(876,228)</u>	<u>--</u>	<u>(876,228)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(3,513,343)	(2,680,043)	(6,193,386)
Proceeds from sales and maturities of investments	4,535,487	2,773,074	7,308,561
Interest received on investments	113,049	61,691	174,740
Net cash provided by (used for) investing activities	<u>1,135,193</u>	<u>154,722</u>	<u>1,289,915</u>
Net increase (decrease) in cash and cash equivalents	903,869	(220,107)	683,762
Cash and cash equivalents, January 1	<u>3,911,628</u>	<u>1,390,701</u>	<u>5,302,329</u>
Cash and cash equivalents, December 31	<u>\$ 4,815,497</u>	<u>\$ 1,170,594</u>	<u>\$ 5,986,091</u>
Classified as:			
Current assets	\$ 3,280,934	\$ 1,170,594	\$ 4,451,528
Restricted assets	1,534,563	--	1,534,563
Totals	<u>\$ 4,815,497</u>	<u>\$ 1,170,594</u>	<u>\$ 5,986,091</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT C - 3
(Continued)

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>\$ (7,319,634)</u>	<u>\$ (462,678)</u>	<u>\$ (7,782,312)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	4,533,366	24,977	4,558,343
Increase (decrease) in compensated absences payable	2,182	(20,310)	(18,128)
Increase (decrease) in total other post employment benefit liability	--	39,992	39,992
(Increase) decrease in deferred outflows for OPEB	--	(7,614)	(7,614)
Increase (decrease) in net pension liability	--	(69,575)	(69,575)
(Increase) decrease in deferred outflows for pensions	--	57,048	57,048
Increase (decrease) in deferred inflows for pensions	--	37,580	37,580
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	649,028	2,553	651,581
Decrease (increase) in prepaid items	(180,422)	--	(180,422)
Decrease (increase) in inventory	(11,155)	--	(11,155)
Increase (decrease) in accounts and contracts payable	(346,362)	24,899	(321,463)
Increase (decrease) in accrued salaries payable	47,040	(1,701)	45,339
Increase (decrease) in unearned revenue	1,343,474	--	1,343,474
Total adjustments	<u>6,037,151</u>	<u>87,849</u>	<u>6,125,000</u>
Net cash provided by (used for) operating activities	<u><u>\$ (1,282,483)</u></u>	<u><u>\$ (374,829)</u></u>	<u><u>\$ (1,657,312)</u></u>
Non cash investing, capital, and financing activities:			
Gain in fair value of investments	\$ 23,584	\$ 7	\$ 23,591
Gain (loss) on disposal of capital assets	--	--	--
Contributions/accruals of capital assets	159,433	--	159,433
Amortization of joint venture	--	--	--
Loss on joint venture	--	--	--

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fleet Rental and Replacement Fund rents motorized equipment to Public Works divisions and provides for their scheduled replacement at the end of the economic life of the asset.

Fleet Management Fund maintains motorized and heavy equipment and provides motor fuels for all departments.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2018

EXHIBIT D - 1

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Fleet Management</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 5,135,044	\$ 230,370	\$ 5,365,414
Investments	11,756,548	--	11,756,548
Accrued interest receivable	88,032	--	88,032
Inventory	--	177,405	177,405
Total current assets	<u>16,979,624</u>	<u>407,775</u>	<u>17,387,399</u>
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,355,428	2,355,428
Improvements (other than buildings)	--	7,190	7,190
Equipment	41,568,713	219,323	41,788,036
Total capital assets	<u>41,568,713</u>	<u>2,629,509</u>	<u>44,198,222</u>
Accumulated depreciation	<u>(31,863,745)</u>	<u>(2,396,936)</u>	<u>(34,260,681)</u>
Net capital assets	<u>9,704,968</u>	<u>232,573</u>	<u>9,937,541</u>
Total assets	<u>26,684,592</u>	<u>640,348</u>	<u>27,324,940</u>
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	816,051	360,747	1,176,798
Accrued salaries payable	--	29,712	29,712
Compensated absences payable	--	248,758	248,758
Total liabilities	<u>816,051</u>	<u>639,217</u>	<u>1,455,268</u>
NET POSITION			
Net investment in capital assets	9,704,968	232,573	9,937,541
Unrestricted	<u>16,163,573</u>	<u>(231,442)</u>	<u>15,932,131</u>
Total net position	<u>\$ 25,868,541</u>	<u>\$ 1,131</u>	<u>\$ 25,869,672</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT D - 2

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Fleet Management</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services:			
Billings to departments	\$ 7,330,235	\$ 12,874,343	\$ 20,204,578
OPERATING EXPENSES			
Personal services	--	1,665,290	1,665,290
Employee benefits	--	1,207,562	1,207,562
Supplies	11,952	105,143	117,095
Contractual services	4,076,802	1,044,496	5,121,298
Cost of materials	--	9,130,953	9,130,953
Depreciation	3,401,669	47,611	3,449,280
Total operating expenses	<u>7,490,423</u>	<u>13,201,055</u>	<u>20,691,478</u>
Operating income (loss)	<u>(160,188)</u>	<u>(326,712)</u>	<u>(486,900)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	309,050	(11,997)	297,053
Gain (loss) on disposition of capital assets	671,766	6,075	677,841
Total non-operating revenues (expenses)	<u>980,816</u>	<u>(5,922)</u>	<u>974,894</u>
Change in net position	820,628	(332,634)	487,994
Total net position - January 1	<u>25,047,913</u>	<u>333,765</u>	<u>25,381,678</u>
Total net position - December 31	<u><u>\$ 25,868,541</u></u>	<u><u>\$ 1,131</u></u>	<u><u>\$ 25,869,672</u></u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT D - 3

	Fleet Rental and Replace- ment Fund	Fleet Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 7,330,235	\$ 12,874,343	\$ 20,204,578
Cash payments to suppliers for goods and services	(4,061,830)	(10,600,378)	(14,662,208)
Cash payments to employees for services and benefits	--	(2,857,895)	(2,857,895)
Net cash provided by (used for) operating activities	<u>3,268,405</u>	<u>(583,930)</u>	<u>2,684,475</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of capital assets	676,328	6,075	682,403
Acquisition and construction of capital assets	(4,427,152)	(8,570)	(4,435,722)
Net cash provided by (used for) capital and related financing activities	<u>(3,750,824)</u>	<u>(2,495)</u>	<u>(3,753,319)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(11,756,548)	--	(11,756,548)
Proceeds from sales and maturities of investments	11,393,967	551,042	11,945,009
Interest received on investments	265,952	(10,595)	255,357
Net cash provided by (used for) investing activities	<u>(96,629)</u>	<u>540,447</u>	<u>443,818</u>
Net increase (decrease) in cash and cash equivalents	(579,048)	(45,978)	(625,026)
Cash and cash equivalents, January 1	<u>5,714,092</u>	<u>276,348</u>	<u>5,990,440</u>
Cash and cash equivalents, December 31	<u><u>\$ 5,135,044</u></u>	<u><u>\$ 230,370</u></u>	<u><u>\$ 5,365,414</u></u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>\$ (160,188)</u>	<u>\$ (326,712)</u>	<u>\$ (486,900)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	3,401,669	47,611	3,449,280
Increase (decrease) in compensated absences payable	--	25,038	25,038
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	--	634	634
Decrease (increase) in inventory	--	(17,147)	(17,147)
Increase (decrease) in accounts and contracts payable	26,924	(303,273)	(276,349)
Increase (decrease) in accrued salaries payable	--	(10,081)	(10,081)
Total adjustments	<u>3,428,593</u>	<u>(257,218)</u>	<u>3,171,375</u>
Net cash provided by (used for) operating activities	<u><u>\$ 3,268,405</u></u>	<u><u>\$ (583,930)</u></u>	<u><u>\$ 2,684,475</u></u>
Non cash investing, capital, and financing activities:			
Gain in fair value of investments	\$ 88,032	\$ --	\$ 88,032
Gain (loss) on disposal of capital assets	(4,562)	--	(4,562)

FIDUCIARY FUNDS

Pension Trust Funds

City-Parish Employees Retirement System (CPERS) Regular Pension Trust Fund accounts for a cost-sharing multiple-employer defined benefit pension system established for employees of the City-Parish government, some of the government's discretely presented component agencies and related organizations.

CPERS Police Guarantee Trust Fund accounts for a single-employer special trust set up by CPERS to administer certain benefits to police employees who transferred to the State Municipal Police Employees Retirement System (MPERS) in 2000. This fund covers benefits that were included in the CPERS system that are not covered by the MPERS system.

Agency Funds

Sales Tax Suspense Fund accounts for the collection of the City-Parish 3% sales tax and distribution thereof to the General Fund, City of Baker, City of Zachary, City of Central and Consolidated School District.

City Court Receipts Suspense Fund accounts for the receipt of advance court costs and collections and the disbursements for garnishments, court costs, and civil fees.

City Court Appearance Bond Fund accounts for the appearance cash bond deposits and the disbursements of refunds and forfeits.

Indigent Defender Fund accounts for the designated court costs and disbursements to the attorneys of indigent clients.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
DECEMBER 31, 2018

EXHIBIT E - 1

	CPERS Regular Retirement System	CPERS Police Guaranty System	Total Pension Trust Funds
ASSETS			
Cash and cash equivalents	\$ 14,417,862	\$ 2,066,848	\$ 16,484,710
Receivables:			
Employee contributions	764,730	897	765,627
Employer contributions	1,710,568	202,911	1,913,479
Non-employer contributions	1,160,713	--	1,160,713
Interest and dividends	13,099	1,633	14,732
Pending trades	3,227,814	142,400	3,370,214
Other contributions	113,344	--	113,344
Total receivables	<u>6,990,268</u>	<u>347,841</u>	<u>7,338,109</u>
Investments, at fair value			
Fixed income - domestic	264,781,353	5,608,386	270,389,739
Fixed income - international	21,177,143	432,151	21,609,294
Equity securities - domestic	288,618,822	2,725,690	291,344,512
Equity securities - international	246,152,432	2,091,541	248,243,973
Real estate investments	74,692,716	--	74,692,716
Alternative investments	155,403,147	1,335,247	156,738,394
Total investments	<u>1,050,825,613</u>	<u>12,193,015</u>	<u>1,063,018,628</u>
Capital assets:			
Land	550,628	--	550,628
Buildings	706,346	--	706,346
Equipment	48,540	--	48,540
Accumulated depreciation	(752,315)	--	(752,315)
Total capital assets	<u>553,199</u>	<u>--</u>	<u>553,199</u>
Total assets	<u>1,072,786,942</u>	<u>14,607,704</u>	<u>1,087,394,646</u>
LIABILITIES			
Accrued expenses and benefits payable	1,030,047	190,812	1,220,859
Pending trades payable	671,901	1,305	673,206
Total liabilities	<u>1,701,948</u>	<u>192,117</u>	<u>1,894,065</u>
NET POSITION			
Net position restricted for pensions	<u>\$ 1,071,084,994</u>	<u>\$ 14,415,587</u>	<u>\$ 1,085,500,581</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT E - 2

	CPERS Regular Retirement System	CPERS Police Guaranty System	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employee	\$ 14,127,518	\$ 54,100	\$ 14,181,618
Employer	49,339,335	778,113	50,117,448
Non-employer	1,160,713	--	1,160,713
Severance contributions from employee	1,845,859	--	1,845,859
Total contributions	<u>66,473,425</u>	<u>832,213</u>	<u>67,305,638</u>
Investment income			
<i>From investment activities:</i>			
Net appreciation (depreciation) in fair value of investments	(61,978,271)	(796,254)	(62,774,525)
Interest	725,976	70,240	796,216
Total investment income	<u>(61,252,295)</u>	<u>(726,014)</u>	<u>(61,978,309)</u>
Less: investment expense	6,652,412	123,952	6,776,364
Net income from investing activities	<u>(67,904,707)</u>	<u>(849,966)</u>	<u>(68,754,673)</u>
Total additions	<u>(1,431,282)</u>	<u>(17,753)</u>	<u>(1,449,035)</u>
DEDUCTIONS			
Benefit payments	103,887,373	2,371,530	106,258,903
Refunds and withdrawals	3,102,453	--	3,102,453
Administrative expenses	1,406,015	282,942	1,688,957
Total deductions	<u>108,395,841</u>	<u>2,654,472</u>	<u>111,050,313</u>
Change in net position	(109,827,123)	(2,672,225)	(112,499,348)
Net position - beginning of year	<u>1,180,912,117</u>	<u>17,087,812</u>	<u>1,197,999,929</u>
Net position - end of year	<u><u>\$ 1,071,084,994</u></u>	<u><u>\$ 14,415,587</u></u>	<u><u>\$ 1,085,500,581</u></u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2018

EXHIBIT E - 3

	<u>Sales Tax Suspense</u>	<u>City Court Receipts Suspense</u>	<u>City Court Appearance Bond</u>	<u>Indigent Defender</u>	<u>Total Agency Funds</u>
ASSETS					
Cash and cash equivalents	\$ 15,282,097	\$ 3,208,352	\$ 394,243	\$ 47,461	\$ 18,932,153
Taxes receivable for other governments	18,954,087	--	--	--	18,954,087
Other receivables	<u>87,527</u>	<u>--</u>	<u>--</u>	<u>55,337</u>	<u>142,864</u>
Total assets	<u>\$ 34,323,711</u>	<u>\$ 3,208,352</u>	<u>\$ 394,243</u>	<u>\$ 102,798</u>	<u>\$ 38,029,104</u>
LIABILITIES					
Accounts payable	\$ 30,041,228	\$ 148,498	\$ 7,400	\$ 102,798	\$ 30,299,924
Deposits and escrow accounts	<u>4,282,483</u>	<u>3,059,854</u>	<u>386,843</u>	<u>--</u>	<u>7,729,180</u>
Total liabilities	<u>\$ 34,323,711</u>	<u>\$ 3,208,352</u>	<u>\$ 394,243</u>	<u>\$ 102,798</u>	<u>\$ 38,029,104</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT E - 4

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
<u>Sales Tax Suspense Fund:</u>				
ASSETS				
Cash and cash equivalents	\$ 15,432,051	\$ 352,690,431	\$ 352,840,385	\$ 15,282,097
Taxes receivable for other governments	18,916,955	18,954,087	18,916,955	18,954,087
Other receivables	58,134	596,697	567,304	87,527
Total assets	<u>\$ 34,407,140</u>	<u>\$ 372,241,215</u>	<u>\$ 372,324,644</u>	<u>\$ 34,323,711</u>
LIABILITIES				
Accounts payable	\$ 31,115,610	\$ 233,445,184	\$ 234,519,566	\$ 30,041,228
Deposits and escrow accounts	3,291,530	360,465,670	359,474,717	4,282,483
Total liabilities	<u>\$ 34,407,140</u>	<u>\$ 593,910,854</u>	<u>\$ 593,994,283</u>	<u>\$ 34,323,711</u>
 <u>City Court Receipts Suspense Fund:</u>				
ASSETS				
Cash and cash equivalents	<u>\$ 2,542,103</u>	<u>\$ 13,953,695</u>	<u>\$ 13,287,446</u>	<u>\$ 3,208,352</u>
LIABILITIES				
Accounts payable	\$ 60,214	\$ 10,039,702	\$ 9,951,418	\$ 148,498
Deposits and escrow accounts	2,481,889	14,050,913	13,472,948	3,059,854
Total liabilities	<u>\$ 2,542,103</u>	<u>\$ 24,090,615</u>	<u>\$ 23,424,366</u>	<u>\$ 3,208,352</u>
 <u>City Court Appearance Bond Fund:</u>				
ASSETS				
Cash and cash equivalents	<u>\$ 429,749</u>	<u>\$ 89,712</u>	<u>\$ 125,218</u>	<u>\$ 394,243</u>
LIABILITIES				
Accounts payable	\$ 3,100	\$ 125,656	\$ 121,356	\$ 7,400
Deposits and escrow accounts	426,649	80,612	120,418	386,843
Total liabilities	<u>\$ 429,749</u>	<u>\$ 206,268</u>	<u>\$ 241,774</u>	<u>\$ 394,243</u>
 <u>Indigent Defender Fund:</u>				
ASSETS				
Cash and cash equivalents	\$ 89,914	\$ 1,689,283	\$ 1,731,736	\$ 47,461
Receivables	60,047	55,337	60,047	55,337
Total assets	<u>\$ 149,961</u>	<u>\$ 1,744,620</u>	<u>\$ 1,791,783</u>	<u>\$ 102,798</u>
LIABILITIES				
Accounts payable	<u>\$ 149,961</u>	<u>\$ 1,680,070</u>	<u>\$ 1,727,233</u>	<u>\$ 102,798</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

EXHIBIT E - 4
(Continued)

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
<u>Total all agency funds</u>				
ASSETS				
Cash and cash equivalents	\$ 18,493,817	\$ 368,423,121	\$ 367,984,785	\$ 18,932,153
Taxes receivable for other governments	18,916,955	18,954,087	18,916,955	18,954,087
Other receivables	118,181	652,034	627,351	142,864
	<u>37,528,953</u>	<u>388,029,242</u>	<u>387,529,091</u>	<u>38,029,104</u>
Total assets	<u>\$ 37,528,953</u>	<u>\$ 388,029,242</u>	<u>\$ 387,529,091</u>	<u>\$ 38,029,104</u>
LIABILITIES				
Accounts payable	\$ 31,328,885	\$ 245,290,612	\$ 246,319,573	\$ 30,299,924
Deposits and escrow accounts	6,200,068	374,597,195	373,068,083	7,729,180
	<u>37,528,953</u>	<u>619,887,807</u>	<u>619,387,656</u>	<u>38,029,104</u>
Total liabilities	<u>\$ 37,528,953</u>	<u>\$ 619,887,807</u>	<u>\$ 619,387,656</u>	<u>\$ 38,029,104</u>

SCHEDULES

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS
AND INVESTMENTS
DECEMBER 31, 2018**

EXHIBIT F - 1

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>PRIMARY GOVERNMENT</u>		
<u>Consolidated Cash Account</u>		
Louisiana Asset Management Pool	1.3-2.5	\$ 124,382,760
Certificates of Deposit - Hancock Bank	1.88-2.51	175,000,000
U.S. Government Obligations	1.87-2.71	248,470,894
U.S. Agency Obligations	2.11-2.73	60,915,392
Cash in Bank - Capital One		18,728,063
Total Cash and Investments - Consolidated Cash Account		<u>627,497,109</u>
<u>Other Cash Items</u>		
Petty Cash		16,246
Cash on Hand		4,184,567
Total Other Cash Items		<u>4,200,813</u>
<u>Baton Rouge River Center</u>		
Cash in Bank - Investar Bank		<u>2,543,743</u>
<u>East Baton Rouge Sewerage Commission</u>		
Louisiana Asset Management Pool	1.3-2.5	35,489,734
Capital One Bank:		
Cash in Bank		44,763,856
Total East Baton Rouge Sewerage Commission		<u>80,253,590</u>
<u>2008A Road and Street Improvement Sales Tax Revenue Bonds</u>		
Capital One Bank:		
Cash in Bank		<u>3,513,959</u>
<u>2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds</u>		
Louisiana Asset Management Pool	1.3-2.5	120,881
Capital One Bank:		
Cash in Bank		403,625
Total 2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds		<u>524,506</u>
<u>2009A Road and Street Improvement Sales Tax Revenue Bonds</u>		
Capital One Bank:		
Cash in Bank		<u>2,285,180</u>
<u>2010A Public Improvement Sales Tax Revenue Bonds</u>		
Capital One Bank:		
Cash in Bank		<u>528,702</u>
<u>2010B Public Improvement Sales Tax Revenue Bonds</u>		
Capital One Bank:		
Cash in Bank		<u>734,860</u>
<u>2012 LCDA Road Improvements Project</u>		
Capital One Bank:		
Cash in Bank		<u>1,093,999</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS
AND INVESTMENTS
DECEMBER 31, 2018**

EXHIBIT F - 1
(Continued)

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>PRIMARY GOVERNMENT (Continued)</u>		
<u>2015 Road and Street Improvement Sales Tax Revenue Refunding Bonds</u>		
Capital One Bank:		
Cash in Bank		\$ 1,239,057
<u>2015 LCDA Road Improvements Project</u>		
Capital One Bank:		
Cash in Bank		1,330,276
<u>2016A-1 Public Improvement Sales Tax Revenue Refunding Bonds</u>		
Capital One Bank:		
Cash in Bank		1,007,417
<u>2016A-2 (Taxable) Public Improvement Sales Tax Revenue Refunding Bonds</u>		
Capital One Bank:		
Cash in Bank		49,935
<u>2016A-3 Public Improvement Sales Tax Revenue Bonds</u>		
Capital One Bank:		
Cash in Bank		120,356
<u>2018 Public Improvement Sales Tax Revenue Bonds</u>		
Capital One Bank:		
Cash in Bank		685,383
Grand Total Cash, Cash Equivalents and Investments - Primary Government excluding Employees' Retirement System Pension Trust Fund		\$ 727,608,885

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS
AND INVESTMENTS
DECEMBER 31, 2018**

EXHIBIT F - 1
(Continued)

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>Employees' Retirement System Pension Trust Fund</u>		
Cash in Bank		\$ 13,817,765
U.S. Treasury Inflation - Protected Securities		46,202,082
Other securities held in trust		5,457
International Equities and Fixed Income		195,700,289
Emerging Markets Equities		74,152,977
Domestic Equities and Fixed Income		515,526,712
Short-Term Investment Fund/Cash Equivalents		2,666,945
Equity Real Estate Fund		74,692,716
Risk Parity		56,144,906
Hedge Fund of Funds		52,648,560
Private Equity		47,944,929
Total Employees' Retirement System Pension Trust Fund		<u>\$ 1,079,503,338</u>

COMPONENT UNITS

District Attorney of the Nineteenth Judicial District	\$ 425,447
Nineteenth Judicial District Court	2,241,626
Nineteenth Judicial District Court Building Commission	17,609,285
E.B.R. Parish Family Court	247,867
E.B.R. Parish Juvenile Court	321,193
E.B.R. Parish Clerk of Court	9,815,422
E.B.R. Redevelopment Authority	806,302
Cyntreniks Group King Hotel Special Taxing District	10,671
Bluebonnet Convention Hotel Taxing District	57,157
EBRATS Building Special Taxing District	4,908
Old LNB Building Redevelopment Taxing District	31,158
Capital Area Transit System	793,067
Grand Total Cash, Cash Equivalents and Investments - Component Units	<u>\$ 32,364,103</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO MAYOR-PRESIDENT
FOR THE YEAR ENDED DECEMBER 31, 2018**

EXHIBIT F - 2

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 175,000
Benefits - Life Insurance	120
Benefits - Employer Retirement Contributions	62,108
Benefits - Employer Medicare Contributions	2,538
Travel (Conferences & Meetings)	17,882
Unvouchered Expense (Travel Per Diem)	1,150
Registration fees	2,035
Cell Phone	1,607
Special meals	396
Total Compensation, Benefits and Other Payments to Mayor-President	<u>\$ 262,836</u>



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATISTICAL SECTION
DECEMBER 31, 2018

This section which is composed of accounting and non-accounting data is presented in order to provide the reader with additional information as an aid to understanding the financial activities of the governmental unit.

<u>INDEX</u>	<u>Exhibit</u>	<u>Page Number</u>
<u>FINANCIAL TRENDS INFORMATION</u> - These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.		
Net Position by Component, Last Ten Fiscal Years	G-1	234
Changes in Net Position, Last Ten Fiscal Years	G-2	236
Governmental Activities Tax Revenues By Source, Last Ten Fiscal Years	G-3	240
Fund Balances of Governmental Funds, Last Ten Fiscal Years	G-4	242
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Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years	G-6	246
<u>REVENUE CAPACITY INFORMATION</u> - These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.		
Assessed and Estimated Actual Value of Taxable Property, Last Ten Years	G-7	248
Property Tax Rates and Tax Levies - Direct and Overlapping Governments, Last Ten Years	G-8	250
Principal Property Taxpayers, Current Year and Nine Years Ago	G-9	252
Property Tax Levies and Collections, Last Ten Years	G-10	253
Sales Tax Revenues, Last Ten Years	G-11	254
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<u>DEBT CAPACITY INFORMATION</u> - These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.		
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	G-13	258
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	G-14	260
Direct and Overlapping Governmental Activities Debt, December 31, 2018	G-15	262
Legal Debt Margin Calculation, Last Ten Fiscal Years	G-16	263
Pledged Revenue Coverage, Last Ten Fiscal Years	G-17	264
<u>DEMOGRAPHIC AND ECONOMIC INFORMATION</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.		
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Principal Employers, Current Year and Nine Years Ago	G-19	267
<u>OPERATING INFORMATION</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.		
Full-time Equivalent City-Parish Government Employees by Function/Department, Last Ten Fiscal Years	G-20	268
Operating Indicators by Function/Program, Last Ten Fiscal Years	G-21	270
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	G-22	272

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

	FISCAL YEAR			
	2018	2017	2016	2015
Governmental activities				
Net investment in capital assets	\$ 732,715	\$ 719,354	\$ 681,551	\$ 665,195
Restricted	179,353	168,597	163,768	166,069
Unrestricted	(1,194,603)	(757,716)	(706,958)	(650,016)
Total governmental activities net position	<u>(282,535)</u>	<u>130,235</u>	<u>138,361</u>	<u>181,248</u>
Business-type activities				
Net investment in capital assets	588,422	621,252	603,449	652,391
Restricted	97,539	92,504	125,916	136,123
Unrestricted	(4,623)	37,002	45,256	35,333
Total business-type activities net position	<u>681,338</u>	<u>750,758</u>	<u>774,621</u>	<u>823,847</u>
Primary government				
Net investment in capital assets	1,321,137	1,340,606	1,285,000	1,317,586
Restricted	276,892	261,101	289,684	302,192
Unrestricted	(1,199,226)	(720,714)	(661,702)	(614,683)
Total primary government net position	<u>\$ 398,803</u>	<u>\$ 880,993</u>	<u>\$ 912,982</u>	<u>\$ 1,005,095</u>

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR					
2014	2013	2012	2011	2010	2009
\$ 650,424	\$ 626,659	\$ 601,094	\$ 533,154	\$ 496,724	\$ 463,006
195,913	198,502	217,949	256,925	216,364	225,949
(238,705)	(210,528)	(180,056)	(128,550)	(24,683)	25,292
<u>607,632</u>	<u>614,633</u>	<u>638,987</u>	<u>661,529</u>	<u>688,405</u>	<u>714,247</u>
668,571	704,172	698,119	645,336	541,065	487,352
160,489	71,309	106,355	80,202	41,844	33,605
54,088	150,046	137,766	201,564	315,079	371,621
<u>883,148</u>	<u>925,527</u>	<u>942,240</u>	<u>927,102</u>	<u>897,988</u>	<u>892,578</u>
1,318,995	1,330,831	1,299,213	1,178,490	1,037,789	950,358
356,402	269,811	324,304	337,127	258,208	259,554
(184,617)	(60,482)	(42,290)	73,014	290,396	396,913
<u>\$ 1,490,780</u>	<u>\$ 1,540,160</u>	<u>\$ 1,581,227</u>	<u>\$ 1,588,631</u>	<u>\$ 1,586,393</u>	<u>\$ 1,606,825</u>

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

	FISCAL YEAR			
	2018	2017	2016	2015
Expenses				
Governmental activities:				
General government	\$ 96,788	\$ 99,348	\$ 108,208	\$ 104,655
Public safety	267,250	288,727	314,981	243,512
Transportation	81,787	84,410	79,124	69,402
Sanitation	--	--	--	--
Health and welfare	21,449	11,741	10,929	10,463
Culture and recreation	47,393	49,786	49,086	46,112
Conservation and development	46,067	48,900	47,512	43,998
Interest and fiscal charges on long-term debt	12,178	12,473	13,205	14,074
Total governmental activities expenses	<u>572,912</u>	<u>595,385</u>	<u>623,045</u>	<u>532,216</u>
Business-type activities:				
Airport	31,769	29,642	29,919	27,754
Sewer	194,938	183,169	168,850	158,218
Convention center	13,836	13,031	13,795	13,902
Parking facilities	1,202	721	784	700
Solid waste collection and disposal	43,467	42,878	40,969	39,821
Total business-type activities	<u>285,212</u>	<u>269,441</u>	<u>254,317</u>	<u>240,395</u>
Total primary government expenses	<u>858,124</u>	<u>864,826</u>	<u>877,362</u>	<u>772,611</u>
Program Revenues				
Governmental activities				
Charges for services:				
General government	21,137	19,259	20,789	23,309
Public safety	38,125	39,299	30,512	29,478
Transportation	78	140	194	151
Sanitation	--	--	--	--
Health and welfare	954	929	982	952
Culture and recreation	248	267	281	316
Conservation and development	3,277	4,641	4,038	3,577
Operating grants and contributions	55,737	55,264	83,745	45,073
Capital grants and contributions	24,837	39,293	26,155	17,957
Total governmental activities program revenues	<u>144,393</u>	<u>159,092</u>	<u>166,696</u>	<u>120,813</u>
Business-type activities				
Charges for Services:				
Airport	18,447	19,737	19,694	17,633
Sewer	89,873	88,474	80,646	78,673
Convention center	6,512	6,719	6,973	6,466
Parking facilities	740	746	915	854
Solid waste collection and disposal	47,999	42,433	41,764	39,029
Operating grants and contributions	7,426	7,974	8,237	7,449
Capital grants and contributions	16,084	24,389	12,161	17,012
Total business-type activities program revenues	<u>187,081</u>	<u>190,472</u>	<u>170,390</u>	<u>167,116</u>
Total primary government total revenues	<u>331,474</u>	<u>349,564</u>	<u>337,086</u>	<u>287,929</u>

FISCAL YEAR					
2014	2013	2012	2011	2010	2009
\$ 99,148	\$ 97,833	\$ 88,157	\$ 98,488	\$ 94,444	\$ 98,469
233,012	237,028	238,291	219,904	211,382	211,132
66,921	68,812	69,225	66,118	66,622	67,349
6	6	6	6	244	1,576
9,797	9,500	9,333	9,251	9,436	9,495
43,762	38,171	34,725	34,556	33,379	28,513
46,084	50,034	55,607	48,284	58,013	45,638
13,413	15,625	14,821	15,594	15,515	14,785
<u>512,143</u>	<u>517,009</u>	<u>510,165</u>	<u>492,201</u>	<u>489,035</u>	<u>476,957</u>
28,542	28,609	26,609	25,778	23,144	19,984
156,351	131,780	101,595	89,582	84,555	77,872
13,382	13,305	13,352	10,908	10,484	10,699
2,745	1,111	782	816	677	660
40,893	37,196	36,692	36,368	34,861	40,255
<u>241,913</u>	<u>212,001</u>	<u>179,030</u>	<u>163,452</u>	<u>153,721</u>	<u>149,470</u>
<u>754,056</u>	<u>729,010</u>	<u>689,195</u>	<u>655,653</u>	<u>642,756</u>	<u>626,427</u>
22,796	22,639	21,608	22,939	22,485	21,172
27,007	28,032	24,576	23,778	25,010	26,390
216	269	267	269	310	287
51	55	61	41	35	35
800	798	788	807	892	822
299	321	289	335	342	380
3,520	3,555	4,469	3,213	3,371	6,793
44,261	48,211	57,785	48,551	62,410	50,313
24,403	13,128	15,751	14,931	24,863	16,307
<u>123,353</u>	<u>117,008</u>	<u>125,594</u>	<u>114,864</u>	<u>139,718</u>	<u>122,499</u>
17,237	17,581	16,866	14,868	13,580	12,541
75,420	74,405	73,315	72,056	69,787	68,306
6,491	6,460	7,418	5,804	5,879	5,853
853	1,091	1,237	1,088	1,137	1,089
37,590	36,333	38,440	37,982	38,019	42,396
7,712	7,612	7,729	7,634	4,385	615
10,352	9,627	17,766	18,596	23,050	28,322
<u>155,655</u>	<u>153,109</u>	<u>162,771</u>	<u>158,028</u>	<u>155,837</u>	<u>159,122</u>
<u>279,008</u>	<u>270,117</u>	<u>288,365</u>	<u>272,892</u>	<u>295,555</u>	<u>281,621</u>

Continued

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

	FISCAL YEAR			
	2018	2017	2016	2015
Net (expense)/revenue:				
Governmental activities	\$ (428,519)	\$ (436,293)	\$ (456,349)	\$ (411,403)
Business-type activities	(98,131)	(78,969)	(83,927)	(73,279)
Total primary government net expense	<u>(526,650)</u>	<u>(515,262)</u>	<u>(540,276)</u>	<u>(484,682)</u>
General Revenues and Other Changes				
in Net Position				
Governmental activities				
Taxes:				
Property	122,295	119,187	102,274	99,623
Gross receipts business	22,981	23,275	23,136	23,910
Sales	241,051	247,571	246,245	231,488
TIF district taxes	2	--	--	--
Occupancy	2,311	2,218	2,436	2,410
Occupational	11,128	11,173	10,978	10,656
Insurance premium	4,318	4,156	3,992	3,917
Gaming admissions	8,952	10,366	9,979	9,850
Interest and penalties - delinquent taxes	1,474	1,680	1,339	1,468
Miscellaneous	18	19	16	16
Unrestricted grants and contributions	5,342	5,894	6,294	6,112
Investment earnings	7,889	3,572	1,825	754
Gain (loss) on sale of capital assets	143	668	2,190	339
Transfers	(1,971)	(1,612)	2,758	686
Total governmental activities general revenues	<u>425,933</u>	<u>428,167</u>	<u>413,462</u>	<u>391,229</u>
Business-type activities				
Taxes:				
Sales	46,655	47,924	47,563	44,792
Occupancy	960	282	358	--
Miscellaneous	--	--	--	--
Investment earnings	8,748	5,261	2,992	1,318
Gain (loss) on sale of capital assets	307	26	14	41
Special item-closing of Central Treatment Plant	--	--	(13,468)	--
Transfers	1,971	1,612	(2,758)	(686)
Total business-type activities general revenues	<u>58,641</u>	<u>55,105</u>	<u>34,701</u>	<u>45,465</u>
Total primary government general revenues	<u>484,574</u>	<u>483,272</u>	<u>448,163</u>	<u>436,694</u>
Change in Net Position				
Governmental activities	(2,586)	(8,126)	(42,887)	(20,174)
Business-type activities	(39,490)	(23,864)	(49,226)	(27,814)
Total primary government change in net position	<u>\$ (42,076)</u>	<u>\$ (31,990)</u>	<u>\$ (92,113)</u>	<u>\$ (47,988)</u>

* Due to the implementation of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, investment losses of \$14,975 and \$6,653 were recognized in 2010 and 2011, respectively.

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR					
2014	2013	2012	2011	2010	2009
\$ (388,790)	\$ (400,001)	\$ (384,571)	\$ (377,337)	\$ (349,317)	\$ (354,458)
(86,258)	(58,892)	(16,259)	(5,424)	2,116	9,652
<u>(475,048)</u>	<u>(458,893)</u>	<u>(400,830)</u>	<u>(382,761)</u>	<u>(347,201)</u>	<u>(344,806)</u>
98,253	94,352	92,526	89,006	86,395	85,244
24,762	23,093	20,817	23,334	24,510	22,181
223,780	219,610	216,521	201,831	192,910	199,909
--	--	--	--	--	--
2,211	2,201	2,393	2,064	1,956	1,952
10,664	10,383	9,687	9,945	9,870	10,082
3,734	3,774	3,589	3,580	3,590	3,522
9,219	9,438	7,575	5,845	5,741	7,542
1,483	2,525	1,421	1,344	1,294	2,392
18	11	539	--	--	--
5,552	7,675	5,330	9,420	4,918	4,906
413	659	901	889	1,672	4,311
814	596	--	--	801	772
886	1,330	2,843	1,062	(1,456)	(2,926)
<u>381,789</u>	<u>375,647</u>	<u>364,142</u>	<u>348,320</u>	<u>332,201</u>	<u>339,887</u>
43,583	42,997	42,145	39,431	37,441	39,425
--	--	--	--	--	--
--	75	--	--	425	--
1,035	1,348	2,284	(3,912) *	(12,934) *	3,877
147	(911)	18	80	101	(680)
--	--	--	--	--	--
(886)	(1,330)	(2,843)	(1,062)	1,456	2,926
<u>43,879</u>	<u>42,179</u>	<u>41,604</u>	<u>34,537</u>	<u>26,489</u>	<u>45,548</u>
425,668	417,826	405,746	382,857	358,690	385,435
(7,001)	(24,354)	(20,429)	(29,017)	(17,116)	(14,571)
(42,379)	(16,713)	25,345	29,113	28,605	55,200
<u>\$ (49,380)</u>	<u>\$ (41,067)</u>	<u>\$ 4,916</u>	<u>\$ 96</u>	<u>\$ 11,489</u>	<u>\$ 40,629</u>

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

	<u>General Property Taxes</u>	<u>Gross Receipts Business Taxes</u>	<u>General Sales and Use Taxes</u>	<u>TIF District Taxes</u>	<u>Occupancy Taxes</u>	<u>Occu- pational Taxes</u>
2018	\$ 122,294	\$ 22,981	\$241,051	\$ 2	\$ 2,311	\$ 11,128
2017	119,187	23,275	247,571	--	2,218	11,173
2016	102,274	23,136	246,245	--	2,436	10,978
2015	99,623	23,910	231,488	--	2,410	10,656
2014	98,253	24,762	223,780	--	2,211	10,664
2013	94,352	23,093	219,609	--	2,201	10,383
2012	92,526	20,817	216,521	--	2,393	9,687
2011	89,006	23,334	201,831	--	2,064	9,945
2010	86,395	24,510	192,910	--	1,956	9,870
2009	85,243	22,181	199,909	--	1,952	10,082

Source: Audited Comprehensive Annual Financial Reports

<u>Insurance Premiums Taxes</u>	<u>Gaming Admissions Taxes</u>	<u>Interest and Penalties- Delinquent Taxes</u>	<u>Total</u>
\$ 4,318	\$ 8,952	\$ 1,474	\$ 414,511
4,156	10,366	1,680	419,626
3,992	9,979	1,339	400,379
3,917	9,850	1,468	383,322
3,734	9,219	1,483	374,106
3,774	9,438	2,525	365,375
3,589	7,575	1,421	354,529
3,580	5,845	1,344	336,949
3,590	5,741	1,294	326,266
3,522	7,542	2,392	332,823

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)
(UNAUDITED)

	FISCAL YEAR			
	2018	2017	2016	2015
General Fund (per GASB 54)*				
Nonspendable	\$ 806	\$ 738	\$ 726	\$ 657
Restricted	1,145	751	182	518
Committed	59,672	56,227	51,411	59,145
Assigned	26,694	30,717	30,195	28,346
Unassigned	5,663	9,964	12,922	13,138
General Fund (prior GASB 54)**				
Reserved	--	--	--	--
Unreserved	--	--	--	--
Total General Fund	<u>\$ 93,980</u>	<u>\$ 98,397</u>	<u>\$ 95,436</u>	<u>\$ 101,804</u>
All other governmental funds (per GASB 54)*				
Restricted	\$ 361,030	\$ 319,677	\$ 324,334	\$ 321,516
Committed	44,437	45,423	36,361	32,914
All other governmental funds (prior GASB 54)**				
Reserved	--	--	--	--
Unreserved, reported in:				
Special revenue funds	--	--	--	--
Capital projects fund	--	--	--	--
Total all other governmental funds	<u>\$ 405,467</u>	<u>\$ 365,100</u>	<u>\$ 360,695</u>	<u>\$ 354,430</u>

* With the implementation of GASB 54 in FY 2011, fund balances are reclassified as Nonspendable, Restricted, Committed, Assigned, and Unassigned.

** Prior to FY 2011 and GASB 54, fund balances were classified as Reserved or Unreserved according to GASB 34.

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR					
2014	2013	2012	2011	2010	2009
\$ 557	\$ 615	\$ 640	\$ 584	\$ --	\$ --
1,257	706	271	55	--	--
62,493	64,391	58,677	53,161	--	--
32,590	29,981	27,786	32,409	--	--
15,436	15,654	15,483	16,559	--	--
--	--	--	--	30,018	38,098
--	--	--	--	66,684	65,349
<u>\$ 112,333</u>	<u>\$ 111,347</u>	<u>\$ 102,857</u>	<u>\$ 102,768</u>	<u>\$ 96,702</u>	<u>\$ 103,447</u>
\$ 280,287	\$ 282,470	\$ 305,133	\$ 322,519	\$ --	\$ --
30,123	28,671	24,812	32,135	--	--
--	--	--	--	314,160	373,860
--	--	--	--	85,333	89,389
--	--	--	--	1,299	1,524
<u>\$ 310,410</u>	<u>\$ 311,141</u>	<u>\$ 329,945</u>	<u>\$ 354,654</u>	<u>\$ 400,792</u>	<u>\$ 464,773</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands)
(UNAUDITED)

	FISCAL YEAR			
	2018	2017	2016	2015
REVENUES				
Taxes	\$ 414,914	\$ 421,288	\$ 398,229	\$ 383,835
Licenses and permits	5,054	4,921	5,034	4,907
Intergovernmental	72,413	92,426	110,410	60,647
Charges for services	49,095	50,615	43,382	44,208
Fines and forfeits	1,818	1,945	2,331	2,121
Investment earnings	7,592	3,422	1,755	725
Miscellaneous revenues	8,642	8,388	8,166	8,548
Total revenues	<u>559,528</u>	<u>583,005</u>	<u>569,307</u>	<u>504,991</u>
EXPENDITURES				
Current:				
General government	70,544	69,098	76,089	76,855
Public safety	234,926	235,185	263,867	209,673
Transportation	47,736	46,288	43,420	37,486
Sanitation	--	--	--	--
Health and welfare	19,070	9,869	9,465	9,486
Culture and recreation	39,923	40,435	39,119	38,849
Conservation and development	42,463	43,139	42,200	40,441
Debt service:				
Principal retirement	18,253	18,147	19,529	17,866
Interest and fiscal charges	13,186	14,015	14,395	13,312
Other charges	135	--	--	1,082
Capital outlay	36,408	76,172	48,552	51,623
Intergovernmental	17,961	17,811	17,565	16,723
Total expenditures	<u>540,605</u>	<u>570,159</u>	<u>574,201</u>	<u>513,396</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,923</u>	<u>12,846</u>	<u>(4,894)</u>	<u>(8,405)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	31,684	20,143	35,832	26,366
Transfers out	(33,655)	(21,755)	(33,028)	(25,680)
Long-term debt proceeds	18,370	--	--	34,415
Refunding bonds issued	--	--	--	59,430
Premium on debt issuance	--	--	--	17,241
Sale of capital assets	628	272	1,987	107
Payments to refunded bond escrow agent	<u>--</u>	<u>--</u>	<u>--</u>	<u>(69,984)</u>
Total other financing sources and uses	<u>17,027</u>	<u>(1,340)</u>	<u>4,791</u>	<u>41,895</u>
Net change in fund balances	<u>\$ 35,950</u>	<u>\$ 11,506</u>	<u>\$ (103)</u>	<u>\$ 33,490</u>
Debt service as a percentage of noncapital expenditures	6.2%	6.5%	6.5%	6.8%

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR					
2014	2013	2012	2011	2010	2009
\$ 374,403	\$ 365,556	\$ 353,706	\$ 338,742	\$ 328,816	\$ 332,052
4,681	4,346	3,912	4,163	4,212	3,265
63,357	66,321	76,536	69,058	98,203	77,611
41,503	45,339	37,235	39,842	42,963	36,732
2,573	2,598	3,360	3,518	3,288	2,955
396	638	876	869	1,656	4,268
7,844	7,170	8,066	10,041	13,753	18,253
<u>494,757</u>	<u>491,968</u>	<u>483,691</u>	<u>466,233</u>	<u>492,891</u>	<u>475,136</u>
74,057	67,988	66,547	66,356	72,665	73,995
204,081	202,155	203,370	185,844	178,572	180,712
37,056	38,445	39,464	41,551	43,990	41,728
--	--	--	--	--	531
8,906	8,641	8,502	8,597	8,864	8,870
37,303	32,856	29,635	29,547	29,100	24,590
42,862	46,652	51,670	44,527	54,749	42,593
16,831	15,754	21,921	18,245	17,847	14,128
14,133	14,589	14,877	16,143	16,949	16,442
57	94	1,195	972	327	2,590
48,985	72,146	94,254	79,726	122,128	101,567
16,063	15,658	18,416	19,323	17,808	16,751
<u>500,334</u>	<u>514,978</u>	<u>549,851</u>	<u>510,831</u>	<u>562,999</u>	<u>524,497</u>
<u>(5,577)</u>	<u>(23,010)</u>	<u>(66,160)</u>	<u>(44,598)</u>	<u>(70,108)</u>	<u>(49,361)</u>
28,710	15,009	18,846	35,760	26,830	41,950
(27,820)	(13,679)	(16,002)	(34,698)	(28,253)	(44,869)
4,600	11,000	33,850	1,500	19,045	110,000
--	--	58,075	--	--	--
--	--	4,385	--	716	2,591
343	366	231	599	606	411
--	--	(57,845)	--	(19,562)	--
<u>5,833</u>	<u>12,696</u>	<u>41,540</u>	<u>3,161</u>	<u>(618)</u>	<u>110,083</u>
<u>\$ 256</u>	<u>\$ (10,314)</u>	<u>\$ (24,620)</u>	<u>\$ (41,437)</u>	<u>\$ (70,726)</u>	<u>\$ 60,722</u>
6.9%	6.9%	8.1%	8.0%	7.9%	7.2%

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

	General Property Taxes	Gross Receipts Business Taxes	General Sales and Use Taxes	TIF District Taxes	Occupancy Taxes	Occu- pational Taxes
2018	\$ 122,697	\$ 22,981	\$ 241,051	\$ 2	\$ 2,311	\$ 11,128
2017	120,849	23,275	247,571	--	2,218	11,173
2016	100,125	23,136	246,245	--	2,436	10,978
2015	100,137	23,910	231,488	--	2,410	10,656
2014	98,550	24,762	223,780	--	2,211	10,664
2013	94,516	23,093	219,626	--	2,201	10,383
2012	91,535	20,817	216,689	--	2,393	9,687
2011	90,578	23,334	202,051	--	2,064	9,945
2010	88,831	24,510	193,025	--	1,956	9,869
2009	84,305	22,181	200,077	--	1,952	10,082

Source: Audited Comprehensive Annual Financial Reports

Insurance Premiums Taxes	Gaming Admissions Taxes	Interest and Penalties- Delinquent Taxes	Total
\$ 4,318	\$ 8,952	\$ 1,474	\$ 414,914
4,156	10,366	1,680	421,288
3,992	9,979	1,339	398,230
3,917	9,850	1,467	383,835
3,734	9,219	1,483	374,403
3,774	9,438	2,525	365,556
3,589	7,575	1,421	353,706
3,580	5,845	1,345	338,742
3,590	5,741	1,294	328,816
3,521	7,542	2,392	332,052

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(amounts expressed in thousands)
(UNAUDITED)

EXHIBIT G - 7

<u>Year</u>	<u>Assessed Value</u>	<u>Less: Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value*</u>
<u>City of Baton Rouge</u>						
2018	\$ 2,031,877	\$ --	\$ 2,031,877	6.90	\$ 18,471,609	11.00 %
2017	2,028,576	--	2,028,576	6.90	18,441,600	11.00
2016	1,950,078	--	1,950,078	6.90	17,727,982	11.00
2015	1,911,391	--	1,911,391	7.12	17,376,282	11.00
2014	1,861,690	--	1,861,690	7.12	16,924,455	11.00
		--				
2013	1,795,308	--	1,795,308	7.12	16,320,982	11.00
2012	1,768,041	--	1,768,041	7.12	16,073,100	11.00
2011	1,675,472	--	1,675,472	7.42	15,231,564	11.00
2010	1,674,904	--	1,674,904	7.42	15,226,400	11.00
2009	1,649,392	--	1,649,392	7.42	14,994,473	11.00

Parish of East Baton Rouge

2018	\$ 4,955,735	\$ 739,933	\$ 4,215,802	3.32	\$ 45,052,136	11.00 %
2017	4,866,291	794,444	4,071,847	3.32	44,239,009	11.00
2016	4,646,527	759,618	3,886,909	3.32	42,241,155	11.00
2015	4,582,080	651,496	3,930,584	3.44	41,655,273	11.00
2014	4,503,354	588,697	3,914,657	3.44	40,939,582	11.00
2013	4,380,432	599,929	3,780,503	3.44	39,822,109	11.00
2012	4,256,056	612,898	3,643,158	3.44	38,691,418	11.00
2011	4,067,423	626,501	3,440,922	3.54	36,976,573	11.00
2010	4,005,089	588,830	3,416,259	3.54	36,409,900	11.00
2009	3,964,820	548,201	3,416,619	3.54	36,043,818	11.00

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

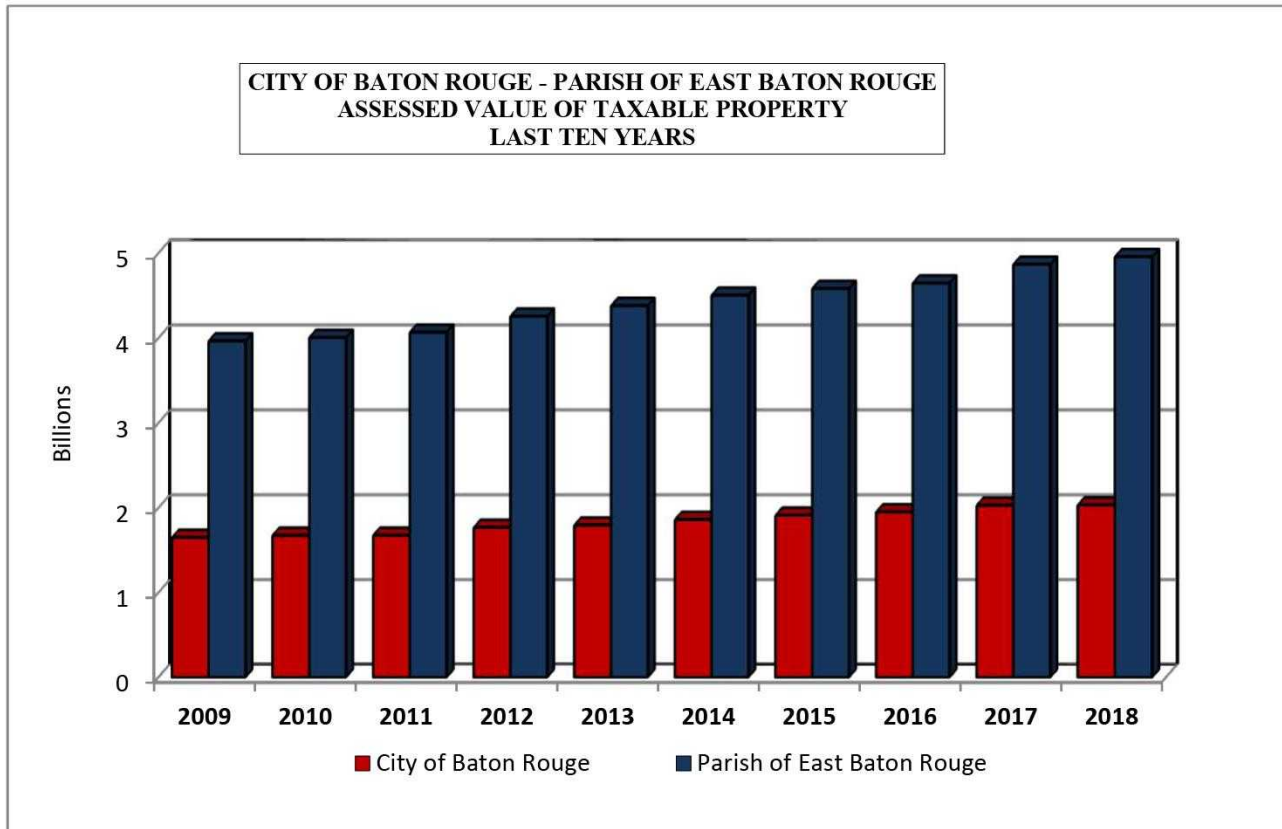
Residential Properties are assessed at 10% of fair market value' other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value
The overall assessed value is estimated to be 11%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

Source: East Baton Rouge Parish Assessor's Grand Recapulation of the Assessment Roll for the Parish of East Baton Rouge.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(UNAUDITED)**

EXHIBIT G - 7
(Continued)



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS (1)
LAST TEN YEARS
(UNAUDITED)

Year	City		Parish			
	Operating	Municipal Fire Salaries and Benefits	Operating	Debt Service (2)	Mosquito and Rodent Tax	East Baton Rouge Council on Aging
<u>TAX RATES (mills per dollar)</u>						
2018	6.90	6.00	3.32	--	2.12	2.25
2017	6.90	6.00	3.32	--	2.12	2.25
2016	6.90	6.00	3.32	--	1.41	--
2015	7.12	6.00	3.44	--	1.41	--
2014	7.12	6.00	3.44	--	1.41	--
2013	7.12	6.00	3.44	--	1.41	--
2012	7.12	6.00	3.44	--	1.41	--
2011	7.42	6.00	3.54	--	1.45	--
2010	7.42	6.00	3.54	--	1.45	--
2009	7.42	6.00	3.54	--	1.45	--

<u>TAX LEVIES</u>						
2018	\$ 14,019,953	\$ 11,851,754	\$ 16,453,040	\$ --	\$ 10,506,158	\$ 11,150,403
2017	13,997,176	11,827,998	16,156,087	--	10,316,537	10,949,155
2016	13,455,539	11,408,541	15,426,470	--	6,551,603	--
2015	13,609,103	11,176,431	15,762,356	--	6,460,733	--
2014	13,255,235	10,972,597	15,491,537	--	6,349,729	--
2013	12,782,590	10,769,906	15,068,687	--	6,176,409	--
2012	12,588,453	10,608,247	14,640,832	--	6,001,039	--
2011	12,432,005	10,052,834	14,398,676	--	5,897,763	--
2010	12,427,786	10,049,472	14,178,016	--	5,806,700	--
2009	12,238,488	9,896,402	14,035,463	--	5,748,304	--

The tax levies represent the original levy of the Assessor and include the homestead exemption amount.

All taxes are billed when assessment rolls are filed during the month of November of the current tax year. Taxes become delinquent on January 1 of the following year. Penalty for delinquent taxes is 15% per annum. No discounts are allowed for taxes, and there is no provision for partial payments.

Taxpayers who have not paid their taxes by January 2 of each year are notified by the Sheriff through registered mail that all taxes must be paid within 20 days from the date of notice. After expiration of the 20th day, the Sheriff shall sell the least quantity of property of any debtor which any bidder will buy for the amount of taxes, interest and costs due.

By agreement, the East Baton Rouge Parish Sheriff is the tax collector for City property taxes and receives a commission of 4.5% of total taxes collected for the City. The Sheriff, as provided by State Law, is the official tax collector of general property taxes levied by the Parish and Parish Special Districts.

Emergency Medical Services	Library Board of Control	School District	Recreation and Park	Law Enforcement District	Assessor's Salary and Expense Fund	Total
<u>TAX RATES (mills per dollar)</u>						
3.13	11.10	43.45	14.46	14.99	1.29	109.01
3.13	11.10	43.45	14.46	14.99	1.29	109.01
3.13	11.10	43.45	14.46	14.99	1.29	106.05
3.13	10.78	43.45	14.46	14.99	1.34	106.12
3.13	10.78	43.45	14.04	14.99	1.34	105.70
3.13	10.78	43.45	14.04	14.99	1.34	105.70
3.13	10.78	43.45	14.04	14.99	1.34	105.70
3.13	11.10	43.45	14.46	14.99	1.38	106.92
3.13	11.10	43.45	14.46	14.99	1.38	106.92
3.13	11.10	43.45	14.46	14.99	1.38	106.92

TAX LEVIES

\$ 15,511,450	\$ 55,008,657	\$ 187,911,174	\$ 71,674,793	\$ 74,286,465	\$ 6,392,898	\$ 474,766,745
15,231,492	54,015,833	185,690,729	70,381,170	72,945,706	6,277,516	467,789,399
14,543,630	51,576,450	178,553,748	67,202,720	69,651,440	5,994,020	434,364,161
14,341,912	49,394,826	175,282,745	66,270,628	68,685,384	6,139,988	427,124,106
14,095,497	48,546,154	172,553,638	63,218,080	67,505,273	6,034,494	418,022,234
13,710,753	47,221,059	168,092,732	61,492,507	65,662,678	5,869,779	406,847,100
13,321,455	45,880,282	163,119,091	59,746,512	63,798,277	5,703,115	395,407,303
12,731,033	45,148,390	156,255,861	58,827,132	60,970,664	5,613,043	382,327,401
12,535,916	44,456,394	154,151,395	57,924,991	60,036,218	5,527,001	377,093,889
12,409,879	44,009,402	152,687,297	57,342,564	59,432,583	5,471,431	373,271,813

- (1) Not included are the following: Consolidated Road Lighting District No. 1, St. George Fire Protection District, Chaneyville Fire Protection District, Alsen Fire Protection District, Brownsfield Fire Protection District No. 3, Central Fire Protection District No. 4, Eastside Fire Protection District No. 5, East Baton Rouge Parish Fire Protection District No. 6, Pride Fire District No. 8, Zachary Fire District No. 1, Downtown Development District, Pontchartrain Levee District, Comite Diversion Canal, City of Baker, City of Central, City of Zachary and BR Capital Area Transit System. These represent isolated areas that affect less than a majority of City-Parish residents.
- (2) Parishwide debt

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

EXHIBIT G - 9

Taxpayer	Type of Business	2018			2009		
		Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation	Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
ExxonMobil Corporation	Petroleum Products	\$319,130,330	1	6.44 %	\$288,278,520	1	7.27 %
Entergy, Inc.	Electric and Gas Utility	94,661,950	2	1.91	71,991,510	2	1.82
Georgia-Pacific Corporation	Pulp and Paper Products	90,615,950	3	1.83	56,013,540	4	1.41
J P Morgan/Chase	Bank	50,673,650	4	1.02	56,351,650	3	1.42
State Farm Insurance	Insurance	27,128,190	5	0.55	19,464,400	7	0.49
Genesis Marine	Import/Export Terminal	24,414,930	6	0.50	-		-
Capital One/Hibernia	Bank	21,986,380	7	0.44	-		-
Bellsouth Communications	Telephone Utility	19,398,140	8	0.39	44,345,940	5	1.12
Baton Rouge Water Company	Water Utility	17,209,010	9	0.35	16,400,880	10	0.41
Cox Communications	Cable Television	14,955,870	10	0.30	-		-
Wal-Mart	Retail Store	--		--	20,223,500	6	0.51
Formosa Plastics	Plastics Manufacturer	--		--	17,746,550	8	0.45
Maryland Marine	Public Utility (Watercraft)	--		--	17,541,110	9	0.44
		<u>\$680,174,400</u>		<u>13.73 %</u>	<u>\$608,357,600</u>		<u>15.34 %</u>

(1) Source: East Baton Rouge Parish Assessor's Office

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(UNAUDITED)

EXHIBIT G - 10

<u>Year</u>	<u>Total Tax Levy</u>	<u>Collections</u>	<u>Percent of Levy Collected</u>	<u>Prior Year Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>
<u>City of Baton Rouge</u>						
2018	\$ 14,019,953					
2017	13,997,176	\$ 13,774,929	98.41 %	\$ 187,824	\$ 13,962,753	99.75 %
2016	13,455,539	13,191,567	98.04	263,012	13,454,579	99.99
2015	13,609,103	13,439,133	98.75	133,983	13,573,116	99.74
2014	13,255,235	13,042,284	98.39	159,067	13,201,351	99.59
2013	12,782,590	12,624,364	98.76	142,536	12,766,900	99.88
2012	12,588,453	12,354,225	98.14	89,328	12,443,553	98.85
2011	12,432,005	12,372,584	99.52	88,846	12,461,430	100.24
2010	12,427,786	12,253,689	98.60	68,041	12,321,730	99.15
2009	12,238,488	12,045,618	98.42	114,192	12,159,810	99.36
<u>Parish of East Baton Rouge</u>						
2018	\$ 14,157,236					
2017	13,876,659	\$ 13,672,976	98.53 %	\$ 110,808	\$ 13,783,784	99.33 %
2016	13,177,704	12,920,330	98.05	133,893	13,054,223	99.06
2015	13,417,386	13,257,437	98.81	87,060	13,344,497	99.46
2014	13,156,222	12,957,191	98.49	84,151	13,041,342	99.13
2013	12,741,045	12,594,487	98.85	67,889	12,662,376	99.38
2012	12,310,364	12,107,642	98.35	50,208	12,157,850	98.76
2011	12,033,121	11,872,313	98.66	24,454	11,896,767	98.87
2010	11,819,400	11,628,549	98.39	36,387	11,664,936	98.69
2009	11,703,631	11,435,255	97.71	41,457	11,476,712	98.06

"Total Tax Levy" represents the taxpayer portion of the original levy of the Assessor and is the amount to be paid by the taxpayer. The amounts to be paid by the taxpayer are ultimately collected in full except for adjustments due to assessment errors or delayed homestead exemptions.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge.

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

EXHIBIT G - 11

	2% City-Parish General	2% City-Parish Dedicated to Economic Development	1/2 % Roads Improvement and Maintenance	1/2 % Sewerage Improvement and Maintenance	Total
2018	\$ 192,305	\$ 2,088	\$ 46,658	\$ 46,655	\$ 287,706
2017	197,523	2,126	47,921	47,924	295,494
2016	196,799	1,882	47,564	47,563	293,808
2015	185,021	1,674	44,793	44,791	276,279
2014	179,144	1,053	43,582	43,582	267,361
2013	176,475	154	42,997	42,997	262,623
2012	174,430	114	42,145	42,145	258,834
2011	162,488	132	39,431	39,431	241,482
2010	155,467	118	37,439	37,439	230,463
2009	160,524	129	39,424	39,424	239,501

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, 2018.

Entity/Area	Parish	School Board Operating	School Board Capital Improvement	Municipal	State	Total
East Baton Rouge	3.00%	1.00%	1.00%	-	4.45%	9.45%
Baton Rouge	1.00%	1.00%	1.00%	2.00%	4.45%	9.45%
Baker	1.00%	2.00%	-	2.50%	4.45%	9.95%
Zachary	1.00%	1.00%	1.00%	2.00%	4.45%	9.45%
Central	1.00%	1.00%	1.50%	2.00%	4.45%	9.95%



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
TAXABLE SALES BY CATEGORY - GENERAL SALES AND USE TAX
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands)
(UNAUDITED)

North American Industry Classification	FISCAL YEAR			
	2018	2017	2016	2015
Agriculture, Forestry, and Fishing	\$ 960	\$ 1,949	\$ 1,954	\$ 1,850
Mining	2,881	974	1,954	1,850
Construction	197,815	155,892	155,379	140,606
Manufacturing	894,007	855,457	843,345	843,637
Transportation and Public Utilities	40,331	52,614	46,907	49,027
Wholesale Trade	482,053	435,523	420,207	405,168
Other Retail Trade	4,439,305	4,555,944	4,483,508	4,237,608
Vehicle	729,801	826,228	1,008,496	796,459
Food Stores	575,199	562,186	563,859	555,024
Finance, Insurance, and Real Estate	270,795	278,657	281,441	299,713
Services	<u>1,969,503</u>	<u>2,017,826</u>	<u>1,965,200</u>	<u>1,919,458</u>
Total	<u>\$ 9,602,650</u>	<u>\$ 9,743,250</u>	<u>\$ 9,772,250</u>	<u>\$ 9,250,400</u>

Source: City-Parish Finance Revenue Division
Collector of EBR Parish-wide Sales & Use Taxes
Based on 2% general sales and use tax with no exemptions for food and drugs.

FISCAL YEAR					
2014	2013	2012	2011	2010	2009
\$ 1,800	\$ 1,750	\$ 1,729	\$ 1,627	\$ 1,565	\$ 2,182
--	875	--	814	3,129	818
148,517	156,627	154,729	155,418	133,783	133,890
830,797	866,260	934,427	805,568	724,461	941,631
36,004	38,500	42,356	52,077	43,030	51,560
416,749	389,379	366,510	351,521	332,501	348,700
4,105,379	4,003,171	3,969,371	3,876,491	3,599,615	3,865,624
760,589	725,383	644,850	580,985	836,337	533,427
542,763	500,506	482,341	444,283	483,495	514,500
298,835	252,003	267,967	225,396	218,277	254,056
<u>1,859,617</u>	<u>1,815,646</u>	<u>1,779,820</u>	<u>1,642,870</u>	<u>1,447,357</u>	<u>1,450,666</u>
<u>\$ 9,001,050</u>	<u>\$ 8,750,100</u>	<u>\$ 8,644,100</u>	<u>\$ 8,137,050</u>	<u>\$ 7,823,550</u>	<u>\$ 8,097,054</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)
(UNAUDITED)

Year	Governmental Activities				Business - Type Activities	
	Limited Tax Obligation Bonds	Excess Revenue Contracts Loans and Notes	Revenue Bonds	Capital Leases	Excess Revenue Contracts Loans and Notes	Revenue Bonds
2018	\$ 370	\$ 95,832	\$ 208,048	\$ --	\$ 428,545	\$ 1,043,501
2017	--	102,099	203,690	--	429,300	1,029,380
2016	--	108,366	217,322	--	431,051	1,037,995
2015	--	114,511	232,165	--	431,757	1,031,195
2014	--	84,712	229,662	--	433,404	1,029,618
2013	--	89,263	237,762	--	225,976	995,995
2012	--	93,712	238,490	--	12,083	1,007,089
2011	--	59,929	249,604	--	2,291	1,018,218
2010	--	60,514	261,990	--	2,679	837,562
2009	--	62,371	271,490	--	3,551	471,359

Source:

- (1) Long-term debt note disclosures, Audited Comprehensive Annual Financial Reports. See Note 10.
- (2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(1) Total Primary Government	(2) Percentage of Personal Income	(2) (in dollars) Debt Per Capita
\$ 1,776,296	7.70%	\$ 4,028
1,764,469	8.11%	3,954
1,794,734	8.87%	4,015
1,809,628	8.83%	4,051
1,777,396	9.24%	3,985
1,548,996	7.94%	3,479
1,351,374	7.09%	3,040
1,330,042	7.39%	3,013
1,162,745	6.58%	2,637
808,771	4.65%	1,861

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)
(UNAUDITED)

EXHIBIT G - 14

Year	Limited Tax Obligation Bonds (5)	Excess Revenue Contracts Loans and Notes (1)	Less: Amount Available In Debt Service Fund (4)	Total	Percentage of Estimated Actual Value of Property (2)	<i>(in dollars)</i> Debt Per Capita (3)
2018	\$370	\$95,832	\$ --	\$96,202	0.52%	\$218
2017	--	102,099	--	102,099	0.55%	229
2016	--	108,366	--	108,366	0.61%	242
2015	--	114,511	--	114,511	0.66%	256
2014	--	84,712	--	84,712	0.50%	190
2013	--	89,263	--	89,263	0.55%	200
2012	--	93,712	--	93,712	0.58%	211
2011	--	59,929	--	59,929	0.39%	136
2010	--	60,514	--	60,514	0.40%	137
2009	--	62,371	--	62,371	0.42%	143

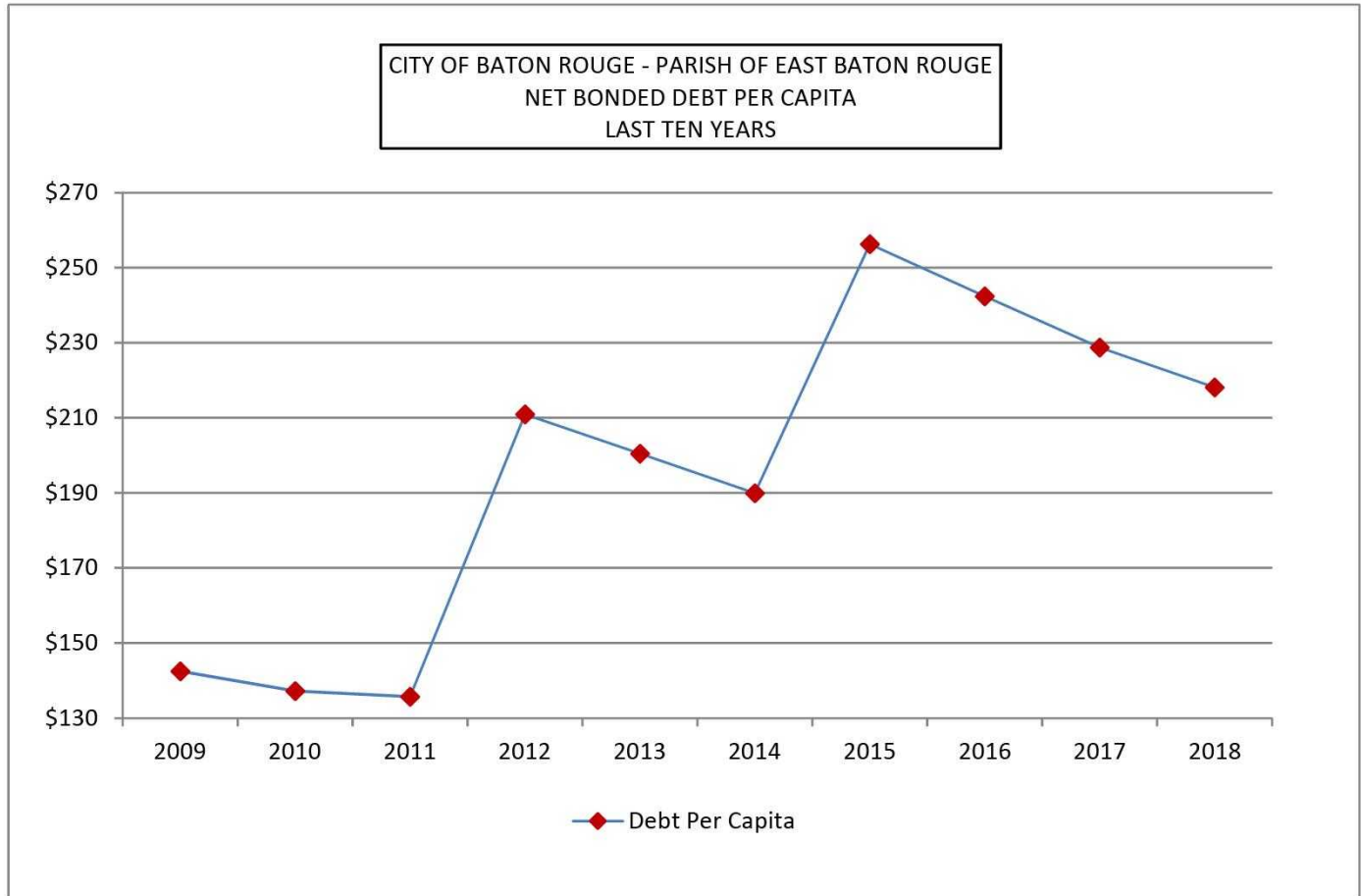
Note: Details regarding outstanding debt can be found in the notes to the financial statements (Note 10).

- (1) Excess revenue contracts, loans and notes of governmental activities.
- (2) See the Schedule of Assessed and Estimated Actual Value of Taxable Property.
- (3) Population data can be found in the Schedule of Demographic and Economic Statistics.
- (4) There is no general reserve fund requirement for excess revenue bonds in the State of Louisiana.
- (5) Limited Tax Obligation Bonds of governmental activities.

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)
 (UNAUDITED)

EXHIBIT G - 14
 (Continued)



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2018
(UNAUDITED)**

EXHIBIT G - 15

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to Primary Government</u>
<u>Overlapping Debt:</u>			
Baton Rouge Recreation and Park Commission	\$ 28,995,000	100.00%	\$ 28,995,000
Central Community School System	33,705,000	5.00%	1,685,250
City of Zachary	21,201,287	1.00%	212,013
East Baton Rouge Parish School System	22,276,497	88.00%	19,603,317
Hospital Service District No. 1 (Lane Memorial Hospital)	18,050,000	100.00%	18,050,000
Nineteenth Judicial District Court	94,545,000	100.00%	94,545,000
Zachary Community School Board	90,166,712	6.00%	<u>5,410,003</u>
Total overlapping debt			168,500,583
City of Baton Rouge/Parish of EBR direct debt			<u>304,249,204</u>
Total direct and overlapping debt			<u><u>\$ 472,749,787</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the East Baton Rouge Parish Assessor.
Debt outstanding provided by staff of the separate governmental organizations and their audited financial statements.

Net Overlapping Debt is computed to demonstrate the total property tax burden on the taxpayers within the reporting governments' geographic jurisdiction and the total debt that their property taxes will be expected to repay.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Municipalities taxable assessed value that is within the Parish's boundaries and dividing it by the Parish's total taxable assessed value.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
LEGAL DEBT MARGIN CALCULATION
GENERAL OBLIGATION DEBT
LAST TEN YEARS
(UNAUDITED)

EXHIBIT G - 16

CITY OF BATON ROUGE					
Year	Any One Purpose	Sewerage Purposes	Aggregate All Purposes	Debt Outstanding	Legal Debt Margin
2018	\$203,187,731	\$304,781,597	\$711,157,059	\$ --	\$711,157,059
2017	202,857,630	304,286,445	710,001,706	--	710,001,706
2016	195,007,813	292,511,719	682,527,345	--	682,527,345
2015	191,139,089	286,708,633	668,986,810	--	668,986,810
2014	186,169,031	279,253,547	651,591,609	--	651,591,609
2013	179,530,760	269,296,141	628,357,661	--	628,357,661
2012	176,804,116	265,206,174	618,814,406	--	618,814,406
2011	167,547,232	251,320,848	586,415,312	--	586,415,312
2010	167,490,381	251,235,572	586,216,334	--	586,216,334
2009	164,939,185	247,408,777	577,287,147	--	577,287,147
PARISH OF EAST BATON ROUGE					
Year	Any One Purpose	Sewerage Purposes	Aggregate All Purposes	Debt Outstanding	Legal Debt Margin
2018	\$495,573,483	\$743,360,225	no limit	\$ --	\$743,360,225
2017	486,629,124	729,943,686	no limit	--	729,943,686
2016	464,652,700	696,979,050	no limit	--	696,979,050
2015	458,208,035	687,312,053	no limit	--	687,312,053
2014	450,335,379	675,503,069	no limit	--	675,503,069
2013	438,043,217	657,064,825	no limit	--	657,064,825
2012	425,605,585	638,408,377	no limit	--	638,408,377
2011	406,742,254	610,113,381	no limit	--	610,113,381
2010	400,508,930	600,763,395	no limit	--	600,763,395
2009	396,481,999	594,722,999	no limit	--	594,722,999

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY OF REVENUE BOND COVERAGE
LAST TEN YEARS
(UNAUDITED)

EXHIBIT G - 17

SCHEDULE A - CITY SALES TAX (2%)

<u>Year</u>	<u>Gross Revenue (3)</u>	<u>Expenses (4)</u>	<u>Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest (1)</u>	<u>Total</u>	
2018	\$ 108,487,127	\$ --	\$ 108,487,127	\$ 3,380,000	\$ 2,804,695	\$ 6,184,695	17.54
2017	111,616,795	--	111,616,795	3,590,000	2,941,460	6,531,460	17.09
2016	109,938,263	--	109,938,263	5,285,000	2,740,156	8,025,156	13.70
2015	104,103,683	--	104,103,683	5,525,000	3,494,067	9,019,067	11.54
2014	97,843,371	--	97,843,371	5,275,000	3,727,284	9,002,284	10.87
2013	93,493,918	--	93,493,918	5,060,000	3,922,851	8,982,851	10.41
2012	90,799,213	--	90,799,213	11,530,000	4,463,711	15,993,711	5.68
2011	87,494,793	--	87,494,793	10,270,000	4,861,233	15,131,233	5.78
2010	85,137,892	--	85,137,892	10,260,000	5,605,661	15,865,661	5.37
2009	87,038,718	--	87,038,718	9,740,000	5,951,439	15,691,439	5.55

SCHEDULE B - PARISH SALES TAX (2%)

<u>Year</u>	<u>Gross Revenue (3)</u>	<u>Expenses (4)</u>	<u>Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest (1)</u>	<u>Total</u>	
2018	\$ 83,845,965	\$ --	\$ 83,845,965	\$ 1,005,000	\$ 256,961	\$ 1,261,961	66.44
2017	85,933,027	--	85,933,027	970,000	276,059	1,246,059	68.96
2016	86,891,134	--	86,891,134	935,000	296,403	1,231,403	70.56
2015	80,939,830	--	80,939,830	905,000	316,048	1,221,048	66.29
2014	81,322,908	--	81,322,908	525,000	266,855	791,855	102.70
2013	82,987,383	--	82,987,383	--	--	--	--
2012	83,663,827	--	83,663,827	--	--	--	-- (9)
2011	75,032,120	--	75,032,120	--	--	--	-- (9)
2010	70,524,675	--	70,524,675	--	--	--	-- (9)
2009	73,640,958	--	73,640,958	--	--	--	-- (9)

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY OF REVENUE BOND COVERAGE
LAST TEN YEARS
(UNAUDITED)

EXHIBIT G - 17
(Continued)

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

<u>Year</u>	<u>Gross Revenue (5)</u>	<u>Expenses (2)</u>	<u>Available for Debt Service</u>	<u>Total Senior Lien Debt Service (6)</u>	<u>Senior Lien Coverage</u>	<u>Total Sub Lien Debt Service</u>	<u>Sub Lien Coverage (11)</u>
2018	\$ 31,716,040	\$ 301,720	\$ 31,414,320	\$ 18,541,164	1.69	\$ 5,786,256	1.29
2017	31,602,182	281,327	31,320,855	18,304,145	1.71	5,757,106	1.30
2016	30,802,061	282,399	30,519,662	17,737,753	1.72	5,758,756	1.30
2015	29,126,895	249,575	28,877,320	17,052,382	1.69	3,147,517	1.43
2014	28,320,339	255,767	28,064,572	17,807,013	1.58	2,626,506	1.37
2013	28,149,513	274,249	27,875,264	18,018,977	1.55	2,629,156	1.35
2012	27,680,742	245,166	27,435,576	17,991,217	1.52	2,189,898	1.36
2011	25,902,059	274,698	25,627,361	18,070,793	1.42	--	--
2010	24,662,586	231,255	24,431,331	17,792,521	1.37	--	--
2009	27,045,372	--	27,045,372	13,947,352	1.94	--	--

SCHEDULE D - EAST BATON ROUGE SEWERAGE COMMISSION

<u>Year</u>	<u>Gross Revenue (7)</u>	<u>Expenses (8)</u>	<u>Available for Debt Service</u>	<u>Total Senior Lien Debt Service (10)</u>	<u>Senior Lien Coverage</u>	<u>Total Sub Lien Debt Service</u>	<u>Sub Lien Coverage</u>
2018	\$ 142,236,294	\$ 49,035,973	\$ 93,200,321	\$ 50,601,659	1.84	\$ 21,081,993	1.30
2017	139,473,125	45,513,710	93,959,415	49,969,382	1.88	15,947,731	1.43
2016	129,552,440	44,387,591	85,164,849	47,454,341	1.79	10,680,326	1.46
2015	123,941,562	40,419,170	83,522,392	43,356,611	1.93	5,172,899	1.72
2014	119,056,182	38,507,830	80,548,352	54,988,340	1.46	5,147,212	1.34
2013	115,113,327	38,233,744	76,879,583	54,483,549	1.41	575,720	1.40
2012	112,655,153	36,840,298	75,814,855	53,731,684	1.41	--	--
2011	104,462,337	38,414,107	66,048,230	40,157,122	1.64	--	--
2010	100,325,918	35,992,997	64,332,921	23,542,882	2.73	--	--
2009	100,957,375	36,691,655	64,265,720	14,398,273	4.46	--	--

- (1) Fiscal charges included
- (2) Total sales tax collection costs
- (3) Total general sales and use taxes in the general and debt service funds plus interest earnings on sales tax revenues in the City and Parish Sales Tax Bonds Debt Service Funds and operating transfers in
- (4) Refunding bond issuance costs
- (5) Total general sales and use taxes in the Road and Street Improvement capital projects and debt service funds interest earnings and SWAP related revenue - Road and Street pledged revenues
- (6) Includes liquidity fees, remarketing fees and transactions associated with the SWAP on the variable rate bonds
- (7) Total operating revenues plus interest earnings on these revenues, Sewer Sales Tax Revenues pledged from the Parish
- (8) Total operating expenses less depreciation, sales tax collection costs, change in net OPEB obligation, and net pension liability.
- (9) There were no outstanding Parish 2% Sales Tax Bonds.
- (10) Debt service calculations are done on a cash basis rather than the accrual basis used in preparation of the financial statements and include a reduction for Build America Bond direct subsidy payments received.
- (11) These Bonds are secured on a junior and subordinate lien basis by the Road and Street pledged revenues. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish as defined in the Bond documents.

The City-Parish is in compliance with all legal debt covenants at December 31, 2018.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(UNAUDITED)

EXHIBIT G - 18

Year	Popu- lation (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (1)	Public School Enrollment (3)	EBR Parish Unemploy- ment Rate (4)	Labor Market Area Unemploy- ment Rate (5)
2018	440,956	23,059,353,064 (6)	52,294 (6)	32.9 (6)	52,698	4.3	4.4
2017	446,268	21,764,720,000	48,771	33.8	52,306	4.4	4.5
2016	447,037	20,227,581,000	45,248	33.3	52,540	5.1	5.2
2015	446,753	20,499,964,000	45,887	33.6	53,602	5.4	5.5
2014	446,042	19,227,032,000	43,106	33.3	54,055	5.7	5.8
2013	445,227	19,518,293,000	43,839	33.0	53,881	6.2	6.2
2012	444,526	19,047,316,000	42,849	32.7	54,439	6.7	6.8
2011	441,438	18,004,796,000	40,787	32.7	53,981	7.2	7.4
2010	440,909	17,660,971,000	40,056	32.6	53,790	7.1	7.4
2009	434,633	17,396,917,000	40,027	31.0	52,671	6.0	6.2

Source: All information is parish-wide.

- (1) Estimate - U.S. Census
- (2) Estimates - Bureau of Economic Analysis, Regional Economic Accounts
- (3) Louisiana Department of Education
- (4) U.S. Department of Labor, Bureau of Labor Statistics (Estimated figures 2018) average annual unemployment rate, not seasonally adjusted. Figures for East Baton Rouge Parish only.
- (5) U.S. Department of Labor, Bureau of Labor Statistics (Estimated figures 2018) average annual unemployment rate, not seasonally adjusted. Figures for Baton Rouge Metropolitan Statistical Area (MSA).
- (6) Finance Department Estimate

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

EXHIBIT G - 19

<u>Employer</u>	<u>2018 *</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Parish Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Parish Employment</u>
Louisiana State Government	24,664	1	9.57 %	31,427	1	13.33 %
Turner Industries	9,875	2	3.83	9,670	2	4.10
Louisiana State University	6,250	3	2.42	5,600	4	2.37
East Baton Rouge Parish School System	6,062	4	2.35	6,406	3	2.72
Performance Contractors	5,500	5	2.13	3,500	9	1.48
Our Lady of the Lake Regional Medical Center	4,500	6	1.75	4,009	8	1.70
City-Parish Government	4,299	7	1.67	4,597	5	1.95
ExxonMobil Corporation	4,214	8	1.63	4,275	6	1.81
Baton Rouge General Medical Center	4,000	9	1.55	3,000	10	1.27
Parish Water Company	3,196	10	1.24	--		--
The Shaw Group	--		--	4,243	7	1.80
	<u>72,560</u>		<u>28.14 %</u>	<u>76,727</u>		<u>32.53 %</u>

* Source 2018: Baton Rouge Area Chamber estimates
Louisiana Department of State Civil Service
East Baton Rouge Parish School System
Estimates - U.S. Bureau of Census (mid-year estimate)
Estimates - U.S. Bureau of Labor Statistics (Annual average data)

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

	Full-time Equivalent Employees Allotted in Annual Budget			
	2018	2017	2016	2015
<u>GENERAL FUND:</u>				
Building & Grounds (1)	100.00	100.00	106.00	106.00
Business Operations & Capital Programs (1)	36.00	36.00	36.00	36.00
City Constable	40.00	40.00	40.00	40.00
City Court and City Court Judicial	154.65	154.63	155.63	155.63
Community Centers	21.30	21.30	20.55	20.55
Metropolitan Council and Administration	41.00	41.00	41.00	41.00
Emergency Preparedness	7.00	7.00	7.00	7.00
Development (1)	108.00	108.00	108.00	109.00
EMS - Prison Medical Services	--	--	36.00	36.00
Finance	120.00	121.00	121.00	121.00
Fire - (City Fire Department Only)	610.00	610.00	610.00	610.00
Human Development & Services	7.62	7.62	8.12	8.37
Human Resources	38.00	38.00	38.00	38.00
Information Services	57.00	57.00	57.00	47.00
Juvenile Services	84.00	84.00	84.00	84.00
Maintenance (1)	289.00	289.00	319.00	319.00
Mayor-President	15.00	16.00	16.00	16.00
Municipal Fire & Police Civil Service	1.00	1.00	1.00	1.00
Parish Attorney	86.50	95.50	95.50	95.50
Planning Commission	24.00	24.00	24.00	27.00
Police (City Police Only)	883.00	883.00	881.00	886.00
Public Information Office	3.00	3.00	3.00	3.00
Public Works (1)	--	--	--	--
Purchasing	13.00	13.00	13.00	13.00
Transportation & Drainage (1)	107.00	107.00	110.00	111.00
TOTAL GENERAL FUND	2,846.07	2,857.05	2,930.80	2,931.05
<u>SPECIAL FUNDS:</u>				
Major Funds:				
Library Board of Control Fund	412.50	403.75	402.25	401.75
Grants Fund	331.57	331.57	357.07	367.82
Comprehensive Sewerage System Fund	282.20	293.20	315.20	318.20
G. B. R. Airport District Fund	81.00	81.00	81.00	81.00
Solid Waste Collection Fund	6.00	6.00	6.00	6.00
Solid Waste Disposal Facility	20.80	20.80	20.80	20.80
Non-Major Funds:				
Animal Control and Rescue Center	22.00	22.00	22.00	22.00
Central Garage	45.00	45.00	45.00	45.00
City Constable Court Costs Fund	5.00	5.00	5.00	5.00
City Court Sobriety Court (2)	1.00	1.00	1.00	1.00
Downtown Development District	5.00	5.00	5.00	5.00
Emergency Medical Services	169.00	169.00	169.00	170.00
Employees' Retirement System	12.00	13.00	13.00	13.00
E.B.R. Parish Communications District	52.00	52.00	52.00	52.00
Gaming Enforcement Division	2.50	2.50	2.50	2.50
G. B. R. Parking Authority	9.00	--	9.00	9.00
Mosquito Abatement and Rodent Control	37.00	37.00	37.00	37.00
Parish Street Maintenance	3.00	3.00	3.00	3.00
TOTAL SPECIAL FUNDS	1,496.57	1,490.82	1,545.82	1,560.07
TOTAL ALL FUNDS	4,342.64	4,347.87	4,476.62	4,491.12

- (1) Public Works was divided into multiple new departments in 2015 and all positions were allocated to each new department (Building & Grounds, Business Operations & Capital Programs, Development, Maintenance, and Transportation & Drainage)
- (2) The City Court Sobriety Court Fund was established pursuant to the provisions of R.S. 13:1894.2 passed by Act 810 of the 2014 Legislative Session, which became effective August 1, 2014.

Full-time Equivalent Employees Allotted in Annual Budget

2014	2013	2012	2011	2010	2009
--	--	--	--	--	--
--	--	--	--	--	--
40.00	40.00	40.00	40.00	40.00	40.00
156.63	156.63	156.63	157.63	157.63	157.63
20.55	20.55	20.55	20.55	20.55	20.55
41.00	41.00	41.00	41.00	41.00	41.00
7.00	6.00	6.00	5.00	5.00	5.00
--	--	--	--	--	--
36.00	36.00	36.00	36.00	36.00	35.00
121.00	121.00	125.00	125.00	125.00	125.00
610.00	610.00	610.00	610.00	610.00	610.00
8.62	8.62	8.62	8.75	8.75	8.75
38.00	38.00	38.00	38.00	38.00	39.00
47.00	45.00	45.00	45.00	45.00	44.00
84.00	84.00	84.00	84.00	84.00	84.00
--	--	--	--	--	--
16.00	15.00	15.00	15.00	15.00	16.00
1.00	1.00	1.00	1.00	1.00	1.00
96.50	96.50	95.50	95.50	95.00	94.50
27.00	27.00	27.00	27.00	27.00	27.00
886.00	886.00	886.00	886.00	886.00	886.00
3.00	3.00	3.00	3.00	3.00	3.00
681.00	691.00	691.00	692.00	692.00	697.40
13.00	13.00	13.00	13.00	13.00	13.00
--	--	--	--	--	--
<u>2,933.30</u>	<u>2,939.30</u>	<u>2,942.30</u>	<u>2,943.43</u>	<u>2,942.93</u>	<u>2,947.83</u>
400.75	388.00	379.75	335.00	335.00	319.25
377.57	377.57	382.82	401.77	407.23	375.48
327.40	326.40	326.40	326.40	326.40	328.20
81.00	80.00	82.00	84.00	84.00	93.00
6.00	6.00	6.00	6.00	6.00	6.00
22.60	22.60	22.60	22.60	22.60	15.40
22.00	22.00	22.00	22.00	32.00	31.00
45.00	45.00	45.00	45.00	45.00	45.00
5.00	5.00	5.00	5.00	5.00	5.00
--	--	--	--	--	--
5.00	4.00	4.00	4.00	4.00	4.00
170.00	170.00	166.00	166.00	166.00	165.00
13.00	12.00	12.00	12.00	12.00	12.00
52.00	51.00	47.00	47.00	47.00	47.00
2.50	2.50	2.50	2.50	2.00	2.00
9.00	9.00	9.00	9.00	9.00	9.00
33.00	33.00	33.00	33.00	33.00	31.00
3.00	3.00	3.00	3.00	3.00	3.00
<u>1,574.82</u>	<u>1,557.07</u>	<u>1,548.07</u>	<u>1,524.27</u>	<u>1,539.23</u>	<u>1,491.33</u>
<u>4,508.12</u>	<u>4,496.37</u>	<u>4,490.37</u>	<u>4,467.70</u>	<u>4,482.16</u>	<u>4,439.16</u>

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

	FISCAL YEAR			
	2018	2017	2016	2015
Function:				
Public Safety:				
Police				
Physical arrests	11,761	12,829	13,320	15,244
Parking violations	7,066	6,613	5,507	5,471
Traffic violations (1)	23,553	33,198	43,186	49,630
Fire				
Number of responses	35,529	33,157	33,157	32,769
Inspections	21,355	21,241	21,241	19,883
Emergency Medical Services				
Number of emergency responses	63,292	62,749	62,067	59,627
Number of patient transports	35,911	36,001	36,819	35,663
Communications district				
Number of 911 calls (in thousands)	332,318	355,343	450,431	432,119
Transportation:				
Parish street maintenance program				
Number of miles of new streets	0	125	126	1
Rehab streets and roads	17	16	14	14
Number of potholes repaired	2,327	2,567	1,164	1,620
Airport				
Number of enplanements	401,558	386,987	373,069	378,772
Sanitation:				
Wastewater				
Average daily sewerage treatment (millions of gallons)	24,372	24,997	26,591	24,546
Solid Waste Disposal				
Average daily tonnage accepted at Landfill (2)	1,703	1,652	1,548	1,428
Administration Office and Boards				
Construction Permits				
Total Number of Permits issued	25,859	24,937	28,651	24,553
Total Valuation	866,640,251	994,503,563	902,656,342	776,909,600
Culture-Recreation				
Libraries				
Total registered borrowers	251,578	296,417	294,505	373,481
Total items circulated	2,972,067	2,924,461	2,729,254	2,761,471
Total reference questions answered	1,020,679	1,003,595	847,860	1,007,100
New branch libraries opened	0	0 (5)	0	0

Notes:

- (1) Moving violations only
- (2) Tonnage without recycling. No adjustment for unscheduled closings of the landfill.
- (3) Projected from data thru Nov 2010. 25,614 adults, 2,500 juveniles
- (4) New Main Library at Goodwood is not included
- (5) Greenwell Springs Library reopening not included

FISCAL YEAR					
2014	2013	2012	2011	2010	2009
15,620	16,458	20,913	25,829	28,114 (3)	27,158
3,176	7,662	14,442	20,424	19,554	19,759
66,453	72,562	65,200	87,643	75,677	87,509
31,384	29,434	30,097	29,869	29,939	28,723
20,216	20,558	16,254	18,885	15,174	15,689
55,946	51,875	52,689	51,467	49,184	48,490
33,865	31,095	31,170	30,720	29,712	28,081
457,870	416,231	387,583	385,970	340,000	353,169
6	1	1	3	0	2
17	22	25	19	25	17
1,173	1,337	1,457	1,666	1,731	2,707
394,772	407,235	413,873	404,735	390,847	356,140
24,978	25,158	23,696	22,819	23,211	23,603
1,337	1,243	1,457	1,491	1,526	1,562
22,985	22,569	21,698	21,759	22,565	21,649
794,214,720	679,202,454	603,507,068	729,876,485	710,536,043	375,597,425
346,363	325,303	304,431	425,540	410,109	393,812
2,563,226	2,434,723	2,338,802	2,340,208	2,392,827	2,284,918
898,255	885,764	868,222	971,205	879,514	811,166
0 (4)	1	0	0	0	0

Sources:

City only:

Baton Rouge Police Department - Crime Stat & Traffic Records

Baton Rouge Fire Department

Parish-wide:

EBR Parish Emergency Medical Services

EBR Parish Communications District

City-Parish Public Works

GBR Airport District

EBR Parish Library

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Major Programs	FISCAL YEAR			
	2018	2017	2016	2015
General Government				
Number of general government buildings	7	10	10	10
Public Safety				
Number of police stations	5	5	5	5
Police patrol units	762	753	632	520
Number of fire stations	19	19	19	19
Fire trucks	41	41	41	41
Number of EMS stations	11	13	13	13
Ambulances	25	25	24	25
Correction facilities	2	2	2	2
Transportation				
Miles of streets	2,184	2,076	1,997	1,956 (1)
Number of streetlights	36,027	36,019	35,423	34,523
Number of traffic signals	505	505	502	499
Sanitation				
Miles of sanitary sewers	2,087	2,161	2,036 (1)	1,786
Miles of storm sewers	142	117	580 (1)	105
Culture and Recreation				
Number of library branches	14	14	14	14
Number of community centers	5	6	6	6
Conservation and Development				
Number of Headstart centers	7	7	7	7
Health and Welfare				
Number of Health and Welfare buildings	7	7	7	7

(1) Beginning in 2015, the Geographic Information System (GIS) was utilized to determine the total miles of streets, miles of sanitary sewers and storm (drainage) sewers.

Sources:

City only:

Baton Rouge Fire Department

Parish-wide:

EBR Parish Emergency Medical Services

EBR Parish Communications District

City-Parish Public Works

EBR Parish Library

City Parish Capital Asset Records

FISCAL YEAR					
2014	2013	2012	2011	2010	2009
10	10	10	10	10	10
5	5	5	5	5	5
536	509	513	511	467	467
19	19	19	19	19	19
41	41	41	41	41	41
12	13	13	13	12	12
23	21	21	21	21	21
2	2	2	2	2	2
1,783	1,775	1,774	1,772	1,771	1,771
35,200	35,136	35,134	35,006	34,725	34,725
499	489	489	482	472	472
1,784	1,783	1,781	1,780	1,778	1,778
104	103	102	100	98	98
14	14	13	13	13	13
6	6	6	6	6	6
7	7	7	7	7	7
7	7	7	7	7	7



CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
REPORTS ON COMPLIANCE AND INTERNAL CONTROL
DECEMBER 31, 2018



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City-Parish's basic financial statements and have issued our report thereon dated June 26, 2019. Our report includes a reference to other auditors who audited the financial statements of certain discretely presented component units, as described in our report on the City-Parish's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies identified as items 2018-002 and 2018-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City-Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs within items 2018-001, and 2018-002.

City-Parish's Response to Findings

The City-Parish's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City-Parish's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

Postlethwaite + Nettlesville

Baton Rouge, Louisiana
June 26, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Baton Rouge and Parish of East Baton Rouge's (the City-Parish) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City-Parish's major federal programs for the year ended December 31, 2018. The City-Parish's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City-Parish's basic financial statements include the operations of the District Attorney of the Nineteenth Judicial District (the District Attorney), the Capital Area Transit System (the Transit System), and the East Baton Rouge Redevelopment Authority (the Authority), which received \$1,648,655, \$6,405,224, and \$3,921,896, respectively, of federal awards during their most recent respective fiscal years ending during 2018, which is not included in the accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2018. Our audit, described below, does not include the federal award activity of the District Attorney, the Transit System, or the Authority because the component units of the City-Parish separately engaged those audits in accordance with the Uniform Guidance.

Management's Responsibility

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

Auditors' Responsibility

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

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

Basis for Qualified Opinion on CFDA No. 14.239 – Home Investment Partnership Program (HOME)

As described in the accompanying schedule of findings and questioned costs, the City-Parish did not comply with requirements regarding CFDA No. 14.239 HOME as described in finding numbers 2018-007 for certain special tests and provisions. Compliance with such requirement is necessary, in our opinion, for the City-Parish to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City - Parish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA No. 14.239 – Home Investment Partnership Program for the year ended December 31, 2018.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City-Parish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2018.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2018-004, 2018-005, 2018-006, 2018-008, and 2018-010. Our opinion on each major federal program is not modified with respect to these matters.

The City-Parish's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City-Parish's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-007 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2018-004, 2018-005, 2018-006, 2018-008, 2018-009 and 2018-010 to be significant deficiencies.

The City-Parish's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City-Parish's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Postlethwaite + Netterville

Baton Rouge, Louisiana
June 26, 2019



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>FEDERAL EXPENDITURES</u>	<u>AMOUNTS PROVIDED TO SUBRECIPIENTS</u>
<u>FEDERAL AGENCY - SCHEDULE A</u>		
U.S. Department of Housing and Urban Development	\$ 26,415,149	\$ 6,212,156
U.S. Department of Education	249,715	-
U.S. Department of Health and Human Services	18,068,591	4,143,287
U.S. Department of Homeland Security	4,465,007	-
U.S. Department of Transportation	7,920,414	-
U.S. Department of Agriculture	1,543,391	-
U.S. Department of Labor	2,850,863	-
U.S. Department of Justice	297,210	65,391
U.S. Environmental Protection Agency	72,590	-
U.S. Department of the Treasury	8,000	-
U.S. Institute of Museum and Library Services	3,330	-
	<hr/>	<hr/>
TOTAL FEDERAL AGENCY - SCHEDULE A	\$ 61,894,260	\$ 10,420,834
	<hr/>	<hr/>
<u>FEDERAL AGENCY - SCHEDULE B</u>		
U.S. Department of Transportation	\$ 4,462,447	\$ --
U.S. Environmental Protection Agency	3,152,656	--
	<hr/>	<hr/>
TOTAL FEDERAL AGENCY - SCHEDULE B	\$ 7,615,103	\$ --
	<hr/>	<hr/>
TOTAL FEDERAL AGENCY - SCHEDULE A AND B	\$ 69,509,363	\$ 10,420,834
	<hr/>	<hr/>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE A

<u>Names of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<u>FEDERAL GRANTS</u>					
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
<u>Direct Programs:</u>	131013				
Community Development Block Grants/Entitlement Grants	2800..431013	14.218	B-09-MC-22-0002	\$ 31,361	\$ 31,361
Community Development Block Grants/Entitlement Grants	2800..431013	14.218	B-10-MC-22-0002	102,642	1,819
Community Development Block Grants/Entitlement Grants	2800..431013	14.218	B-12-MC-22-0002	9,725	9,725
Community Development Block Grants/Entitlement Grants	2800..431013	14.218	B-13-MC-22-0002	1,074	--
Community Development Block Grants/Entitlement Grants	2800..431013	14.218	B-14-MC-22-0002	125,637	--
Community Development Block Grants/Entitlement Grants	2800..431013	14.218	B-15-MC-22-0002	121,798	--
Community Development Block Grants/Entitlement Grants	2800..431013	14.218	B-16-MC-22-0002	1,153,942	1,001,443
Community Development Block Grants/Entitlement Grants	2800..431013	14.218	B-17-MC-22-0002	1,219,719	406,752
Community Development Block Grants/Entitlement Grants	2800..431013	14.218	B-18-MC-22-0002	133,348	--
Prior Years Outstanding Loans With Continuing Compliance Requirements	2800..431013	14.218	Various	3,702,348	1,512,121
SUBTOTAL CFDA NUMBER 14.218 (1)				6,601,594	2,963,221
Home Investment Partnerships Program	2810..431013	14.239	M-06-MC-22-0204	3,000	--
Home Investment Partnerships Program	2810..431013	14.239	M-07-MC-22-0204	(4,235)	--
Home Investment Partnerships Program	2810..431013	14.239	M-13-MC-22-0204	214,351	214,351
Home Investment Partnerships Program	2810..431013	14.239	M-17-MC-22-0204	124,582	--
Home Investment Partnerships Program	2810..431013	14.239	M-18-MC-22-0204	42,766	--
Current Year Loans Disbursements	2810..431013	14.239	Various	2,331,093	--
Prior Years Outstanding Loans With Continuing Compliance Requirements	2810..431013	14.239	Various	10,227,918	--
SUBTOTAL CFDA NUMBER 14.239				12,939,475	214,351
Continuum of Care Program	2820..431013	14.267	LA-48-B150-40	39,494	39,494
Housing Opportunities for Persons with AIDS	2830..431013	14.241	LAH15F002	466,341	252,025
Housing Opportunities for Persons with AIDS	2830..431013	14.241	LAH16F002	583,212	383,212
Housing Opportunities for Persons with AIDS	2830..431013	14.241	LAH17F002	1,660,534	1,452,156
Housing Opportunities for Persons with AIDS	2830..431013	14.241	LAH18F002	16,755	--
SUBTOTAL CFDA NUMBER 14.241				2,726,842	2,087,393
Emergency Solutions Grant Program	2800..431013	14.231	S-11-MC-22-0002	17,062	17,062
Emergency Solutions Grant Program	2800..431013	14.231	S-12-MC-22-0002	19,125	19,125
Emergency Solutions Grant Program	2800..431013	14.231	S-13-MC-22-0002	10,673	10,673
Emergency Solutions Grant Program	2800..431013	14.231	S-16-MC-22-0002	67,899	67,899
Emergency Solutions Grant Program	2800..431013	14.231	S-17-MC-22-0002	411,145	386,942
Emergency Solutions Grant Program	2800..431013	14.231	S-18-MC-22-0002	507	--
SUBTOTAL CFDA NUMBER 14.231				526,411	501,701
Section 8 Housing Choice Vouchers	2500..431013	14.871	LA-48-E0003-001/004	3,560	--
Section 8 Housing Choice Vouchers	2500..431013	14.871	LA-219 CEO-001-015	1,389,285	--
SUBTOTAL CFDA NUMBER 14.871 (2)				1,392,845	--
<u>Passed through Louisiana Office of Community Development Disaster Recovery Unit</u>					
	132495				
Community Development Block Grants/State's Program	2710..432495	14.228	CEA #684377	2,188,488	405,996
Total U. S. Department of Housing and Urban Development				26,415,149	6,212,156
(1) CDBG-Entitlement Grants Cluster	\$ 6,601,594				
(2) Housing Voucher Cluster	\$ 1,392,845				

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, 2018

SCHEDULE A
(Continued)

<u>Names of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<u>Direct Programs:</u>	131022				
Performance Partnership Pilots for Disconnected Youth	2500..431022	84.420	V420A150039	\$ 249,715	\$ --
Total U. S. Department of Education				249,715	--
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
<u>Direct Programs:</u>	131012				
Substance Abuse and Mental Health Services Projects	2500..431012	93.243	1H79SM080227-01	554,140	--
Substance Abuse and Mental Health Services Projects	2500..431012	93.243	5H79SM080227-02	69,038	--
SUBTOTAL CFDA NUMBER 93.243				623,178	--
Head Start	2600..431012	93.600	06CH7167-03	4	--
Head Start	2600..431012	93.600	06CH7167-04	10,595,530	--
SUBTOTAL CFDA NUMBER 93.600				10,595,534	--
HIV Emergency Relief Project Grants	2600..431012	93.914	H89HA11432-09	1,032,317	913,123
HIV Emergency Relief Project Grants	2600..431012	93.914	H89HA11432-10	3,751,610	3,230,164
SUBTOTAL CFDA NUMBER 93.914				4,783,927	4,143,287
<u>Passed through Louisiana Housing Corporation</u>	132401				
Low-Income Home Energy Assistance Program	2600..432401	93.568	2015/2017	41,739	--
Low-Income Home Energy Assistance Program	2600..432401	93.568	2016/2018	43,222	--
Low-Income Home Energy Assistance Program	2600..432401	93.568	2017/2019	355,674	--
SUBTOTAL CFDA NUMBER 93.568				440,635	--
<u>Passed through Louisiana Workforce Commission</u>	132604				
Community Services Block Grant	2600..432604	93.569	2017P0019	531,331	--
Community Services Block Grant	2600..432604	93.569	2018P0019	910,066	--
SUBTOTAL CFDA NUMBER 93.569				1,441,397	--
<u>Passed through Louisiana Department of Public Safety & Corrections Office of Juvenile Services</u>	132104				
Foster Care Title IV-E	2501..432104	93.658	031-LA-1401	183,920	--
Total U. S. Department of Health and Human Services				18,068,591	4,143,287
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
<u>Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness</u>	132103				
Flood Mitigation Assistance	2500..432103	97.029	FMA-PJ-06-LA-2015-009	169,270	--
Flood Mitigation Assistance	2500..432103	97.029	FMA-PJ-06-LA-2016-013	630,248	--
SUBTOTAL CFDA NUMBER 97.029				799,518	--
Disaster Grants-Public Assistance(Presidentially Declared Disasters)	2704..432103	97.036	FEMA-DR-4277	2,543,276	--
Hazard Mitigation Grant	2500..432103	97.039	HMPG 1786-022-0002	826,223	--
Hazard Mitigation Grant	2500..432103	97.039	HMPG 4080-033-0001	35,091	--
Hazard Mitigation Grant	2500..432103	97.039	1630N-033-0002	988	--
Hazard Mitigation Grant	2500..432103	97.039	1603N-033-0002	(512)	--
Hazard Mitigation Grant	2500..432103	97.039	HMPG 1792-033-0005	8,062	--
SUBTOTAL CFDA NUMBER 97.039				869,852	--
Emergency Management Performance Grants	1000..432103	97.042	EMT-2018-EP-00009-S01	58,870	--

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, 2018**

**SCHEDULE A
(Continued)**

<u>Names of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY (Continued)</u>					
<u>Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness (Continued)</u>					
Homeland Security Grant Program	2500..4321013	97.067	EMW-2015-SS-00043-S01	\$ 167,478	\$ --
Homeland Security Grant Program	2500..4321013	97.067	EMW-2016-SS-00018-S01	4,180	--
SUBTOTAL CFDA NUMBER 97.067				<u>171,658</u>	<u>--</u>
<u>Passed through Capital Area United Way</u>					
Emergency Food and Shelter National Board Program	111072 2600..434602	97.024	35-3614-00 001	21,833	--
Total U. S. Department of Homeland Security				<u>4,465,007</u>	<u>--</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
<u>Passed through Louisiana Department of Transportation and Development-Office of Highways</u>					
Highway Planning and Construction	132100				
Signal Synchronization System-Phase IV & V	4650..432100	20.205	H.4077.5 H.1609.6	7,756	--
Highway Planning and Construction					
Jones Creek Rd (Tiger Bend to Coursey)	4650..432100	20.205	H.4343.5 H.007137.6	33,462	--
Highway Planning and Construction					
N. Sherwood Forest - Choctaw to Greenwell	4650..432100	20.205	H.4578.5	501,383	--
Highway Planning and Construction					
Dijon Drive Extension	4650..432100	20.205	H.012233 H.012232	1,965,717	--
Highway Planning and Construction					
GLP-Pecue Lane	4650..432100	20.205	H.004104.5 H.004104	1,369,064	--
Highway Planning and Construction					
Acadian Thruway/N. Acadian Thruway Overlay	4650..432100	20.205	H.010648	2,047,248	--
Highway Planning and Construction					
Goodwood Blvd Rehab Lobdell-Airline	4650..432100	20.205	H.011364	1,154,077	--
Highway Planning and Construction					
North Blvd Pedestrian Improvements	4650..432100	20.205	H.007440	180,264	--
Highway Planning and Construction					
Mississippi River Levee Bike Path	4650..432100	20.205	H.009799.6	30,622	--
SUBTOTAL CFDA NUMBER 20.205 (3)				<u>7,289,593</u>	<u>--</u>
<u>National Highway Traffic Safety Administration (NHTSA)</u>					
<u>Passed through Louisiana Highway Safety Commission (LHSC)</u>					
State and Community Highway Safety	132101 2500..432101	20.600	2016-30-13	14,309	--
State and Community Highway Safety	2500..432101	20.600	2018-30-13	128,369	--
State and Community Highway Safety	2500..432101	20.600	2018-20-18	4,265	--
SUBTOTAL CFDA NUMBER 20.600 (4)				<u>146,943</u>	<u>--</u>
Alcohol Open Container Requirements	2500..432101	20.607	2018-30-13	349,080	--
Alcohol Open Container Requirements	2500..432101	20.607	2018-10-30	54,473	--
Alcohol Open Container Requirements	2500..432101	20.607	2019-10-30	19,145	--
<u>Passed through Louisiana Supreme Court and Specialty Court Office</u>					
Alcohol Open Container Requirements	2500..432107	20.607	2019-10-26	13,675	--
SUBTOTAL CFDA NUMBER 20.607				<u>436,373</u>	<u>--</u>
<u>Passed through Louisiana Supreme Court and Specialty Court Office</u>					
Alcohol Impaired Driving Countermeasures Incentive Grants I	132107 2500..432107	20.601 (4)	2017-10-26	47,505	--
Total U. S. Department of Transportation				<u>7,920,414</u>	<u>--</u>
(3) Highway Planning and Construction Cluster	\$ 7,289,593				
(4) Highway Safety Cluster	\$ 194,448				

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, 2018**

**SCHEDULE A
(Continued)**

<u>Names of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<u>Direct Programs:</u>	131010				
Emergency Watershed Protection Program	2500..431010	10.923	68-7217-17-206	\$ 367,200	\$ --
<u>Passed through Louisiana Department of Education</u>	132607				
School Breakfast Program	1000..432106	10.553 (5)	N/A	19,915	--
National School Lunch Program	1000..432106	10.555 (5)	N/A	29,872	--
Child and Adult Care Food Program	2600..432607	10.558	93-188	710,766	--
Child and Adult Care Food Program	2600..432607	10.558	93-188	410,900	--
SUBTOTAL CFDA NUMBER 10.558				1,121,666	--
	132105				
Cooperative Forestry Assistance	2500..432105	10.664	N/A	4,738	--
Total U. S. Department of Agriculture				1,543,391	--
<u>U.S. DEPARTMENT OF LABOR</u>					
<u>Passed through Louisiana Workforce Commission</u>	132604				
WIOA Adult Program	2610..432604	17.258	FY2018	1,009,717	--
WIOA Adult Program	2610..432604	17.258	PY2017	816	--
WIOA Adult Program	2610..432604	17.258	PY2018	20,836	--
SUBTOTAL CFDA NUMBER 17.258 (6)				1,031,369	--
WIOA Youth Activities	2610..432604	17.259	PY2016	374,341	--
WIOA Youth Activities	2610..432604	17.259	PY2017	864,094	--
SUBTOTAL CFDA NUMBER 17.259 (6)				1,238,435	--
WIOA Dislocated Worker Formula Grants	2610..432604	17.278	FY2017	208,245	--
WIOA Dislocated Worker Formula Grants	2610..432604	17.278	FY2018	207,795	--
WIOA Dislocated Worker Formula Grants	2610..432604	17.278	PY2017	155,453	--
WIOA Dislocated Worker Formula Grants	2610..432604	17.278	PY2018	9,566	--
SUBTOTAL CFDA NUMBER 17.278 (6)				581,059	--
Total U. S. Department of Labor				2,850,863	--
<u>U.S. DEPARTMENT OF JUSTICE</u>					
<u>Direct Programs:</u>	131003				
Innovations in Community-Based Crime Reduction	2500..431003	16.817	2013-AJ-BX-0002	134,447	--
Body Worn Camera Policy and Implementation	2500..431003	16.835	2017-BC-BX-0056	65,391	65,391
<u>Passed through East Baton Rouge Parish Sheriff's Office</u>	134007				
Edward Byrne Memorial Justice Assistance Grant Program	2500..434007	16.738	2015-DJ-BX-0473	8,817	--
Edward Byrne Memorial Justice Assistance Grant Program	2500..434007	16.738	2016-DJ-BX-0831	15,659	--
<u>Passed through Louisiana Commission on Law Enforcement</u>	132102				
Edward Byrne Memorial Justice Assistance Grant Program	2500..432102	16.738	2015-DJ-01-3038	6,720	--
Edward Byrne Memorial Justice Assistance Grant Program	2500..432102	16.738	2015-DJ-06-4045	8,419	--
SUBTOTAL CFDA NUMBER 16.738				39,615	--
(5) Child Nutrition Cluster	\$	49,787			
(6) WIOA Cluster	\$	2,850,863			

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, 2018

SCHEDULE A
(Continued)

<u>Names of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<u>U.S. DEPARTMENT OF JUSTICE (Continued)</u>					
Juvenile Justice and Delinquency Prevention	2500..432102	16.540	2015-JF-21-4014	\$ 1,117	\$ --
Violence Against Women Formula Grants	2500..432102	16.588	2017-WF-06-4255	21,731	--
Violence Against Women Formula Grants	2500..432102	16.588	2017-WF-06-4254	13,783	--
SUBTOTAL CFDA NUMBER 16.588				35,514	--
<u>Passed through International Association of Chiefs of Police</u>					
Crime Victim Assistance/Discretionary Grant	114004 2500..434104	16.582	2016-MU-GX-K026	21,126	--
Total U. S. Department of Justice				297,210	65,391
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u>					
<u>Direct Programs:</u>					
Brownfields Assessment and Cleanup Cooperative Agreements	131016 2500..431016	66.818	BF-01F07401-0	72,590	--
Total U. S. Environmental Protection Agency				72,590	--
<u>U.S. DEPARTMENT OF THE TREASURY</u>					
<u>Passed through Capital Area United Way</u>					
Volunteer Income Tax Assistance (VITA) Matching Grant Program	134602 2500..434602	21.009	FY2018	8,000	--
Total U. S. Department of the Treasury				8,000	--
<u>U.S. INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>					
<u>Passed through Internet Archive</u>					
Laura Bush 21st Century Librarian Program	114040 2500..434602	45.313	RE-85-17-0060-17	3,330	--
Total U. S. Institute of Museum and Library Services				3,330	--
TOTAL FEDERAL GRANTS - SCHEDULE A				\$ 61,894,260	\$ 10,420,834

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, 2018

SCHEDULE B

<u>Names of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<u>FEDERAL GRANTS</u>					
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
<u>Direct Programs:</u>					
<u>Federal Aviation Administration:</u>	131006				
Airport Improvement Program	5821..431006	20.106	3-22-0006-104	\$ 38,646	\$ --
Airport Improvement Program	5821..438101	20.106	3-22-0006-106	1,285,736	--
Airport Improvement Program	5821..431006	20.106	3-22-0007-107-2017	371,098	--
Airport Improvement Program	5821..438101	20.106	3-22-0006-108-2017	885,563	--
Airport Improvement Program	5821..438101	20.106	3-22-0006-111	911,010	--
Airport Improvement Program	5821..438101	20.106	3-22-0006-110/112	970,394	--
SUBTOTAL CFDA NUMBER 20.106				4,462,447	--
Total U. S. Department of Transportation- FAA				4,462,447	--
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u>					
<u>Passed through Louisiana Department of Environmental Quality</u>					
Capitalization Grants for Clean Water State Revolving Funds	5440	66.458		123,896	--
Capitalization Grants for Clean Water State Revolving Funds	5437	66.458		971,724	--
Capitalization Grants for Clean Water State Revolving Funds	5436	66.458		2,057,036	--
SUBTOTAL CFDA NUMBER 66.458 (7)				3,152,656	--
Total U. S. Environmental Protection Agency				3,152,656	--
TOTAL FEDERAL GRANTS - SCHEDULE B				\$ 7,615,103	\$ --

(7) Clean Water State Revolving Fund Cluster \$ 3,152,656

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, 2018**

Note A – General

The City-Parish Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal financial assistance programs of the primary government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, (City-Parish). All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed through other agencies.

Note B – Basis of Accounting

The City-Parish Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City-Parish's financial statements for the year ended December 31, 2018. Schedule A details federal awards recorded in governmental fund types wherein revenues are recognized to the extent of expenditures. Schedule B details federal awards for proprietary fund types where government subsidies or contributions are recorded.

Note C – Indirect Cost Rate

The City-Parish has a negotiated indirect cost rate. The City-Parish did not elect to use the 10% de minimis cost rate as allowed by 2 CFR 200.414 Indirect (F&A) costs.

Note D – Relationship to Financial Statements

The Schedule of Expenditures of Federal Awards (SEFA) was prepared from the same accounting records as were used to prepare the financial statements. Differences between amounts reported in the SEFA and the financial statements may exist due to different accounting bases used for financial reporting.

**Note E – Disaster Grants-Public Assistance (Presidentially Declared Disaster)
CFDA # 97.036**

Non-Federal entities must record expenditures on the SEFA when: (1) Federal Emergency Management Agency (FEMA) has approved the non-Federal entity's project worksheet (PW), and (2) the non-Federal entity has incurred the eligible expenditures.

In 2018, FEMA approved \$2,109,981 of eligible expenditures that were incurred in the prior year and are included on the Schedule.

**CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note F – Loan Assistance

The City-Parish had outstanding loans with continuing compliance requirements at December 31, 2018 in the following programs:

<u>Program</u>	<u>CFDA Number</u>	<u>Loan Balance</u>
HOME Investment Partnerships Program	14.239	\$ 14,887,844
Community Development Block Grant (CDBG)	14.218	<u>3,076,633</u>
Total gross loans		17,964,477
Allowance for loan losses		<u>(14,371,582)</u>
Total net loans with continuing compliance requirements		<u>\$ 3,592,895</u>

In addition to the net loans with continuing compliance requirements shown above, the City-Parish had loans funded under the Home Investment Partnerships Program (CFDA#14.239) that are outside of the period of affordability and no longer require monitoring under the terms of the grant award. Outstanding loans of \$6,261,623 with a corresponding allowance for loan losses of \$5,009,298 are included in the loans receivable recorded in the City-Parish's financial statements at a net amount of \$1,252,325.

Note G – Loan Assistance Received

The City-Parish received loan assistance for the following program:

<u>Program</u>	<u>CFDA Number</u>	<u>Outstanding Balance as of 12/31/2018</u>	<u>New Loans Made During the Year Ended 12/31/18</u>
Capitalization Grants for Clean Water State Revolving Funds	66.458	\$7,508,400	\$3,152,656

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

A. Summary of Auditors' Results

Financial Statements –

Type of auditors' report issued: Unmodified

- Material weakness (es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Noncompliance material to financial statements noted? ☒ yes ☐ no

Other matter reported? ☐ yes ☒ no

Federal Awards

Internal controls over major programs:

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

Type of auditors' report issued on compliance for major programs:

Qualified - CFDA No. 14.239

Unmodified - CFDA No. 14.218, 14.241, 20.106, and 93.914

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ yes ☐ no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
14.218 ⁽¹⁾	Community Development Block Grants/Entitlement Grants (CDBG-E)
14.239	Home Investment Partnerships Program (HOME)
14.241	Housing Opportunities for Persons with AIDS (HOPWA)
20.106	Airport Improvement Program (AIP)
93.914	HIV Emergency Relief Project Grants (HERP)

⁽¹⁾ CDBG – Entitlement Grants Cluster

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$2,085,280.
- The City of Baton Rouge and Parish of East Baton Rouge did not qualify as a low-risk auditee.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

B. Findings – Financial Reporting

2018-001) Underfunded Retirement Plan

Criteria: The City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System - Police Guarantee Trust (CPERS-PGT) Retirement Plan was established in 2000 to provide for payment of certain guaranteed lifetime benefits for eligible police employees who transferred membership to the Municipal Employees' Police Retirement System (MPERS) while retaining certain rights in the CPERS. In cases where the CPERS benefit exceeds the MPERS benefit in aggregate, the benefits paid or to be paid from the CPERS-PGT trust equal the difference between the benefit the employee would have received from CPERS had the transfer not occurred, and the benefit paid or to be paid from MPERS. Section 9.15 of the Plan of Government requires the Retirement Systems be funded on actuarially sound basis.

Condition: At December 31, 2018, the CPERS-PGT plan was significantly underfunded. The plan fiduciary net position as a percentage of the total pension liability at December 31, 2018 was 32.50% and the net pension liability was \$29,940,523 based on the most recent actuarial valuation. Although initially believed to be funded on an actuarially sound basis when established, changes in conditions have since occurred that resulted in its unfunded status. Contributions have been minimal and insufficient to restore the plan to an actuarially sound status.

This finding is repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2017-001.

Cause: The stock market decline of 2008 combined with other demographic conditions such as an aging workforce and longevity of retirement have caused required contribution levels to increase. Additionally, the rate of return accruing to deferred retirement option program "DROP" participant accounts is 7.70%, which exceeds the long term expected rate of return on the trust's investments.

Effect: The assets held in trust are deficient of the amount needed to pay the pension benefits promised to these police department employees over the long term.

Recommendation: The City-Parish should develop a plan to ensure that the CPERS-PGT retirement plan is actuarially funded in accordance with the Plan of Government. Additional contributions to the plan from the General Fund, benefit changes or both may be required.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

B. Findings – Financial Reporting (Continued)

2018-001) Underfunded Retirement Plan (Continued)

View of Responsible Official:

As plan sponsor, the City-Parish has made efforts to increase funding to the PGT, such as ear - marking contribution savings from MPERS, employer rate reductions and budgeting additional dollars in excess of the approved employer rate. The City-Parish and the Retirement Board will continue to explore ways and methods to increase the funded level of the PGT in order to timely meet obligations to our retirees and survivors.

2018-002) Contracting for Program Management Services – Mosquito Abatement and Rodent Control Board (MARC)

Criteria: City-Parish ordinance 8931 of 1989, section 5, requires contracts in amounts greater than \$10,000 for engineering, construction management, geo-technical and related services to be awarded based upon the recommendation of the Engineer and Surveyor Selection Board (Board) which is tasked with reviewing proposals and selecting the best qualified service provider. The dollar threshold was subsequently raised to \$50,000 through amending ordinances.

Condition: Costs were incurred in 2018 of \$270,400 under a contract initially awarded in 2015 for program management services in overseeing the construction of the Mosquito Abatement and Rodent Control (MARC) District's new facility. The selection of the MARC facility Program Manager did not appear before the Board, and therefore the contract was awarded by the Metro Council without the recommendation of the Board in apparent violation of the aforementioned ordinance. The contract was initially approved for \$478,790 in 2015 and was amended to \$1,242,882 through four amendments approved by the Metro Council.

Effect: Non-compliance with ordinances and other laws established as a component of internal controls can lead to weaknesses in internal control over contracts which can result in higher costs and selection of vendors outside of the approved process.

Cause: Unknown

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

B. Findings – Financial Reporting (Continued)

2018-002) Contracting for Program Management Services – Mosquito Abatement and Rodent Control Board (MARC) (Continued)

Recommendation: All construction program management contracts for construction under the purview of the Mayor-President and the Metro Council should be awarded based upon the recommendation of the Engineer and Surveyor Selection Board in accordance with the ordinance. The City-Parish purchasing department should implement controls in the contracting process that checks for compliance with the ordinance prior to being placed on the council agenda.

View of Responsible Official:

Mosquito Abatement and Rodent Control acknowledges that City-Parish ordinances require certain contracts to go through a selection process under the purview of the Engineer and Surveyors Selection Board. In the case of the contract for Program Management Services for the new MARC facility, MARC did not go through the selection board process because key staff members were not aware of the selection board process requirement.

2018-003) Inventory control – Mosquito Abatement and Rodent Control Board (MARC)

Criteria: Best practices for inventory control call for perpetual inventory recordkeeping that tracks purchases, distributions and amounts held in inventory. Such systems allow for management of supplies on hand and a means for ensuring accountability.

Condition: The Mosquito Abatement and Rodent Control Commission stocks certain material and supplies for vehicle maintenance and pest control. However, a perpetual inventory system is not employed.

Effect: Without such an inventory system, management of materials and supplies is more difficult and items are more susceptible to theft and misuse.

Cause: Such a system has never been employed.

Recommendation: The MARC should consider implementing a perpetual inventory system.

View of Responsible Official:

Mosquito Abatement and Rodent Control acknowledges that it does not have a perpetual inventory recordkeeping system that tracks purchases, distributions, and amounts held in inventory. MARC has grown substantially over the last fifteen years and the inventory controls have not evolved with the growth of the department.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

C. Findings – Federal Award Programs

2018-004) Procurement

Department of Housing and Urban Development

Questioned Costs: \$ None

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H15-H18) F002

Department of Health and Human Services

Questioned Costs: \$ None

93.914 HIV Emergency Relief Project Grants (HERP)

Grant No(s): H89HA11432 (09-10)

Criteria: The Uniform Guidance federal regulations were fully effective as of December 26, 2017 and therefore, the City-Parish, as a recipient of federal awards was required to implement and comply with the Uniform Guidance for the year ended December 31, 2018. The regulations require, among other things, that for purchases of goods and services in an amount between \$10,000 to \$250,000, an adequate number of prices\quotes be obtained.

Condition: While testing compliance with the federal procurement regulations, we selected all of the 5 vendors with expenditures greater than \$10,000 and less than \$250,000 and inquired or reviewed the documentation to support the procurement process. These 5 vendors provided professional services and the contracts with each were renewed during 2018. Our compliance test focused on the renewal of the contracts to determine compliance with the procurement regulations. Two of the contracts renewed were for the HOPWA award for a total of \$80,000. Three of the contracts renewed were for the HERP award for a total of \$123,000. The City-Parish department responsible for administering and contracting with these 5 vendors is the Department of Health and Human Services (DHDS). No evidence was provided to demonstrate that quotes and prices were obtained from an adequate number of vendors or providers as required by Federal procurement regulations.

Effect: The City-Parish is not in compliance with the requirements of the Uniform Guidance Subpart D Procurement regulations.

Cause: Personnel administering the grants and those in the City-Parish purchasing department did not execute and enforce the revised purchasing policy containing the new Uniform Guidance requirements.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

C. Findings – Federal Award Programs (Continued)

2018-004) Procurement (Continued)

Recommendation: We recommend for the City-Parish to more fully implement and follow its revised policies and procedures for purchases made with federal awards so that these newly required federal procurement regulations are followed.

View of Responsible Official:

The OCD is working with DHDS along with Purchasing to ensure that procurement of the contract workers is in accordance with the Uniform Guidance. Policy and procedures will be updated to reflect the federal regulations. DHDS will adhere to the revised Purchasing policy containing the Uniform Guidance requirements.

2018-005) Reporting

Questioned Costs: None

Department of Housing and Urban Development

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H15-H18) F002

Criteria: Federal regulations require the preparation and reporting annually of the Consolidated Annual Performance and Evaluation Report (CAPER) HUD-40110-D. Federal reports should be completed accurately and include all appropriate information based on accounting and information systems of the grantee. The CAPER report is to include financial data of each HUD funded program administered by OCD in Part 3 of the report.

Parts of this finding are repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2017-006.

Condition: The CAPER filed by the OCD did not include Part 3 and was therefore incomplete.

Effect: The OCD was non-compliant with Federal reporting requirements.

Cause: The non-compliance is a result of a lack of procedures requiring follow through to ensure the reports are completed and filed on time.

Recommendation: The OCD should take steps to ensure complete and accurate preparation of the CAPER and for timely submission. Written policies and procedures should be prepared by OCD that includes instructions on information to be included in the federal report and review and approval processes to ensure accuracy in reporting.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

C. Findings – Federal Award Programs (Continued)

2018-005) Reporting (Continued)

View of Responsible Official:

Due to staff turnover, the OCD was unaware of the requirement to submit Part 3 of the CAPER until after the deadline. The OCD contacted the local HUD representative and was advised to submit once complete and send the date of completion. The OCD will be receiving technical assistance from HUD to ensure accuracy. The CAPER has been presented to the HUD Technical Assistance staff for review and will be submitted by July 31, 2019. The FY 18 HOPWA CAPER will be submitted on time and will continue to be submitted by the OCD staff with the assistance of the Grants Management consultants.

2018-006) Special Tests and Provisions

Questioned Costs: Not Determined

Department of Housing and Urban Development

14.218 Community Development Block Grants/Entitlement Grants (CDBG-E)

Grant No(s): B- (13 – 18)- MC-22-0002

Criteria: The CDBG-E projects require an environmental review (ER) unless the projects meet certain criteria for exemption. The City-Parish's Office of Community Development (OCD) is responsible for the compliance requirements of this award. As such, the OCD should conduct the environmental reviews, if required, and maintain documentation of its completion or an explanation why one was not required or exempt.

Condition: Of 15 grants\projects that may have been subject to a requirement for an environmental review, we selected 3 for compliance testing. One of the 3 grants tested, the CDBG-E grant, also identified as the Declared Disaster Recovery (DDR) project, includes a cooperative endeavor agreement (CEA) between OCD and a sub-recipient. According to the CEA and CDBG-E grant award, the OCD retained the responsibility to complete and comply with the ER requirements of this grant while all other compliance requirements were to be performed by the sub-recipient. The OCD did not provide documentary evidence to demonstrate compliance with the environmental review requirements of this grant award.

Effect: The OCD may not be in compliance with the terms of its grant award.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

C. Findings – Federal Award Programs (Continued)

2018-006) Special Tests and Provisions (Continued)

Cause: The OCD did not implement a process to ensure the completion of the environmental reviews, as required, that are necessary for this grant award or maintain the necessary documentation demonstrating the completion of the environmental review, if required, or the documentation explaining why an environmental review was not necessary or exempt for a project.

Recommendation: The OCD should complete or obtain the documentation necessary to demonstrate compliance with the environmental review requirements of the grant award and establish the appropriate controls to ensure future compliance with grant terms.

View of Responsible Official:

The OCD has ensured that the responsibility of environmental clearance as it relates to the DDR funds has been established as the responsibility of the State. All environmental documents are shared with the OCD as part of the payment process. This process will continue until all funds are expended and no environmental reviews are required. The management plan will be updated to specify the responsibilities.

2018-007) Special Tests and Provisions

Questioned Costs: Not Determined

Department of Housing and Urban Development

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M- (07) - MC-22-0204; M-(13-18) -MC-22-0204

Criteria: The HOME program includes rental properties that received assistance. The Office of Community Development (OCD) is required by the grant to perform onsite inspections of these rental units to determine if the units continue to meet certain property standards. The inspections are required after a certain number of years based on the number of units in the property. The HOME program also includes a requirement for the contractor to pay the employees prevailing wages on a project funded with HOME funds that includes construction of affordable housing with 12 or more units.

Parts of this finding are repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2017-010.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

C. Findings – Federal Award Programs (Continued)

2018-007) Special Tests and Provisions (Continued)

Condition: The OCD was not able to provide documentation demonstrating that the required onsite inspections of the rental units as required by the grant were performed. A listing of rental units required to be inspected or a listing of rental units actually inspected was not able to be provided. Also, the OCD was not able to provide documentation to demonstrate the contractor complied with paying prevailing wages to employees on a HOME funded project meeting the criteria to do so.

Effect: The OCD was not able to demonstrate it complied with the requirements for onsite inspections of rental units and prevailing wage rate requirements of the HOME program.

Cause: The OCD did not devote personnel to complete the required inspections on the HOME rental units or able to provide documentation demonstrating the required inspections were performed. Further, the OCD was not able to provide documentation showing that the contractor on HOME funded projects paid the prevailing wages to employees.

Recommendation: The OCD should ensure the documentation of inspections and prevailing wages being paid as applicable on HOME funded projects is maintained and personnel are appropriately assigned to ensure compliance with federal guidelines.

View of Responsible Official:

The OCD entered into a cooperative endeavor agreement (CEA) with the Build Baton Rouge Redevelopment Authority (formally East Baton Rouge Redevelopment Authority) to administer Home monitoring in accordance with the OCD's HOME project monitoring schedule for developers as it relates to special testing, long term monitoring and wage reporting. HOME projects within the affordability period submit annual compliance reporting as it relates to multi-family rental to Build Baton Rouge for review by the OCD Grants Monitor.

The OCD entered into a memorandum of understanding (MOU) with the East Baton Rouge Housing Authority (EBRHA) to administer HOME monitoring for the OCD's single-family rental units. HOME single-family projects within the affordability period submit monthly rental payments to EBRHA and the EBRHA submits the remittances report along with payment for review and deposit by the OCD Grants Monitor. The EBRHA is also responsible for yearly inspections of units maintained within the MOU.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

C. Findings – Federal Award Programs (Continued)

2018-008) Earmarking

Department of Housing and Urban Development

Questioned Costs: Not Determined

14.218 Community Development Block Grants/Entitlement Grants (CDBG-E)

Grant No(s): B- (13 – 18)- MC-22-0002

Criteria: The CDBG-E program includes an earmarking provision that requires that not less than 70% of grant funds must be used for activities that benefit low and moderate income persons. Compliance with this earmarking requirement is determined by the Office of Community Development (OCD) over a period of one year as included in its certification.

Condition: The documentation provided by the OCD to demonstrate compliance with the earmarking requirements showed grant funds used to benefit low-moderate income persons were less than 70% of the total grant funds expended with a reported percentage of 67.47%.

Effect: The OCD is non-compliant with the earmarking requirements of the CDBG-E program.

Cause: Based on the documentation provided, the costs identified as being used for activities that benefit low and moderate income persons was less than the 70% earmarking requirement. It is unclear as to whether this non-compliance is attributable to recordkeeping or reporting errors or actual failure to provide the benefits to the targeted recipients.

Recommendation: The OCD should monitor the expenditure and/or design of their program to ensure that grant funds reach the intended recipients. The OCD should also develop a method of reporting\ demonstrating compliance with the 70% requirement.

View of Responsible Official:

The OCD ensures that all projects under CDBG meet a national objective and that all funds are expended on low to moderate-income persons. The OCD will ensure all projects are setup in IDIS correctly for earmarking and will work closer with Finance to ensure the reports on the drawdowns of project expenditures are calculating correctly. Tools are in place to track the compliance for proper reporting.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

C. Findings – Federal Award Programs (Continued)

2018-009) Equipment and Real Property Management Questioned Costs: Not determined

Department of Transportation - Federal Aviation Administration

20.106 Airport Improvement Program (AIP)

Grant No(s): 3-22-0006 (104, 106, 108-2017, 110-112) 3-22-0007 (107-2017)

Criteria: Proceeds from the sale of property and equipment that were originally purchased with federal grant funding should be remitted to the granting authority or used within the same program that provided the funding. In order to ensure compliance with these restrictions, sale proceeds should be properly segregated and accounted.

Condition: Land initially acquired by the Greater Baton Rouge Airport Authority (GBRA or the Airport) for noise mitigation under the AIP was sold for \$129,500 during 2018. The proceeds were accounted for within the Airport's general operating fund account rather than their restricted accounts.

Effect: Funds restricted for AIP projects could be inadvertently used for other purposes if not properly accounted for.

Cause: An error was made in the coding of the transaction and internal controls did not detect the error.

Recommendation: Proceeds of sales of assets initially purchased from AIP grants should be accounted for within restricted funds and accounts.

View of Responsible Official:

The Greater Baton Rouge Airport Authority sold land that was purchased through an AIP Noise grant. The funds were deposited in the Sale of Airport Noise Property revenue account. Due to a change in the accounting system, funds deposited to that revenue account are no longer automatically deposited to a restricted cash account. On June 5th, 2019, the Airport sent an email to Finance asking them to prepare a journal entry to place the funds in the correct cash account.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

C. Findings – Federal Award Programs (Continued)

2018-010) Special Test and Provisions (Prevailing Wage Rate Compliance)

Questioned Costs: Not determined

Department of Transportation - Federal Aviation Administration

20.106 Airport Improvement Program (AIP)

Grant No(s): 3-22-0006-111-2018

Criteria: Grantees must monitor contractors for compliance with prevailing wage rate requirements.

Condition: The GBRA had five open contracts during 2018 that were subject to the prevailing wage rate compliance of which we selected three for testing. For one out of three construction contracts tested, the GBRA provided no documentation of their reviews of contractor payrolls for compliance with prevailing wage rates as required under federal regulations.

Effect: The GBRA may be out of compliance with Federal regulations for grant administration.

Cause: The GBRA did not adhere to its process for tracking contractors' payroll reports and maintaining documented evidence of their review of those reports. We noted there has been turnover in the position that is assigned the duties of prevailing wage rate compliance monitoring.

Recommendation: The GBRA should perform its reviews of contractor payrolls as required by grant regulations, maintain documented evidence of their review of contractor payrolls and ensure assigned personnel receive appropriate training and oversight.

View of Responsible Official:

The contract in question was for the South GA Taxiway Connector project. When the project was bid, the Airport was using local funds for the construction. Since local funds were used, the Davis-Bacon Act was not applicable. However, after construction began, the Airport received a FAA AIP grant. When this happened, the Davis-Bacon Act was applicable. Therefore, the Airport should have requested and verified the payrolls from the Contractor. To alleviate this from happening in the future, the Airport will require all contractors to submit their payrolls on any project if Federal funding has been requested.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2018**

A. Findings Related to the Financial Statements

2018-001 Underfunded Retirement Plan

Management's response and corrective action is as follows:

The City-Parish continues its efforts to increase funding to the PGT and did increase the employer contributions by \$200,000 in 2018. In addition, the 2019 Budget includes an additional \$1,000,000. The Retirement Board continues to explore all possibilities and recently changed the PGT amortization of accrued liability to a 4-year open amortization method more appropriately suited to the member profile in the PGT closed defined benefit plan. This method more clearly demonstrates the funding requirements of the system than the method employed by the previous system actuary. PGT investments will continue to be more defensively postured in order to hedge against market volatility. Due to the contractual nature of the voluntary transfer, adjustments to benefits are not permissible. Therefore, the City-Parish has committed to increasing employer contributions a minimum of \$200,000 each year. In the year 2029, the bonded indebtedness that funded the transfer of assets to MPERS will mature. In addition, there should be no more active employees so liabilities will be more clearly defined. A decision as to the funding needs of the system, which may include Pension Obligation Bonds coupled with a strategy to lessen risk, will be made.

Expected Implementation Date: December 2029

Contact person: Marsha J. Hanlon, Chairman of the City-Parish Employees' Retirement System Board

2018-002 Contracting for Program Management Services – Mosquito Abatement and Rodent Control Board (MARC)

Management's response and corrective action is as follows:

In the future, all engineering contracts exceeding \$50,000 for the management of construction, engineering, and related services will comply with the City-Parish ordinance requiring the review and recommendation of the Engineer and Surveyors Selection Board. MARC will educate key personnel and commission members about the purchasing and procurement processes required by local, state, and federal law, in consultation with the Parish Attorney's Office and the Purchasing Department.

Expected Implementation Date: June 2019

Contact person: Randy Vaeth, Interim Director, Mosquito Abatement and Rodent Control

2018-003 Inventory control – Mosquito Abatement and Rodent Control Board (MARC)

Management's response and corrective action is as follows:

MARC key personnel understands that the adoption by the City-Parish of the Tyler Munis System will eventually have some inventory control functionality. Staff is anticipating taking advantage of that functionality in the department when it comes online. As it stands today, MARC is reviewing best practices for inventory management.

Expected Implementation Date: June 2019

Contact person: Randy Vaeth, Interim Director, Mosquito Abatement and Rodent Control

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2018**

B. Findings and Questioned Costs Related to Federal Awards

2018-004 Procurement

Management's response and corrective action is as follows:

The OCD is working with DHDS along with Purchasing to ensure that procurement of the contract workers is in accordance with the Uniform Guidance. Policy and procedures will be updated to reflect the federal regulations. DHDS will adhere to the revised Purchasing policy containing the Uniform Guidance requirements.

Expected Implementation Date: April 2019

Contact person: Vernadine Mabry, Director, Division of Human Development and Services

2018-005 Reporting

Management's response and corrective action is as follows:

The OCD has taken steps to ensure that all reporting is submitted timely. The CAPER was submitted before the deadline to include HOPWA demographics but the OCD was made aware by HUD's HOPWA Technical Assistance (TA) department in February 2019 that the financial data in Part 3 of the CAPER was required. OCD contacted the local HUD representative and was advised to submit once completed and to send the date of completion. OCD will be receiving technical assistance from HUD to ensure accuracy of the report. The CAPER has been presented to HUD TA staff and will be submitted by July 31, 2019. The FY 18 HOPWA CAPER will be submitted on time as OCD has taken steps to ensure that all agencies report to a centralized system, HMIS. HMIS training has been provided along with quarterly meetings for sub-recipients that are not familiar with the software and compliance requirements. The reporting will continue to be submitted by the OCD with the assistance of the Grants Management Consultants.

Expected Implementation Date: October 2019

Contact person: Anita Lockett, Grants Monitor, Office of Community Development

2018-006 Special Tests and Provisions

Management's response and corrective action is as follows:

The OCD has ensured that the responsibility of environmental clearance as it relates to the DDR funds has been established as the responsibility of the State. The LHC has taken on the responsibility of requesting all of the Environmental Assessments, Phase I Environmental Site Assessments and Tier II reviews for the flood recovery programs they are administering. The environmental requests are submitted through a consultant contracted by LHC. The contractors perform the site visits and prepare the environmental packets for review before sending them to LHC for the final environmental steps. LHC internal staff performs the final environmental review, provides public, tribal, and HUD notices, submits the Request for Release of Funds and obtains Authority to Use Grant Funds from HUD.

All environmental documents are shared with the OCD as part of the payment process. This process will continue until funds are expended and no ER are required. The management plan will be updated to specify the responsibilities.

Expected Implementation Date: October 2019

Contact person: Anita Lockett, Grants Monitor, Office of Community Development

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2018**

B. Findings and Questioned Costs Related to Federal Awards (Continued)

2018-007 Special Tests and Provisions

Management's response and corrective action is as follows:

The OCD entered into a cooperative endeavor agreement (CEA) with the Build Baton Rouge Redevelopment Authority (formally East Baton Rouge Redevelopment Authority) to administer HOME monitoring in accordance with the OCD's HOME project monitoring schedule for developers as it relates to special testing, long term monitoring and wage reporting. HOME projects within the affordability period submit annual compliance reporting as it relates to multi-family rental to Build Baton Rouge for review by the OCD Grants Monitor.

The OCD entered into a memorandum of understanding (MOU) with the East Baton Rouge Housing Authority (EBRHA) to administer HOME monitoring for the OCD's single-family rental units. HOME single-family projects within the affordability period submit monthly rental payments to EBRHA and the EBRHA submits the remittances report along with payment for review and deposit by the OCD Grants Monitor. The EBRHA is also responsible for yearly inspections of units maintained within the MOU.

Expected Implementation Date: October 2019

Contact person: Anita Lockett, Grants Monitor, Office of Community Development

2018-008 Earmarking

Management's response and corrective action is as follows:

The OCD ensures that all projects under CDBG meet a national objective and that all funds are expended on low to moderate-income persons. The OCD will ensure all projects are setup in IDIS correctly for earmarking and will work closer with Finance to ensure the reports on the drawdowns of project expenditures are calculating correctly. Tools are in place to track the compliance for proper reporting.

Expected Implementation Date: October 2019

Contact person: Anita Lockett, Grants Monitor, Office of Community Development

2018-009 Equipment and Real Property Management

Management's response and corrective action is as follows:

In order to ensure that this revenue is deposited into the restricted cash account, the Airport will notify Finance when funds are deposited as a result of the sale of assets purchased with AIP funds and Finance will prepare a journal. Finance will also periodically review the trial balance to ensure that any funds resulting from the sale of assets purchased with AIP funds are accounted for correctly.

Expected Implementation Date: June 2019

Contact person: Mike Edwards, Director of Aviation, Baton Rouge Metropolitan Airport

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2018**

B. Findings and Questioned Costs Related to Federal Awards (Continued)

2018-010 Special Test and Provisions (Prevailing Wage Rate Compliance)

Management's response and corrective action is as follows:

The contract in question was for the South GA Taxiway Connector project. When the project was bid, the Airport was using local funds for the construction. Since local funds were used, the Davis-Bacon Act was not applicable. However, after construction began, the Airport received a FAA AIP grant. When this happened, the Davis-Bacon Act was applicable. Therefore, the Airport should have requested and verified the payrolls from the Contractor. To alleviate this from happening in the future, the Airport will require all contractors to submit their payrolls on any project if Federal funding has been requested.

Expected Implementation Date: June 2019

Contact person: Mike Edwards, Director of Aviation, Baton Rouge Metropolitan Airport

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

A. Findings – Financial Reporting

2017-001) Underfunded Retirement Plan

Criteria: The City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System - Police Guarantee Trust (CPERS-PGT) Retirement Plan was established in 2000 to provide for payment of certain guaranteed lifetime benefits for eligible police employees who transferred membership to the Municipal Employees' Police Retirement System (MPERS) while retaining certain rights in the CPERS. In cases where the CPERS benefit exceeds the MPERS benefit in aggregate, the benefits paid or to be paid from the CPERS-PGT trust equal the difference between the benefit the employee would have received from CPERS had the transfer not occurred, and the benefit paid or to be paid from MPERS. Section 9.15 of the Plan of Government requires the Retirement Systems be funded on actuarially sound basis.

Condition: At December 31, 2017, the CPERS-PGT plan was significantly underfunded. The plan fiduciary net position as a percentage of the total pension liability at December 31, 2017 was 40.81% and the net pension liability was \$24,782,046 based on the most recent actuarial valuation. Although initially believed funded on an actuarially sound basis when established, changes in conditions have since occurred that resulted in its unfunded status. Contributions have not been made to the plan to restore it to an actuarially sound status.

This finding is repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2016-001.

Cause: The stock market decline of 2008 combined with other demographic conditions such as an aging workforce and longevity of retirement have caused required contribution levels to increase. Additionally, the rate of return accruing to deferred retirement option program "DROP" participant accounts is 8.5%, which exceeds the long term expected rate of return on the trust's investments.

Effect: The assets held in trust are deficient of the amount needed to pay the pension benefits promised to these police department employees over the long term.

Recommendation: The City-Parish should develop a plan to ensure that the CPERS-PGT retirement plan is actuarially funded in accordance with the Plan of Government. Additional contributions to the plan from the general fund, benefit changes or both may be required.

View of Responsible Official:

As plan sponsor, the City-Parish has made efforts to increase funding to the PGT, such as ear - marking contribution savings from MPERS,

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

A. Findings – Financial Reporting (Continued)

2017-001) Underfunded Retirement Plan (Continued)

View of Responsible Official: (Continued)

employer rate reductions and budgeting additional dollars in excess of the approved employer rate. The City-Parish and the Retirement Board will continue to explore ways and methods to increase the funded level of the PGT in order to timely meet obligations to our retirees and survivors.

Updated Response: The City-Parish continues to make efforts to increase funding to the PGT. The City-Parish and the Retirement Board continues to explore ways and methods to increase the funded level of the PGT in order to timely meet obligations to our retirees and survivors.

2017-002) Accounting Estimates

Criteria: Accounting estimates are required to be made in order to prepare financial statements in accordance with generally accepted accounting principles. The year-end financial statement accounts receivable balances should be reported net of allowance estimates to reflect the amount that is reasonably collectible. Also, estimates of tax refunds should be determined and applied against tax revenue recognized. Accounting procedures and controls should be in existence to require these estimates and supporting documentation.

Condition: The City-Parish has many accounts receivable balances recorded in its accounting records that are reported on the financial statements. In some circumstances, some of these accounts receivable balances will not be collected in full which is why an estimated allowance balance should be recorded. The City from time to time makes refunds of sales tax collections, and an estimate on future refunds should be applied. We noted the City lacks a systematic process or policy to determine these estimates as part of their financial reporting process.

Effect: Without determining estimates and maintaining proper documentation to support the estimates, the financial statements could contain a material misstatement.

Cause: A policy or a consistent practice for determining estimates for accounts receivable balances and sales tax refunds to be determined and supporting documentation was not in existence or being followed. This is due to historically low accounts receivable charge-offs and refunds.

Recommendation: We recommend for accounting procedures and controls to be adopted over requiring estimates of uncollectible accounts receivable balances and sales tax refunds be determined during the preparation of the financial statements.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

A. Findings – Financial Reporting (Continued)

2017-002) Accounting Estimates (Continued)

View of Responsible Official:

The tax receivable recorded at year-end represents actual collections for the December tax period collected in January of the following year by the Finance-Revenue Division. The tax refund payable account includes amounts from individual taxpayer overpayments on original returns and amended returns. Refund requests are included in this balance upon approval of the request by either the Finance Department or the Metro Council as applicable. All refunds to the taxpayer are charged against this account. In addition to this payable account, the City-Parish maintains an assignment of fund balance for tax refunds to ensure adequate resources to cover potential large refund requests.

Updated Response: Finance-Revenue Division is in the process of reviewing the account. They have consulted with the Parish Attorney regarding taxpayer notices and disposition of funds. Additionally, Finance-Revenue is developing a plan to address this issue moving forward.

2017-003) Timely Reconciliation of Accounts

Criteria:

A key internal control over cash reported in the financial statements is the timely reconciliation of book balances of general ledger cash accounts to the monthly bank statements. The timely preparation of the bank reconciliation is necessary to make sure transactions recorded in the accounting records match transactions recorded on the bank statement and the bank notified timely of any inappropriate activity that may exist. Similarly, a key internal control over accounts receivable reported in the financial statements is the reconciliation of book balances of the general ledger to subsidiary ledgers.

Condition:

We noted that the City-Parish's bank reconciliations for the last quarter of the calendar year were not completed timely. In addition, reconciliation of several proprietary funds accounts receivable, sewer and solid waste, were not reconciled timely to underlying subsidiary ledgers of customer balances.

Effect:

Timely reconciliation is a means to detect inappropriate activity and also ensure that all transactions are recorded. Without reconciling by set established due dates, financial data could be incomplete for decision-making along with inappropriate activity occurring and not being detected.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

A. Findings – Financial Reporting (Continued)

2017-003) Timely Reconciliation of Accounts (Continued)

Cause: On October 1, 2017, the City-Parish went live with its new accounting system. This required the establishment of new processes and procedures over posting of transactions in various departments resulting in unfamiliar reconciliation challenges not experienced with the previous accounting system.

Recommendation: We recommend for accounting procedures and controls to be amended to reflect the necessary changes to the reconciliation procedures to ensure the timely completion, review, and approval of cash and accounts receivable reconciliations.

View of Responsible Official:

Methods have been developed for timely reconciliation in the new system. Procedures will be updated to incorporate the new reconciliation processes for the new system. Processes will be fine-tuned to make reconciliations more efficient as we learn more about the system.

Updated Response: The monthly reconciliations have been timely prepared. Procedures are still being fine-tuned to improve efficiency of the reconciliation.

B. Findings – Federal Award Programs

2017-004) Preparation of Schedule of Expenditures and Federal Awards Questioned Costs: None

Criteria: The Uniform Guidance Subpart F section 200.510 requires the preparation of the Schedule of Expenditures of Federal Awards (SEFA) that includes an accurate reporting of federal awards expended based on the terms and conditions of the grants along with the amount of funds disbursed to sub-recipients. In order for the SEFA to be prepared accurately and properly report the amounts expended for federal awards, a system of controls should be in existence that includes the timely preparation and review of the amounts reported on the SEFA.

Condition: The City-Parish's initial SEFA prepared included non-federal expenditures and also did not properly report disbursement to sub-recipients for certain federal programs reported in the SEFA.

Effect: The SEFA provided to us for audit did not contain the correct amounts of federal expenditures based on the terms of the grant awards on some of the federal programs reported.

Cause: The grant awards or agreements with sub-recipients were not properly interpreted or reviewed to determine the proper amount to be reported as expenditures or disbursements to sub-recipients on the SEFA.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-004) Preparation of Schedule of Expenditures and Federal Awards (Continued)

Recommendation: The City-Parish should strengthen its controls including its review and approval processes over the information and balances that is accumulated and reported on the SEFA to make sure the expenditures reported are an accurate representation of federal costs and the amounts of disbursements to sub-recipients is properly reported.

View of Responsible Official:

It was discovered that the Federal expenditures were not reported correctly on two Department of Highway and Transportation grant programs. These specific projects had multiple funding sources and the Federal funding is a pass through from the State of LA combined with the State's funding. Separate Federal and State funding is not indicated when funds are received from the State for these programs. After contacting the State for additional information, the City-Parish was able to identify amounts received from the different funding types. This request for additional information will be incorporated into the updated policy and procedures.

The Finance Department will work with the individual departments over the grant programs to identify contracts that are for sub-recipients.

Updated Response: *The City-Parish continues to contact the State grantor to confirm the breakdown of Federal and/or State funding.*

The Finance Department distributed a vendor versus sub-recipient check list to help determine when contracts are for services or sub-recipients. After further research on the HOME program, it was determined that previous reported disbursements to sub-recipients were in fact not sub-recipients and are now reported correctly per grant's definition.

2017-005) Sub-recipient Monitoring

Questioned Costs: None

Department of Housing and Urban Development

14.218 Community Development Block Grant/Entitlement Grants (CDBG-E)

Grant No(s): B- (13-17)- MC-22-0002

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M- (07) - MC-22-0204; M-(11-17) -MC-22-0204

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-005) Sub-recipient Monitoring (Continued)

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H12-H13, H15-H17) F002

Criteria: The Uniform Guidance Subpart D indicates that a pass-through entity is responsible for monitoring the activities of its sub-recipients to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and performance goals are achieved. The pass-through entity's monitoring process should include desktop monitoring, a risk assessment of the sub-recipients, and on-site monitoring, if warranted.

The pass-through agency is also responsible for reviewing financial and programmatic reports required to be submitted under the terms of the grant award, following-up and ensuring timely and appropriate actions on deficiencies pertaining to Federal awards detected through audits, on-site reviews, and other means, as well as ensuring that sub-recipients expending \$750,000 or more in Federal awards during the sub-recipient's fiscal year as required under Uniform Guidance Subpart F have met the audit requirements.

Condition: The City-Parish's Office of Community Development (OCD) administers the HOME, HOPWA, and CDBG-E programs. In considering the OCD's compliance with its sub-recipient monitoring requirements, we noted the following with respect to the 5 sub-recipients of the HOME program, 6 sub-recipients of the HOPWA, and 12 sub-recipients of the CDBG-E programs:

- The OCD did not provide a complete listing or documentation for a method for tracking its sub-recipients under the HOME, HOPWA, or CDBG-E programs to ensure these sub-recipients met audit requirements and did not provide evidence of a review or retention of these audit reports of the sub-recipients,
- Risk assessment evaluations or documentation did not exist of program sub-recipients of the HOME program. However, a risk assessment evaluation was prepared for HOPWA and CDBG-E programs as required by the OCD policy manual but lacked the appropriate level of review,
- Although claiming to have performed on-site monitoring for its HOME sub-recipients and desktop monitoring of its HOPWA program sub-recipients, OCD did not provide documentation to evidence completion of on-site monitoring of its HOME or CDBG-E program sub-recipients or evidence of desktop monitoring or on-site monitoring of its HOPWA program sub-recipients. On the HOPWA program, OCD staff does complete detailed reviews and evaluation of

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-005) Sub-recipient Monitoring (Continued)

Condition: (Continued)

the invoices submitted for reimbursement from sub-recipients; however, completed forms evidencing desk or on-site monitoring was not provided.

Parts of this finding are repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2016-002.

Cause:

The monitoring of sub-recipients and borrowers (developers) of HOME, HOPWA and CDBG-E funds became more difficult due to resource constraints and personnel turnover. A centralized process for tracking and monitoring the receipt of sub-recipient audit reports does not exist. In addition, no documentation of whether sub-recipients have met the audit requirements is maintained or whether sub-recipients have taken appropriate corrective actions on all audit findings identified in the audit reports.

Effect:

The City-Parish is non-compliant with sub-recipient monitoring requirements for the HOME, HOPWA and CDBG-E programs. In addition, without implementing a risk assessment process, appropriate levels of sub-recipient monitoring may not occur and therefore the City-Parish may not be complying with all of its sub-recipient pass-through monitoring responsibilities.

Recommendation:

The City-Parish should establish a centralized process for tracking and obtaining, on an annual basis, sub-recipient audit reports and completion of on-site monitoring. The OCD should also establish procedures for ensuring appropriate sub-recipient follow-up on corrective actions. The OCD should also develop a process to ensure the preparation, documentation, review, and approval of risk assessment and document monitoring steps completed on sub-recipients.

View of Responsible Official:

The OCD has revised the policy requiring two audited financial statements completed within the past 36 months. However, written financial and grants management procedures from all HOME and HOPWA program applicants are required and risk assessment points are higher to include quarterly financial management along with a signed compliance management agreement that outlines the sub-recipient agreement.

City-Parish entered into a cooperative endeavor agreement with the East Baton Rouge Parish Redevelopment Authority (RDA) to administer HOME monitoring in accordance with the OCD's HOME project monitoring schedule. HOME projects subject to the affordability period submit rental remittances for review by the OCD Grants Administrator.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-005) Sub-recipient Monitoring (Continued)

View of Responsible Official: (Continued)

The OCD implemented risk assessment evaluations for the 2018 Action Plan resulting in all project sponsors that were deemed high risk being defunded or funding reduced according to their performance and capacity.

Updated Response: The OCD has revised the policy of two audited financial statements completed within the past 36 months. However, written financial and grants management procedures for all HOPWA applicants are required as well as a risk assessment to include quarterly financial management reports, quarterly meetings to discuss compliance management and performance goals and measures that are outlined in the sub-recipient agreements.

City-Parish entered into a cooperative endeavor agreement with the East Baton Rouge Parish Redevelopment Authority (RDA) to administer HOME monitoring in accordance with the OCD's HOME project monitoring schedule. HOME projects subject to the affordability period submit rental remittances for review by the OCD Grants Administrator.

The OCD implemented risk assessment evaluations for the 2019 Action Plan resulting in all project sponsors that were deemed high risk being defunded or funding reduced according to their performance and capacity.

2017-006) Reporting

Questioned Costs: None

Department of Housing and Urban Development

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H12-H13, H15-H17) F002

Criteria: Federal regulations require the preparation and reporting annually of the Consolidated Annual Performance and Evaluation Report (CAPER) HUD-40110-D. The report is required to be submitted within 90 days of the federal fiscal year end of September 30th and is used by the Department of Housing and Urban Development (HUD) for competitive renewals of formula grants. The CAPER report includes financial data of each HUD funded program administered by OCD in Part 3 of the report. The CAPER was filed on time but it was returned for edits and an extension granted by HUD. A final CAPER was submitted to HUD.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-006) Reporting (Continued)

Condition: The Federal Office of Management and Budget Compliance Supplement for federal programs for the HOPWA program requires Part 3 financial data to be subjected to audit procedures. We noted errors with the completion of Part 3 for the HOPWA program as the totals reported did not agree with the City-Parish financial records for the program. This error totaled approximately \$312,000 in expenditures that was not included in the CAPER report for the HOPWA program.

Effect: The OCD is non-compliant with Federal reporting requirements as the information submitted to HUD was inaccurate.

Cause: The non-compliance is due to a lack of procedures requiring follow through to ensure the reports are completed and filed with the accurate information reported.

Recommendation: The OCD should take steps to ensure accurate preparation and reporting of information on federal reports required to be filed. Written policies and procedures should be prepared by OCD that includes instructions on information to be included in the federal report and review and approval processes to ensure accuracy in reporting.

View of Responsible Official:

The OCD will review the error in expenditures to determine if an amended CAPER is necessary. In its partnership with the East Baton Rouge Redevelopment Authority (RDA), the OCD and RDA prepared a work management plan to ensure all federal funds granted under HUD programs are spent in accordance with all program requirements. In the work management plan submitted to HUD, the RDA is responsible for submitting the CAPERs on behalf of City-Parish OCD going forward. Policies and procedures for the accurate preparation and reporting of information are being drafted and should be finalized by October 1, 2018.

Updated Response: The OCD has reviewed and corrected the errors in expenditures and amended the CAPER. In its partnership with DHDS, the OCD and DHDS has a management plan to include contract workers to ensure all federal funds granted under the HOPWA & ESG programs are spent in accordance with all program requirements. In the management plan and scope of work submitted to HUD, the DHDS is responsible for submitting the close out information to the City-Parish OCD, including the CAPERs from each sub recipient. The information is reviewed for accuracy and submitted to HUD by OCD through our grants management consultants. Policies and procedures for the accurate preparation and reporting of information was finalized and submitted on December 18, 2018.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-007) Allowable Costs

Department of Housing and Urban Development

14.241 Housing Opportunities for Persons with AIDS (HOPWA) Questioned Costs: \$54,000

Grant No(s): LA (H12-H13, H15-H17) F002

Criteria: Costs charged to Federal grants must meet the provisions of the standards for documentation of personnel expenses contained in 2 CFR 200.400(i) which requires that charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and these records must be supported by a system of internal controls which provide a reasonable assurance that the charges are accurate, allowable, and properly allocated.

Part of this finding is repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2016-004.

Condition: Salaries and wages of employees charged to HOPWA program were not accurately supported by the time records for 5 of the 21 employees totaling approximately \$54,000 for the work performed. The time charged to the program was based on an estimated allocation amount per pay-period instead of the actual time and effort spent on the program. The 5 employees work in the City-Parish's Division Human Development and Services and allocate their time to the HOPWA grant.

Effect: The City-Parish is not in compliance with the provisions and standards of documentation as the cost allocation was based on an estimated percentage instead of actual time as reflected in the employees' timesheets.

Cause: Costs allocated to these programs were not adjusted to the actual time and effort records on a periodic basis throughout the year.

Recommendation: The Division of Human Development and Services must implement written policies and procedures to ensure that all salaries and wages and related benefit costs are charged to the Federal program based on records that reflect the work performed.

View of Responsible Official:

In reviewing the Division of Human Development and Services policy implemented in 2016, a Personnel Action Report (PAR) form was developed that staff were required to complete. The report detailed specific tasks associated with duties for each program area in which staff salaries were allocated. The PAR served as a projection of staff time rather than actual time spent in various program areas.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-007) Allowable Costs (Continued)

View of Responsible Official: (Continued)

A new policy, form, and process will be developed, implemented, and monitored monthly to ensure salaries, wages, and related benefits appropriately reflect the work performed in the various program areas.

Updated Response: The 2018 payroll cost allocation report has been reconciled and submitted to Finance for adjustments to the accounts. The City-Parish went live with the new payroll system in November 2018. The new system will allow the staff to properly allocate time during payroll. An assigned payroll clerk will be responsible for monitoring the allocated time on a monthly basis.

2017-008) Suspension and Debarment

Department of Housing and Urban Development

14.241 Housing Opportunities for Persons with AIDS (HOPWA) Questioned Costs: None

Grant No(s): LA (H12-H13, H15-H17) F002

Criteria: Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred. “Covered transactions” include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000.

Part of this finding is repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2016-005.

Condition: While testing compliance with the Federal program criteria regarding suspension and debarment, out of a population of 10 vendors, 3 were sampled and haphazardly selected for testing, we were unable to obtain documentation to support that the Office of Community Development verified that 2 of these vendors were not suspended, debarred, or otherwise excluded from doing business on federally funded contracts. However, based on a search on sam.gov these 2 vendors were not identified as being debarred from federal programs.

Effect: Without verification and documentation of the procedures over these requirements inadvertent payments to vendors who are not allowed to contract with the federal government may occur.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-008) Suspension and Debarment (Continued)

Cause: The OCD did not implement newly established policies and procedures to ensure compliance with the Federal requirements.

Recommendation: The Office of Community Development should implement processes so that established written policies and procedures are followed to ensure that Federal compliance requirements are adhered to.

View of Responsible Official:

The OCD maintains records of debarment review of all four HOPWA project sponsors funded under the Fiscal Year 2018 Action Plan.

Updated Response: The Purchasing Department maintains records of debarment review of all HOPWA project sponsors funded under the Fiscal Year 2018 Action Plan. Contracts are approved and formalized within the Purchasing Department and no contract is approved without review of debarment.

2017-009) Reporting

Questioned Costs: None

Department of Housing and Urban Development

14.218 Community Development Block Grants/Entitlement Grants (CDBG-E)

Grant No(s): B- (13 – 17)- MC-22-0002

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M- (07) - MC-22-0204; M-(11-17) -MC-22-0204

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA (H12-H13, H15-H17) F002

Criteria: The Federal Funding Accountability and Transparency Act (FFATA) requires information on Federal awards (Federal financial assistance and expenditures) be made available to the public via a single, searchable website. As defined in the act, prime awardees awarded a Federal grant are required to file a FFATA sub-award report by the end of the month following the month in which the prime awardee awards any sub-grant equal to or greater than \$25,000.

Part of this finding is repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2016-006.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-009) Reporting (Continued)

Condition: Sub-grants in excess of the \$25,000 made during the calendar year were funded through the CDBG-E, HOME, and HOPWA as the prime awardee. A summary by program of the total number of sub-grants provided and the dollar value associated with those agreements are below:

<u>Program</u>	<u># of Awards</u>	<u>Dollar Value</u>
CDBG-E	14	\$ 11,856,018
HOME	3	\$ 2,756,000
HOPWA	7	\$ 2,753,063

The associated monthly reports required to be filed under the Federal Funding Accountability and Transparency Act were not submitted.

Effect: The OCD is non-compliant with federal award terms.

Cause: The non-compliance is a result of staff turnover, the lack of training, and the lack of written policies and procedures to ensure compliance with Federal reporting requirements.

Recommendation: The OCD should implement written policies and procedures and a process for training to ensure that all reporting requirements are met and documentation maintained in accordance with grant terms.

View of Responsible Official:

The OCD has provided Federal Funding Accountability and Transparency Act sub-award reports for the CDBG, HOME, ESG and HOPWA programs for 2015 and 2016 and will submit sub award reports for 2017. The process will continue for the 2018 sub-awards with updated policies and procedures along with the help of consultants.

Updated Response: The OCD has provided Federal Funding Accountability and Transparency Act sub-award reports for the CDBG, HOME, ESG and HOPWA programs for 2016 -2017. Sub award reports for 2018 will be submitted in the 3rd quarter of the contract period. The process for the 2019 sub-awards will be adjusted for reporting to be completed within 30 days after the execution of the contract with the help of OCD Grants Management consultants.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-010) Special Tests and Provisions

Questioned Costs: Not Determined

Department of Housing and Urban Development

14.218 Community Development Block Grants/Entitlement Grants (CDBG-E)

Grant No(s): B- (13 – 17)- MC-22-0002

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M- (07) - MC-22-0204; M-(11-17) -MC-22-0204

Criteria: The CDBG-E is able to provide homeowners with rehabilitation assistance. The City-Parish is required to maintain certain documentation to support determination of this assistance including estimates, completion inspections or environmental reviews. The HOME program includes rental properties that received assistance. The Office of Community Development (OCD) personnel is required by the grant to perform onsite inspections of these rental units to determine if the units continue to meet certain property standards. The inspections are required after a certain number of years based on the number of units in the property.

Condition: On the CDBG-E rehabilitation assistance projects, the OCD was unable to produce a complete listing of projects that included expenditures during the year. Without a complete listing of all projects, we were unable to perform the necessary audit test to determine if OCD complied with the required documentation requirements, inspections or environmental reviews. On the HOME program, the OCD did not perform the required onsite inspections of the rental units as required by the grant.

Effect: The OCD did not provide sufficient documentary evidence to demonstrate compliance with the requirements of the grant.

Cause: The OCD did not keep a listing or log of the rehabilitation projects being worked on or completed during the year. Also, the OCD did not devote personnel to complete the required inspections on the HOME rental units. OCD management explained that personnel were assigned to assist with other matters related to the August 2016 flood.

Recommendation: The OCD should maintain a listing of all rental rehabilitation projects and implement policies and procedures to ensure the documentation of inspections is maintained and personnel is appropriately assigned to ensure compliance with federal guidelines.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-010) Special Tests and Provisions (Continued)

View of Responsible Official:

In its partnership with the East Baton Rouge Redevelopment Authority (RDA), the OCD and RDA prepared a work management plan to ensure all federal funds granted under HUD programs are spent in accordance with all program requirements. In the work management plan submitted to HUD, the RDA is responsible for compliance with program requirements and recordkeeping, including ensuring that all HOME program requirements are followed in the administration of grant funds. Policies and procedures for the accurate preparation and reporting of information are being drafted and should be finalized by October 1, 2018. The OCD maintains the responsibility to monitor the performance of the RDA, including RDA's monitoring strategy and monthly reports.

Updated Response: *In partnership with the East Baton Rouge Redevelopment Authority (RDA), the OCD and RDA prepared a work management plan to ensure all federal funds granted under HUD programs are spent in accordance with program requirements. In the work management plan submitted to HUD, the RDA is responsible for compliance with program requirements and recordkeeping, including ensuring that all HOME program requirements are followed in the administration of grant funds. Policies and procedures for the accurate preparation and reporting of information has been finalized. The OCD maintains the responsibility to monitor the performance of the RDA, including RDA's monitoring strategy and monthly reports.*

2017-011) Allowable Costs

Questioned Costs: None

Department of Labor

Passed through the Louisiana Workforce Commission

17.258 WIOA Adult Program (WAP)

17.259 WIOA Youth Program (WYP)

17.278 WIOA Dislocated Worker Formula Grants (DW)

Grant No(s): WAP - FY2017, FY2018, PY2016, PY2017; WYP – PY2015, PY2016; DW – FY2016, FY2017, FY2018, PY2016, PY2017

Criteria: The WIOA program provides eligible participants various types of training services. The participants receiving assistance were identified and approved by case workers who also monitor the participant's progress in

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-011) Allowable Costs (Continued)

Criteria: (Continued)

the program. A system of strong internal controls would require invoices from job training institutions under the WIOA program to be reviewed and approved by case workers who are knowledgeable about the progress of participants in the program prior to payment.

Condition:

We noted that the case workers are not required to review and approve invoices for payment from job training institutions providing services to participants in the program. Instead, the invoices are reviewed and approved for payment by the administration personnel of the program who match attendance records from job training institutions. The administration personnel do not verify with the case worker that the participant still actively attends courses or has completed the required courses.

Effect:

Lack of approval by the personnel who are directly knowledgeable about the progress of participants in the program could result in payment to job training institutions for participants who are inactive or who have dropped from the program.

Cause:

The administrative personnel do not communicate with the case workers who are familiar with and keep track of the participant's progress in the program.

Recommendation:

We recommend for policies and procedures to be adopted or modified to require that case workers review and approve invoices from job training institutions providing services to verify that services are being provided to active participants.

View of Responsible Official:

The WIOA program provided eligible participants access to various types of training programs and services. Caseworkers who approved enrollment in training programs also monitored participant's progress. However, the lack of internal controls did not allow caseworkers to review and approve request(s) for payments submitted from training institutions thereby creating the opportunity for payments for participants who may have been inactive or who might have dropped.

Internal controls, including new policies and procedures, will be developed requiring case managers to review and verify participants' attendance and progress in training programs. Caseworkers will be required to verify and sign off on each request for payment submitted by training institutions before submitting to management for approval and fiscal for processing payment. Caseworkers and other appropriate staff will be trained on the new policies and procedures.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-011) Allowable Costs (Continued)

Updated Response: Internal policies and procedures were developed making case managers responsible for reviewing all invoices from training vendors and ensuring participants were enrolled, attending and excelling in programs before submitting invoices for payment.

2017-012) Earmarking

Questioned Costs: None

Department of Labor
Passed through the Louisiana Workforce Commission

17.259 WIOA Youth Program (WYP)

Grant No(s): PY2016

Criteria: The WIOA Youth Program requires that 20% of the Youth Program expenditures, exclusive of administrative funds, be used for work experience activities.

Condition: The City's WIOA Youth Program's budget was only 13% of the total Youth expenditure budget (exclusive of administrative costs) instead of 20%.

Effect: Although the program actually expended more than the 20% of its Youth Program amounts for work experience, when mandated earmarking levels are not properly budgeted, risk of non-compliance is heightened.

Cause: This is a relatively new requirement.

Recommendation: The WIOA program should include in its budget a level of work experience expenditures equal to 20% of total Youth Program costs.

View of Responsible Official:

WIOA Youth Program budget will include a level of work experience expenditures equal to 20% of the total youth program costs. All appropriate staff will be trained to ensure compliance.

Updated Response: WIOA Youth Program budget includes a level of work experience expenditures equal to 20% of the total youth program costs. Appropriate staff was trained to ensure compliance.

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-013) Allowable Costs – Excess Insurance Reserves

Questioned Costs: \$30,846

Department of Health and Human Services

93.600 HeadStart

Grant No(s): 06CH7167-03

Criteria: Under the Uniform Guidance (the Guidance), working capital reserve funds are allowed with respect to central service costs. A working capital reserve as a part of fund balance of up to 60 calendar days for normal operating purposes is considered reasonable. In exceptional cases, a working capital reserve exceeding 60 calendar days may be approved by the cognizant agency. In addition, with respect to allowable fringe benefit costs, specifically, post-retirement health care costs are allowable if they are funded for that year within six months after the end of that year. Costs funded after the six-month period are allowable in the year funded (when claims are paid).

Condition: The City-Parish is self-insured for health care claims of both active and retired employees, and all programs and activities (including federal grant programs) pay premiums into separate funds. Our analysis of fund balances (reserves) of the funds that account for the self-insurance activities identified that the reserves now exceed the maximum amount the Guidance considers reasonable for several federal programs with the largest impact to the HeadStart program by approximately \$31,000.

Effect: The City-Parish was reimbursed for costs which were not allowable since they exceeded the working capital reserve balance.

Cause: Employer contributions and employee/retiree premiums are set each year during the budgeting process. Due to volatility with health care claims it is difficult to accurately predict the exact funding needed to satisfy claims.

Recommendation: The City-Parish should monitor the fund balances (reserves) of its self-insurance health fund and its retiree health insurance fund to ensure that the reserves do not exceed the amounts considered reasonable under the Guidance. If reserves exceed reasonable levels, health care premium costs charged to federal grant programs may become unallowable.

View of Responsible Official:

Employer contributions and employee/retiree premiums for the City-Parish self-insured insurance program are set each year during the budget process and approved by the Metropolitan Council. Given the volatility experienced with health care claims it is difficult to accurately predict the exact funding needed to satisfy claims. Since this is a self-insured plan, rates must be established at an amount that will sustain the program

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

B. Findings – Federal Award Programs (Continued)

2017-013) Allowable Costs – Excess Insurance Reserves (Continued)

View of Responsible Official: (Continued)

throughout the year. The reserve balance is analyzed each year and rates are adjusted accordingly and set for the following budget year. Given the increase of health care costs, we do not anticipate having a reserve balance in excess of the allowable amount at the end of the current year.

Updated Response: Each year the Finance Department prepares an analysis to determine if excess insurance reserves are in accordance with the Uniform Guidance as stated in CFR Title 2 Part 200.V. In 2018, the analysis reflected a surplus for the Head Start program. Therefore, a reduction to expenditures was processed. In addition, a waiver will be submitted to the cognizant agency to request our insurance reserves be allowed to exceed 60 calendar days due to the complexity and volatility experienced with health care claims since it is difficult to accurately predict the exact funding needed to satisfy claims.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE**

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

Report on Compliance

We have audited the compliance of the City of Baton Rouge and the Parish of East Baton Rouge (the City-Parish) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration in September 2000 (the Guide), for its Passenger Facility Charge Program for the year ended December 31, 2018.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and terms and conditions of the Passenger Facility Charge Program (the Program).

Auditors' Responsibility

Our responsibility is to express an opinion on the City-Parish's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Program occurred. An audit includes examining, on a test basis, evidence about the City-Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. However, our audit does not provide a legal determination of the City-Parish's compliance with those requirements.

Opinion on the Passenger Facility Charge Program

In our opinion, the City-Parish complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance. In planning and performing our audit, we considered the City-Parish's internal control over compliance with program regulations that could have a direct and material effect on compliance in order to determine the auditing procedures that are appropriate under the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Guide but not for the purpose of expressing an opinion on the effectiveness of the City-Parish's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City-Parish's internal control over compliance.

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

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

Schedule of Passenger Facility Charges Revenues and Disbursements

We have audited the basic financial statements of the City of Baton Rouge and the Parish of East Baton Rouge as of and for the year ended December 31, 2018, and have issued our report thereon dated June 26, 2019, which includes a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Passenger Facility Charge Revenues and Disbursements for the year ended December 31, 2018 as required by the Guide is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Postthwaite + Netterville

Baton Rouge, Louisiana
June 26, 2019



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, 2018

	FY 2017 <u>Program Total</u>	Quarter 1 <u>Jan - Mar</u>
Revenue		
Passenger Facility Charge Net Collections	\$ 35,024,971	\$ 366,731
Interest Earned on Investments	1,448,362	580
Claim settlement	1,371,035	-
Total Revenue	<u>37,844,368</u>	<u>367,311</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	21,671,525	25,566
00-05-C-00-BTR Airport access road	1,662,621	4,154
00-05-C-00-BTR Acquire A/C loading bridges	871,811	6,141
05-06-C-00-BTR Expand general aviation apron	298,316	867
05-06-C-00-BTR Extend runway 4L/22R	4,314,788	20,725
09-07-C-00-BTR Terminal atrium expansion	4,656,552	43,013
09-07-C-00-BTR Acquisition of property for development	630,921	5,828
09-07-C-00-BTR Taxiway fillet construction	320,972	2,965
09-07-C-00-BTR Ticket lobby expansion	422,654	3,904
Total Disbursements	<u>37,456,183</u>	<u>113,163</u>
Net PFC Revenue		254,148
PFC Account Balance (cash basis)	\$ 388,185	\$ 642,333

Quarter 2 <u>Apr - Jun</u>	Quarter 3 <u>Jul - Sep</u>	Quarter 4 <u>Oct - Dec</u>	FY 2018 <u>Total</u>	FY 2018 <u>Program Total</u>
\$ 419,895	\$ 379,275	\$ 422,708	\$ 1,588,609	\$ 36,613,580
877	788	428	2,673	1,451,035
-	-	-	-	1,371,035
<u>420,772</u>	<u>380,063</u>	<u>423,136</u>	<u>1,591,282</u>	<u>39,435,650</u>
-	-	-	-	1,315,124
-	-	-	-	1,290,899
6,801	467,491	183,435	683,293	22,354,818
-	35,525	-	39,679	1,702,300
-	52,514	-	58,655	930,466
-	7,416	-	8,283	306,599
-	177,215	-	197,940	4,512,728
-	367,811	-	410,824	5,067,376
-	49,835	-	55,663	686,584
-	25,353	-	28,318	349,290
-	33,385	-	37,289	459,943
<u>6,801</u>	<u>1,216,545</u>	<u>183,435</u>	<u>1,519,944</u>	<u>38,976,127</u>
413,971	(836,482)	239,701	71,338	459,523
\$ 1,056,304	\$ 219,822	\$ 459,523	\$ 459,523	459,523
Accrued PFC revenues				231,763
Accrued interest revenues				486
Accrued interest payable				(161,344)
Accrued project expenses				<u>(59,503)</u>
Total Net Position Restricted for PFC included in EXHIBIT A-10				<u>\$ 470,925</u>

SPECIAL ACKNOWLEDGMENTS

Finance - Accounting

Sharon Campbell
Accounting Manager

Tammy Morgan
Shalanda Nalencz
Mary Ourso
Assistant Accounting Managers

Shannon Hargrave
Debt Management Officer

Chief Financial Analyst

Jonathan Alford
Kay Ellzey
Chelsea Faulk
Lauren Foster
Kathleen Kreko
Jeanine Romero
Ted Stephens
Nick Vidrine

Senior Fiscal Specialist

Angela Banks
Rhonda Bankston
Valerie Brown
Charez Edwards
Linda Hickerson
Oma Ringe
Gregory Spears
Shanberly Spears

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Cover Design and Production

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CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

REPORT TO MANAGEMENT

DECEMBER 31, 2018



Postlethwaite & Netterville

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CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

REPORT TO MANAGEMENT

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June 26, 2019

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, 2018 and have issued our report thereon. As part of our audit, we evaluated the system of internal accounting control to the extent we considered necessary as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City-Parish's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls or operating efficiency and other matters. Our comments and suggestions regarding those matters are set forth below. This letter does not affect our reports dated June 26, 2019, on the financial statements of the City-Parish and the City-Parish's internal control over financial reporting.

2018-1

Theft of Public Assets

Condition: Louisiana Revised Statute 14:67 defines theft as the misappropriation or taking anything of economic value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An instances, or likely instances, of misappropriation were identified by the City-Parish and reported to the Legislative Auditor which are presented in attachment A to this letter.

Recommendation: Employees are to be reminded of the proper procedures and their ethical responsibilities as public servants. We recommend the City-Parish continue their prosecution of these matters and that the internal controls of the City be reviewed and potentially revised to deter such instances from occurring in the future.

Management's Response:

The City-Parish is fully committed to protecting public resources. We will continue to report instances of misappropriation and refer them to law enforcement. The departments will also strengthen internal controls and monitoring in the areas where a misappropriation occurred. Immediate action will be taken to recover public monies and assets. Finally, the City-Parish will continue educating employees on their ethical responsibilities through the annual Ethics Training for Public Servants by the Louisiana Board of Ethics.

2018-2

Metro Council Review of Financial Statements

Condition: Best practices in internal controls over an entity's finances call for review of financial statements on an interim basis by those charged with governance. The Finance Department produces quarterly statements which are published on the City-Parish's website that are available for review. While Metro Council members may be reviewing the financial statements, that review is not made a formal agenda item and is not documented in minutes.

Recommendation: We recommend that the Council's review or acceptance of quarterly financial statements be made a formal; part of meetings and that review or acceptance of the financial statements be reflected in the minutes.

Management's Response:

The Finance Department will develop and implement a procedure to ensure that quarterly financial statements are presented at the Metro Council meetings to be reviewed and accepted by the members of the Council.

2018-3

Internal controls over facilities and construction costs

Condition: During the audit of the City-Parish's financial statements, we observed an instance in the construction of the Mosquito Abatement and Control (MARC) facility where greater cost controls could have been applied. Auto-tinted windows were a component of the building and may have been of higher costs than alternative windows with the same functionality. Additionally, a large back-up generator was purchased through a government surplus sale that does not function.

Recommendation: City Parish and the MARC Board should implement stronger costs controls over construction costs to ensure costs are justified given the benefits and that the taxpayer receives appropriate value for the money expended.

Management's Response:

Mosquito Abatement and Rodent Control is aware of the concern regarding expenditure of public funds with respect to the construction of the new MARC facility. The new facility construction project supervision and management should have included City-Parish departmental subject matter experts with regard to the expenditure of public funds and all procurements associated with the construction. MARC staff members and commission members will consult with the Parish Attorney's Office and the Purchasing Department in all future construction or purchasing transactions to ensure that all expenditures of public funds are allowable, appropriate, and reasonable.

We have already discussed these matters with the City-Parish's management. Their views on these matters and plans for corrective action are identified herein. This letter does not affect our report dated June 26, 2019 on the financial statements of the City-Parish, and furthermore, this letter is intended for use only by the City-Parish's management and audit committee and is not intended to be used, and should not be used, by anyone other than these specified parties.

Sincerely,

Postlethwaite + Netterville

Attachment A to Management Letter

The following 18 elements of the instances of misappropriation are presented below:

Element of Finding		Misappropriation #1 (Fire Truck)	Misappropriation #2 (Missing Collections)
1	A general statement describing the fraud or misappropriation that occurred.	An employee used the fire truck without authorization.	Collections were short on August 8, 2018.
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	A fire truck.	Funds for permits including: occupancy, fire, plumbing, heat & air, electrical, plan review, reinspection, etc.
3	The amount of funds or approximate value of assets involved.	\$73,700	\$100
4	The department or office in which the fraud or misappropriation occurred.	Alsen/St. Irma Lee Volunteer Fire Department	Development - Permit and Inspections Division
5	The period of time over which the fraud or misappropriation occurred.	Feb-19	Aug-18
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	Alsen/St. Irma Lee Volunteer Fire Department	Development - Permit and Inspections Division
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	Reginald Haile, Assistant Fire Chief	Unknown
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	No	Unknown
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	N/A	N/A
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Yes. EBR Sheriff's Office case # 19-00010232	Yes. BRPD case # 74586-18.
11	What is the status of the investigation at the date of the auditor's/accountant's report?	The truck was located and returned.	BRPD detectives were unable to determine the cause of the loss of funds.

Attachment A to Management Letter

The following 18 elements of the instances of misappropriation are presented below:

Element of Finding	Misappropriation #1 (Fire Truck)	Misappropriation #2 (Missing Collections)
12 If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	The agency filed charges of "unauthorized use of a vehicle" since the person was an employee.	N/A
13 What is the status of any related adjudication at the date of the auditor's/accountant's report?	Charges filed with case pending further investigation.	Case open
14 Has restitution been made or has an insurance claim been filed?	N/A	No
15 Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)?	Yes	Yes
16 Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	No.	Yes. The matter was self reported to Internal Audit from an employee of Development - Permit and Inspections Division
17 If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	The keys to the fire truck are kept in the ignition to minimize response time during an emergency. Usually, access to the vehicle is controlled by the employees. However, in this case, it was an employee who accessed the vehicle.	N/A
18 Management's plan to ensure that the fraud or misappropriation does not occur in the future	The fire truck will be GPS enabled. The system will track all emergency vehicles in the parish.	The cashier's work schedule has been changed so two staff members open and close the cash register. A reconciliation form is completed and signed by the two staff members. Deposits are made the next day or second day after collection. The change fund was increased and change is not made for anyone. The corrections were put in place in October and December of 2018. A budget request has been made for cameras and extra cash register drawers to be installed in the cashier's office. These items are awaiting budget approval and building renovation.

Status of Prior Year Management Letter Comments

2017-1

Adherence and Update to Procurement Policies over Leases/ Suspension and Debarment Documentation

Condition: The City-Parish's Department of Human Development & Services Employ BR / WIOA division manages the federal WIOA Adult, Youth and Dislocated Worker programs. As part of audit of this major program cluster, we noted a building lease that the Employ BR entered into with another entity. The City-Parish's purchasing manual requires certain minimum documentation which includes a competitive proposal process or an informal survey to determine availability of appropriate space within the required geographical. In addition, Uniform Guidance (UG) requires a periodic review to determine if circumstances have changed and other options are available. UG also requires that when entering into an agreement consideration of the reasonableness of the rates should be given in light of factors which include rental costs of comparable property, market conditions in the area, alternatives available, and the type, life expectancy, condition, and value of the property leased. The documentation to support this lease and showing the lessor was not suspended or debarred from being paid with federal grant funds could not be provided to us.

Recommendation: We recommend that proper documentation be obtained and kept on file for all leases of buildings that meet the requirements of the City-Parish's purchasing manual and the manual be updated to reflect the requirements under Uniform Guidance when leases are funded with federal awards. In addition, the City-Parish must obtain documentation that the lessor was not suspended or debarred for those leases funded with federal awards.

Management's Response:

The Division of Human Development and Services will adhere to the established Purchasing Department policies and procedures to ensure compliance with Uniform Guidance for all leases funded with federal funds.

The Division of Human Development and Services' internal controls will include the completion of a checklist for all lease agreements that require verification and documentation of clearance with System for Award Management (SAM) and in good standing with the Louisiana Secretary of State.

The City-Parish Purchasing Department accesses the sam.gov site for all contracts entered into and maintains a copy of this information in all contract files. For all recurring operating contracts, City-Parish Purchasing conducts a market analysis to determine the feasibility of continuing these contracts on an annual basis. Purchasing will incorporate this process into the procedure manual for federally funded contracts.

Status of Management's Response:

The Division of Human Development and Services (DHDS) will adhere to the established Uniform Guidance and established Purchasing requirements to ensure compliance for all leases. DHDS has developed an internal control checklist for lease agreements that include documentation that the lessor was not suspended or debarred for leases funded with federal awards.

2017-2

Documentation of Approval and Review of Monitoring Reports

Condition: The City-Parish's Department of Human Development & Services Employ BR / WIOA division manages the federal WIOA Youth, Adult, and Dislocated Workers programs. As part of its management of the program, monitoring is conducted of the vendors who provide services and reports are submitted to management. We noted there was no indication that management reviewed or approved the monitoring reports being submitted.

Recommendation: We recommend that a process be developed and implemented to document management's review and approval of the monitoring reports that are prepared and submitted.

Management's Response:

The City-Parish Department of Human Development & Services will implement a process that shows that WIOA management has reviewed and approved monitoring reports submitted by vendors.

Status of Management's Response:

Internal processes have been established for reviewing and approving monitoring reports. A designated staff has been assigned the responsibility to review, approve reports and forward to management.

2017-3

Sale of Property in Accordance with State Law

Condition: A recent audit report released by the Louisiana Legislative Auditor identified the City-Parish sold two parcels of land at auction which violated state regulations. State law requires the Government to introduce an ordinance that gives its reasons for the sale and that fixes a minimum price for the property. Governments must also publish notices of the proposed ordinance three times in 15 days in their official journal. The City-Parish did not set a minimum price for the property and did establish an ordinance or publish the required notices.

Recommendation: We recommend that the City-Parish review its current policies and procedures to ensure compliance with state regulations and employees reminded about their responsibilities in ensuring compliance with established regulations.

Management's Response:

The audit report indicated that the City-Parish violated its Ordinances (not state laws which do not apply to us) by not advertising a proposed ordinance and requiring a minimum bid and that the sale may have violated the Constitutional prohibition on donations because it was sold for less than fair market value. The City-Parish has revised its policies to provide for appraisal prior to all surplus property sales so as to determine fair market value. Additionally, all future ordinances governing auctioned surplus property will be modified to reference only applicable laws and include a minimum bid. The entire text of the City-Parish's response is included in the Louisiana Legislative Auditor's audit issued May 30, 2018.

Status of Management's Response:

The Parish Attorney's Property Section has taken the following actions and/or implemented the following procedures for sales of immovable property:

All sales of immovable property shall proceed according to the City-Parish ordinances and regulations in place governing same with no reference to State Law.

All sales of immovable property, whether private sale or public auction, shall require an appraisal of the property in question to help determine fair market value.

A minimum bid for all sales of immovable property by auction shall be fixed and set out in the ordinance related to the sale of immovable property. That minimum bid shall be fair market value.

In addition to proper advertisement of the sales of immovable property and the ordinance relative thereto, the City-Parish shall also ensure that signs advertising the sale and its terms shall be placed prominently on the site of the property in question.

2017-4

BRAVE Contracts

Condition:

A recent audit report released by the Louisiana Legislative Auditor questioned the support for payments made under several smaller contracts entered into by the City-Parish under the BRAVE anti-gang program. The investigation identified lack of support for transportation and consulting services under the established agreements.

Recommendation:

We recommend that the City-Parish remind its employees of the current policies and procedures to maintain documentation to support payments made to vendors and establish the appropriate procedures to determine if the documentation received complies with these policies and contract terms.

Management's Response:

The City-Parish concurred with the Legislative Auditor's recommendations on contracts and invoices. All future contract terms will be clearly written and structured in a manner that clearly defines the deliverables and the payments associated with the deliverables. City-Parish staff will carefully review invoices before payment to ensure services were performed as agreed and that the City-Parish has sufficient documentation. The entire text of the City-Parish's response is included in the Louisiana Legislative Auditor's audit issued May 30, 2018.

Status of Management's Response:

All contract terms will be clearly written and structured in a manner that clearly defines the deliverables and the payments associated with the deliverables. City-Parish staff will carefully review invoices before payment to ensure services were performed as agreed and that the City-Parish has sufficient documentation.

2017-5

Baton Rouge Police Department Extra Duty Pay While on Paid or Administrative Leave Enhancement to Policies and Procedures

Condition:

A report issued by the Legislative Auditor, which reviewed policies and procedures over extra duty assignments and payments, identified additional matters to be addressed by the Department to fully comply with applicable state laws and regulations.

Recommendation:

We recommend that the City-Parish review the matters identified in the Legislative Auditor's report and establish policies and procedures to ensure compliance with all applicable laws and regulations.

Management's Response:

Because the policy prior to August, 1, 2017, may have been vague about whether officers on administrative leave were exempt from performing administrative extra duty functions, BRPD established a new policy which clearly prevents any officer on administrative leave from performing either on-site or administrative functions of extra duty employment. The entire text of the City-Parish's response is included in the Louisiana Legislative Auditor's audit issued April 24, 2018.

Status of Management's Response:

Since the Legislative Auditor's report, the Chief of Police has changed the policy that led to the confusion. General Order #102 now states that administering an extra duty detail is considered working extra duty; therefore, any officer on paid administrative leave can no longer administer or work an extra duty detail while on administrative leave.

2017-6

Information Technology and Security

Condition: In our consideration of the City's IT environment and applications, we noted the following matters:

- Passwords required for access to the Galaxy System (used for Sales Tax Collections) do not meet complexity standards of best practice
- Non-IS department employees have administrative access to the payroll, general ledger, and Galaxy systems
- User reviews of the Open VMS and Payroll applications, normally done annually by the internal audit department, were not conducted during 2017

Recommendation: Password standards for access to the Galaxy System, Open VMS application, and Active Directory should be updated to conform to best practices. User reviews of all systems should be performed annually. With respect to administrative access to systems, it is recommended that management consider conducting a review to validate each user's assigned administrative access within the financial systems for necessity and appropriateness.

Management's Response:

The Finance-Revenue Division will contact the system administrator for the Galaxy System regarding an upgrade to password requirements. The Administrative function within the Galaxy System is not limited to setting employee user rights. There are multiple other functions limited to administrators such as opening batches, certain levels of waivers, and authorization to change reports that need to stay within the Revenue Division management.

The payroll and financial legacy systems were managed by non-IS employees. This is not the case in the new Munis system as only IS employees manage security. Galaxy is a third party system and IS would need to review the system to determine if the security structure would allow IS to manage and still allow the Revenue users the appropriate access to the system.

Payroll security and access will be reviewed by the Bridge Team during the Fall 2018 implementation of the new timekeeping and Human Resources systems. User reviews of the Open VMS and Payroll applications have not been on the Internal Auditing Division's annual audit plan for several years. The Internal Auditing Division will present these reviews to the City-Parish Audit Committee for the development of the 2019 audit plan.

Status of Management's Response:

Requirements for Galaxy system passwords will follow Finance Department Policy #25, which is consistent with best practices.

With the transition to Munis, security is managed by the IS Department for the payroll and financial systems. In Galaxy, administrator permissions are necessary to perform certain operational tasks. The structure of the system does not allow a separation of tasks currently located within the Administrator role.

Payroll security and access were reviewed with the transition to Munis. Munis access is secured through an active directory verification and further managed by assigned roles and permissions. The Internal Auditing Division has included a review of open VMS and Payroll applications on the 2019 proposed audit plan. Follow-up reviews will be performed based on the risk assigned through the annual risk analysis performed by the Internal Auditing Division.

2017-7

Theft of Public Assets

Condition:

Louisiana Revised Statute 14:67 defines theft as the misappropriation or taking anything of economic value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. Eight instances, or likely instances, of misappropriation were identified by the City-Parish and reported to the Legislative Auditor which were presented in attachment A to the prior year's letter (*these are not presented in the current year attachment*).

Recommendation:

Employees are to be reminded of the proper procedures and their ethical responsibilities as public servants. We recommend the City-Parish continue their prosecution of these matters and that the internal controls of the City be reviewed and potentially revised to deter such instances from occurring in the future.

Management's Response:

The City-Parish is fully committed to protecting public resources. We will continue to report instances of misappropriation and refer them to law enforcement. The departments will also strengthen internal controls and monitoring in the areas where a misappropriation occurred. Immediate action will be taken to recover public monies and assets. Finally, the City-Parish will continue educating employees on their ethical responsibilities through the annual Ethics Training for Public Servants by the Louisiana Board of Ethics.

Status of Management's Response:

1- The Internal Auditing Division reviewed the controls concerning updates to vendor banking information. Departments are in the process of reviewing and implementing the recommendations included in the report.

2- The Police Department has implemented a review process where all officers have been issued a body camera and supervisors are required to review three body camera recordings for each officer under their command every month and review the body camera footage along with all reports that officers write to make sure the camera footage matches up to what officers document in their reports.

3- Overtime worked by administrative staff is authorized on an as needed basis. Clear direction is provided in advance with follow up on work product by the supervisor. In the case of the Wastewater Collections – Operations division, the Assistant Wastewater Collection System Manager was responsible for taking corrective action which began immediately after the recommendations by Internal Auditing.

4- The Interim Director of Fleet Management has mandated that all parts ordered must be accompanied by a unit number and work order number to ensure that all parts are being ordered for a unit within the City-Parish's fleet. All parts must be authorized by an automotive shop supervisor or management before parts personnel can initiate the order. All Parts Room personnel must have the unit number and work order number written on the Parts Request Form with the requestor's signature before fulfilling the order. All documentation pertaining to each order is kept on file.

5- Neighborhood Revitalization Division personnel have been directed to thoroughly review Fueltrac usage reports for exceptions and irregularities. Office of Business Operations and Capital Projects personnel will ensure employees' Fueltrac Personal Identification Numbers (PINs) are cancelled upon termination of employment.

6- Tongue locks were installed on the trailers so they must be checked out prior to use. The trailer is then assigned to the vehicle pulling it so it can be tracked until it is returned to the lot where it is locked once again. The Assistant Wastewater Collection System Manager was responsible for taking corrective action which began immediately after the trailer was determined to be missing then found.

7- Supervisors are also required to periodically review GPS data from officers' modems to make sure officers and supervisors are inside the district they are assigned to work. The department has also purchased new Motorola portable radios that are GPS enabled to monitor officers even when they are away from their patrol units.

8- The Division of Human Development and Services (DHDS) takes protecting public resources seriously. All instances of theft will be reported to the proper law enforcement office. DHDS has also taken steps to strengthen internal controls by updating inventory and recording assets per location. DHDS also ensures all staff complete the annual Ethics Training as required for all Public Servants.

Independent Accountants' Report
On Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the City of Baton Rouge / Parish of East Baton Rouge (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exceptions noted*". If not, then a description of the exception ensues. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, "procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity" is indicated.

Procedures related to Collections items 4 through 7 listed below were performed by the Entity's Internal Auditor. A separate report has been issued for the results of those procedures. We take no responsibility for the sufficiency of those procedures or the results reported.

Written Policies and Procedures

1. Obtain the Entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law or state purchasing rules and regulations; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions noted.

- c) **Disbursements**, including processing, reviewing, and approving.

No exceptions noted.

- d) **Receipts**, including receiving, recording, and preparing deposits.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted

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

No exceptions noted

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

No exceptions noted.

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

The minutes did not include or reference budget-to-actual comparisons on the General Fund and other major funds.

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

No exceptions noted.

Bank Reconciliations-

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Collections- Procedures 4 thru 7 were performed by the Entity's Internal Auditor. See separate report.

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements - Procedures 8 through 10 were not performed as the entity did not have exceptions in this category in the prior year, or mitigating controls exist as asserted by management.

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

No exceptions noted.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

No exceptions noted.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

No exception noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by:

(1) an original itemized receipt that identifies precisely what was purchased

No exception noted.

(2) written documentation of the business/public purpose, and

The procedures resulted in selection of 14 transactions. One of the transactions selected included written documentation of the business purpose.

(3) documentation of the individuals participating in meals (for meal charges only).

No exceptions noted.

Travel and Expense Reimbursement – Procedure 14 was not performed as the entity did not have exceptions in this category in the prior year, or mitigating controls exist as asserted by management.

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts - Procedure 15 was not performed as the entity did not have exceptions in this category in the prior year, or mitigating controls exist as asserted by management.

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel - Procedures 16-19 were not performed as the entity did not have exceptions in this category in the prior year, or mitigating controls exist as asserted by management.

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics – Procedure 20 was not performed as the entity did not have exceptions in this category in the prior year, or mitigating controls exist as asserted by management.

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service - Procedures 21-22 were not performed as the entity did not have exceptions in this category in the prior year, or mitigating controls exist as asserted by management.

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

21. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other – Procedures 23-24 were not performed as the entity did not have exceptions in this category in the prior year, or mitigating controls exist as asserted by management.

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Corrective Action

25. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

See management's responses in the attached "Responses to Statewide Agreed Upon Procedures 2018".

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document. Additionally, a separate report has been prepared by the Entity's Internal Auditor, dated June 24, 2019, to reflect the results of that auditor's performance of certain of the Statewide Agreed Upon Procedures. We were not engaged to perform, and have not performed, any of the State-Wide Agreed Upon Procedures performed by the Internal Auditor, and we take no responsibility for the sufficiency of those procedures or results reported and the procedures performed by the Internal Auditor have been excluded from this report.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 26, 2019



Department of Finance
Internal Auditing Division

City of Baton Rouge
Parish of East Baton Rouge

222 St. Louis Street
Post Office Box 1471
Baton Rouge, Louisiana 70821

(225) 389-3076
Fax (225) 389-8639

June 24, 2019

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

**REFERENCE: East Baton Rouge City-Parish - Louisiana Legislative Auditor's
Statewide Agreed-Upon Procedures—Collections (Numbers 4, 5, 6 & 7)
- 2018**

In accordance with an agreement with Postlethwaite and Netterville, the Internal Auditing Division performed the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUP) for Collections (numbers 4, 5, 6, & 7) for the period of January 1, 2018 through December 31, 2018. The results of the review are presented below. The procedures are detailed in Attachment A.

Results and Comments:

4. *The five sample deposit sites are as follows: City Court; Downtown Development District (DDD); Finance-Revenue; Library; and Greater Baton Rouge Parking Authority (Parking Garage).*
5. *Written procedures were obtained for four collection sites. DDD had no written policies or procedures.*
 - 5a. *Employees share a cash drawer at one collection site (Library).*
 - 5(b) *At two collection sites, employees who receive payments also prepare deposits. (Library & Parking Garage).*
 - 5(c) *At one collection site, employees who accept payments also perform incompatible duties such as updating and reconciling records and reviewing deposits (Parking Garage).*

5(d) *No exceptions.*

6. *No exceptions.*

7(a) *Invoices or receipts are not pre-numbered or do not have unique identifiers at three collection sites (DDD, Library, & Parking Garage).*

7(b) *No exceptions.*

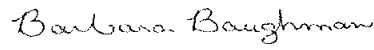
7(c) *No exceptions.*

7(d) *No exceptions.*

7(e) *No exceptions.*

We found internal controls issues not related to the SAUP in our testing. We discussed all issues with the deposit sites (departments); they agreed to implement corrective action.

If you want more information, you may contact me at 389-5159 x232 or at bbaughman@brla.gov.


Barbara Baughman
Auditing Manager

Attachment

cc: Linda Hunt, Interim Finance Director
Angie Savoy, Interim Asst. Finance Director
Sharon Campbell, Accounting Manager
Darryl Gissel, Chief Administrative Officer
Freddy Smith, Director, Postlethwaite & Netterville

Attachment A

Louisiana Legislative Auditor's Statewide Agreed Upon Procedures - Collections

4. Obtain a listing of deposit sites⁸ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

⁸A deposit site is a physical location where a deposit is prepared and reconciled.

5. For each deposit site selected, obtain a listing of collection locations⁹ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if not written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

⁹ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day)¹⁰. *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

¹⁰ If "bank reconciliations" have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for bank reconciliations.

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.



Department of Finance

City of Baton Rouge
Parish of East Baton Rouge

222 St. Louis Street
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(225) 389-3061
FAX (225) 389-5673

June 27, 2019

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

**REFERENCE: Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures–
2018**

In response to the exceptions noted in the Independent Accountants' Report on Applying Agreed-Upon Procedures, I offer the following response:

The City-Parish will address each exception with the applicable department and will work with them to implement corrective action. The following comments are offered for the noted exceptions:

Board or Finance Committee

The Annual Operating Budget for the next fiscal year is presented to and authorized by the Metropolitan Council annually, it reflects budget-to-projected comparisons for the required fund types. The Finance Department will develop and implement a procedure to accomplish this quarterly requirement for budget-to-actual comparisons.

Collections

The Internal Auditing Division informed the applicable departments and the departments will be responsible for corrective action.

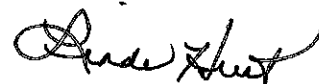
Credit Cards/Debit Cards/Fuel Cards/P-Cards

The L'Advantage Card Program policy prohibits purchases for non-business purposes. The log used to document approvals and reconcile purchases with account numbers does not specifically request that the cardholder record the business purpose of the purchase. The review of business

Response to Louisiana Legislative
Auditor's Statewide Agreed Upon
Procedures, 2017
June 27, 2019
Page 2

purpose has been part of the approval process. However, the City-Parish will develop a process to capture the propriety of the purchase.

If you have questions or want additional information, please contact me at 389-3061 or at lhunt@brla.gov.

A handwritten signature in black ink, appearing to read "Linda Hunt", with a stylized flourish at the end.

Linda Hunt
Finance Director